

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



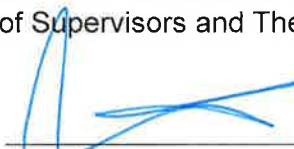
**FROM:** TLMA - Transportation Department

**SUBMITTAL DATE:**  
March 15, 2012

**SUBJECT:** Tract 25145, Subdivision Improvement Settlement Agreement, Fourth Supervisorial District

**RECOMMENDED MOTION:** That the Board of Supervisors approve and execute the attached Settlement Agreement which allows Travelers Casualty and Surety Company to satisfy the terms of the Subdivision Improvement Agreement in place of the defaulted developer for public health and safety.

**BACKGROUND:** On December 12, 2000, pursuant to Government Code Section 66462, the County of Riverside acting through the Board of Supervisors and The Devon Group entered into

  
\_\_\_\_\_  
Juan C. Perez  
Director of Transportation

HS:lr  
Attachments

(Continued On Attached Page)

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011-2012

<b>SOURCE OF FUNDS:</b>  There are no General Funds used in this project.	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

BY:   
Tina Grande

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY:   
ELENA M. BOEVA  
DATE: 3-27-12  
Departmental Concurrence

Dep't Recomm.:  Consent  Policy  
Per Exec. Ofc.:  Consent  Policy

**Prev. Agn. Ref.** 12/12/2000 - 2.6, 7/16/2002 - 2.4, 3/21/2006 - 2.10 | **District:** 4/4 | **Agenda Number:**

**3.49**

The Honorable Board of Supervisors

RE: Tract 25145, Subdivision Improvement Settlement Agreement, Fourth Supervisorial District

March 15, 2012

Page 2 of 2

Subdivision Improvement Agreements for the construction of offsite street improvements, installation of water and sewer improvements, monument installation within the above referenced subdivision. Faithful Performance and Material & Labor Bonds were posted by Travelers Casualty and Surety Company to guarantee the completion of the improvements within the subdivision, as well as offsite improvements. The required improvements have been completed except for the monument placement, in accordance with the approved plans, and The Devon Group abandoned the project and defaulted on the Monument Bonds.

On October 27, 2010 the County through Transportation Department issued a Notice of Default to The Devon Group notifying The Devon Group and its surety, Travelers Casualty and Surety Company of the Default. The County also made a demand upon Travelers Casualty and Surety Company, as surety under subdivision bonds, to complete the bonded improvements within the subdivision.

The street, sewer and water improvements have been completed per the approved plans, except the monuments. Travelers Casualty and Surety Company has agreed to take over the terms of the Subdivision Improvement Agreements and offers to tender the penal sum of the bonds in lieu of installing the monuments on the above referenced tract. The County Surveyor's office will use the proceeds to complete the installation of the monuments in accordance with the applicable statutes and ordinances.

## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between THE COUNTY OF RIVERSIDE, (the "County"), GULF INSURANCE COMPANY and TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA (Gulf Insurance and Travelers collectively referred to herein as "Travelers") effective on the date this Agreement is approved by the Board of Supervisors for the County of Riverside ("Effective Date").

### I. RECITALS

A. WHEREAS, on or about July 16, 2002, The Devon Group, LLC ("Developer"), entered into Subdivision Agreements (the "Subdivision Agreements") with the County to furnish all labor, equipment and materials necessary to perform and complete all offsite road, drainage, and water system improvements and monuments for a certain work of improvement consisting of Tract 25145 ("Tract 25145"). The Subdivision Agreements are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this Agreement and attached hereto as Exhibit "A."

B. WHEREAS, pursuant to California Government Code Sections 66499 et seq., Travelers issued the following surety bonds for Tract 25145: Performance Bond No. BE2617117 and Subdivision Monument Bond No. BE 2617118 (the "Performance Bonds") and Material and Labor Bond No. BE 2617117 (the "Payment Bond") (collectively, the "Bonds"). The Bonds are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this Agreement and attached hereto as Exhibit "B."

C. WHEREAS, on or about March 17, 2011, the County filed suit against Travelers in the Superior Court of California, County of Riverside, captioned "County of Riverside v. The Devon Group, LLC, et al., No. RIC1104745" (the "Lawsuit"). In the Lawsuit, the County sought damages for Travelers' alleged breach of its obligations under the Performance Bonds.

D. WHEREAS, this Agreement is intended to resolve all remaining issues between Travelers and the County with regard to Tract 25145, fully, finally and forever, as set forth herein.

NOW, THEREFORE, based on the exchange of valuable consideration, the receipt and sufficiency of which is acknowledged, and based on the Recitals set forth above which form a part of this Agreement, Travelers and the County agree to the following terms and conditions:

## II. TERMS AND CONDITIONS

1. Recitals. The above Recitals are not contractual. The Terms and Conditions are contractual and the agreements contained herein and consideration transferred are to satisfy rights and obligations between the County and Travelers.

2. Payment by Travelers. In full settlement of the disputes between Travelers and the County as described herein, Travelers agrees to forfeit the penal sum of the Monument Bond, Bond No. BE2617118, to the County by issuing payment to the County in the amount of \$33,800. Travelers will make the payment within thirty (30) days of the approval of this Agreement by the County of Riverside Board of Supervisors.

3. Release of Bonds and Dismissal of Lawsuit.

a. Upon receipt of payment of \$33,800 by Travelers to the County, the County shall release the Performance Bonds and Payment Bonds in accordance with the provisions of County of Riverside Ordinance 460 and Government Code §66499.7.

b. Upon receipt of payment of \$33,800 by Travelers, the County shall dismiss the Lawsuit with prejudice.

4. Mutual Releases. Travelers and the County, for themselves, and for all of their successors and assigns, fully and forever release, discharge, and dismiss any and all present and future claims, demands, actions, causes of action, rights, damages, costs, expenses and compensations whatsoever, in law or in equity, in the nature of an administrative proceeding or otherwise (known, unknown, contingent, accrued, inchoate or otherwise), that they have, have had or may have, now or in the future, against one another, arising out of or relating in any way to Travelers' obligations under the Bonds and Subdivision Agreements except that Travelers and the County do not release each other from the obligations expressly set forth in this Agreement, all of which survive this release and bind the parties hereto.

5. Notices. All notices and correspondence to the County shall be mailed by U.S. Postal Service First Class Mail, with a copy by facsimile transmission, to:

Mr. Hugh Smith  
Construction Engineering Division Manager  
County of Riverside Transportation Department  
2950 Washington Street  
Riverside, CA 92504

All notices and correspondence to Travelers shall be mailed by U.S. Postal Service First Class Mail, with a copy by facsimile transmission to:

Mr. Patrick Toulouse  
Travelers Casualty and Surety Company of America

33650 6th Ave. South, Ste. 200  
Federal Way, WA 98003  
Telephone: (253) 943-5826  
Fax: (888) 479-1191  
Email: ptoulous@travelers.com

6. No Third-Party Rights. Except as expressly provided herein, nothing in this Agreement shall be deemed to create any rights in favor of, or to inure to the benefit of, any third parties, or to waive or release any defense or limitation against third party claims.

7. Agreement Binding on Successors. This Agreement shall be binding upon the successors and assignees of Travelers and the County.

8. No Modification Except in Writing. This Agreement cannot be modified except in a writing signed by both Travelers and the County.

9. This Agreement Controls. In case of conflict between the provisions of this Agreement and the provisions of the Subdivision Agreements and/or the Bonds, this Agreement shall control. Further, this Agreement, the Subdivision Agreements and the Bonds constitute the entire Agreement between Travelers and the County, and, together, supersede all prior negotiations, representations, offers, other writings, and oral statements of every description.

10. Construction and Application of Law. The parties stipulate that this Agreement and all agreements or documents incorporated herein shall not be subject to the rule of construction that a written agreement is construed against the party preparing or drafting that Agreement. The parties also agree that this Agreement and its performance shall be governed by and construed in accordance with the laws of the state of California.

11. Validity. Invalidity of any portion or provisions of the Subdivision Agreements or this Agreement by reason of the laws of any State or for any other reason shall not render any other provisions or portions of the Subdivision Agreements or this Agreement invalid.

12. No Waiver. The failure of either party to exercise in any respect a right provided for in this Agreement shall not be deemed to be a subsequent waiver of the same right or of any other right.

13. Counterparts/Facsimile. This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be deemed to be an original with all the counterparts constituting but one and the same instrument. The execution of this Agreement by any parties hereto will not become effective until counterparts hereof have been executed by all parties and approved by the Board of Supervisors for the County of Riverside. Additionally, a facsimile signature shall bind the undersigned.

WHEREFORE, the parties have executed this Agreement by their authorized representatives.

DATED: \_\_\_\_\_

COUNTY OF RIVERSIDE

ATTEST:

\_\_\_\_\_  
By: John F. Tavaglione,  
Chairman, Board of Supervisors

KECIA HARPER-IHEM  
Clerk of the Board

BY: \_\_\_\_\_  
Deputy


DATED: 1/9/12

TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA and GULF  
INSURANCE COMPANY

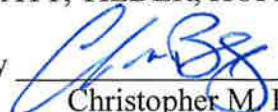
  
\_\_\_\_\_  
By: Mr. Patrick Toulouse  
Its: Senior Claims Counsel

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

BY:   
\_\_\_\_\_  
Elena M. Boeva,  
Deputy County Counsel

WATT, TIEDER, HOFFAR & FITZGERALD, LLP.

By   
\_\_\_\_\_  
Christopher M. Bunge, Esq.  
Attorneys for Travelers Casualty and Surety Company of America and Gulf  
Insurance Company

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# Exhibit A



SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

9038



FROM: TLMA - Transportation Dept.

SUBMITTAL DATE:  
March 13, 2006

SUBJECT: TRACT 25145

A Schedule "A" Subdivision in the Coachella Area  
EXTENSION OF TIME AGREEMENTS

RECOMMENDED MOTION: That the Board approve the attached agreements (which grant an extension of time for twelve months to complete improvements).

BACKGROUND: On July 16, 2002, the Board entered into agreements with The Devon Group for the improvement of streets and the installation of a water and sewer system within the above referenced subdivision. Accompanying these agreements were faithful performance securities posted by Travelers Casualty and Surety Company as follows:

- \$858,000 - Bond #BE2617117 for the completion of street improvements
- \$257,500 - Bond #BE2617117 for the completion of the water system
- \$399,500 - Bond #BE2617117 for the completion of the sewer system
- \$33,800 - Bond #BE2617118 for the completion of the monumentation

(Continued)

HS:lf

- Submittals: Vicinity Map
- Road/Drainage Improvement Agrmts
- Water System Improvement Agrmts
- Sewer System Improvement Agrmts
- Survey Monument Agreements

*George A. Johnson*  
George A. Johnson  
Director of Transportation

Departmental Concurrence

REVIEWED BY EXECUTIVE OFFICE  
*James Wright*  
DATE 3/13/06

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Wilson and Ashley  
 Nays: None  
 Absent: None  
 Date: March 21, 2006  
 xc: Transp., COB

Nancy Romero  
Clerk of the Board  
*Nancy Romero*  
Deputy

Policy  
 Policy  
 Consent  
 Consent  
 Dept's Recomm.:  
 Per Exec. Ofc.:

Prev. Agn. Ref.: 07/16/02 - 2.4

District: 4

Agenda Number:

2.10



The Honorable Board of Supervisors

RE: Tract 25145

March 13, 2006

Page 2 of 2

The developer requests an extension of time for the completion of Tract 25145. Our records indicate that this project is approximately 70% completed for streets and utility work. The agreements for the extension of time have been approved by County Counsel.

**\*EXTENSION OF TIME\***

**AGREEMENT  
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and The Devon Group, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 25145, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within 12 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Eight hundred fifty-eight thousand and no/100 Dollars (\$858,000.00).

**SECOND:** Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the road and drainage improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgement, all such costs, expenses and fees shall be taxed as costs and included in any judgement rendered.

**THIRD:** County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County

Construction Engineer  
Riverside County Transportation Dept.  
2950 Washington Street  
Riverside, CA 92504

Contractor

The Devon Group  
PO. 25  
Rancho Mirage, CA. 92070

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By [Signature]

Title Pres.

By [Signature]

Title Sec.

COUNTY OF RIVERSIDE

By Bob Buster

**BOB BUSTER** CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk of the Board

By [Signature]  
Deputy

APPROVED AS TO FORM

JOE S. RANK, County Counsel

By [Signature]

SIGNATURES OF CONTRACTOR MUST BE WITNESSED BY NOTARY  
AND EXECUTED IN TRIPLICATE

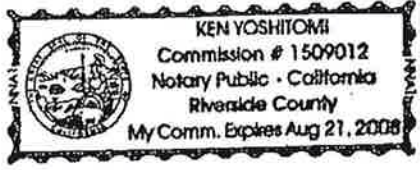
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Riverside } ss.

On Dec. 06, 2005 before me, Ken Yoshitomi, Notary Public

personally appeared Edwin Calvin Cree



personally known to me  
 proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Ken Yoshitomi  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Extension of Time - Agreement for the construction of Road / Drainage Improvements (signed twice)  
Document Date: Dec. 06, 2005 Number of Pages: 3

Signer(s) Other Than Named Above: No other signers

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Edwin Calvin Cree  
 Individual  
 Corporate Officer — Title(s): Pres. / Sec.  
 Partner —  Limited  General  
 Attorney In Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_



**\*EXTENSION OF TIME\***

**AGREEMENT  
FOR THE CONSTRUCTION OF WATER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and The Dixon Group, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 25145, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 12 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Coachella Valley Water District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Two hundred fifty-seven thousand five hundred and no/100 Dollars (\$257,500.00).

**SECOND:** Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgement, all such costs, expenses and fees shall be taxed as costs and included in any judgement rendered.

**THIRD:** County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.



FOURTH: The Contractor hereby grants to County, or any agent or employee of County, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County

Construction Engineer  
Riverside County Transportation Dept.  
2950 Washington Street  
Riverside, CA 92504

Contractor

The Devon Group  
P.O. 25  
Pomona Springs, N.  
90070

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By [Signature]

Title Pres.

By [Signature]

Title Sec.

COUNTY OF RIVERSIDE

By Bob Buster

**BOB BUSTER** CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk of the Board

By [Signature]  
Deputy

APPROVED AS TO FORM

JOE S. RANK, County Counsel

By [Signature]

SIGNATURES OF CONTRACTOR MUST BE WITNESSED BY NOTARY  
AND EXECUTED IN TRIPPLICATE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

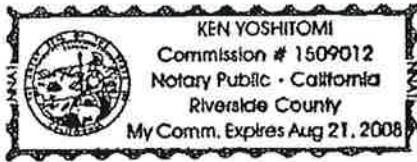
County of Riverside } ss.

On Dec. 06, 2005 before me, Ken Yoshitomi, Notary Public

personally appeared Edwin Calvin Cree  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public") Name(s) of Signer(s)

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Place Notary Seal Above

Ken Yoshitomi  
Signature of Notary Public

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Extension of Time - Agreement for the Construction of Water System Improvements (signed twice)

Document Date: Dec. 06, 2005 Number of Pages: 3

Signer(s) Other Than Named Above: No other signers

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Edwin Calvin Cree

- Individual
- Corporate Officer — Title(s) Pres./Sec.
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

**\*EXTENSION OF TIME\***

**AGREEMENT  
FOR THE CONSTRUCTION OF SEWER SYSTEM IMPROVEMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and The Devon Group, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 25145**, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **12** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by **Coachella Valley Water District** to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of **Three hundred ninety-nine thousand five hundred and no/100 Dollars (\$399,500.00)**.

**SECOND:** Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the Director of Transportation. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the water system improvements, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgement, all such costs, expenses and fees shall be taxed as costs and included in any judgement rendered.

**THIRD:** County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

**FOURTH:** The Contractor hereby grants to County, or any agent or employee of County, the irrevocable



permission to enter upon the lands of the subject land division for the purpose of completing the improvements. This permission shall terminate in the event that Contractor has completed work within the time specified or any extension thereof granted by the County.

FIFTH: The Contractor shall provide adequate notice and warning to the traveling public of each and every hazardous or dangerous condition caused or created by the construction of the works of improvement at all times up to the completion and formal acceptance of the works of improvement. The Contractor shall protect all persons from such hazardous or dangerous conditions by use of traffic regulatory control methods, including, but not limited to, stop signs, regulatory signs or signals, barriers, or detours.

SIXTH: Contractor, his agents and employees, shall give notice to the Director of Transportation at least 48 hours before beginning any work and shall furnish said Director of Transportation all reasonable facilities for obtaining full information with respect to the progress and manner of work.

SEVENTH: If Contractor, his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement and notice of such default shall be served upon him. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor because of such default. The determination by the Director of Transportation of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

EIGHTH: Contractor agrees to file with County, prior to the date this agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by Article XVII of Riverside County Ordinance 460 to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

NINTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

TENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not contain that particular part, term or provision held to be invalid.

ELEVENTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County  
Construction Engineer  
Riverside County Transportation Dept.  
2950 Washington Street  
Riverside, CA 92504

Contractor  
The Devon Group  
P.O. 25  
Pomona Village, CA.  
92270

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By [Signature]

Title Pres

By [Signature]

Title Sec.

COUNTY OF RIVERSIDE

By Bob Buster

**BOB BUSTER** CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk of the Board

By [Signature]  
Deputy

APPROVED AS TO FORM

JOE S. RANK, County Counsel

By [Signature]

SIGNATURES OF CONTRACTOR MUST BE WITNESSED BY NOTARY  
AND EXECUTED IN TRIPPLICATE

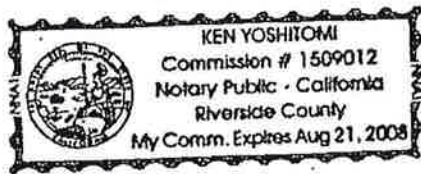


**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Riverside } ss.

On Dec. 06, 2005 before me, Ken Yoshitomi, Notary Public  
Date Name and Title of Officer (e.g., Jane Doe, Notary Public)  
 personally appeared Edwin Calvin Cree  
Name(s) of Signer(s)



personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Ken Yoshitomi  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

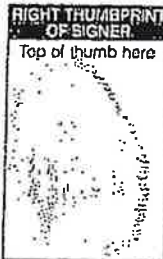
Title or Type of Document: Extension of Time - Agreement for the Construction of Sewer System Improvements (signed twice)  
 Document Date: Dec. 06, 2005 Number of Pages: 3

Signer(s) Other Than Named Above: No other signers

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Edwin Calvin Cree

- Individual
- Corporate Officer — Title(s): Pres./Sec.
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

**\*EXTENSION OF TIME\***

**AGREEMENT  
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and The Devon Group, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as **Tract 25145**, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within 12 months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, his surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of **Thirty-three thousand eight hundred and no/100 Dollars (\$33,800.00)**.

**SECOND:** Contractor agrees to pay to County the actual cost of such inspections of the work and improvements as may be required by the County Surveyor. Contractor further agrees that, if suit is brought upon this agreement or any bond guaranteeing the completion of the monuments, all costs and reasonable expenses and fees incurred by County in successfully enforcing such obligations shall be paid by Contractor, including reasonable attorney's fees, and that, upon entry of judgement, all such costs, expenses and fees shall be taxed as costs and included in any judgement rendered.

**THIRD:** County shall not, nor shall any officer or employee of County, be liable or responsible for any accident, loss or damage happening or occurring to the works specified in this agreement prior to the completion and acceptance thereof, nor shall County or any officer or employee thereof, be liable for any persons or property injured by reason of the nature of the work, or by reason of the acts or omissions of Contractor, his agents or employees, in the performance of the work, and all or said liabilities are assumed by Contractor. Contractor agrees to protect, defend, and hold harmless County and the officers and employees thereof from all loss, liability or claim because of, or arising out of the acts or omissions of Contractor, his agents and

employees, in the performance of this agreement or arising out of the use of any patent or patented article in the performance of this agreement.

FOURTH: The Contractor hereby grants to County, the Surety upon any bond, and to the agents, employees and contractors of either or them, the irrevocable permission to enter upon the lands of the subject land division for the purpose of completing the monumentation. This permission shall terminate in the event that Contractor or the Surety has completed work within the time specified or any extension thereof granted by the County. It is further agreed that Contractor shall have control of the ground reserved for the installation of said work, and the streets in which they are to be placed, as is necessary to allow him to carry out this agreement.

FIFTH: Contractor agrees to file with County prior to the date this contract is executed, an acceptable and sufficient improvement security in an amount not less than the estimated cost of the work, as above specified, for the faithful performance of the terms and conditions of this agreement, and for the payment of the amount of the improvement security to the County for the benefit of any surveyor or engineer who has not been paid by the Contractor, as provided for by Section 66495 et seq. of the Government Code of the State of California. Contractor agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amount of said bonds, or both, within ten (10) days after being notified by the Director of Transportation that the sureties or amounts are insufficient. Notwithstanding any other provisions herein, if Contractor fails to take such action as is necessary to comply with said notice, he shall be in default of this agreement unless all required improvements are completed within ninety (90) days of the date on which the Director of Transportation notified Contractor of the insufficiency of the security or the amount of the bonds or both.

SIXTH: If contractor neglects, refuses, or fails to prosecute the work as to insure its completion within the time specifies, or within such extensions of time which have been granted by County, or if Contractor violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this agreement. County shall have the power, on recommendation of the Director of Transportation, to terminate all rights of Contractor in such agreement, but said termination shall not affect or terminate any of the rights of County as against Contractor or his Surety then existing or which thereafter accrue because of such default. The determination of the County Surveyor of the question as to whether any of the terms of the agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Contractor, his Surety, and any and all parties who may have any interest in the agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to County under law. The failure of the Contractor to commence construction shall not relieve the Contractor or surety from completion of the improvements required by this agreement.

SEVENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this agreement, that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this agreement, extensions of time may be granted, from time to time, by County, either at its own option, or upon request of Contractor, and such extensions shall in no way affect the validity of this agreement or release the surety or sureties on such bonds. Contractor further agrees to maintain the aforesaid bond or bonds in full force and effect during the terms of this agreement, including any extensions of time as may be granted therein.

EIGHTH: It is understood and agreed by the parties hereto that if any part, term or provision of this agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the agreement did not



contain that particular part, term or provision held to be invalid.

NINTH: Any notice or notices required or permitted to be given pursuant to this agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

County

Construction Engineer  
Riverside County Transportation Dept.  
2950 Washington Street  
Riverside, CA 92504

Contractor

The Deven Group  
P.O. 25  
Rancho Flamingo, CA  
92878

IN WITNESS WHEREOF, Contractor has affixed his name, address and seal.

By [Signature]

Title Pres

By [Signature]

Title Sec.

COUNTY OF RIVERSIDE

By Bob Buster

**BOB BUSTER** CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk of the Board

By [Signature]  
Deputy

APPROVED AS TO FORM

JOE S. RANK, County Counsel

By [Signature]

SIGNATURES OF CONTRACTOR MUST BE WITNESSED BY NOTARY  
AND EXECUTED IN TRIPPLICATE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

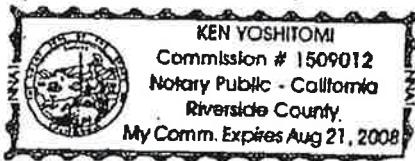
County of Riverside } ss.

On Dec. 06, 2005 before me, Ken Yoshitomi, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Edwin Calvin Cree  
Name(s) of Signer(s)

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Ken Yoshitomi  
Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Extension of Time - Agreement for the Placement of Survey Monuments (signed twice)

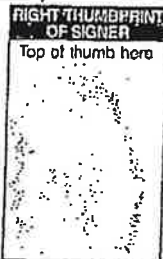
Document Date: Dec. 06, 2005 Number of Pages: 3

Signer(s) Other Than Named Above: No other signers

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: Edwin Calvin Cree

- Individual
- Corporate Officer — Title(s): Pres./Sec.
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

---

# Exhibit B



**FAITHFUL PERFORMANCE BOND**  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
(Government Code Section 66499.1)

FOR: Streets and Drainage \$ 858,000  
Water System \$ 257,500  
Sewer System \$ 399,500

Tract No. 25145  
Parcel Map No. \_\_\_\_\_  
Bond No. BE2617117  
Premium \$22,726.00

Surety Gulf Insurance Group  
Address 110 West "A" Street  
City/State San Diego, CA  
Zip 92101  
Phone 800-708-0589

Principal The Devon Group, Inc., A California Corporation  
Address 47-400 Southcliff Rd.  
City/State Palm Desert, CA  
Zip 92260  
Phone 760/568-5022

WHEREAS, the County of Riverside, State of California, and The Devon Group, Inc., A California Corporation (hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract ~~Parcel~~) 25145, which agreement(s) is/are hereby referred to and made a part hereof; and,

WHEREAS, said principal is required under the terms of said agreement(s) to furnish bond(s) for the faithful performance of said agreement(s);

NOW, THEREFORE, we the principal and Gulf Insurance Group, as surety, are held and firmly bound unto the County of Riverside in the penal sum of One Million Five Hundred Fifteen Thousand & 00/100 Dollars (\$1,515,000.00) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bonded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the County of Riverside, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

FORM APPROVED  
COUNTY COUNSEL

JUN 18 2002

BY [Signature]

## FAITHFUL PERFORMANCE BOND

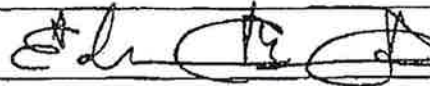
The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of this agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code and commencement of construction are not conditions precedent to surety's obligations hereunder and are hereby waived by surety.

When the work covered by the agreement is complete, the County of Riverside will accept the work and thereupon, the amount of the obligation of this bond is reduced by 90% with the remaining 10% held as security for the one-year maintenance period provided for in the agreements(s).

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on May 7, 2002.

NAME OF PRINCIPAL: The Devon Group, Inc., A California Corporation

AUTHORIZED SIGNATURE(S): By: \_\_\_\_\_



\_\_\_\_\_ Title

President

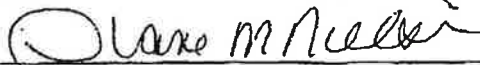
\_\_\_\_\_ Title

\_\_\_\_\_ Title

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: Gulf Insurance Group

AUTHORIZED SIGNATURE: \_\_\_\_\_



Its Attorney-in-Fact Diane M Nielsen Title

(IF CORPORATION, AFFIX SEAL)

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURES OF PRINCIPAL AND ATTORNEY-IN-FACT.

STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE }

ON 6/7/02 , BEFORE ME, LUIS GARCIA, Notary Public

PERSONALLY APPEARED: DIANE M. NIELSEN

Capacity Claimed By Signer(s):

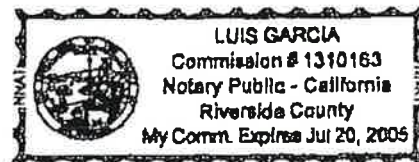
Individual(s)    Corporate \_\_\_\_\_    Partner(s)    Attorney In Fact  
 Trustee(s)    Guardian/Conservator    Other: \_\_\_\_\_

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person (s) whose name (s) is/are subscribed to the within instrument & acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signatures (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

Luis Garcia, Notary



ALL PURPOSE ACKNOWLEDGMENT

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

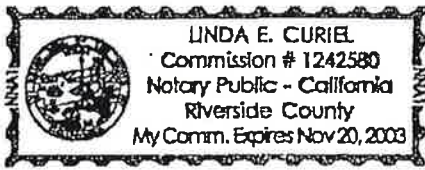
State of California

County of Riverside } ss.

On 5-9-02, before me, Linda E. Curiel, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Edwin Calvin Cree  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Linda E. Curiel  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Faithful Performance Bond

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

- Signer's Name: Edwin Calvin Cree
- Individual
  - Corporate Officer — Title(s): \_\_\_\_\_
  - Partner —  Limited  General
  - Attorney in Fact
  - Trustee
  - Guardian or Conservator
  - Other: President

Signer Is Representing: \_\_\_\_\_





**SUBDIVISION MONUMENT BOND**  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
(Government Code Section 66496)

Surety <u>Gulf Insurance Group</u> Address <u>110 West "A" Street</u> City/State <u>San Diego, CA</u> Zip <u>92101</u> Phone <u>800/708-0589</u>	Tract/Parcel/Map No. <u>25145</u> Bond No. <u>BE2617118</u> Premium: <u>\$507.00</u> Principal <u>The Devon Group, Inc., A California Corporation</u> Address <u>47-400 Southcliff Rd.</u> City/State <u>Palm Desert, CA</u> Zip <u>92260</u> Phone <u>760/568-5022</u>
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**KNOW ALL MEN BY THESE PRESENTS:**

That, The Devon Group, Inc., A California Corporation,  
subdivider, as principal, and Gulf Insurance Group,  
a corporation, as surety, are hereby jointly and severally bound to pay to the County of Riverside  
the sum of Thirty Three Thousand Eight Hundred & 00 Dollars (\$ 33,800.00\*\*\*\*).

The condition of this obligation is that, whereas the subdivider, as a condition of the filing of the  
final map of Tract/Parcel/Map Number 25145, entered into an agreement with the  
County of Riverside to set Survey Monuments and Tie Points in said tract and furnish Tie Notes  
therefore and to pay the engineer or surveyor performing the work, in full, within 30 days after  
completion.

NOW, THEREFORE, if the subdivider shall well and truly perform said agreement during the  
original term thereof, or of any extension of said term that may be granted by the County of  
Riverside, with or without notice to the surety, then this obligation shall become null and void;  
otherwise, it shall remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore,  
there shall be included costs and reasonable expenses and fees, including reasonable attorney's  
fees, incurred by the County in successfully enforcing such obligation, all to be taxed as costs  
and included in any judgement rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition  
to the terms of this agreement or to the work to be performed thereunder or the specifications  
accompanying the same shall in anywise affect its obligation on this bond, and it does hereby  
waive notice of any such change, extension of time, alteration or addition. Surety further  
stipulates and agrees that the provisions of Section 2845 of the Civil Code and commencement of  
construction are not conditions precedent to surety's obligations hereunder and are hereby  
waived by surety.


FORM APPROVED  
COUNTY COUNSEL

JUN 18 2002  
BY [Signature]

# SUBDIVISION MONUMENT BOND

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on May 7, 2002.

NAME OF PRINCIPAL: The Devon Group, Inc., A California Corporation

AUTHORIZED SIGNATURE(S): By: 

Title

President

Title

Title

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: Gulf Insurance Group

AUTHORIZED SIGNATURE: 

Its Attorney-in-Fact Diane M Nielsen Title

(IF CORPORATION, AFFIX SEAL)

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURES OF PRINCIPAL AND ATTORNEY-IN-FACT.



STATE OF CALIFORNIA  
COUNTY OF RIVERSIDE

ON 8/7/05, BEFORE ME, LUIS GARCIA, Notary Public

PERSONALLY APPEARED: DIANE M. NIELSEN

Capacity Claimed By Signer(s):

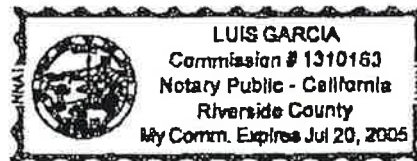
- Individual(s) .  Corporate \_\_\_\_\_  Partner(s)  Attorney In Fact
- Trustee(s)  Guardian/Conservator  Other: \_\_\_\_\_

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person (s) whose name (s) is/are subscribed to the within instrument & acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signatures (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

Luis Garcia, Notary



ALL PURPOSE ACKNOWLEDGMENT

**GULF INSURANCE COMPANY  
HARTFORD, CONNECTICUT  
POWER OF ATTORNEY**

ORIGINALS OF THIS POWER OF ATTORNEY ARE PRINTED ON BLUE SAFETY PAPER WITH TEAL INK.

KNOW ALL MEN BY THESE PRESENTS: That the Gulf Insurance Company, a corporation duly organized under the laws of the State of Connecticut, having its principal office in the city of Irving, Texas, pursuant to the following resolution, adopted by the Finance & Executive Committee of the Board of Directors of the said Company on the 10th day of August, 1993, to wit:

RESOLVED, that the President, Executive Vice President or any Senior Vice President of the Company shall have authority to make, execute and deliver a Power of Attorney constituting as Attorney-in-Fact, such persons, firms, or corporations as may be selected from time to time; and any such Attorney-in-Fact may be removed and the authority granted him revoked by the President, or any Executive Vice President, or any Senior Vice President, or by the Board of Directors or by the Finance and Executive Committee of the Board of Directors.

RESOLVED, that nothing in this Power of Attorney shall be construed as a grant of authority to the attorney(s)-in-fact to sign, execute, acknowledge, deliver or otherwise issue a policy or policies of insurance on behalf of Gulf Insurance Company.

RESOLVED, that the signature of the President, Executive Vice President or any Senior Vice President, and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such power so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond and documents relating to such bonds to which they are attached.

Gulf Insurance Company does hereby make, constitute and appoint

**VAN G. TANNER      PAUL LEWIS      MATT COSTELLO**

**DIANE M. NIELSON   ANN WILLARD   FILAMENA LEMOS   LINDA WELD**

its true and lawful attorney(s)-in-fact, with full power and authority hereby conferred in its name, place and stead, to sign, execute, acknowledge and deliver in its behalf, as surely, any and all bonds and undertakings of suretyship, and to bind Gulf Insurance Company thereby as fully and to the same extent as if any bonds, undertakings and documents relating to such bonds and/or undertakings were signed by the duly authorized officer of the Gulf Insurance Company and all the acts of said attorney(s)-in-fact, pursuant to the authority herein given, are hereby ratified and confirmed.

The obligation of the Company shall not exceed five million (5,000,000) dollars.

IN WITNESS WHEREOF, the Gulf Insurance Company has caused these presents to be signed by any officer of the Company and its Corporate Seal to be hereunto affixed.

STATE OF NEW YORK      }  
COUNTY OF NEW YORK    } SS



GULF INSURANCE COMPANY

*Lawrence P. Minter*  
**Lawrence P. Minter**  
Executive Vice President

On this 1st day of October, A.D. 2001, before me came Lawrence P. Minter, known to me personally who being by me duly sworn, did depose and say: that he resides in the County of Bergen, State of New Jersey; that he is the Executive Vice President of the Gulf Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instruments is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name, thereto by like order.

STATE OF NEW YORK      }  
COUNTY OF NEW YORK    } SS



*David Jaffa*  
**David Jaffa**  
Notary Public, State of New York  
No. 021A4958634  
Qualified in Kings County  
Commission Expires December 30, 2001

I, the undersigned, Senior Vice President of the Gulf Insurance Company, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force.

Signed and Sealed at the City of New York,



Dated the 7th day of May 20 02

*George Biancardi*  
**George Biancardi**  
Senior Vice President

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California

County of Riverside } ss.

On 5-9-02  
Date

before me, Linda E. Curiel Notary Public  
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Edwin Calvin Cree  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Linda E. Curiel  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Subdivision Monument Bond

Document Date: 5-7-02 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: Edwin Calvin Cree

- Individual
- Corporate Officer — Title(s): President
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_



MATERIAL AND LABOR BOND  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA  
(Government Code Section 66499.1)

FOR: Streets and Drainage \$ 429,000 Tract No. 25145  
Water System \$ 128,750 Parcel Map No. \_\_\_\_\_  
Sewer System \$ 199,750 Bond No. BE2617117  
Premium Included in Performance Bond

Surety Gulf Insurance Group Principal The Devon Group, Inc., A California Corporat  
Address 110 West "A" Street Address 47-400 Southcliff Rd.  
City/State San Diego, CA City/State Palm Desert, CA  
Zip 92101 Zip 92260  
Phone 800/708-0589 Phone 760/568-5022

WHEREAS, the County of Riverside, State of California, and The Devon Group, Inc., A California Corporation (hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract/Parcel) 25145, which agreement(s) is/are hereby referred to and made a part hereof; and,

WHEREAS, under the terms of said agreement, principal is required, before entering upon the performance of the work, to file a good and sufficient payment bond with the County of Riverside to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California;

NOW, THEREFORE, said principal and the undersigned, as corporate surety, are held firmly unto the County of Riverside and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of said Civil Code in the sum of Seven Hundred Fifty Seven Thousand Five Hundred & 00/100 Dollars (\$ 757,500.00 ) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

It is hereby expressly stipulated and agreed upon that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to full claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect

FORM APPROVED  
COUNTY COUNSEL

JUN 18 2002

BY [Signature]



MATERIAL AND LABOR BOND

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of this agreement or to the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition. Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code are not a condition precedent to surety's obligations hereunder and are hereby waived by surety.

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on May 7, 2002.

NAME OF PRINCIPAL: The Devon Group, Inc., A California Corporation

AUTHORIZED SIGNATURE(S): By: [Signature]

Title

President

Title

Title

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: Gulf Insurance Group

AUTHORIZED SIGNATURE: [Signature]

Its Attorney-in-Fact Diane M Nielsen Title

(IF CORPORATION, AFFIX SEAL)

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURES OF PRINCIPAL AND ATTORNEY-IN-FACT.



STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

ON 8/7/02, BEFORE ME, LUIS GARCIA, Notary Public

PERSONALLY APPEARED: DIANE M. NIELSEN

Capacity Claimed By Signer(s):

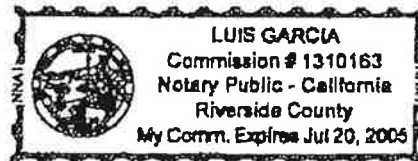
Individual(s)  Corporate  Partner(s)  Attorney In Fact

Trustee(s)  Guardian/Conservator  Other: \_\_\_\_\_

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person (s) whose name (s) is/are subscribed to the within instrument & acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signatures (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature:   
Luis Garcia, Notary



ALL PURPOSE ACKNOWLEDGMENT

**GULF INSURANCE COMPANY  
HARTFORD, CONNECTICUT  
POWER OF ATTORNEY**

ORIGINALS OF THIS POWER OF ATTORNEY ARE PRINTED ON BLUE SAFETY PAPER WITH TEAL INK.

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"RESOLVED, that the President, Executive Vice President or any Senior Vice President of the Company shall have authority to make, execute and deliver a Power of Attorney constituting as Attorney-in-Fact, such persons, firms, or corporations as may be selected from time to time, and any such Attorney-in-Fact may be removed and the authority granted him revoked by the President, or any Executive Vice President, or any Senior Vice President, or by the Board of Directors or by the Finance and Executive Committee of the Board of Directors.

RESOLVED, that nothing in this Power of Attorney shall be construed as a grant of authority to the attorney(s)-in-fact to sign, execute, acknowledge, deliver or otherwise issue a policy or policies of insurance on behalf of Gulf Insurance Company.

RESOLVED, that the signature of the President, Executive Vice President or any Senior Vice President, and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile, and any such powers so executed and certified by facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond and documents relating to such bonds to which they are attached."

Gulf Insurance Company does hereby make, constitute and appoint

**VAN G. TANNER                      PAUL LEWIS                      MATT COSTELLO**

**DIANE M. NIELSON ANN WILLARD FILAMENA LEMOS LINDA WELD**

its true and lawful attorney(s)-in-fact, with full power and authority hereby conferred in its name, place and stead, to sign, execute, acknowledge and deliver in its behalf, as surety, any and all bonds and undertakings of suretyship, and to bind Gulf Insurance Company thereby as fully and to the same extent as if any bonds, undertakings and documents relating to such bonds and/or undertakings were signed by the duly authorized officer of the Gulf Insurance Company and all the acts of said attorney(s)-in-fact, pursuant to the authority herein given, are hereby ratified and confirmed.

The obligation of the Company shall not exceed five million (\$5,000,000) dollars.

IN WITNESS WHEREOF, the Gulf Insurance Company has caused these presents to be signed by any officer of the Company and its Corporate Seal to be hereto affixed.

STATE OF NEW YORK        }  
COUNTY OF NEW YORK    } SS



GULF INSURANCE COMPANY

*Lawrence P. Minter*  
Lawrence P. Minter  
Executive Vice President

On this 1st day of October, A.D. 2001, before me came Lawrence P. Minter, known to me personally who being by me duly sworn, did depose and say: that he resides in the County of Bergen, State of New Jersey; that he is the Executive Vice President of the Gulf Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instruments is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that he signed his name, thereto by like order.

STATE OF NEW YORK        }  
COUNTY OF NEW YORK    } SS



*David Juffa*  
David Juffa  
Notary Public, State of New York  
No. 021A4958634  
Qualified in Kings County  
Commission Expires December 30, 2001

I, the undersigned, Senior Vice President of the Gulf Insurance Company, a Connecticut Corporation, DO HEREBY CERTIFY that the foregoing and attached POWER OF ATTORNEY remains in full force.

Signed and Sealed at the City of New York.



Dated the 7th day of May 20 02

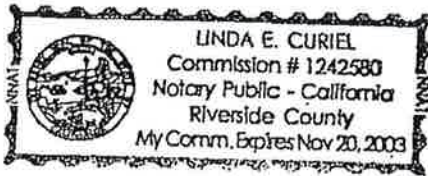
*George Biancardi*  
George Biancardi  
Senior Vice President

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Riverside } ss.

On 5-9-02 before me, Linda E. Curiel, Notary Public,  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Edwin Calvin Cree  
Name(s) of Signer(s)

personally known to me  
 proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal:

Linda E. Curiel  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

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**Description of Attached Document**

Title or Type of Document: Material and Labor Bond

Document Date: 5-7-02 Number of Pages: 2

Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

Signer's Name: Edwin Calvin Cree

- Individual
- Corporate Officer — Title(s): President
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_

Signer Is Representing: \_\_\_\_\_

