

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT BOARD
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



501B

FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
January 24, 2012

SUBJECT: Joint Community Facilities Agreement (Flood Control Improvements) for
Riverside Unified School District Community Facilities District No. 23 (Spring Mountain
Ranch)
Assumption of Joint Community Facilities Agreement

RECOMMENDED MOTION:

1. Approve the Assumption of Joint Community Facilities Agreement by and between the Riverside County Flood Control and Water Conservation District (District), the County of Riverside, the Riverside Unified School District, and SFI SMR, LLC; and
2. Authorize the Chairman to execute the same on behalf of the District.

BACKGROUND:

Continued on Page 2

WARREN D. WILLIAMS
General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. District Cost:	N/A	In Current Year Budget:	N/A
	Current F.Y. County Cost:	N/A	Budget Adjustment:	N/A
	Annual Net District Cost:	N/A	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY:
Michael R. Shetter

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

On motion of Supervisor Benoit, 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, Benoit and Ashley
Nays: None
Absent: None
Date: January 24, 2012
xc: Flood, EDA, Transp.

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

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

Prev. Agn. Ref.: 06/06/07, Item 11.10 District: 5th (Comp. Item 3.14 and 3.34) Agenda Number:

11.6

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER
DATE: 12/14/11

Departmental Concurrence

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

SUBJECT: Joint Community Facilities Agreement (Flood Control Improvements) for
Riverside Unified School District Community Facilities District No. 23 (Spring Mountain Ranch)
Assumption of Joint Community Facilities Agreement

SUBMITTAL DATE: January, 24, 2012
Page 2

BACKGROUND:

The proposed flood control drainage improvements are associated with the proposed development of the Spring Mountain Ranch Specific Plan. On June 26, 2007, the District, County of Riverside (County), Riverside Unified School District and SMR Venture, LLC entered into a Joint Community Facilities Agreement (Flood Control Improvements) that enabled Community Facilities District No. 23 to finance certain public drainage improvements. Upon completion of construction and the transfer of necessary rights of way, the District will accept the proposed flood control drainage improvements for ownership, operation and maintenance.

The Assumption of Joint Community Facilities Agreement (Spring Mountain Ranch-Flood Control Facilities) transfers the rights and responsibilities as established by the original Joint Community Facilities Agreement executed on June 26, 2007, from SMR Venture, LLC (Assignor) to SFI SMR, LLC (Assignee). Once executed, the Assignee will complete the construction of the proposed flood control drainage improvements.

County Counsel has approved the Assumption of Joint Community Facilities Agreement (Spring Mountain Ranch-Flood Control Facilities) as to legal form. The Assignor, Assignee and Riverside Unified School District have executed the Assumption of JCFA (Spring Mountain Ranch-Flood Control Facilities).

A companion item appears on the County's agenda this same date.

**Assumption of Joint Community Facilities Agreement
(Spring Mountain Ranch – Flood Control Facilities)**

ASSUMPTION OF JOINT COMMUNITY FACILITIES AGREEMENT
(SPRING MOUNTAIN RANCH - FLOOD CONTROL FACILITIES)

This Assumption Agreement (this "**Agreement**") is made and entered into as of August 1, 2011, by and among the County of Riverside, a political subdivision of the State of California (the "**County**"), Riverside Unified School District (the "**District**"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "**Flood Control District**"), and SFI SMR LLC, a Delaware limited liability company (the "**Property Owner**").

RECITALS

A. The Property Owner is the owner of property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 (the "**Property**"), providing for the development of approximately 1,461 proposed single family residential lots ("**Spring Mountain Ranch**"). The Property Owner acquired the Property from SMR Ventures, LLC, a Delaware limited liability company (the "**Previous Owner**"), pursuant to Trustee's Sale No. 08-24758 (the "**Transfer**").

B. To finance various public facilities required in connection with the development of Spring Mountain Ranch, including the Flood Control Improvements described in Recital C, the District contemplates the formation of a community facilities district (anticipated to be designated Community Facilities District No. 23 of Riverside Unified School District, and referred to herein as the "**CFD**") under the authority of the Mello-Roos Community Facilities Act of 1982, as amended (the "**Act**").

C. The Act provides that the CFD may finance the acquisition and construction of certain public improvements, including but not limited to the flood control and storm water drainage facilities (the "**Flood Control Improvements**"), which are to be owned by the Flood Control District, only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4, and 53316.6 of the Act.

D. As required by the Act, the District, the County, the Flood Control District, and the Previous Owner entered into and executed that certain Joint Community Facilities Agreement (Flood Control Improvements), dated as of June 26, 2007 (the "**Flood Control Improvements JCFA**"), a copy of which is attached hereto as Exhibit A.

E. In connection with the Transfer, the Previous Owner and the Property Owner entered into that certain Assignment of Contracts (the "**Assignment of Contracts**"), a copy of which is attached hereto as Exhibit B, whereby the Previous Owner assigned to the Property Owner, and the Property Owner assumed from the Previous Owner, all of the Previous Owner's rights and obligations under certain contracts relating to Spring Mountain Ranch previously entered into by the Previous

Owner, including, but not limited to, the Flood Control Improvements JCFA. Neither the County, the Flood Control District, nor the District approved the Assignment of Contracts at the time of its execution, and the Assignment of Contracts has not been subsequently ratified by the County, the Flood Control District, or the District.

F. Section 6.3 of the Flood Control Improvements JCFA requires a purchaser or assignee of the Property, as a condition to receiving payment of the purchase price of the Flood Control Improvements, to enter into an assignment agreement with the County, the District, the Flood Control District, and the CFD, in a form acceptable to the County, the District, the Flood Control District, and the CFD, to assume the duties and obligations of the Previous Owner under the Flood Control Improvements JCFA. Since the CFD has not yet been formed, it cannot enter into any such agreement.

G. In order to effectuate the assignment and assumption of the Flood Control Improvements JCFA and to receive and accept all of the corresponding benefits under the Flood Control Improvements JCFA, the Property Owner desires to enter into this Agreement to satisfy the conditions set forth under Section 6.3 of the Flood Control Improvements JCFA, and to assume the duties and obligations of the Previous Owner under the Flood Control Improvements JCFA.

H. Pursuant to California Civil Code Section 1589, a voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting. The Property Owner has read and understood the Flood Control Improvements JCFA and consents to all of its terms.

NOW THEREFORE for the mutual promises reflected herein and for other valuable consideration the receipt of which is hereby acknowledged by all of the signatory parties, the parties hereby agree as follows:

Section 1. Definitions. Except as expressly defined herein, all capitalized terms shall have the meaning afforded to those terms in the Flood Control Improvements JCFA.

Section 2. Recitals Correct. It is expressly agreed by the signatories that the recitals are true and correct.

Section 3. Assumption. The Property Owner hereby assumes and agrees to perform and faithfully discharge all of the duties and obligations of the property owner in the Flood Control Improvements JCFA. The other party signatories to this Agreement accept and consent to the assumption of those duties by the Property Owner. From and after the date hereof, the Property Owner agrees to perform all duties of the property owner reflected in the Flood Control Improvements JCFA including the duty of indemnification as set-forth therein. From and after the date hereof it is agreed that the Property Owner shall be entitled to enjoy all of the benefits that the Flood Control Improvements JCFA affords to the property owner. Notwithstanding the foregoing, it is the intent of the parties that this Agreement shall not effect a novation.

Section 4. Representations and Warranties of the Property Owner. The Property Owner, as the current owner of the Property, makes the following representations and warranties for the benefit of the County, the Flood Control District, and the District as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is validly existing as a limited liability company and in good standing under the laws of the State of Delaware and is duly registered to transact intrastate business in the State of California as a foreign limited liability company and is in good standing in the State of California.

(b) Authority. The Property Owner represents and warrants that it has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Agreement is a valid and binding obligation of the Property Owner and is enforceable against the Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Ownership. The Property Owner represents and warrants that it has lawfully obtained fee title to the Property and that no other known entity has a superior claim of title.

Section 5. Indemnification. The Property Owner, with respect to the responsibilities of the property owner under the Flood Control Improvements JCFA, agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the Flood Control District, the County, and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents, and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs in accordance with and pursuant to the indemnification provisions set forth under Section 5.5 of the Flood Control Improvements JCFA.

Not as a limitation of, but in addition to the Property Owner's duty of indemnification reflected in Section 5.5 of the Flood Control Improvements JCFA, the Property Owner further agrees to protect, indemnify, defend and hold the District, the CFD (when formed), the Flood Control District, the County, and their respective directors, officers, Board of Education, Board of Supervisors, Legislative Body, elected officials, employees, representatives and agents (the "**Indemnified Parties**"), and each of them, harmless from and against any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs by reason of or arising out of or in consequence of this Agreement or the approval of this Agreement or the Indemnified Parties' good-faith performance under this Agreement,

including, but not limited to, any and all claims and liabilities asserted by the Previous Owner against the Indemnified Parties under the Flood Control Improvements JCFA.

If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorney's fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner for any and all claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs arising directly from the willful misconduct or sole or active negligence of the Indemnified Parties.

The provisions of this Section 5 shall survive the termination of this Agreement.

Section 6. Amendments. This Agreement may only be amended by an instrument in writing executed and delivered by the District, the County, the Flood Control District, and the Property Owner.

Section 7. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

County:	County of Riverside Attn: Director of Transportation 4080 Lemon Street, 8th Floor Riverside, California 92501 Telephone: (951) 955-6740 Fax: (951) 955-3198
District:	Riverside Unified School District 3070 Washington Street Riverside, California 92504 Attention: Director Planning & Development Telephone: (951) 788-7554 Fax: (951) 275-9349
Flood Control District	Riverside County Flood Control and Water Conservation District 1995 Market Street Riverside, California 92501 Attention: Administrative Service Telephone: (951) 955-1200 Fax: (951) 788-9965

Property Owner: SFI SMR, LLC
c/o iStar Financial Inc.
5 Park Plaza, Suite 1640
Irvine, California 92614
Attention: Steven Magee
Telephone: (949) 567-8066
Fax: (949) 567-2411

With a copy to: iStar Financial Inc.
1114 Avenue of the Americas, 27th Floor
New York, New York 10036
Attn: Chief Operating Officer
Telephone: (212) 930-9400
Fax: (212) 930-9494

With a copy to: iStar Financial Inc.
1114 Avenue of the Americas, 27th Floor
New York, New York 10036
Attn: Nina B. Matis, Esq./General Counsel
Telephone: (212) 930-9400
Fax: (212) 930-9492

With a copy to: iStar Asset Services Inc.
180 Glastonbury Blvd., Suite 201
Glastonbury, Connecticut 06033
Attn: President
Telephone: (860) 815-5900
Fax: (860) 815-5901

With a copy to: Katten Muchin Rosenman LLP
2029 Century Park East, Suite 2600
Los Angeles, California 90067
Attn: Benzion J. Westreich, Esq.
Telephone: (310) 788-4409
Fax: (310) 712-8228

Section 8. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Agreement.

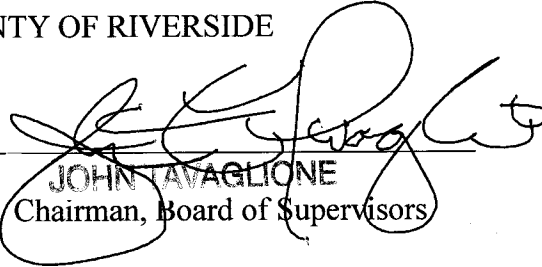
(b) Governing Law. This Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of California applicable to contracts made and performed in the State.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

COUNTY OF RIVERSIDE

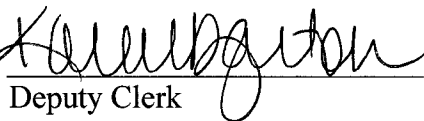
By: _____


JOHN TAVAGLIONE
Chairman, Board of Supervisors

ATTEST:

Kecia Harper-Ihem, Clerk of the
Board of Supervisors

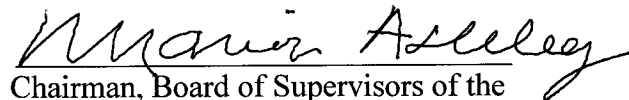
By: _____


Deputy Clerk

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 12/14/11
DALE A. GARDNER DATE

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

By: _____

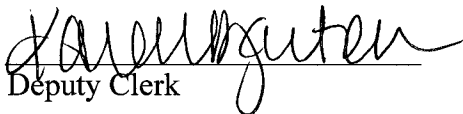

Chairman, Board of Supervisors of the
Flood Control and Water Conservation District

MARION ASHLEY

ATTEST:

Kecia Harper-Ihem, Clerk of the
Board of Supervisors of the Control and
Water Conservation District

By: _____


Deputy Clerk

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: 
President of the Board of Education

ATTEST:

By: 
Clerk of the Board of Education

PROPERTY OWNER

SFI SMR LLC,
a Delaware limited liability company

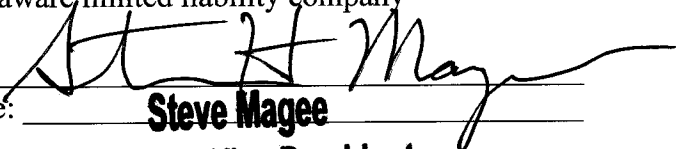
By: 
Name: Steve Magee
Title: Executive Vice President

EXHIBIT A

JOINT COMMUNITY FACILITIES AGREEMENT
(FLOOD CONTROL IMPROVEMENTS)

[See Attachment]

JOINT COMMUNITY FACILITIES AGREEMENT
(Flood Control Improvements)

by and among

RIVERSIDE UNIFIED SCHOOL DISTRICT,

**RIVERSIDE COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT,**

COUNTY OF RIVERSIDE,

and,

SMR VENTURES, LLC,
a Delaware limited liability company,

Dated as of June 26, 2007

Relating to:
Community Facilities District No. 23
of Riverside Unified School District

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JOINT COMMUNITY FACILITIES AGREEMENT

THIS JOINT COMMUNITY FACILITIES AGREEMENT (this "Joint Community Facilities Agreement") is made and entered into as of June 26, 2007, by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "Flood Control District"), the County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner").

RECITALS

A. The Board of Education of the School District (the "Board of Education") has been requested to initiate proceedings to form a community facilities district that is to be identified as "Community Facilities District No. 23 of Riverside Unified School District" (the "Community Facilities District") under the authority of the Mello-Roos Community Facilities Act of 1982 (the "Act") (commencing with Section 53311 of the California Government Code (the "Code")) that is to be located in an unincorporated portion of the County known as "Highgrove."

B. The Property Owner is the owner of certain real property as generally shown on Exhibit A, attached hereto, representing Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741 (each a "Tract," and collectively, the "Tracts"), that provide for the development of approximately 1,461 proposed single family residential lots; the boundaries of the Community Facilities District include all territory within the Tracts. The Property Owner has requested that in forming the Community Facilities District that two or more improvement areas be designated therein (each an "Improvement Area," and collectively, the "Improvement Areas"). It is the intention of the parties hereto that each Improvement Area shall be authorized to finance all or any part of the Flood Control Facilities (as defined below). The determination of which Tracts will be in which Improvement Area will be made by the School District and the Property Owner at the time the Community Facilities District is formed.

C. The Property Owner has requested and proposed that the Community Facilities District be formed for the purpose of providing the means of financing the acquisition and construction of certain public improvements, including but not limited to the flood control and storm water drainage facilities listed in Exhibit B (each of the facilities described in Exhibit B as Facilities 1 through 8 shall be referred to herein as a "Flood Control Facility" and, collectively, as the "Flood Control Facilities") to be constructed by the Property Owner with the purchase price therefor to be paid from the proceeds of bonds to be sold and issued by the Community Facilities District. Upon the completion of the construction of each Flood Control Facility by the Property Owner and the acceptance thereof by the Flood Control District, each Flood Control Facility is to be owned, maintained and operated by the Flood Control District. The Flood Control

Facilities are generally described in Exhibit B attached hereto and incorporated herein by this reference.

D. Section 53313.5 of the Code provides that a community facilities district may only finance the purchase of facilities whose construction has been completed, as determined by the legislative body of the community facilities district, before the resolution of formation to establish the community facilities district is adopted pursuant to Section 53325.1 of the Code, except that a community facilities district may finance the purchase of facilities completed after the adoption of a resolution of formation if the facility is constructed as if it had been constructed under the direction and supervision, or under the authority of the local agency, in this instance, the Flood Control District.

E. Section 53314.9 of the Code provides that at any time either before or after the formation of a community facilities district, the legislative body may accept advances of funds or work in-kind from any source, including, but not limited to, private persons or entities, and may provide, by resolution, for the use of those funds or that work in-kind for any authorized purpose, under all of the following conditions: (a) the proposal to repay the funds or the value or cost of the work in-kind, whichever is less, is included in both the resolution of intention to establish the community facilities district adopted pursuant to Section 53321 of the Code and in the resolution to establish the community facilities district pursuant to Section 53325.1 of the Code, (b) any proposed special tax is approved by the qualified electors of the community facilities district pursuant to the Act, and (c) any work in-kind accepted pursuant to Section 53314.9 of the Code shall have been performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of the Flood Control District.

F. Pursuant to the Act, the Board of Education, upon approval of this Joint Community Facilities Agreement by the School District, the Flood Control District, the County and the Property Owner, intends to consider a resolution of intention stating that it is the intention of the School District to cause the proposed Community Facilities District to be established and the Improvement Areas therein to be designated, and if established, the Community Facilities District will use its best efforts to sell and issue special tax bonds the proceeds of which will be used in part to pay the Property Owner the purchase price of the Flood Control Facilities, provided all of the conditions of Sections 53313.5 and 53314.9 of the Code are satisfied and that the purchase price shall only be paid from the proceeds of special tax bonds, if any are sold and issued by the proposed Community Facilities District and the Improvement Areas therein.

G. The Act provides that the proposed Community Facilities District may finance the Flood Control Facilities only pursuant to a joint community facilities agreement adopted pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code.

H. The School District, the Flood Control District, the County and the Property Owner desire to enter into this Joint Community Facilities Agreement, as required by the aforementioned sections of the Code and prior to the adoption by the Board of Education of the resolution establishing the Community Facilities District and the designation of the Improvement Areas. The provisions of this Joint Community

Facilities Agreement are intended to apply only to the Flood Control Facilities and to all Improvement Areas designated within the Community Facilities District.

I. The School District the Flood Control District and the County by entering into this Joint Community Facilities Agreement will enable the Community Facilities District to finance some or all of the costs of acquiring and constructing the Flood Control Facilities, and, consistent with Section 53316.2 of the Code, the School District, the Flood Control District and the County have determined that executing this Joint Community Facilities Agreement will be beneficial to the residents of their respective jurisdictions and to the owners of property within the Community Facilities District.

J. The design, construction, inspection, acceptance, operation and maintenance of the Flood Control Facilities shall be accomplished in accordance with the provisions of this Joint Community Facilities Agreement. If the Property Owner wants to be paid or to be reimbursed for the costs of any Flood Control Facility from the proceeds of the Bonds (when and if issued), it must comply with the specific provisions set forth in Article III of this Joint Community Facilities Agreement with respect to the Flood Control Facility. If the Property Owner chooses not to be paid or to seek reimbursement for a particular Flood Control Facility from the proceeds of the Bonds, then the Property Owner shall not be bound by Article III of this Joint Community Facilities Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Article I shall have the meaning herein specified when used in this Joint Community Facilities Agreement:

"Acceptable Title" means title to land, or an easement therein, delivered free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether any such item is recorded or unrecorded, except those non-monetary items which are reasonably determined by the Flood Control District not to interfere with the intended use of such land or easement and therefore are not required to be cleared from title.

"Acceptance Date" means, with respect to any Flood Control Facility, the date that the Flood Engineer provides written notice, pursuant to Section 4.13., that the Flood Control Facility has been accepted by the Flood Control District into its maintained system.

"Act" means the Mello-Roos Community Facilities Act of 1982, constituting Section 53311 *et seq.* of the Code, as amended.

"Actual Cost" means, with respect to a Flood Control Facility, to the extent authorized by law, an amount equal to the sum of (a) the Property Owner's actual, reasonable cost of constructing such Flood Control Facility, including labor, material and equipment costs, (b) the Property Owner's actual reasonable cost of designing and preparing the Plans and Specifications for such Flood Control Facility, including engineering services provided in connection with designing and preparing such Plans and Specifications, (c) the Property Owner's actual, reasonable cost of environmental evaluations and any mitigation measures required by any governmental agency with jurisdiction with regard to such Flood Control Facility, or portions thereof, (d) the amount of any fees actually paid by the Property Owner to governmental agencies in order to obtain permits, licenses or other necessary governmental approvals and reviews for such Flood Control Facility including but not limited to plan check and inspection fees by the Flood Control District and the County, (e) the Property Owner's actual reasonable cost for professional services directly related to the construction of such Flood Control Facility, including engineering, legal, inspection, construction staking, materials testing and similar professional services, (f) the Property Owner's actual, reasonable cost, as determined by the County, for construction management, bid administration and contract administration services which shall not exceed 2% of construction costs, (g) the costs incurred by the County acting as the Contract Administrator; (h) the Property Owner's actual reasonable cost of payment, performance or maintenance bonds and insurance for such Flood Control Facility, (i) the actual, reasonable cost of easements or other real property or interest therein acquired from a party other than a

Property Owner, which real property or interest therein is either necessary for the construction of such Flood Control Facility (e.g., temporary construction easements, haul roads, etc.) or is required to be conveyed with such Flood Control Facility in order to convey Acceptable Title thereto to the Flood Control District, all as specified in a Payment Request that is to be reviewed and approved by the Contract Administrator; provided, however, that (x) no item of cost relating to a Flood Control Facility shall be included in more than one category of cost specified in clauses (a) through (i) of this definition, and (y) each item of cost shall include only amounts actually paid by the Property Owner to third parties and shall not include overhead or other internal expenses of the Property Owner, except that, if Property Owner employees perform construction management, bid administration or contract administration services with respect to a Flood Control Facility, the actual reasonable cost of the salaries and benefits paid by the Property Owner to such employees for performing such services may be included as an item of cost relating to such Flood Control Facility for the category of cost specified in clause (f) of this definition and subject to the 2% limitation specified in clause (f).

"Administrator" means the Director of Planning and Development of the School District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"Board of Education" means the Board of Education of the School District.

"Board of Supervisors" means, respectively, the Board of Supervisors of the County and the Board of Supervisors of the Riverside County Flood Control and Water Conservation District.

"Bonds" means the special tax bonds that the Community Facilities District may attempt to sell and issue in one or more series for each Improvement Area if the Proceedings are approved, a portion of the proceeds of which will be used to acquire all or part of the Flood Control Facilities.

"Business Day" means a day which is not a Saturday or Sunday or a day of the year on which the Flood Control District or the County are not required or authorized to be open.

"CEQA" means the California Environmental Quality Act (CEQA), constituting Section 21000 *et seq.* of the California Public Resources Code, as amended.

"Code" means the California Government Code.

"Community Facilities District" means "Community Facilities District No. 23 of Riverside Unified School District," a community facilities district to be organized and existing under the Act.

"Construction Site" means the sites on which the Flood Control Facilities are to be constructed, including off site staging areas and material storage areas.

"Contract Administrator" means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"County" means the County of Riverside, a political subdivision of the State, and its successors.

"County Engineer" means the Director of Transportation of the County (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"Flood Control District" means the Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code.

"Flood Control Facilities" means one or more of those certain flood control and storm water drainage facilities that are identified and described as Facilities 1 through 8 of Exhibit B attached hereto that are to be owned, operated and maintained by the Flood Control District. This term expressly does not include the associated catch basins, connector pipes, laterals or roadway culverts which are to be owned and maintained by the County and are to be addressed in the Joint Community Facilities Agreement among the School District, the County and the Property Owner.

"Flood Control Facility" means any individual facility described in Exhibit B as Facility 1 through 8.

"Flood Control Facilities Account" means the account (however denominated) to be established pursuant to each Indenture for an Improvement Area to hold that portion of Bond proceeds to be applied to pay the Purchase Price for the Flood Control Facilities.

"Flood Engineer" means the General Manager-Chief Engineer of the Flood Control District (or any successor to the responsibilities thereof if such office is no longer in existence), or his/her designee as specified in the written certificate to be provided pursuant to Section 6.16., hereof.

"Functional" means that the Flood Engineer or County Engineer, as appropriate, has determined that construction of a Flood Control Facility, or a segment thereof, has been satisfactorily completed to the point where the Flood Control Facility is capable of safely accepting, conveying and discharging storm water runoff in accordance with the approved Plans and Specifications and without causing damage to adjacent property or another Flood Control Facility.

"Functioning Segment" means a discrete segment of a Flood Control Facility or an aggregation of Flood Control Facilities which have been deemed Functional.

"General Prevailing Wage Rates" means those rates as determined by the Director of the Department of Industrial Relations of the State pursuant to Sections 1770, *et seq.* of the Labor Code of the State that are applicable to public works construction activity within the County.

"Hazardous Material" means any and all pollutants, wastes, flammables, explosives, radioactive materials, hazardous or toxic substances, material or waste which is or becomes regulated by any local governmental authority, the State or the federal government and specifically includes, without limitation, any material or substance which is (i) designated as "hazardous substance" pursuant to Section 3111 of the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 *et seq.* (33 U.S.C. Section 1321), (ii) defined as a "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901 *et seq.* (42 USC Section 6903), (iii) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 *et seq.*, (iv) petroleum or petroleum products, (v) asbestos, (vi) hydrocarbons, or (vii) polychlorinated biphenyl ("PCB" or PCB containing materials).

"Improvement Area" or "Improvement Areas" means, either individually or collectively, one or more of the Improvement Areas, as the context would indicate, that are to be designated within the Community Facilities District.

"Indenture" or "Indentures" means each indenture, trust agreement, resolution, fiscal agent agreement or similar instrument, regardless of title, pursuant to which bonds, notes or other evidences of indebtedness of the Community Facilities District have been issued for an Improvement Area and are outstanding, as originally executed or as the same may from time to time be supplemented or amended pursuant to the provisions thereof.

"Joint Community Facilities Agreement" means this Joint Community Facilities Agreement, dated as of June 26, 2007, by and among the School District, the Flood Control District, the County and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

"Legislative Body" means the Board of Education, acting *ex officio* as the legislative body of the Community Facilities District.

"Mitigation Agreement" means the Mitigation Agreement to be entered into by and between the School District and the Property Owner, as originally executed or as the same may be amended from time to time in accordance with its terms.

"Payment Request" means the document to be provided by the Property Owner to the Contract Administrator to substantiate the Purchase Price of one or more the Flood Control Facilities, which shall be substantially in the form of Exhibit D attached hereto.

"Plans and Specifications" mean the plans and specifications for the Flood Control Facilities prepared or to be prepared at the direction of the Property Owner pursuant to Section 4.1., hereof comprised of Flood Control District Drawing Nos. 1-646, 1-651, 1-652, 1-653, 1-654, 1-655, 1-656 and 1-657.

"Proceedings" means those proceedings to be undertaken by the Board of Education to consider the formation of the Community Facilities District and the designation of Improvement Areas therein and the approval by said Board of Education and the qualified electors of the Community Facilities District and each Improvement Area of the authorization to levy special taxes therein pursuant to the Rate and Method and to incur bonded indebtedness to finance the construction and acquisition of certain public improvements and by the Legislative Body to sell and issue the Bonds.

"Property Owner" means SMR Ventures, LLC, a Delaware limited liability company, and its successors and assigns, acting as the master developer of infrastructure within the Community Facilities District, including but not limited to the Flood Control Facilities.

"Property Owner's Representative" means the person executing this Joint Community Facilities Agreement or the person or persons designated as such by the Property Owner in a certificate signed by the Property Owner and delivered to the School District, the Community Facilities District, the Flood Control District, and the County consistent with Section 6.16., below.

"Public Contract Code" means the Public Contract Code of the State.

"Purchase Price" means, subject to the provisions of Section 3.2 hereof, the Actual Cost of a Flood Control Facility as determined by the Contract Administrator.

"Rate and Method" means the rate and method of apportionment of special taxes for each Improvement Area authorized to be levied within the Community Facilities District pursuant to the Proceedings.

"School District" means the Riverside Unified School District, a school district organized and existing under the laws of the State of California.

"State" means the State of California.

"Tract" or "Tracts" means, individually or collectively, Tract Map Nos. 29597, 29598, 29599, 29600, 29740, and 29741.

ARTICLE II

CONDITIONS PRECEDENT

Section 2.1. Proceedings for the Formation of the Community Facilities District and the Improvement Areas therein; Costs of Formation. The Property Owner has submitted to the School District an application requesting that the Proceedings be initiated by the School District to form the Community Facilities District and designate the Improvement Areas therein for the purpose of financing the acquisition and construction of certain public facilities, including the Flood Control Facilities, and to authorize the levy of special taxes within the Community Facilities District pursuant to the Rate and Method for each Improvement Area and the incurrence of bonded indebtedness to finance the construction and acquisition of said public facilities and for the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area pursuant to the Act and the applicable Indenture.

Should the formation of the Community Facilities District and the designation of the Improvement Areas be approved to finance the acquisition and construction of the Flood Control Facilities, the Legislative Body will use its best efforts to cause the Bonds to be sold and issued for each Improvement Area in one or more series, pursuant to the terms of the Act, the applicable Indenture and the applicable sections of the Mitigation Agreement. A portion of the proceeds of the Bonds are intended to provide funds that will allow each Improvement Area of the Community Facilities District to finance all or a portion of the costs of constructing and acquiring the Flood Control Facilities. Should the Board of Education not approve the formation of the Community Facilities District and/or the Legislative Body not sell and issue any Bonds, the School District, the Flood Control District, the County and the Property Owner will not be bound by the terms of this Joint Community Facilities Agreement and it shall be considered null and void by the parties to it. The School District will notify all parties to this Joint Community Facilities Agreement within fifteen (15) calendar days of either event occurring.

The Property Owner acknowledges that the decision of the Board of Education to approve the formation of the Community Facilities District and the designation of the Improvement Areas therein and of the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area is an exercise of legislative discretion by the Board of Education and Legislative Body, respectively, and the School District may not enter into a contract or obligate either the Board of Education or the Legislative Body to exercise its legislative discretion in a particular manner. This Joint Community Facilities Agreement does not, therefore, in any way create a contractual, legal or equitable obligation of or commitment by the Board of Education to approve the formation of the Community Facilities District and the designation of Improvement Areas therein or the Legislative Body to authorize the sale and issuance of the Bonds for each Improvement Area.

The Board of Education and the Legislative Body shall have the jurisdiction to and shall be solely responsible for undertaking the Proceedings consistent with the provisions of the Act, each Indenture and the Mitigation Agreement.

Section 2.2. Addendum to Exhibit B of this Joint Community Facilities Agreement for Modification of the Flood Control Facilities. It is the intent of both the Property Owner and the School District to cause one or more series of Bonds to be issued for each Improvement Area. All of the Flood Control Facilities eligible to be financed by the Community Facilities District are identified in Exhibit B. Each Improvement Area shall be authorized to finance any or all of the Flood Control Facilities. The descriptions of the Flood Control Facilities are general and any minor differences between the Flood Control Facilities described in Exhibit B and those Flood Control Facilities actually acquired hereunder shall not prevent the financing of such Flood Control Facilities. Should there be additional amendments deemed necessary by the Flood Control District or the County to be made to this Joint Community Facilities Agreement, any necessary amendments to this Joint Community Facilities Agreement shall be made pursuant to Section 6.4., hereof, and such amendments shall be made prior to the authorization by the Legislative Body to sell and issue any additional series of Bonds the proceeds of which will be used to finance such Flood Control Facilities.

Section 2.3. Fee Deposit with County for Preparation and Implementation of this Joint Community Facilities Agreement. The Property Owner is to cause to be deposited with the County Executive Officer, or his/her designee (the "Special Districts Administrator") an aggregate amount of \$12,000 for the three joint community facilities agreements that are to be prepared with regard to the Community Facilities District, of which \$ 4,000 has been deposited by the Property Owner, to be held in a trust account to cover all costs incurred in drafting, preparing and implementing this Joint Community Facilities Agreement and the other two such agreements. The Special Districts Administrator will prepare an accounting of the costs incurred and provide an accounting to the Property Owner. If the amount deposited is insufficient to cover such costs, the Property Owner will cause an additional amount to be deposited with the Special District Administrator within thirty (30) calendar days of being provided a written request for the additional funds. The amounts deposited with the Special District Administrator that have not been used will be returned to the Property Owner as directed by the Administrator. Any portion of the amounts deposited with the Special District Administrator that are used for the purposes identified above shall be reimbursable to the Property Owner from the proceeds of the Bonds.

Section 2.4 Right of Entry and Inspection Agreements. The Flood Control District has approved Plans and Specifications [District Drawing Nos. 1-646, 1-651, 1-652, 1-654 and 1-655] and entered into three Right of Entry and Inspection Agreements with the Property Owner. Under the Right of Entry and Inspection Agreements, the Property Owner may commence construction of those Flood Control Facilities for which Plans and Specifications have been approved.

ARTICLE III

ACQUISITION OF THE FLOOD CONTROL FACILITIES

Section 3.1. Acquisition of the Flood Control Facilities. The provisions of this Article III shall apply only to those Flood Control Facilities that the Property Owner elects to finance with the proceeds of the Bonds deposited in the Flood Control Facilities Account for an Improvement Area.

For any such Flood Control Facility, the Property Owner hereby agrees to transfer to the Flood Control District each of the Flood Control Facilities and the Community Facilities District hereby agrees to pay the Purchase Price thereof, subject to the terms and conditions hereof and of the Mitigation Agreement. Acceptable Title to any parcels on which any Flood Control Facility is constructed and for which title is not presently held by the Flood Control District as well as Acceptable Title to the Flood Control Facility financed pursuant hereto shall be transferred to the Flood Control District as of the Acceptance Date; provided, however, that notwithstanding such transfer the Property Owner shall be solely responsible for the operation and maintenance of any Flood Control Facility until the Acceptance Date of said Flood Control Facility.

The Purchase Price of each Flood Control Facility is to be paid solely from the amounts on deposit in the Flood Control Facilities Accounts, established by the applicable Indentures for the issuance of Bonds for one or more of the Improvement Areas, and the Community Facilities District shall not be obligated to pay the Purchase Price for any Flood Control Facility except from the amounts on deposit in a Flood Control Facilities Account. None of the School District, the Community Facilities District, the Flood Control District or the County makes any warranty, either expressed or implied, that the amount on deposit in the Flood Control Facilities Accounts will be sufficient to pay the full amount of the Purchase Price of any Flood Control Facility.

It is understood by the Property Owner that the net principal amount of the Bonds that will be deposited into each Flood Control Facilities Account, pursuant to the terms of the Mitigation Agreement and the applicable Indenture, and any investment earnings thereon, may not be sufficient to pay the full amount of the Purchase Price of any Flood Control Facility at the time a Payment Request is approved by the Contract Administrator. If the amounts on deposit in the applicable Flood Control Facilities Account, at the time Payment Request is approved by the County Engineer and submitted to the Administrator for payment, are not sufficient to pay the Purchase Price for the Flood Control Facility or Facilities identified therein, the timing of the payment of the Purchase Price therefor and the proportionate amount of the Purchase Price to be paid will be determined consistent with the terms of the Mitigation Agreement. At all times, the construction of Flood Control Facilities that are to be financed with the Bonds is made with the expectation that the Purchase Price for any Flood Control Facility is to be paid by the Community Facilities District (but solely from the proceeds of the Bonds, if any, issued by one or more of the Improvement Areas), and that the conveyance of a Flood Control Facility to the County or the Flood Control District prior to the receipt of

the Purchase Price, or any portion thereof, for said Flood Control Facility shall not be construed as a dedication, gift, or waiver of the payment of the Purchase Price or any unpaid balance thereof.

Notwithstanding any other provision of this Joint Community Facilities Agreement, the fact that there may not be sufficient funds available in the Flood Control Facilities Accounts to pay the Purchase Price for one or more Flood Control Facilities will not relieve the Property Owner from its obligation consistent with the conditions of approval for the Tracts to construct the Flood Control Facilities.

Failure of the Property Owner to fully comply with the terms of this Article may result in a denial of the Property Owner's request for reimbursement for any costs incurred in the design, engineering and construction of such Flood Control Facilities. Compliance with Article III shall be determined separately for each Flood Control Facility.

Each Flood Control Facility may be acquired by the Flood Control District pursuant to the terms hereof provided such Flood Control Facility has been accepted by the Flood Control District in accordance with the terms of Article IV Section 13 and otherwise meets the conditions established in this Joint Community Facilities Agreement

Section 3.2. Determination of the Purchase Price; Processing Payment Requests. The determination of the Purchase Price for the Flood Control Facilities shall be made consistent with the provisions of this Section 3.2.

In order for the Contract Administrator to be able to determine the Purchase Price for a completed Flood Control Facility, the Property Owner shall deliver to the Contract Administrator:

- (a) A complete Payment Request for said Flood Control Facility, together with all attachments and exhibits needed to be included therewith as determined by the Contract Administrator; and
- (b) A written statement from the Flood Control Engineer stating that the Flood Control District has accepted ownership of the Flood Control Facility as constructed and to include it as part of Flood Control District's maintained system as of the Acceptance Date; and
- (c) A copy of the Notice of Completion for said Flood Control Facility that will be filed in accordance with Section 3093 of the California Civil Code, if applicable. Final lien releases addressed to the Flood Control District, the County, the School District and the Community Facilities District must be received by the Contract Administrator prior to the Contract Administrator approving the Payment Request which determines the Purchase Price for said Flood Control Facility and authorizes payment.

When the Contract Administrator has been provided with a complete Payment Request and all other documents as required by it to determine the Purchase Price, the Contract Administrator will sign the Payment Request, identifying the Flood Control Facility.

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Facility and specifying the Purchase Price, and forward it to the Administrator for payment consistent with the terms of the Indenture.

Upon receipt of such a completed Payment Request from the Contract Administrator, the Administrator shall submit it to the fiscal agent or trustee for the Flood Control Facilities Account from which the Purchase Price is to be paid together with such other information as the fiscal agent or trustee may require to authorize payment of the Purchase Price from the Flood Control Facilities Account. If at the time such a Payment Request is received by the Administrator, there are not sufficient funds on deposit in the applicable Flood Control Facilities Account to pay the Purchase Price for the identified Flood Control Facility, the Administrator shall notify the Contract Administrator and the Property Owner of the amount of funds that are on deposit in the Flood Control Facilities Account to be applied to payment of a portion of the Purchase Price for the Flood Control Facility, and shall authorize the fiscal agent or trustee to pay the available amount to the Property Owner as a partial payment of the Purchase Price for the Flood Control Facility.

Section 3.3. Public Works Bidding and Construction Requirements.

(a) In order to ensure that a Flood Control Facility that is to be acquired with the proceeds of the Bonds will be constructed as if it had been constructed under the direction and supervision, or under the authority of, a public agency, so that it may be acquired pursuant to Sections 53313.5 and 53314.9 of the Code, the Property Owner shall comply with all of the applicable requirements set forth in the Public Contract Code regarding the notice of bidding and award of contract for a public works project by a public agency, in this instance the Flood Control District.

(b) Prior to awarding a construction contract for any Flood Control Facilities, the Property Owner shall submit a bid packet for review to the Flood Engineer and the County Engineer for review of the general and technical specifications and to the Contract Administrator for compliance with Public Contract Code requirements. The contract for construction of any Flood Control Facility is to be awarded to the responsible bidder submitting the lowest responsive bid after notice inviting sealed bids. Sealed bids are to be publicly solicited consistent with the applicable provisions of the Public Contract Code dealing with the bidding of public works projects constructed by the Flood Control District. Public notice is to be given consistent with the Public Contract Code as to the date, time and place where bids will be opened. The Contract Administrator is to be provided with copies of all bids received, formatted consistent with Exhibit C, attached hereto, and provided with a declaration, in a form satisfactory to the Contract Administrator, as to solicitation of bids, the bid opening and award of bid.

(c) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on a Flood Control Facility, as required by the Labor Code, to pay not less than General Prevailing Wage Rates to all workers employed in the execution of the contract, to post a copy of the General Prevailing Wage Rates at the job-site in a conspicuous place available to all employees and applicants for employment, and to otherwise comply with applicable provisions of the California Labor

Code, the Code and the California Public Contracts Code relating to General Prevailing Wage Rates as required by the specifications approved by the Contract Administrator. The Contract Administrator shall provide the Property Owner with copies of tables setting forth the General Prevailing Wage Rates, and the Property Owner hereby acknowledges receipt thereof.

(d) The Property Owner shall require each principal contractor to provide proof of insurance coverage to the Contract Administrator satisfying the requirements of Section 4.6 hereof throughout the term of the construction of the Flood Control Facilities. Rather than requiring its principal contractors to provide such insurance, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(e) Each principal contractor engaged to perform work on the Flood Control Facilities shall be required to furnish (i) labor and material payment bonds, and (ii) contract performance bonds, each in an amount equal to 100% of the contract price naming the Property Owner, the Community Facilities District, the Flood Control District, and the County as obligees and with an admitted surety complying with the provisions of Section 995.660 of the California Code of Civil Procedure.

All such bonds shall be in a form as shown in Exhibit D. The bonds tendered pursuant to this sub-section are to be accepted and held by the County Engineer. Rather than requiring its contractors to provide such bonds, the Property Owner may elect to provide the same for the benefit of its principal contractors.

(f) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Flood Control Facilities, to comply, with such other requirements relating to the construction of the Flood Control Facilities as the Contract Administrator may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, rules or procedures.

(g) The Property Owner shall require, and the Plans and Specifications and the bid and contract documents shall require, all contractors, subcontractors, vendors, equipment operators and owner operators, in each such case to the extent such individuals or entities are engaged to perform work on the Flood Control Facilities, to submit certified weekly payroll records or other proof of payment of General Prevailing Wage Rates to the Property Owner and to furnish certified payroll records or such other proof of payment of General Prevailing Wage Rates to the Contract Administrator promptly upon request.

(h) All change orders shall be reviewed and, if appropriate, approved by the Flood Engineer and the County Engineer for the purpose of ensuring that they comply with the Flood Control District's and County's engineering standards and by the Contract Administrator in order for the work represented by the change order to be eligible for consideration in determining the Purchase Price. Copies of the Flood Engineer's or the County Engineer's approval of any change orders are to be provided to the Contract Administrator.

(i) The Property Owner shall provide proof to the Contract Administrator at such intervals and in such form as the Contract Administrator may require that the foregoing requirements have been satisfied as to any of the Flood Control Facility for which is to be financed with the proceeds of the Bonds.

ARTICLE IV

CONSTRUCTION OF THE FLOOD CONTROL FACILITIES

This Article IV sets forth the terms and conditions which the Property Owner shall follow to ensure acceptance of the Flood Control Facilities by the Flood Control District. Failure of the Property Owner to fully comply with the terms of this Article may result in the Flood Control District not accepting a Flood Control Facility into its maintained system, in which case the Property Owner may not receive reimbursement for any costs incurred in the design, engineering and construction of such Flood Control Facilities under this Joint Community Facilities Agreement. Compliance with this Article shall be determined separately for each Flood Control Facility or segment thereof.

Section 4.1. Preparation and Approval of Plans. . To the extent that the Property Owner has not already done so, it shall cause Plans to be prepared for the Flood Control Facilities. The Property Owner shall obtain the written approval of the Plans from the Flood Engineer and the County Engineer. The Property Owner shall provide a copy of all such Plans to the Flood Engineer and the County Engineer. Once the Plans have been approved, no changes are to be made thereto without prior written consent of the Flood Engineer and the County Engineer.

Prior to commencing construction of a Flood Control Facility, the Property Owner shall deliver the original Plans to the Flood Engineer and assign their ownership to the Flood Control District.

Section 4.2. Duty of Property Owner to Construct. The Property Owner shall construct or cause to be constructed the Flood Control Facilities in accordance with the Plans and Specifications approved by the Flood Engineer, the County Engineer, and the Contract Administrator. The Property Owner shall perform all of its obligations hereunder and shall conduct all operations with respect to the construction of the Flood Control Facilities in a good, workmanlike and commercially reasonable manner, with the standard of diligence and care normally employed by duly qualified persons utilizing commercially reasonable efforts in the performance of comparable work and in accordance with generally accepted practices appropriate to the activities undertaken. Notwithstanding the foregoing, nothing set forth in this Joint Community Facilities Agreement shall be construed (i) to require the Property Owner to perform any work requiring a contractor's license, nor shall the Property Owner be deemed to be performing construction services pursuant to this Joint Community Facilities Agreement or (ii) require the Property Owner to cause the Plans to be prepared for the Flood Control Facilities at a specific time or in a manner other than as required by the approved conditions for the development of the Property.

Section 4.3. Bonding Requirements. The Property Owner shall post such subdivision bonds as are required by the County in connection with the recording of all subdivision maps for the Property. All such bonds shall be in a form as shown in Exhibit E. The bonds tendered pursuant to this sub-section are to be accepted and held by the

County Engineer. The Property Owner's obligations pursuant to this Section may be considered satisfied, in part, through the contract performance bonds to be provided by the Property Owner's contractors.

In the event suit is brought upon this Joint Community Facilities Agreement or any bond guaranteeing the completion of the Flood Control Facilities, Property Owner shall pay all costs, reasonable expenses and fees, including reasonable attorney's fees, and hereby acknowledges and agrees that, upon entry of judgment, all such costs, expenses and fees shall be computed as costs and included in any judgment rendered.

Section 4.4. Right of Way Requirements.

(a) Acceptable Title to all property not presently held by the Flood Control District on, in or over which a Flood Control Facility will be located shall be deeded over to Flood Control District by way of grant deed, quitclaim, or dedication of such property, or easement thereon, if such easement is approved by Flood Control District as being a sufficient interest therein to permit Flood Control District to properly own, operate and maintain such Flood Control Facility located therein, thereon or thereover, and to permit the Developer to perform its obligations as set forth in this Joint Community Facilities Agreement. The requirement to convey Acceptable Title to the Flood Control District shall not apply to any Flood Control Facility, or segment thereof, that is located within a dedicated public road or other easement held by the County.

(b) Prior to commencing construction of a Flood Control Facility, the Property Owner shall provide to the Flood Control District duly executed Irrevocable Offer(s) of Dedication to the public for flood control purposes, including ingress and egress, for all rights of way deemed necessary by the Flood Control District for the construction, inspection, operation and maintenance of said Flood Control Facility. The necessary rights of way for the Flood Control Facilities are shown in concept on Exhibit C which is attached hereto and by this referenced incorporated herein.

The Irrevocable Offer(s) of Dedication shall be in a form approved by the Flood Control District and shall be executed by all legal and equitable owners described in the offer and shall be accompanied by Preliminary Reports on Title dated not more than thirty (30) days prior to the date of submission for all property described in the Irrevocable Offer(s) of Dedication.

(c) Upon completion of construction of a Flood Control Facility but prior to the Flood Control District's acceptance of a Flood Control Facility for ownership, operation and maintenance, the Property Owner shall convey or cause to be conveyed:

- (i) Fee simple title for each basin or open channel segment; and
- (ii) Flood Control easements for each underground storm drain facility or segment thereof.

At the time of recordation of the conveyance document(s) set forth in this Section 4.4., the Property Owner shall furnish Flood Control District with policies of title insurance guaranteeing Flood Control District's interest in said property as being free and clear of

all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), except those which, in the sole discretion of Flood Control District, are deemed acceptable.

For each fee parcel that is to be conveyed to Flood Control District, the amount of title insurance shall be no less than one hundred percent (100%) of the estimated fee value, as determined by Flood Control District. For each easement parcel that is to be conveyed to Flood Control District, the amount of title insurance shall be no less than fifty percent (50%) of the estimated fee value, as determined by Flood Control District.

Section 4.5. Licenses and Regulatory Permits. Prior to commencing construction of a Flood Control Facility, the Property Owner shall secure all necessary licenses, agreements, encroachment permits, rights of entry and temporary construction easements (collectively "Licenses") that may be needed for the construction, inspection, operation and maintenance of the Flood Control Facility. The Property Owner shall also secure, prior to commencing construction of a Flood Control Facility, all permits approvals or agreements (collectively, "Regulatory Permits"), as may be required by the various Federal and State resource and/or regulatory agencies, for the construction, operation and maintenance of a Flood Control Facility. The Regulatory Permits include, but are not limited to, those permits issued by the U.S. Army Corps of Engineers, the State Water Resources Control Board ("SWRCB"), California State Department of Fish and Game and the Regional Water Quality Control Board. Prior to execution or acceptance by the Property Owner, all Licenses and Regulatory Permits shall be reviewed by the Flood Engineer to determine whether the conditions specified therein are satisfactory to the Flood Control District.

Section 4.6 Insurance Requirements. Without limiting or diminishing the Property Owner's obligation to indemnify or hold harmless the Flood Control District, the County, the Community Facilities District, when formed, and the School District pursuant to Section 5.6., hereof, the Property Owner shall procure and maintain or cause to be procured and maintained, at its sole cost and expense the following insurance coverages, or alternate coverages acceptable to the County's Risk Manager, during the term of this Joint Community Facilities Agreement:

(a) *Commercial General Liability:* Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations, explosion, collapse, use of cranes, and other heavy equipment and underground hazards, personal and advertising injury covering claims which may arise from or out of the Property Owner's performance of its obligations hereunder. The policy shall name by endorsement the Flood Control District, the County, the School District and the Community Facilities District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit.

(b) *Vehicle Liability:* The Property Owner shall maintain liability insurance for all owned, non-owned or hired vehicles in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Joint Community Facilities Agreement or be no less than two (2) times the occurrence limit. Policy shall name by endorsement the Flood Control District, the County, the School District, the Community Facilities District, their respective directors, officers, Board of Supervisors, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds."

(c) *Worker's Compensation Insurance:* The Property Owner shall maintain Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupation Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of the Flood Control District, the County, the School District, the Community Facilities District, and if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

General Insurance Provisions - all lines:

(i) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. Best rating of not less than an A:VIII (A:8) unless such requirements are waived, in writing, by the County's Risk Manager.

(ii) The Property Owner's insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed \$500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County's Risk Manager before the commencement of operations under this Joint Community Facilities Agreement. Upon notification of deductibles or self-insured retentions which are deemed unacceptable to the Flood Control District at the election of the County's Risk Manager, the Property Owner's carriers shall either: (i) reduce or eliminate such deductibles or self-insured retentions as respects this Joint Community Facilities Agreement with the Flood Control District and the County, or (ii) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.

(iii) The Property Owner shall cause its insurance carrier(s) to furnish the Flood Control District and the County with (i) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; or (ii) evidence of coverage acceptable to the County's Risk Manager that may include original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect.

(iv) Further, said certificate(s) and endorsements to policies of insurance shall contain the covenant of the insurance carrier(s) that it shall provide no less than sixty (60) days written notice be given to the Flood Control District, the Community

Facilities District, the School District and the County prior to any material modification or cancellation of such insurance. In the event of a material modification or cancellation of coverage, this Joint Community Facilities Agreement shall terminate forthwith, unless the Flood Control District, the Community Facilities District, the County and the School District receive, prior to the effective date of such material modification or cancellation of coverage, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages and the insurance required herein is in full force and effect. Individual(s) authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

(v) The Property Owner shall not commence construction of the Flood Control Facilities until the Flood Control District has been furnished either original certificate(s) of insurance and certified original copies of endorsement, policies of insurance including all endorsements and any and all other attachments as required in this Section, or other evidence of coverage acceptable to County's Risk Manager.

(vi) It is understood and agreed by the parties hereto and the Property Owner's insurance company(s) that the certificate(s) of insurance and policies shall so covenant and shall be construed as primary insurance, and the Flood Control District's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

(vii) The Property Owner may pass down to its principal contractors the insurance obligations contained herein and will require its principal contractors to name on their insurance policies by endorsement the Flood Control District, the County, the School District, the Community Facilities District, their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, agents or representatives as "Additional Insureds." Copies of such certificates and endorsements shall be provided to the Flood Control District.

Section 4.7. NPDES Compliance. The Property Owner shall prepare and implement, or cause to be prepared and implemented, a Stormwater Pollution Prevention Plan (SWPPP) in accordance with the requirement of the State's National Pollutant Discharge Elimination System (NPDES) General Permit for Stormwater Discharges Associated with Construction Activity (SWRCB Order No. 99-08 DWQ) and any amendments thereto (the "General Permit"). The General Permit regulates both stormwater and non-stormwater discharges associated with construction activities required by this Joint Community Facilities Agreement.

The SWPPP shall identify site specific "Best Management Practices" ("BMP's") to be implemented during and after construction to control pollution of stormwater runoff and receiving waters. The identified BMP's shall include, but not be limited to, "good housekeeping" practices for the Construction Site such as establishing stabilized construction access points, providing adequate sanitary/septic waste management, designating vehicle and equipment cleaning/maintenance areas, employing proper material handling and storage practices, maintaining adequate soil stabilization and erosion control practices to control the discharge of pollutants from the Construction Site

and any activities thereon. The SWPPP shall also stipulate to an ongoing program for monitoring and maintenance of all BMP's.

The Property Owner shall be solely responsible throughout the duration of constructing the Flood Control Facilities for placing, installing, constructing, inspecting and maintaining all BMP's identified in the SWPPP and amendments thereto and for removing and disposing of temporary BMP's.

The Property Owner shall become fully informed of and comply with the applicable provisions of the General Permit, Federal, State and local regulations that govern the Property Owner's activities and operation pertaining to both stormwater and non-stormwater discharges from the Construction Site of the Flood Control Facilities and any area of disturbance outside said Construction Site relating to the Flood Control Facilities. The Property Owner shall, at all times, keep copies of the General Permit, approved SWPPP and all amendments at the Construction Site. The SWPPP shall be made available upon request of a representative of the SWRCB, Santa Ana Regional Water Quality Control Board, or the United States Environmental Protection Agency. The Property Owner shall, at reasonable times, allow authorized agents of the above sited agencies, upon the presentation of credentials to: (i) enter upon the Construction Site; (ii) have access to and copy any records required to be kept as specified in the General Permit, (iii) inspect the Construction Site and determine whether related soil stabilization and sediment control BMP's have been implemented and maintained, and (iv) sample or monitor stormwater or non-stormwater runoff for purposes of ensuring compliance with the General Permit.

The Property Owner shall be solely and exclusively responsible for any arrangements made between it and other property owners or entities that result in disturbance of land at the Construction Site.

The Property Owner shall be responsible for all costs and for any liability imposed by law as a result of its failure to comply with the requirements set forth in this Section, including but not limited to, compliance with the applicable provisions of the General Permit and Federal, State and local regulations. For the purpose of this Section, costs and liabilities include, but are not limited to, fines, penalties and damages whether assessed against the Flood Control District, the County, the School District, the Community Facilities District or the Property Owner, including those levied under the Federal Clean Water Act and the State's Porter-Cologne Water Quality Act.

Section 4.8. Cal/OSHA; Confined Space Entry. At all times during the construction of the Flood Control Facilities, the Property Owner shall require all contractors to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintenance of a safe working environment for the Flood Control District, the County, the School District and their respective employees on the site. This will include the preparation of a confined space procedure specific for all storm drain facilities. The procedure shall comply with requirements contained in Sections 5157 and 5158 of Title 8 of the California Code of Regulations and the Flood Control District's "Confined Space Procedure, SOM-18." The confined space procedure is to be

review and approved by the Flood Engineer before proceeding with construction of the Flood Control Facilities.

Section 4.9. Notice of Intent to Commence Construction. Not less than twenty (20) calendar days prior to the date on which it intends to commence construction of a Flood Control Facility, the Property Owner is to provide a written "Notice of Intent to Commence Construction" to the Flood Engineer. Construction on the Flood Control Facility may not proceed until the Flood Engineer issues Property Owner a written "Notice to Proceed" to the Property Owner. The Property Owner's "Notice of Intent" shall include all of the following:

- (a) Contractor Identification - A complete list of all contractors and subcontractors to be performing work on the Flood Control Facilities, including the corresponding license number and license classification of each. The Property Owner shall also identify its designated superintendent for construction of the Flood Control Facilities.
- (b) Construction Schedule - A construction schedule which shall show the order and dates in which the Property Owner and the Property Owner's contractor proposes to carry on the various parts of work, including estimated start and completion dates. As construction of the Flood Control Facility progresses the Property Owner shall update said construction schedule upon request.
- (c) Construction Inspection Deposit - Deposit with Flood Control District (Attention: Business Office – Accounts Receivable) the estimated cost of providing construction inspection for the Flood Control Facilities, in an amount as determined and approved by Flood Control District in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County, based upon the bonded value of the Flood Control Facilities to be inspected, operated and maintained by Flood Control District.

The Flood Control District's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability. In the event the Property Owner wishes to expedite issuance of the Notice to Proceed, the Property Owner may elect to furnish an independent qualified construction inspector. The Property Owner shall furnish appropriate documentation of the individual's credentials and experience to the Flood Engineer for review and approval. The Flood Engineer shall review the individual's qualifications and experience and, upon approval, said individual shall be "deputized" and authorized to act on the Flood Control District's behalf on all construction inspection and quality control matters. If the Property Owner's initial construction inspection deposit exceeds the amount of \$10,000, the Flood Control District shall refund to the Property Owner up to eighty percent (80%) of the Property Owner's initial inspection deposit within forty (45) days of

Flood Engineer's approval of the "deputized" inspector; however, a minimum balance of \$10,000 shall be retained in the account.

- (d) Subdivision Bonds - Approved copies of the bonds required by Section 4.3., above.
- (e) Irrevocable Offer(s) of Dedication – The duly executed irrevocable offer(s) of dedication to the public for flood control purposes, including ingress and egress, for the rights of way deemed necessary by the Flood Control District for the construction, inspection, operation and maintenance of the Flood Control Facilities as required by Section 4.4.(b), above. Preliminary reports of title dated not more than thirty (30) days prior to date of submission for all property described in the irrevocable offer(s) of dedication.
- (f) Licenses and Regulatory Permits - Copies of all Licenses and Regulatory Permits secured pursuant to Sections 4.5 and 4.7, above, including a copy of the Notice of Intent ("NOI") and waste discharge identification number ("WDID No.") received from the SWRCB pursuant to Section 4.7, above.
- (g) Certificates of Insurance/Endorsements - Certificates of insurance and the applicable endorsements as required by Section 4.6.
- (h) Contractor's Confined Space Entry Procedure - The confined space procedure as required by Section 4.8.

Section 4.10. Conditions to be Satisfied During Construction.

(a) The Property Owner shall make a good faith effort to complete construction of the Flood Control Facilities within eighteen (18) consecutive months after the Flood Control District issues Property Owner a written Notice to Proceed or the date of issuance of the series of Bonds to finance said Flood Control Facilities, whichever comes first. It is expressly understood that since time is of the essence in this Joint Community Facilities Agreement, failure of the Property Owner to perform the work within the agreed upon time shall constitute authority for the Flood Control District to cause the remaining work to be performed and require the Property Owner's surety to pay to the Flood Control District the penal sum of any and all bonds.

(b) Construction of the Flood Control Facilities shall be on a five (5) day, forty (40) hour workweek with no work on Saturday, Sundays or days designated by the Flood Control District as legal holidays, unless otherwise approved by the Flood Control District. If the Property Owner feels it is necessary to work more than normal forty (40) hour workweek or on holidays, the Property Owner shall make a written request for permission from the Flood Control District to work the additional hours (with a copy to the County Engineer). The request shall be submitted to the Flood Control District at least 72 hours prior to the request date for additional work hours and state the reasons for the overtime and the specific time frames required. The decision granting permission for

overtime work shall be made by the Flood Control District at its sole discretion and shall be final. If permission is granted, the Property Owner will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinances Nos. 671 and 749 of the County, including any amendments thereto.

(c) The Property Owner shall comply, and shall cause each contractor, subcontractor, vendor, equipment operator and owner operator, in each such case to the extent such individual or entity is engaged to perform work on the Flood Control Facilities, to comply, with such other requirements relating to the construction of the Flood Control Facilities as the Flood Control District may impose by written notification delivered to the Property Owner, to the extent legally required as a result of changes in applicable federal, State or County laws, rules or procedures.

(d) All change orders shall be reviewed and, if appropriate, approved by the Flood Engineer for the purpose of ensuring that they comply with Flood Control District's engineering standards for the work represented by the change order.

(e) The Property Owner has deposited with the Flood Control District funds presently estimated to cover the anticipated costs associated with the review and approval of the Plans, the review and approval of right of way and conveyance documents and with the processing and administration of this Joint Community Facilities Agreement. The Property Owner shall, within thirty (30) days after receipt of an additional billing(s) for such costs, as deemed necessary and reasonable, shall forward the billed amount to the Flood Control District.

(f) The Property Owner shall ensure that all work performed pursuant to this Joint Community Facilities Agreement, whether by Property Owner, its agents or contractors, is done in accordance with all applicable laws and regulations, including but not limited to all applicable provisions of the Labor Code, Public Contract Code, Business and Professions Code and Water Code. Property Owner shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

Section 4.11. Inspection; Completion of Construction. The Flood Engineer shall have primary responsibility for providing inspection of the work of construction of the Flood Control Facilities to ensure that the work of construction is accomplished in accordance with the Plans approved by the Flood Control District. Flood Control District staff shall have access to the Construction Site at all reasonable times for the purpose of accomplishing such inspection and shall have final authority pertaining to any matters involving the Flood Control Facilities. Further, Property Owner agrees that Flood Control District inspection staff shall at all times have the authority to communicate any quality control concerns directly to Property Owner's contractor(s).

Upon completion of construction of a Flood Control Facility, the Property Owner shall notify the Flood Control District in writing that it considers the Flood Control Facility to be completed consistent with the Plans and, upon receipt of said notice, the Flood Control District's staff shall provide the property owner with a "punch list" of outstanding construction items that must be addressed prior to acceptance of the Flood

Control Facility or written confirmation that construction of the Flood Control Facility is complete consistent with the approved Plans and the provisions of this Joint Community Facilities Agreement.

Once construction of a Flood Control Facility is deemed complete, the Flood Engineer shall in a timely manner notify the Property Owner and the Administrator that construction of the Flood Control Facility has been satisfactorily completed and that the Property Owner may proceed with the recording of a Notice of Completion with respect to such construction pursuant to Section 3093 of the California Civil Code. The Property Owner shall provide a duplicate copy of the recorded Notice of Completion to the Administrator and the Flood Control District.

Once construction of a Flood Control Facility is deemed complete, the Flood Engineer shall in a timely manner notify the County Engineer to accept any flood control easements, offered as dedications on the subdivision maps for associated Tracts, and convey said easements to the Flood Control District.

Once construction of a Flood Control Facility is deemed complete, the Property Owner's civil engineer of record or construction civil engineer of record duly registered in the State shall provide to the Flood Control District redlined "as-built" plans and profile sheets for the Flood Control Facility. After the Flood Control District's approval of the redlined "as-built" drawings, the Developer's engineer shall schedule with the Flood Engineer a time to transfer the redlines onto the Flood Control District's original mylars at the Flood Control District's office, after which, said engineer shall review, stamp and sign the original mylars "As-Built."

Section 4.12. Maintenance of Facilities; Warranties.

(a) The Property Owner shall maintain the Flood Control Facilities in good and safe condition until the Acceptance Date of the Flood Control Facilities. Prior to the Acceptance Date, the Property Owner shall be solely responsible for maintaining the Flood Control Facilities in proper operating condition, and shall perform such maintenance on the Flood Control Facilities as the Flood Engineer reasonably determines to be necessary.

(b) As of the Acceptance Date, the performance bond provided by the Property Owner for the Flood Control Facilities pursuant to Section 4.3 shall be reduced to an amount equal to 10% of the original amount thereof and shall serve as a warranty bond to guarantee that the Flood Control Facilities will be free from defects due to faulty workmanship or materials for a period of 12 months from the Acceptance Date. Alternatively, the Property Owner may elect to provide a new warranty bond or cash in an equivalent amount.

(c) As of the Acceptance Date, the Property Owner shall assign to Flood Control District all of the Property Owner's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to the Flood Control Facilities.

Section 4.13. Acceptance of Facilities; Acceptance Date.

Notwithstanding any other provision of this Joint Community Facilities Agreement, neither the Flood Control District nor the County shall be required to accept responsibility for the ownership, operation and maintenance of a Flood Control Facility, or any segment thereof, unless or until such Flood Control Facility is deemed to be Functional or a Functioning Segment as determined by the Flood Engineer.

Prior to the Flood Control District's acceptance of a Flood Control Facility for ownership, operation and maintenance, each of the following shall be furnished by the Property Owner or completed to the satisfaction of the Flood Engineer:

- (a) Satisfactory completion of the Flood Control Facility's construction;
- (b) Acceptance by County of all dedicated rights of way deemed necessary by the Flood Control District and County for the operation and maintenance of said Flood Control Facility;
- (c) Conveyance of Acceptable Title by Property Owner to the Flood Control District as set forth in Section 4.4. above;
- (d) Delivery of a duplicate copy of the Property Owner's recorded Notice of Completion for the Flood Control Facility.

Within a reasonable time following the Flood Control District's acceptance of a Flood Control Facility, the Flood Engineer shall provide written notice to the Administrator and County Engineer that the Flood Control District has accepted ownership of the Flood Control Facility and responsibility for the operation and maintenance thereof. The date of the Flood Control District's notice shall serve as the Acceptance Date.

Section 4.14 Ownership of the Flood Control Facilities.

(a) Notwithstanding the fact that some or all of the Flood Control Facilities may be constructed within dedicated street rights-of-way or on property which is owned by or has been or will be dedicated to the Flood Control District or the County, a Flood Control Facility shall be and remain the property of the Property Owner until Acceptable Title to parcels not owned by the Flood Control District or the County with respect to such Flood Control Facility is conveyed to the Flood Control District or the County, as appropriate, as provided herein, and such Flood Control Facility has been formally accepted by the Flood Control District for ownership, operation and maintenance. Ownership of said parcels by the Property Owner or other third parties shall likewise not be affected by any agreement that the Property Owner may have entered into or may enter into with the County pursuant to the provisions of the Subdivision Map Act, Section 66410 *et seq.* of the Code, and the provisions of this Section shall control.

(b) The County is to inspect, own, operate and maintain those portions of the Flood Control Facilities which are identified on the approved drainage plans as County maintained drainage facilities. The County, by execution of this Joint Community

Facilities Agreement, grants to the Property Owner the right to construct the Flood Control Facilities and to the Flood Control District the right to inspect, operate and maintain the Flood Control Facilities located within those County rights-of-way in which the Flood Control Facilities are located.

ARTICLE V

REPRESENTATIONS, WARRANTIES, COVENANTS, INDEMNIFICATION

Section 5.1. Representations, Warranties and Covenants of the Property Owner. The Property Owner, as the owner of the Tracts encompassed within the proposed boundaries of the Community Facilities District, makes the following representations, warranties and covenants for the benefit of the Flood Control District, the County, the School District, and the Community Facilities District, when formed, as of the date hereof:

(a) Organization. The Property Owner represents and warrants that it is a limited liability company duly organized and validly existing under the laws of the State of Delaware, is in good standing under the laws of the State, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) Authority. Property Owner represents and warrants that it has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all action necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Property Owner.

(c) Binding Obligation. The Property Owner represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Property Owner and is enforceable against Property Owner in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) Completion of Facilities. The Property Owner covenants that it will use its commercially reasonable and diligent efforts to do all things that may be lawfully required of it in order to cause the Flood Control Facilities the construction of which have been made a condition for the development of the Tracts to be completed in accordance with this Joint Community Facilities Agreement.

(e) Compliance with Laws. The Property Owner covenants that, while the Flood Control Facilities are owned by the Property Owner or required pursuant to this Joint Community Facilities Agreement to be maintained by it, the Property Owner will not commit, suffer or permit any of its agents, employees or contractors to commit any act to be done in, upon or to the Flood Control Facilities in violation in any material respect of any law, ordinance, rule,

regulation or order of any governmental entity or any covenant, condition or restriction now or hereafter affecting the Flood Control Facilities.

(f) Hazardous Materials. The Property Owner represents and warrants that neither the Property Owner, nor its principal contractors or any subcontractor, agent or employee thereof will use, generate, manufacture, procure, store, release, discharge or dispose of any Hazardous Material on, under or about the Construction Site or the Flood Control Facilities or transport any Hazardous Material to or from the Construction Site or the Flood Control Facilities in violation of any federal, state or local law, ordinance, regulation, rule, decision or policy statement regulating Hazardous Material.

(g) Permits. The Property Owner covenants that it will pursue in a commercially reasonable manner all governmental or other permits or licenses required to proceed with the construction of the Flood Control Facilities and that it will pay all fees relating thereto. The Property Owner represents and warrants that to the best of the Property Owner's knowledge, as of the date hereof, there is no material legal impediment to the Property Owner's proceeding with and completing the construction of the Flood Control Facilities or to the development of the Construction Site as contemplated by the Property Owner, except for government or other permits to be obtained.

(h) Payment Requests. The Property Owner represents and warrants that (i) it will not request payment from the Community Facilities District under this Joint Community Facilities Agreement for the acquisition of any improvements that are not part of a Flood Control Facility, and (ii) it will diligently follow all procedures set forth in this Joint Community Facilities Agreement.

(i) Financial Records. Until the determination of the Purchase Price of all Flood Control Facilities to be financed by the Community Facilities District, the Property Owner covenants to maintain proper books of record and account for the Flood Control Facilities and all costs related thereto. The Property Owner covenants that such accounting books will be maintained in accordance with generally accepted accounting principles, and will be available for inspection by the Community Facilities District, the School District, the Flood Control District, and the County and their respective agents, at any reasonable time during regular business hours on two (2) Business Days' prior written notice, subject to mutually acceptable arrangements regarding the confidentiality of proprietary data.

(j) Property Owner's Responsibilities. The Property Owner accepts responsibility for and shall be responsible for identification and compliance with all applicable laws pertaining to constructing and installing the Flood Control Facilities and the contract or contracts pertaining thereto, including the laws that would apply to the Flood Control District if it were constructing the Flood Control Facilities itself. Notwithstanding the requirements of this Joint Community Facilities Agreement the Flood Control District, the County, the School District and the Community Facilities District make no representation as to the

applicability or inapplicability of any laws regarding contracts, including contracts related to the construction and installation of the Flood Control Facilities, and especially the matters of competitive bidding and payment of prevailing wages. Any of the Flood Control District, the County, the School District or the Community Facilities District may, in its sole discretion, supply guidance to the Property Owner with respect to laws governing the construction of the Flood Control Facilities if requested to do so by the Property Owner. Whether or not any or all of them have done so, the Property Owner will neither seek to hold or hold them liable for any consequences of any failure by the Property Owner to correctly determine applicability of any such requirements to any contract it enters into, irrespective of whether the Flood Control District, the County, the School District, or the Community Facilities District, as the case may be, knew or should have known about applicability of any such requirement.

Section 5.2. Representations, Warranties and Covenants of the School District. The School District makes the following representations, warranties and covenants for the benefit of the Flood Control District, the County, the Community Facilities District, when formed, and the Property Owner, as of the date hereof:

(a) Authority. The School District represents and warrants that the School District has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the School District.

(b) Binding Obligation. The School District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the School District and is enforceable against the School District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The School District represents and warrants that the School District will, in a timely manner, process all completed and approved Payment Requests submitted to it by the Contract Administrator and follow all procedures applicable to it as set forth in this Joint Community Facilities Agreement and the Mitigation Agreement.

(d) Financial Records. The School District covenants to maintain, or cause to be maintained, books of record and account for the proceeds of the Bonds, levy and collection of special taxes and the payment of principal of and interest on the Bonds in accordance with the requirements of the Indentures and the Act.

Section 5.3. Representations, Warranties and Covenants of the Flood Control District. The Flood Control District makes the following representations, warranties and covenants for the benefit of the School District, the Community Facilities District, when formed, the County and the Property Owner as of the date hereof:

(a) Authority. The Flood Control District represents and warrants that the Flood Control District has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the Flood Control District.

(b) Binding Obligation. The Flood Control District represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the Flood Control District and is enforceable against the Flood Control District in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Completion of Flood Control Facilities. The Flood Control District covenants that it will use its reasonable and diligent efforts to take expeditiously all actions that may be lawfully required of it in processing and approving Plans and Specifications in accordance with this Joint Community Facilities Agreement.

Section 5.4. Representations, Warranties and Covenants of the County. The County makes the following representations, warranties and covenants for the benefit of the Flood Control District, the School District, the Community Facilities District, when formed, and the Property Owner as of the date hereof:

(a) Authority. The County represents and warrants that the County has the power and authority to enter into this Joint Community Facilities Agreement, and has taken all actions necessary to cause this Joint Community Facilities Agreement to be executed and delivered, and this Joint Community Facilities Agreement has been duly and validly executed and delivered on behalf of the County.

(b) Binding Obligation. The County represents and warrants that this Joint Community Facilities Agreement is a valid and binding obligation of the County and is enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(c) Payment Requests. The County represents and warrants that it will cause the Contract Administrator to process all complete Payment Requests it receives in a timely manner consistent with the procedures set forth in this Joint Community Facilities Agreement.

(d) CEQA Compliance. For the sole and exclusive benefit of the Flood Control District, the County represents and warrants that it has taken all actions necessary under CEQA to allow for the construction of the Flood Control Facilities.

Section 5.5. The Property Owner Indemnification. The Property Owner, with regard to its respective responsibilities under this Joint Community Facilities Agreement, agrees to protect, indemnify, defend and hold the School District, the Community Facilities District, when formed, the Flood Control District, the County and their respective directors, officers, Board of Supervisors, Board of Education, Legislative Body, elected officials, employees, representatives and agents (the "Indemnified Parties"), and each of them, harmless from and against any and all claims, liabilities, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees, and court costs which the Indemnified Parties, or any combination thereof, may suffer or which may be sought against or recovered or obtained from the Indemnified Parties, or any combination thereof, as a result of, or by reason of, or arising out of, or in consequence of (a) the approval of this Joint Community Facilities Agreement, (b) the acquisition, construction, or installation of the Flood Control Facilities, (c) the design, construction, or failure of the Flood Control Facilities or an assertion, pursuant to Article I, Section 19 of the California Constitution, the Fifth or Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seek to impose any other liability or damage whatsoever, from the diversion of the waters from their natural drainage patterns, or from the discharge of drainage from the Flood Control Facilities, (d) the untruth or inaccuracy of any representation or warranty made by the Property Owner in this Joint Community Facilities Agreement or in any certifications delivered by the Property Owner hereunder, or (e) any act or omission of the Property Owner or any of its contractors, subcontractors, or their respective officers, employees or agents, in connection with the Flood Control Facilities or its responsibilities or obligations under this Joint Community Facilities Agreement. If the Property Owner fails to do so, the Indemnified Parties, or each of them, shall have the right, but not the obligation, to defend the same and charge all of the direct or incidental costs of such defense, including reasonable attorneys' fees or court costs, to and recover the same from the Property Owner.

No indemnification is required to be paid by the Property Owner as to an Indemnified Party for any claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs (a) arising directly from the willful misconduct or sole or active negligence of that Indemnified Parties or (b) arising from the use or operation of a Flood Control Facility after the Acceptance Date of the Flood Control Facility, unless such claims, losses, liabilities, expenses, suits, actions, decrees, judgments, awards, reasonable attorney's fees, and court costs results from the defective or improper design, construction or installation of such Flood Control Facility by the Property Owner or its contractors, subcontractors, or respective officers, employees or agents.

The provisions of this Section shall survive the termination of this Joint Community Facilities Agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.1. Property Owner as Independent Contractor. In performing under this Joint Community Facilities Agreement, it is mutually understood that the Property Owner is acting as an independent contractor, and not as an agent of the School District, the Community Facilities District, the Flood Control District, or the County. None of the School District, the Flood Control District, or the County shall have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner. The Community Facilities District shall not have any responsibility for payment to any contractor, subcontractor or supplier of the Property Owner unless such entity or individual is specifically listed as a payee on the Payment Request submitted by said Property Owner pursuant to this Joint Community Facilities Agreement in which case the Community Facilities District shall be responsible for making such payment only if such Payment Request is approved pursuant to the provisions of this Joint Community Facilities Agreement and the Mitigation Agreement and only from funds available in the applicable Flood Control Facilities Accounts.

It is not intended by the parties that this Joint Community Facilities Agreement create a partnership or joint venture among them and this Joint Community Facilities Agreement shall not otherwise be construed.

Section 6.2. Other Agreements. Nothing contained herein shall be construed as affecting the School District's, the County's, the Flood Control District's, or the Property Owner's respective duty to perform its respective obligations under other agreements, land use regulations or subdivision requirements relating to the development of the Tracts, which obligations are and shall remain independent of the Property Owner's rights and obligations, the School District's rights and obligations, the Flood Control District's rights and obligations, and the County's rights and obligations, under this Joint Community Facilities Agreement; provided, however, that the Property Owner shall use its commercially reasonable and diligent efforts to perform each and every covenant to be performed by it under any lien or encumbrance, instrument, declaration, covenant, condition, restriction, license, order, or other agreement, the nonperformance of which could reasonably be expected to materially and adversely affect the acquisition, construction and installation of the Flood Control Facilities.

Section 6.3. Binding on Successors and Assigns. The Property Owner may assign its duties and obligations pursuant to this Joint Community Facilities Agreement to one or more purchasers of its property, except the purchaser of a single-family residential unit, the owner of a multi-family residential complex or the end user of a non-residential parcel, and to whom said Property Owner shall assign the right to receive payment of the Purchase Price for the Flood Control Facilities. Such a purchaser and assignee shall enter into an assignment agreement with the County, the Flood Control District, the School District and the Community Facilities District, in a form acceptable to the County, the Flood Control District, the School District and the Community Facilities District,

whereby such purchaser agrees, except as may be otherwise specifically provided therein, to assume the duties and obligations of the Property Owner pursuant to this Joint Community Facilities Agreement and to be bound thereby. Neither this Joint Community Facilities Agreement nor the duties and obligations of the Flood Control District, the County, the School District or the Community Facilities District hereunder may be assigned to any person or legal entity, without the written consent of the Property Owner, which consent shall not be unreasonably withheld or delayed. The agreements and covenants included herein shall be binding on and inure to the benefit of any partners, permitted assigns, and successors-in-interest of the parties hereto.

Section 6.4. Amendments. This Joint Community Facilities Agreement can only be amended by an instrument in writing executed and delivered by the School District, the Community Facilities District, once formed, the Flood Control District, the County and the Property Owner or successor thereto-

Section 6.5. Waivers. No waiver of, or consent with respect to, any provision of this Joint Community Facilities Agreement by a party hereto shall in any event be effective unless the same shall be in writing and signed by such party, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given.

Section 6.6. No Third Party Beneficiaries. Other than the Community Facilities District, when formed, no person or entity shall be deemed to be a third party beneficiary hereof, and nothing in this Joint Community Facilities Agreement (either expressed or implied) is intended to confer upon any person or entity, other than the School District, the Community Facilities District, when formed, the Flood Control District, the County, and the Property Owner (and its respective successors and assigns), any rights, remedies, obligations or liabilities under or by reason of this Joint Community Facilities Agreement.

Section 6.7. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

Flood Control District:	Riverside County Flood Control and Water Conservation District Attn: Administrative Services 1995 Market Street Riverside, California 92501 Telephone: (951) 955-1200 Fax: (951) 955-788-9965
-------------------------	---

County/Contract Administrator:	County of Riverside Engineering Division Manager Attn: Glenn Higa 3525 14th Street
--------------------------------	---

Riverside, California 92501
Telephone: (951) 955-0043
Fax: (951) 955-3164

School District:

Riverside Unified School District
3070 Washington Street
Riverside, California 92504
Attention: Director of Planning and
Development
Telephone: (951) 788-7554
Fax: (951) 275-9349

Property Owner:

SMR Ventures, LLC
c/o Troxler Residential Ventures XII, LLC
2053 North Parkway Calabasas
Calabasas, California 91302
Attention: Nicholas Biro
Telephone: (818) 876-9651
Fax: (818) 876-9751

With a copy to:

RWR Homes, Inc.
2710 Locker Avenue West, Suite 350
Carlsbad, California 92010
Attention: Bob Turi
Telephone: (760) 918-6797
Fax: (760) 918-6798

With a copy to:

RWR Homes, Inc.
575 Anton Blvd., Suite 820
Costa Mesa, California 92626
Attention: Ryan Ellis
Telephone: (714) 852-5656 ext. 201
Fax: (714) 852-5650

With a copy to:

Goodwin Procter LLP
10250 Constellation Blvd., 21st Floor
Los Angeles, California 90067-6221
Attention: Robert M. Haight, Jr., Esq.
Telephone: (310) 788-5150
Fax: (310) 286-0992

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of a document confirming satisfactory transmission, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail

postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 6.8. Jurisdiction and Venue. Each of the Community Facilities District, the School District, the Flood Control District, the County, and the Property Owner (a) agrees that any suit action or other legal proceeding arising out of or relating to this Joint Community Facilities Agreement shall be brought in state or local court in the County of Riverside or in the Courts of the United States of America in the district in which said County is located, (b) consents to the jurisdiction of each such court in any suit, action or proceeding, and (c) waives any objection that it may have to the laying of venue or any suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the Community Facilities District, the School District, the Flood Control District, the County and the Property Owner agrees that a final and non-appealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 6.9. Entire Agreement. This Joint Community Facilities Agreement contains the entire agreement between the parties with respect to the matters provided for herein and supersedes all prior agreements and negotiations between the parties with respect to the subject matter of this Joint Community Facilities Agreement except for such matters that are the subject of the Mitigation Agreement.

Section 6.10. Attorneys' Fees. If any action is instituted to interpret or enforce any of the provisions of this Joint Community Facilities Agreement, the party prevailing in such action shall be entitled to recover from the other parties thereto reasonable attorney's fees and costs of such suit (including both prejudgment and postjudgment fees and costs) as determined by the court as part of the judgment.

Section 6.11. Governing Law. This Joint Community Facilities Agreement and any dispute arising hereunder shall be governed by and interpreted in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 6.12. Severability. If any part of this Joint Community Facilities Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Joint Community Facilities Agreement shall be given effect to the fullest extent reasonably possible.

Section 6.13. Usage of Words. As used herein, the singular of any word includes the plural, and terms in the masculine gender shall include the feminine.

Section 6.14. Counterparts. This Joint Community Facilities Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 6.15. Interpretation. The parties to this Joint Community Facilities Agreement and their counsel have reviewed and revised this Joint Community Facilities

Agreement, and the normal rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting parties shall not be employed in the interpretation of this Joint Community Facilities Agreement.

Section 6.16. Designation of Party's Representative. Each party is to prepare a certificate designating the person or persons that are to serve as the liaison between the Flood Control District, the County, and the Community Facilities District, the Contract Administrator regarding design, engineering and construction of the Flood Control Facilities. The certificates are to contain an original and specimen signature of each designated person. The certificates are to be provided to the Flood Control District, the County, and the Community Facilities District at the time the Bonds are issued.

Section 6.17. Nature of Agreement; Allocation of Special Taxes. This Joint Community Facilities Agreement shall constitute a joint community facilities agreement entered into pursuant to Sections 53316.2, 53316.4 and 53316.6 of the Code. The entire amount of the proceeds of the special taxes levied pursuant to each Rate and Method shall be allocated and distributed to the Community Facilities District.

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IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

RECOMMENDED FOR APPROVAL:

By: _____
WARREN D. WILLIAMS
General Manager-Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:

By: Marion Ashley
MARION ASHLEY
Chairman, Board of Supervisors of the Flood Control and Water Conservation District

ATTEST:

NANCY ROMERO, Clerk to the Riverside County Flood Control and Water Conservation District Board of Supervisors

By: Nancy Romero
Deputy Clerk

APPROVED AS TO FORM:

JOE S. RANK
County Counsel

By: Joe S. Rank
Deputy County Counsel
Joe A. Gardner

RECOMMENDED FOR APPROVAL:

By: George A. Johnson
GEORGE A. JOHNSON
Director of Transportation

COUNTY OF RIVERSIDE:

By: John Tavaglione
JOHN TAVAGLIONE
Chairman, Board of Supervisors

ATTEST:

NANCY ROMERO, Clerk to the Board of Supervisors

By: Nancy Romero
Deputy Clerk

[Signatures continued on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Joint Community Facilities Agreement as of the day and year first herein above written.

RECOMMENDED FOR APPROVAL:

By: Warren D. Williams
WARREN D. WILLIAMS
General Manager-Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT:

By: Marion Ashley
MARION ASHLEY
Chairman, Board of Supervisors of the Flood Control and Water Conservation District

ATTEST:
NANCY ROMERO, Clerk to the
Riverside County Flood Control and
Water Conservation District Board of Supervisors

By: Nancy Romero
Deputy Clerk

APPROVED AS TO FORM:
JOE S. RANK
County Counsel

By: _____
Deputy County Counsel

RECOMMENDED FOR APPROVAL:

By: _____
GEORGE A. JOHNSON
Director of Transportation

COUNTY OF RIVERSIDE:

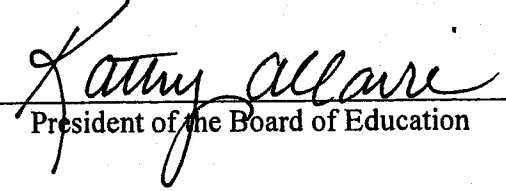
By: John Tavaglione
JOHN TAVAGLIONE
Chairman, Board of Supervisors

ATTEST:
NANCY ROMERO, Clerk to the
Board of Supervisors

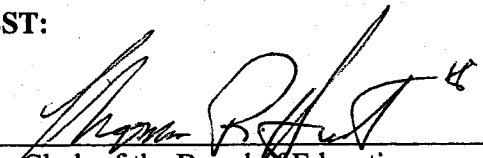
By: Nancy Romero
Deputy Clerk

[Signatures continued on next page.]

RIVERSIDE UNIFIED SCHOOL DISTRICT

By: 
President of the Board of Education

ATTEST:

By: 
Clerk of the Board of Education

SMR VENTURES, LLC,
a Delaware limited liability company

By: SMR Mezzanine, LLC,
a Delaware limited liability company,
its sole member

By: Troxler Residential Ventures XII, LLC,
a Delaware limited liability company,
its Managing Member

By: Troxler Ventures Partners, Inc.,
a California corporation
its Operating Member

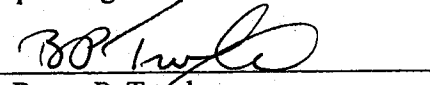
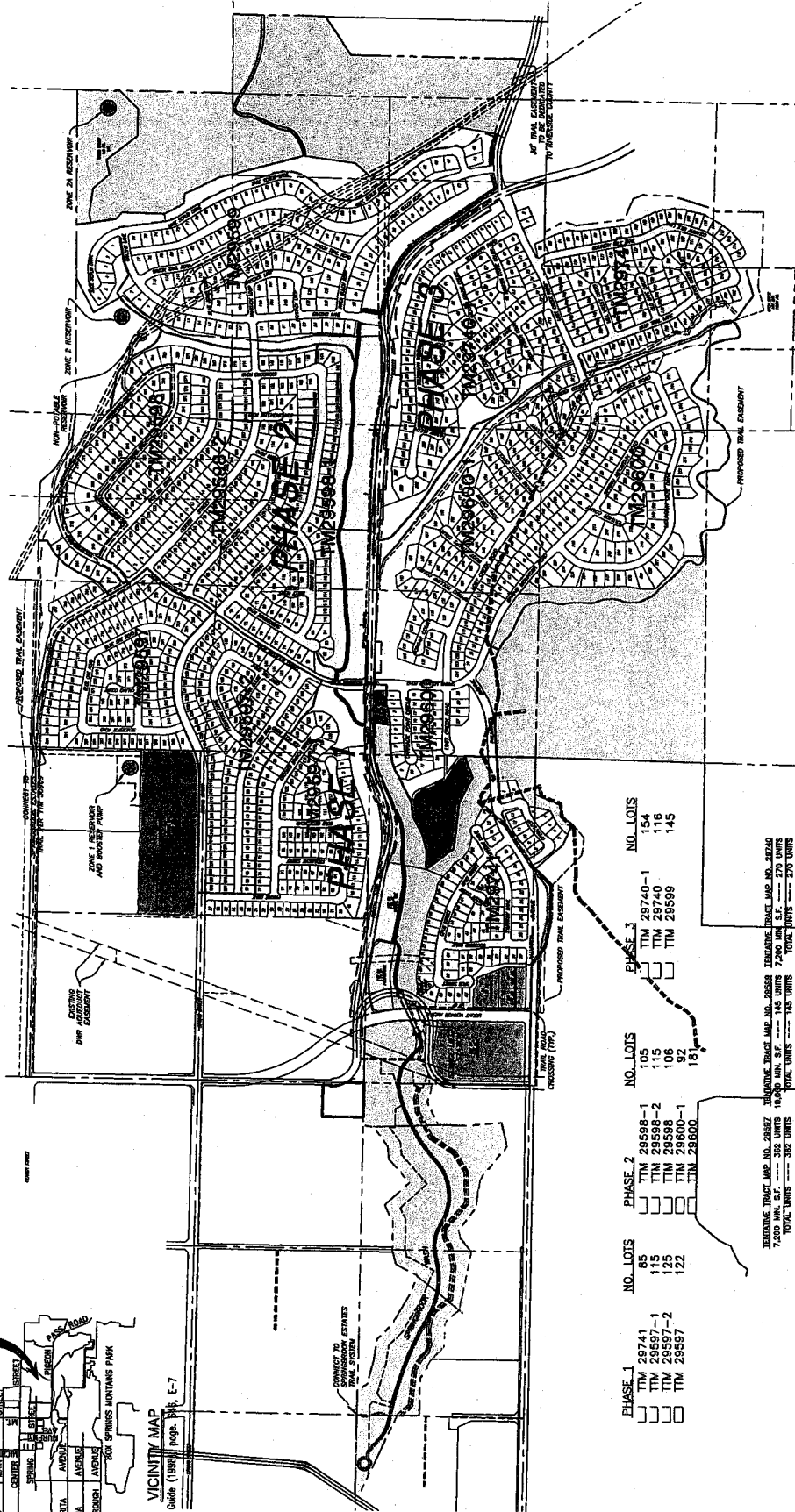
By: 
Bryan P. Troxler
President

EXHIBIT A

**Map of Area Proposed to be Included Within
Community Facilities District No. 23
of Riverside Unified School District**

[See Attached Map]



PHASE 1	NO. LOTS	PHASE 2	NO. LOTS	PHASE 3	NO. LOTS
TTM 29741	85	TTM 29598-1	105	TTM 29740-1	154
TTM 29597-2	135	TTM 29598-2	145	TTM 29740	116
TTM 29597	122	TTM 29600-1	92	TTM 29599	145
TTM 29597	122	TTM 29600	181		

INDICATIVE TRACT MAP NO. 29597	INDICATIVE TRACT MAP NO. 29598	INDICATIVE TRACT MAP NO. 29599	INDICATIVE TRACT MAP NO. 29740
7,200 MIN. S.F. --- 382 UNITS	10,000 MIN. S.F. --- 145 UNITS	7,200 MIN. S.F. --- 270 UNITS	7,200 MIN. S.F. --- 270 UNITS
TOTAL UNITS --- 382 UNITS	TOTAL UNITS --- 145 UNITS	TOTAL UNITS --- 270 UNITS	TOTAL UNITS --- 270 UNITS
INDICATIVE TRACT MAP NO. 29598	INDICATIVE TRACT MAP NO. 29600 <td>INDICATIVE TRACT MAP NO. 29740</td> <td></td>	INDICATIVE TRACT MAP NO. 29740	
7,200 MIN. S.F. --- 338 UNITS	7,200 MIN. S.F. --- 123 UNITS	7,200 MIN. S.F. --- 85 UNITS	
TOTAL UNITS --- 338 UNITS	TOTAL UNITS --- 88 UNITS	TOTAL UNITS --- 85 UNITS	
	TOTAL UNITS --- 273 UNITS		

SPRING MOUNTAIN RANCH PHASING PLAN

Slater Consulting, Inc.
277 Rockers Drive, Suite 300
San Marcos, CA 92069
Tel. (760) 891-3200
Fax. (760) 891-3201
www.slaterinc.com



EXHIBIT B

FLOOD CONTROL FACILITIES

**Community Facilities District No. 23
of Riverside Unified School District**

FACILITY	SEGMENT	DESCRIPTION
1.	2A	<p>Springbrook Wash Channel - Stage 2A From Station 63+50 to 91+85</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel – Stage 2A and all associated Laterals, Installation of a 7' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box Culvert. All Storm Drain Lines, Channel Construction and Reinforced Concrete Box Culverts including but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	2B	<p>Springbrook Wash Channel - Stage 2B From Station 91+85.00 to 113+50.10; Line S From Station 10+25.00 to 10+80.75; Line T From Station 10+31.00 to 12+00.00; Line U From Station 10+10.49 to 10+74.29; Line Y From Station 9+37.37 to 12+85.16</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 54" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel - Stage 2B and all associated Laterals. All Storm Drain Lines and Channel Construction include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	3	<p>Springbrook Wash Channel / Pigeon Pass Storm Drain - Stage 3 From Station 130+47.93 to 134+75.51.</p>
	3A	<p>Springbrook Wash Cannel / Pigeon Pass Road Basin – Stage 3 at Station 134+75.51.</p>
	4	<p>Springbrook Wash Storm Drain – Stage 3 From Station 22+33.30 to 23+05.03.</p>
	4A	<p>Springbrook Wash Basin - Stage 3 From Station 113+50.00 to 130+48.00, Including Laterals and Channel Lines S & U</p>

FACILITY	SEGMENT	DESCRIPTION
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 96" in Diameter and all associated Lines and Laterals, Installation of the Springbrook Wash Channel - Stage 3 and all associated Laterals, Installation of a 14' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box. All Storm Drain Lines and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
	E-1	Pigeon Pass Road Lateral From Station 11+60.32 to 14+39.37.
	S-1	Line S From Station 10+87.96 to 11+94.26.
	U-1	Line U From Station 10+82.01 to 11+44.29, Including Laterals E-6, E-9, L-1, L-2, L-3, S-1, S-2, U-1
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Emergency Overflow Structures, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
	C	<p>Springbrook Channel Wash / Mount Vernon Storm Drain Stage 1 Reinforced Concrete Box Culvert From Station 56+5 to 63+50 and Mount Vernon Storm Drain Line Stage 1 From Station 10+52 to 22+24.</p>
		<p>Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Springbrook Wash Channel Wash Mount Vernon Storm Drain Reinforced Concrete Box (RCB) - Stage 1 and all associated Laterals. All Storm Drain Lines and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>

FACILITY	SEGMENT	DESCRIPTION
2.	<p>E-2</p> <p>H</p> <p>I</p> <p>I-1</p> <p>J</p> <p>L-1</p> <p>L-2</p> <p>X</p>	<p>Pigeon Pass Road Lateral From Station 10+00.00 to 16+5.00.</p> <p>Lyon Road Storm Drain Line H From 10+00.00 to 13+80.55 including Lateral H-2.</p> <p>Mount Vernon Storm Drain Line I From Station 23+12.63 to 33+74.04 including Lateral I-5.</p> <p>Springbrook Wash / Mount Vernon Avenue Debris Basin 3200.</p> <p>Line J From Station 10+00.00 to 17+66.53 and Laterals J-1, J-2.</p> <p>Spring Mountain Road North Storm Drain From Station 10+27.35 to 12+70.14.</p> <p>Spring Mountain Road South Storm Drain From Station 14+01.33 to 13+32.41; including Laterals E-10, E-11, G-1, Q-1, Q-2.</p> <p>Line X From Station 10+04.82 to Station 21+33.33; including Laterals X-1, X-2, X-3, F-600, G-600.</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 84" in Diameter and all associated Laterals, Installation of the Springbrook Wash Channel – Stage 2A and all associated Laterals, Installation of a 7' x 7' Single Reinforced Concrete Box Culvert and Installation of a Double 10' x 8' Reinforced Concrete Box Culvert. All Storm Drain Lines, Channel Construction and Reinforced Concrete Box Culverts include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, any and all necessary Basin Grading, Backfill, Basin Slopes, Debris Storage Area, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>
3.	D	<p>Spring Street Storm Drain Line D From Station 3+50.00 to 27+19.45, Including Laterals D-1, D-5, D-6, D-7, D-8, D-9</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 54" in Diameter and all associated Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Slope Drainage Devices, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.</p>

FACILITY	SEGMENT	DESCRIPTION
4.	A	<p>Highgrove - Center Street Storm Drain Stage 4 - Line A From Station 20+05.61 to 40+54.71 with Line Laterals A-1, A-2.</p> <p>A-1 Highgrove - Center Street Storm Drain Debris Basin 5000 Station 130+47.93.</p> <p>A-4 Line A-4 From Station 10+00.00 to 19+66.73 with Line Laterals A4-1, A4-2.</p> <p>B Spring Street Storm Drain Stage 4 - Line B From Station 26+62.80 to 67+45.32; including Line Laterals B-1, B-2, B-3, B-4, B-5, B-6, B-7, B-8, B-9, B-10, B-11, B-12; Line C From Station 10+00.00 to 10+47.67 and Line Z From Station 10+04.51 to 10+42.45.</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Highgrove – Center Street Debris Basin 5000. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p> <p>A-2 Highgrove - Center Street Storm Drain - Stage 2 From Station 10+00.00 to 30+02.33.</p> <p>B-1 Spring Street Storm Drain - Stage 2 From Station 17+80.46 to 26+62.54, including Laterals J-2, J-3, J-4.</p> <p>M Line M From Station 10+15.00 to 11+99.18.</p> <p>M-1 Center Street Offsite Sports Park Detention Basin.</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 66" in Diameter and all associated Lines and Laterals, Installation of 6' x 4' Reinforced Concrete Box Culvert, Installation of 6' x 5.5' Reinforced Box Culvert, Installation of the Center Street Offsite Sports Park Detention Basin. All Storm Drain Lines, Reinforced Concrete Box Culverts and Detention Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Bottom Channel Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>

FACILITY	SEGMENT	DESCRIPTION
5.	AA	<p>Iron Rail Drive From Station 48+56.92 to 53+61.50 and Station 10+00.00 to 12+52.43; Stockyard Road From Station 24+31.53 to 35+00.66</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 24" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Demolition and Removals, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Water Quality Drainage Devices, Erosion Control and all other appurtenances.</p>
6.	BB	<p>Grazing Lane From Station 12+02.30 to 32+31.37; Grazing Lane Debris Basin</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 96" in Diameter and all associated Lines and Laterals, Installation of the Grazing Lane Debris Basin. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Channel Bottom Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
7.	CC	<p>Spring Mountain Road From Station 13+08.94 to 27+37.11; Mountain Gate Drive From Station 10+00.00 to 15+36.04; Lost Creek Road From Station 26+11.13 to 44+93.25; Booker Road From Station 10+32.79 to 17+37.20; Debris Basin 2400</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 60" in Diameter and all associated Lines and Laterals, Installation of the Lost Creek Debris Basin. All Storm Drain Lines and Debris Basins include but not limited to Manholes, Junction Structures, Transition Structures, Catch Basins, Drop Structures, Inlet/Outlet Structures, Spillways, Wingwall/Headwall Structures, Slope Drainage Devices, Fencing, Walls, Gates, Access Roads, Driveways, Drainage Crossings, Channel Bottom Construction, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Basin Slopes, Hydroseed Protection, Traffic Control, Erosion Control and all other appurtenances.</p>
8.	DD	<p>Lost Creek Road From Station 44+93.25 to 49+22.48 and Station 10+00.00 to 16+46.97</p> <p>Installation of Reinforced Pipe (RCP) ranging from 18" to 48" in Diameter and all associated Lines and Laterals. All Storm Drain Lines include but not limited to Manholes, Junction Structures, Transition Structures, Catch</p>

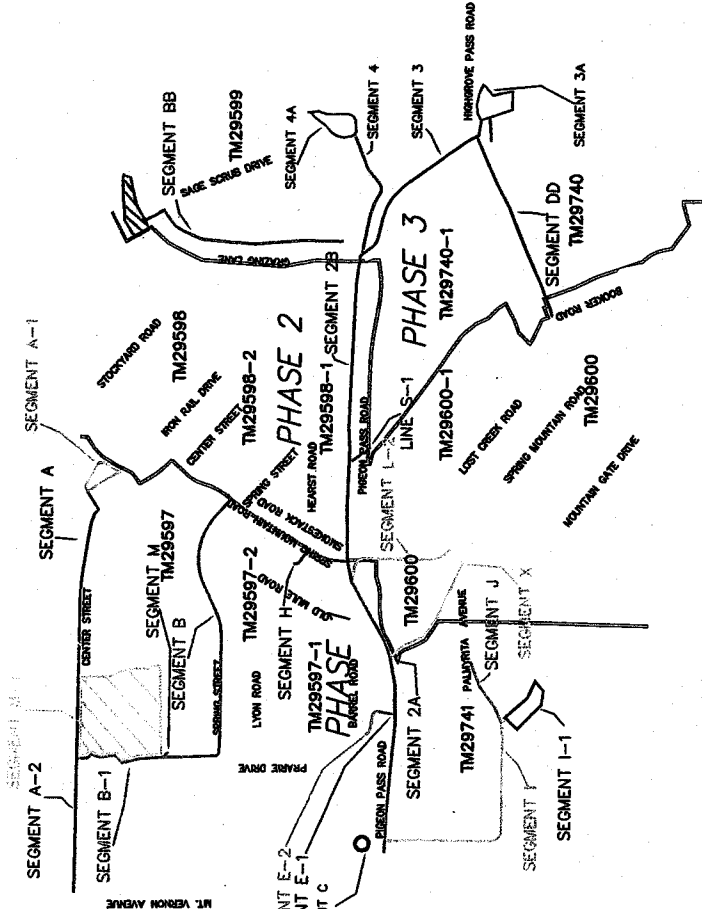
FACILITY	SEGMENT	DESCRIPTION
		Basins, Drop Structures, Inlet/Outlet Structures, Wingwall/Headwall Structures, Slope Drainage Devices, Drainage Crossings, any and all necessary Grading and Backfill, Rip Rap Pads, Connections, Traffic Control, Erosion Control and all other appurtenances.



SPRING MOUNTAIN RANCH

LEGEND

- | | | |
|---------|-----|---|
| SEGMENT | 2A | SPRINGBROOK WASH CHANNEL STAGE 2A |
| | 2B | SPRINGBROOK WASH CHANNEL STAGE 2B |
| | 3 | PIGEON PASS ROAD STORM DRAIN STAGE 3 |
| | 3A | PIGEON PASS ROAD BASIN STAGE 3 |
| | 4 | SPRINGBROOK WASH STORM DRAIN STAGE 3 |
| | 4A | SPRINGBROOK WASH BASIN STAGE 3 |
| | C | SPRINGBROOK CHANNEL WASH/ MOUNT VERNON STORM DRAIN RCB |
| | E-1 | PIGEON PASS ROAD LATERAL |
| | S-1 | LINE S-1 |
| | U-1 | |
| | E-2 | PIGEON PASS ROAD LATERAL |
| | H | LINE H |
| | I | MOUNT VERNON STORM DRAIN |
| | I-1 | SPRINGBROOK WASH/ MOUNT VERNON AVENUE DEBRIS BASIN 3200 |
| | J | LINE J |
| | L-1 | SPRING MOUNTAIN ROAD SOUTH STORM DRAIN |
| | L-2 | LINE X- 7'x7' BOX CULVERT |
| | D | |
| | A | HIGHGROVE-CENTER STREET STORM DRAIN STAGE 4 |
| | A-1 | HIGHGROVE-CENTER STREET STORM DRAIN DEBRIS BASIN 5000 |
| | A-2 | HIGHGROVE-CENTER STREET STORM DRAIN STAGE 2 |
| | B | SPRING STREET STORM DRAIN STAGE 4 |
| | B-1 | SPRING STREET STORM DRAIN STAGE 2 |
| | A-4 | |
| | M | LINE M |
| | M-1 | |
| | BB | |
| | CC | |
| | DD | |



SPRING MOUNTAIN RANCH
EXHIBIT B
CFD - STORM DRAIN/FLOOD CONTROL



06.19.07



SPRING MOUNTAIN RANCH

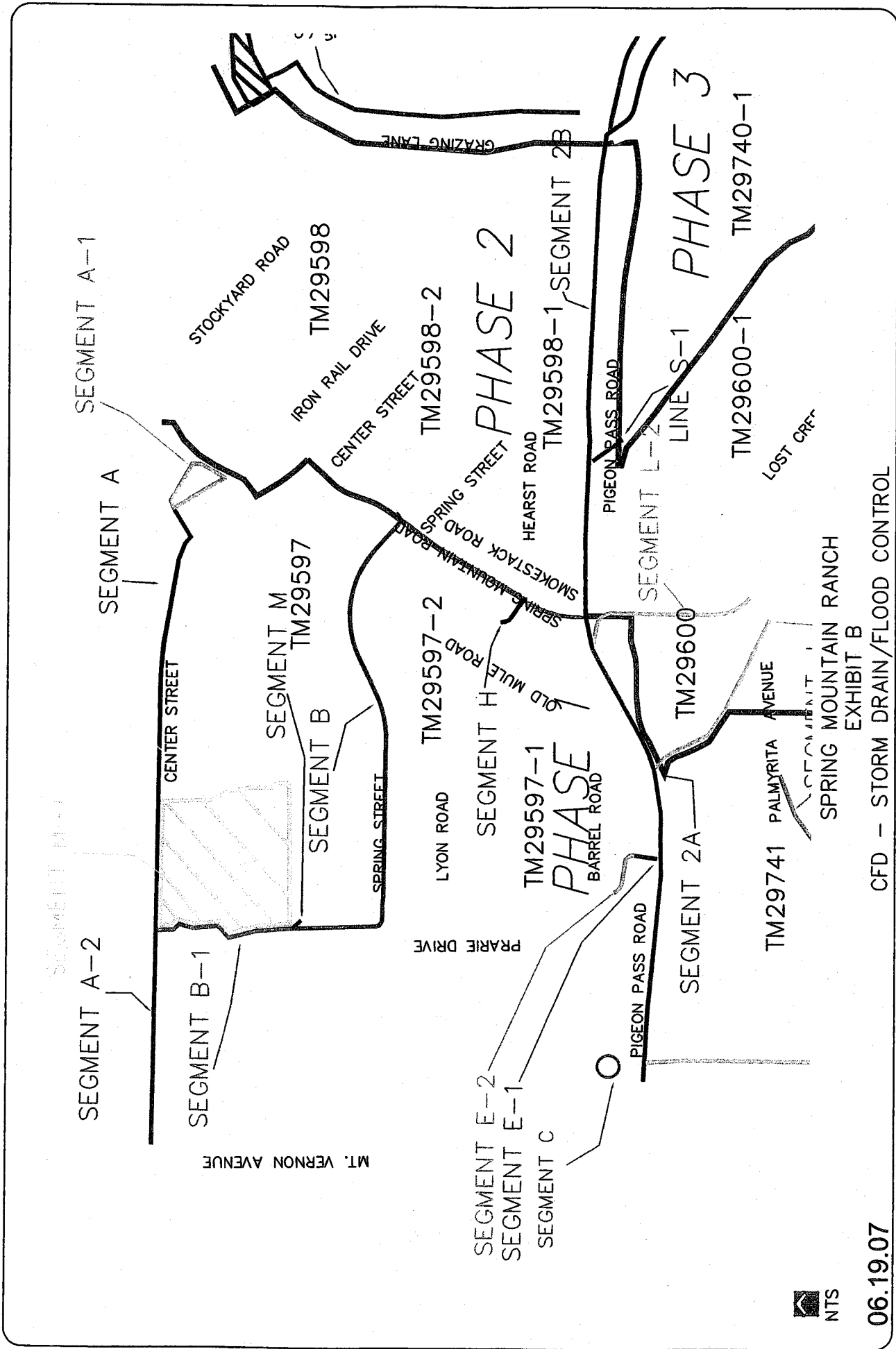
LEGEND

SEGMENT	
2A	SPRINGBROOK WASH CHANNEL STAGE 2A
2B	SPRINGBROOK WASH CHANNEL STAGE 2B
3	PIGEON PASS ROAD STORM DRAIN STAGE 3
3A	PIGEON PASS ROAD BASIN STAGE 3
4	SPRINGBROOK WASH STORM DRAIN STAGE 3
4A	SPRINGBROOK WASH BASIN STAGE 3
C	SPRINGBROOK CHANNEL WASH/ MOUNT VERNON STORM DRAIN RCB
E-1	PIGEON PASS ROAD LATERAL
S-1	LINE S-1
U-1	
E-2	PIGEON PASS ROAD LATERAL
H	LINE H
I	MOUNT VERNON STORM DRAIN
I-1	SPRINGBROOK WASH/ MOUNT VERNON AVENUE DEBRIS BASIN 3200
J	LINE J
L-1	
L-2	SPRING MOUNTAIN ROAD SOUTH STORM DRAIN
X	LINE X-7-77 BOX CULVERT
D	
A	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 4
A-1	HIGHGROVE-CENTER STREET STORM DRAIN DEBRIS BASIN 5000
A-2	HIGHGROVE-CENTER STREET STORM DRAIN STAGE 2
B	SPRING STREET STORM DRAIN STAGE 4
B-1	SPRING STREET STORM DRAIN STAGE 2
A-4	
M	LINE M
M-1	CENTER STREET OFFSITE SPORTS PARK DEBRIS BASIN
BB	
CC	
DD	



06.19.07

SPRING MOUNTAIN RANCH
EXHIBIT B
CFD - STORM DRAIN/FLOOD CONTROL



NTS

06.19.07

CFD - STORM DRAIN/FLOOD CONTROL

SPRING MOUNTAIN RANCH
EXHIBIT B

TM29741 PALMYRITA AVENUE

SEGMENT 2A

TM29600

PIGEON PASS ROAD

SEGMENT E-2
SEGMENT E-1
SEGMENT C

PRARIE DRIVE

LYON ROAD

TM29597-2

SEGMENT H

PHASE 1
BARREL ROAD

TM29597-1

SPRING STREET

SEGMENT B

SEGMENT M
TM29597

CENTER STREET

SEGMENT B-1

SEGMENT A-2

SEGMENT M-1

SEGMENT A

SEGMENT A-1

STOCKYARD ROAD
TM29598

IRON RAIL DRIVE

TM29598-2

PHASE 2

TM29598-1

SEGMENT 2B

GRAZING LANE

PHASE 3

TM29740-1

TM29600-1

LINE S-1

SEGMENT L-2

PIGEON PASS ROAD

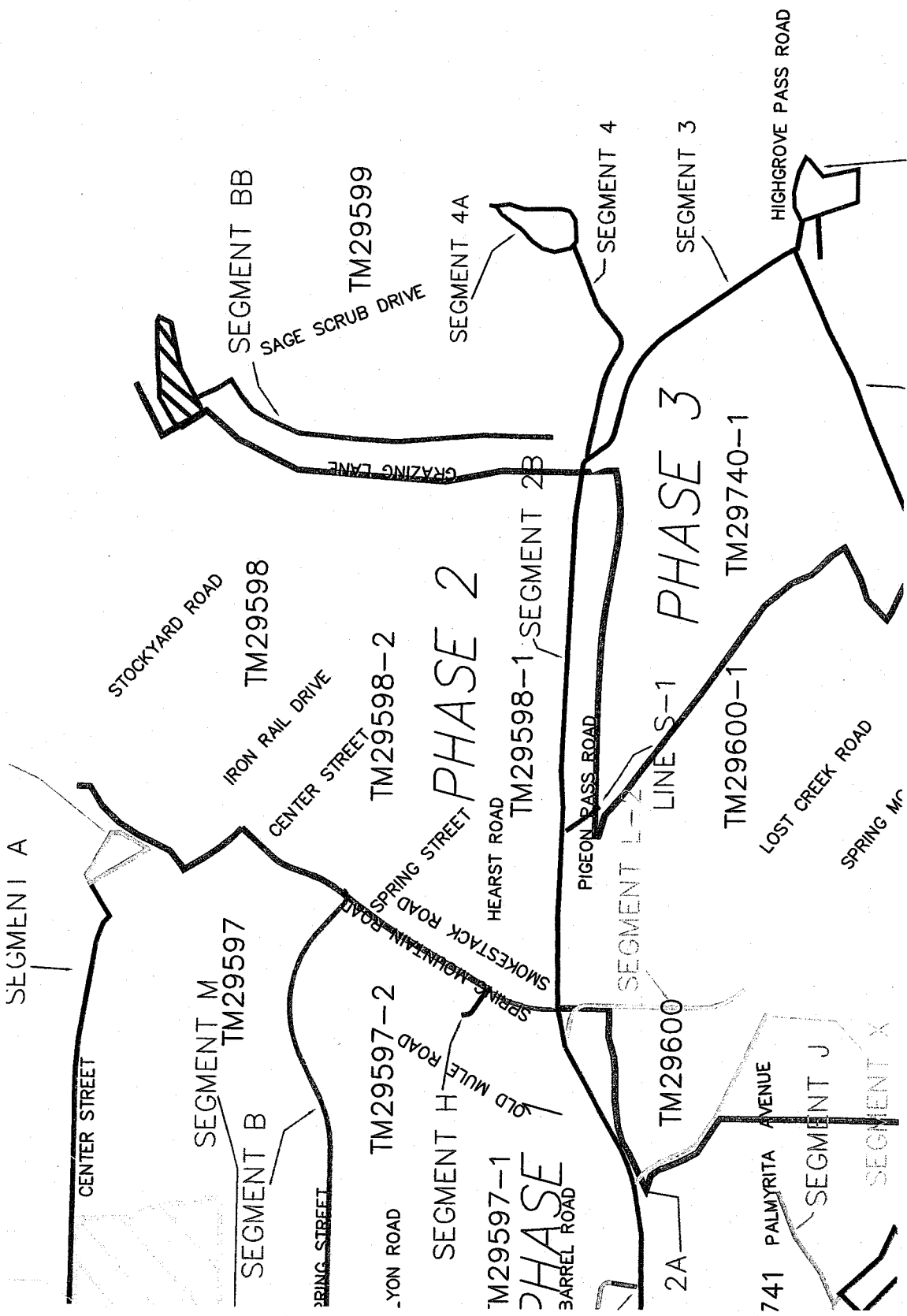
HEARST ROAD

SMOKESTACK ROADS
SPRING MOUNTAIN ROAD

OLD MULE ROAD

LOST CREEK

MT. VERNON AVENUE



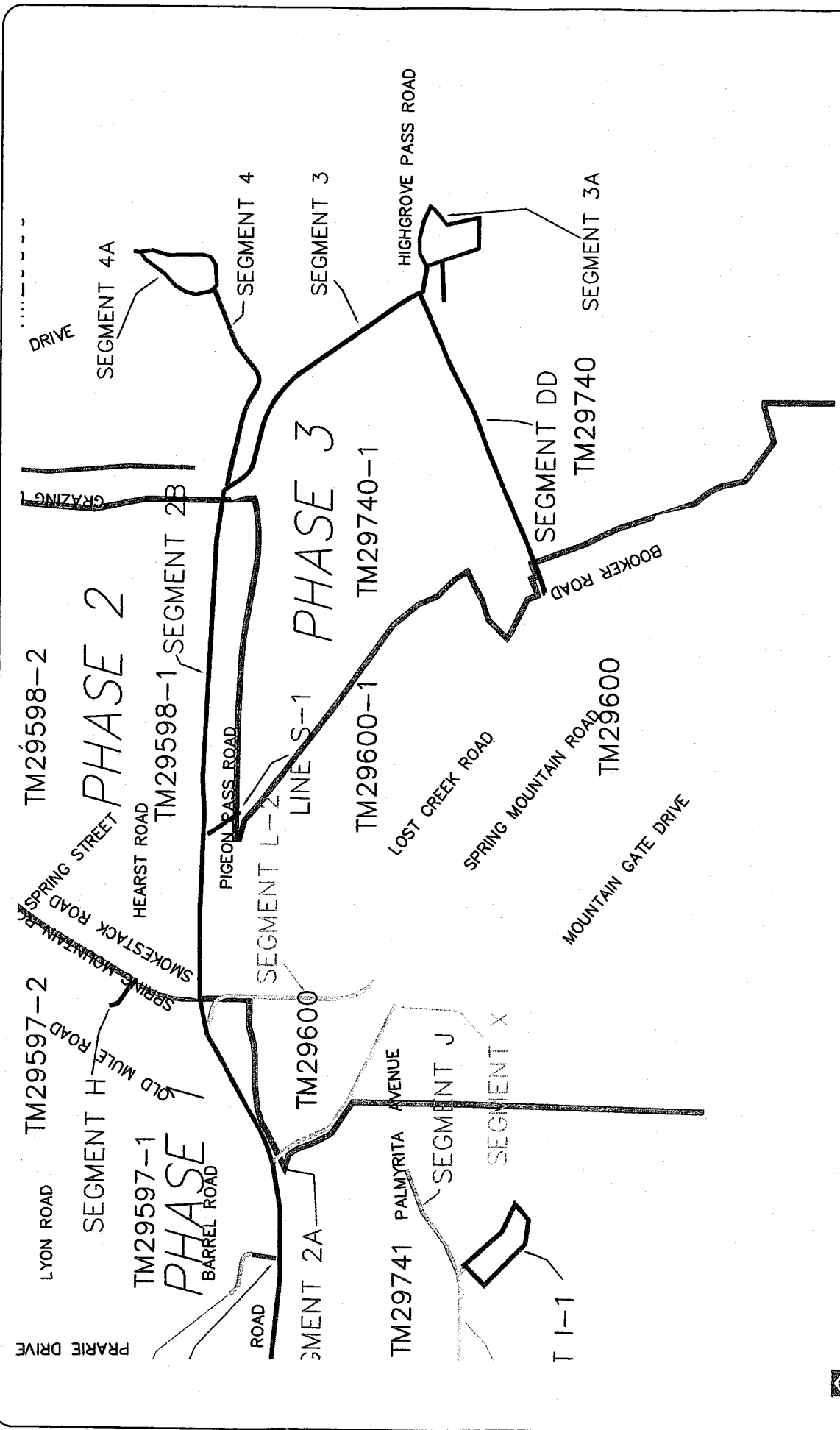
SPRING MOUNTAIN RANCH
EXHIBIT B

CFD - STORM DRAIN/FLOOD CONTROL



NTS

06.19.07



SPRING MOUNTAIN RANCH
EXHIBIT B

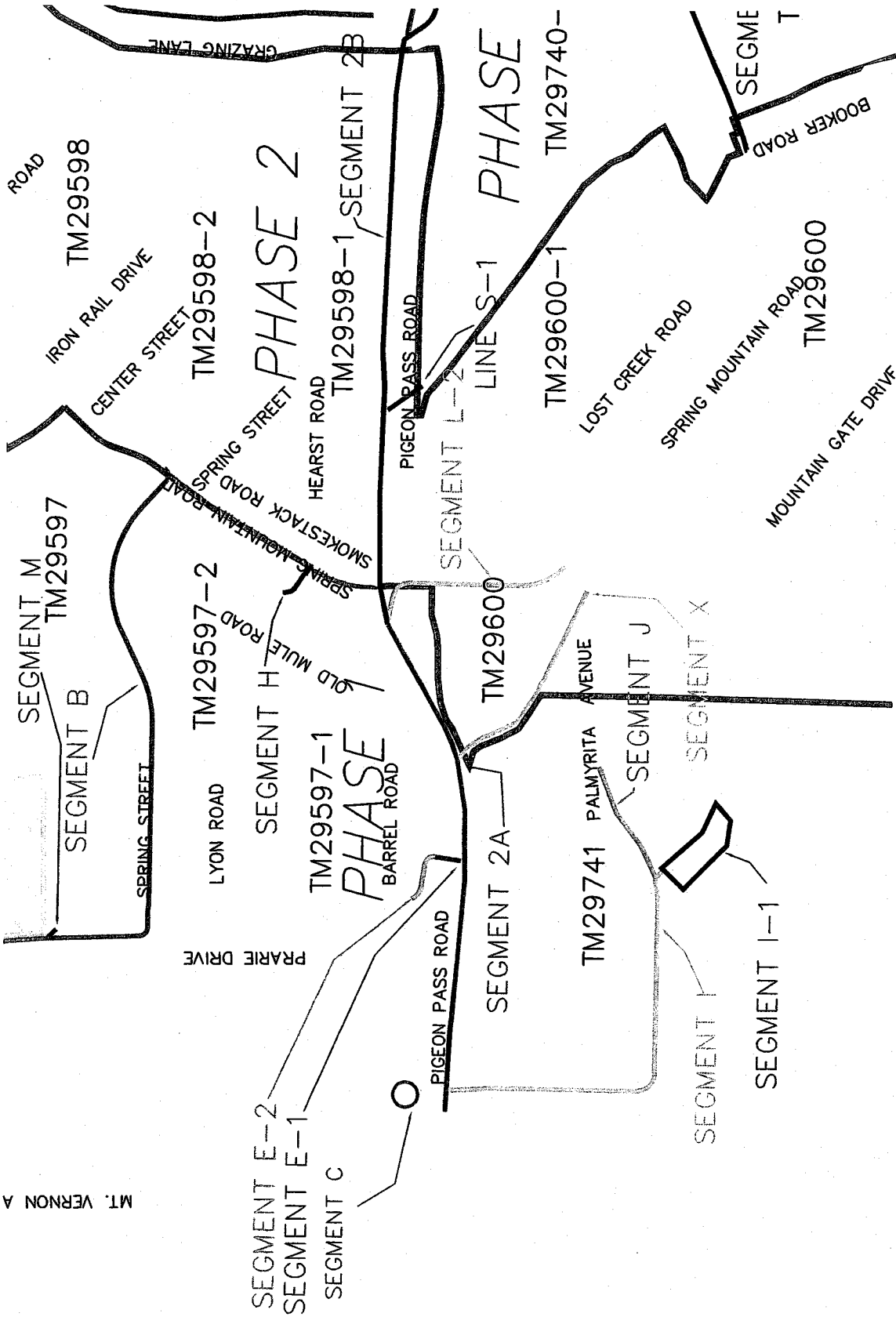
CFD - STORM DRAIN/FLOOD CONTROL



NTS

06.19.07

MT. VERNON A



SPRING MOUNTAIN RANCH
EXHIBIT B

CFD - STORM DRAIN/FLOOD CONTROL



06.19.07

EXHIBIT C
FORM OF BID SUMMARY

CFD No. 23 of Riverside Unified School District Improvement Area _____ Summary of Bids										
Advertised:										
Bids Open:										
Contractor #1 (Low Bidder)										
City, State										
PROJECT:										
PROJECT NO.:										
DEVELOPER'S ESTIMATE										
ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT		
1				0.00	0.00	0.00	0.00	0.00		
2				0.00	0.00	0.00	0.00	0.00		
3				0.00	0.00	0.00	0.00	0.00		
4				0.00	0.00	0.00	0.00	0.00		
5				0.00	0.00	0.00	0.00	0.00		
6				0.00	0.00	0.00	0.00	0.00		
7				0.00	0.00	0.00	0.00	0.00		
8				0.00	0.00	0.00	0.00	0.00		
9				0.00	0.00	0.00	0.00	0.00		
10				0.00	0.00	0.00	0.00	0.00		
11				0.00	0.00	0.00	0.00	0.00		
12				0.00	0.00	0.00	0.00	0.00		
13				0.00	0.00	0.00	0.00	0.00		
14				0.00	0.00	0.00	0.00	0.00		
15				0.00	0.00	0.00	0.00	0.00		
16				0.00	0.00	0.00	0.00	0.00		
17				0.00	0.00	0.00	0.00	0.00		
18				0.00	0.00	0.00	0.00	0.00		
19				0.00	0.00	0.00	0.00	0.00		
20				0.00	0.00	0.00	0.00	0.00		

**CFD No. 23 of Riverside Unified School District
Improvement Area _____
Summary of Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)
City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

**CFD No. 23 of Riverside Unified School District
Improvement Area
Summary of Bids**

Advertised:

Bids Open:

PROJECT:

PROJECT NO.

Contractor #1 (Low Bidder)
City, State

DEVELOPER'S ESTIMATE

ITEM NO.	ITEM CODE	CONTRACT ITEM	UNITS	QUANTITY	UNIT PRICE	ENG ESTIMATE	BID	AMOUNT
1				0.00	0.00	0.00	0.00	0.00
2				0.00	0.00	0.00	0.00	0.00
3				0.00	0.00	0.00	0.00	0.00
4				0.00	0.00	0.00	0.00	0.00
5				0.00	0.00	0.00	0.00	0.00
6				0.00	0.00	0.00	0.00	0.00
7				0.00	0.00	0.00	0.00	0.00
8				0.00	0.00	0.00	0.00	0.00
9				0.00	0.00	0.00	0.00	0.00
10				0.00	0.00	0.00	0.00	0.00
11				0.00	0.00	0.00	0.00	0.00
12				0.00	0.00	0.00	0.00	0.00
13				0.00	0.00	0.00	0.00	0.00
14				0.00	0.00	0.00	0.00	0.00
15				0.00	0.00	0.00	0.00	0.00
16				0.00	0.00	0.00	0.00	0.00
17				0.00	0.00	0.00	0.00	0.00
18				0.00	0.00	0.00	0.00	0.00
19				0.00	0.00	0.00	0.00	0.00
20				0.00	0.00	0.00	0.00	0.00

EXHIBIT D
PAYMENT BOND

(Public Work - Civil Code Section 3247 et seq.)

The makers of this Bond are _____ as Principal and Original Contractor and _____, a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract dated as of July 1, 200_, between Principal, _____, as owner, for _____ dollars (\$ _____) the total amount payable. THE AMOUNT OF THIS BOND IS 100% OF SAID SUM. Said contract is for public work of those certain Flood Control Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code, County of Riverside, a political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company," dated as of June 26, 2007.

The beneficiaries of this Bond are as is stated in Section 3248 of the Civil Code and the requirements and conditions of this Bond are as is set forth in Sections 3248, 3249, 3250 and 3252 of said Code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said Contract.

Signed and Sealed this _____ Day of _____ 200_

(Firm Name - Principal)

(Business Address)

Affix Seal
if
Corporation

By: _____
(Signature - Attach Notary's Acknowledgment)

(Title)

(Corporation Name - Surety)

(Business Address)

Affix
Corporate
Seal

By: _____
(Signature - Attached Notary's Acknowledgment)

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

PERFORMANCE BOND

The makers of this Bond, _____ as Principal, and _____ as Surety, are held and firmly bound unto _____, hereinafter called the Owner, and unto the County of Riverside, the Riverside County Flood Control Water Conservation District, and Community Facilities District No.23 of the Riverside Unified School District as additional obligees, in the sum of _____ Dollars (\$ _____) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

The condition of this obligation is such, that whereas the Principal entered into a certain contract, hereto attached, with the Owner, dated as of _____, 200_ for those certain Flood Control Facilities as defined and described in said agreement entitled: "Joint Community Facilities Agreement by and among Riverside Unified School District, a unified school district of the State of California, Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code, County of Riverside, s political subdivision of the State of California and SMR Ventures, LLC, a Delaware limited liability company," dated as of June 26, 2007.

Now therefore, if the Principal shall well and truly perform and fulfill all the undertakings covenants, terms, conditions and agreements of said Contract during the original term of said Contract and any extension thereof that may be granted by the Owner, with or without notice to the Surety, and during the file of any guarantee required under the Contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of said Contract that may thereafter be made, then this obligation to be void, otherwise to remain in full force and virtue. Without notice, Surety consents to extension of time for performance, change in requirements, change in compensation or prepayment under said Contract.

Signed and Sealed this _____ Day of _____, 200_

(Firm Name - Principal)

(Business Address)

By: _____

(Signature - Attach Notary's Acknowledgment)

(Title)

Affix Seal
if Corporation

(Corporation Name - Surety)

(Business Address)

By: _____

(Signature - Attach Notary's Acknowledgment)

Affix
Corporate
Seal

ATTORNEY-IN-FACT
(Title-Attach Power of Attorney)

EXHIBIT E

FORM OF PAYMENT REQUEST

Community Facilities District No. 23 of Riverside Unified School District

_____, hereby requests payment of the Purchase Price for the Flood Control Facility described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Joint Communities Facilities Agreement, dated as of June 26, 2007 (the "Joint Community Facilities Agreement"), by and among Riverside Unified School District, a unified school district of the State of California (the "School District"), Riverside County Flood Control and Water Conservation District, a public agency organized and existing pursuant to Chapter 48 of the Appendix to the California Water Code (the "Flood Control District"), the County of Riverside, a political subdivision of the State of California (the "County") and SMR Ventures, LLC, a Delaware limited liability company (the "Property Owner"). In connection with this Payment Request, the undersigned hereby represents and warrants to the Contract Administrator as follows:

1. The undersigned has been authorized by the Property Owner and is qualified to execute this request for payment on behalf of the Property Owner and is knowledgeable as to the matters set forth herein.
2. The Property Owner has submitted or submits herewith to the Contract Administrator, Flood Control Engineer and the County Engineer as-built drawings or similar Plans and Specifications for the Flood Control Facility for which payment is requested, and such drawings or plans and specifications, as applicable, are true, correct and complete.
3. The Flood Control Facility has been constructed in accordance with the Plans and Specifications therefor, and in accordance with all applicable Flood Control District standards and the requirements of the Joint Community Facilities Agreement, and the as-built drawings or similar Plans and Specifications referenced in paragraph 2 above.
4. There has not been filed with or served upon the Property Owner notice of any lien, right to lien or attachment upon, or claim affecting the right to receive the payment requested herein which has not been released or will not be released simultaneously with the payment of such obligation, other than material men's or mechanics' liens accruing by operation of law. Copies of lien releases for all work for which payment is requested hereunder are attached hereto.
5. The representations and warranties of the Property Owner set forth in Section 5.1 of the Joint Community Facilities Agreement are true and correct on and as of the date hereof with the same force and effect as if made on and as of the date hereof.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Date: _____

Property Owner

By: _____
Authorized Representative

ATTACHMENT A PAYMENT REQUEST - ACTUAL COSTS

Property Owner is to complete Columns 1 through 7

CFD/Improvement Area/Tract Number: _____
 Facility Description: _____

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By Flood District	9 Amount Calculated By Flood District	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	

Total: 0.00 0.00 0.00

Amount Requested: _____

APPROVAL BY THE CONTRACT ADMINISTRATOR

The Contract Administrator confirms that the Flood Control Facility described in Attachment A-1 has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each Flood Control Facility as described in Attachment A-1 has been reviewed, verified and approved by the Contract Administrator. The Purchase Price for said Flood Control Facility is established at \$_____. Payment of the Purchase Price for the Flood Control Facility is hereby approved.

Date: _____

CONTRACT ADMINISTRATOR

By: _____

ATTACHMENT A-1 PAYMENT REQUEST - ACTUAL COSTS

Contract Administrator to complete Columns 8 through 11

CFD/Improvement Area/Tract Number: _____
 Facility Description: _____

1 Bid Item No.	2 Bid Item Description	3 Unit of Measure	4 Unit Price	5 Original Contract Quantity	6 Quantity Invoiced	7 Amount Invoiced	8 Quantity Calculated By Flood District	9 Amount Calculated By Flood District	10 Difference	11 Actual Cost
1			0.00	0	0	0.00	0	0.00	0.00	
2			0.00	0	0	0.00	0	0.00	0.00	
3			0.00	0	0	0.00	0	0.00	0.00	
4			0.00	0	0	0.00	0	0.00	0.00	
5			0.00	0	0	0.00	0	0.00	0.00	
6			0.00	0	0	0.00	0	0.00	0.00	
7			0.00	0	0	0.00	0	0.00	0.00	
8			0.00	0	0	0.00	0	0.00	0.00	
9			0.00	0	0	0.00	0	0.00	0.00	
10			0.00	0	0	0.00	0	0.00	0.00	
11			0.00	0	0	0.00	0	0.00	0.00	
12			0.00	0	0	0.00	0	0.00	0.00	
13			0.00	0	0	0.00	0	0.00	0.00	
14			0.00	0	0	0.00	0	0.00	0.00	
15			0.00	0	0	0.00	0	0.00	0.00	
16			0.00	0	0	0.00	0	0.00	0.00	
17			0.00	0	0	0.00	0	0.00	0.00	
18			0.00	0	0	0.00	0	0.00	0.00	
19			0.00	0	0	0.00	0	0.00	0.00	
20			0.00	0	0	0.00	0	0.00	0.00	
Total:						0.00	0.00	0.00	0.00	0.00

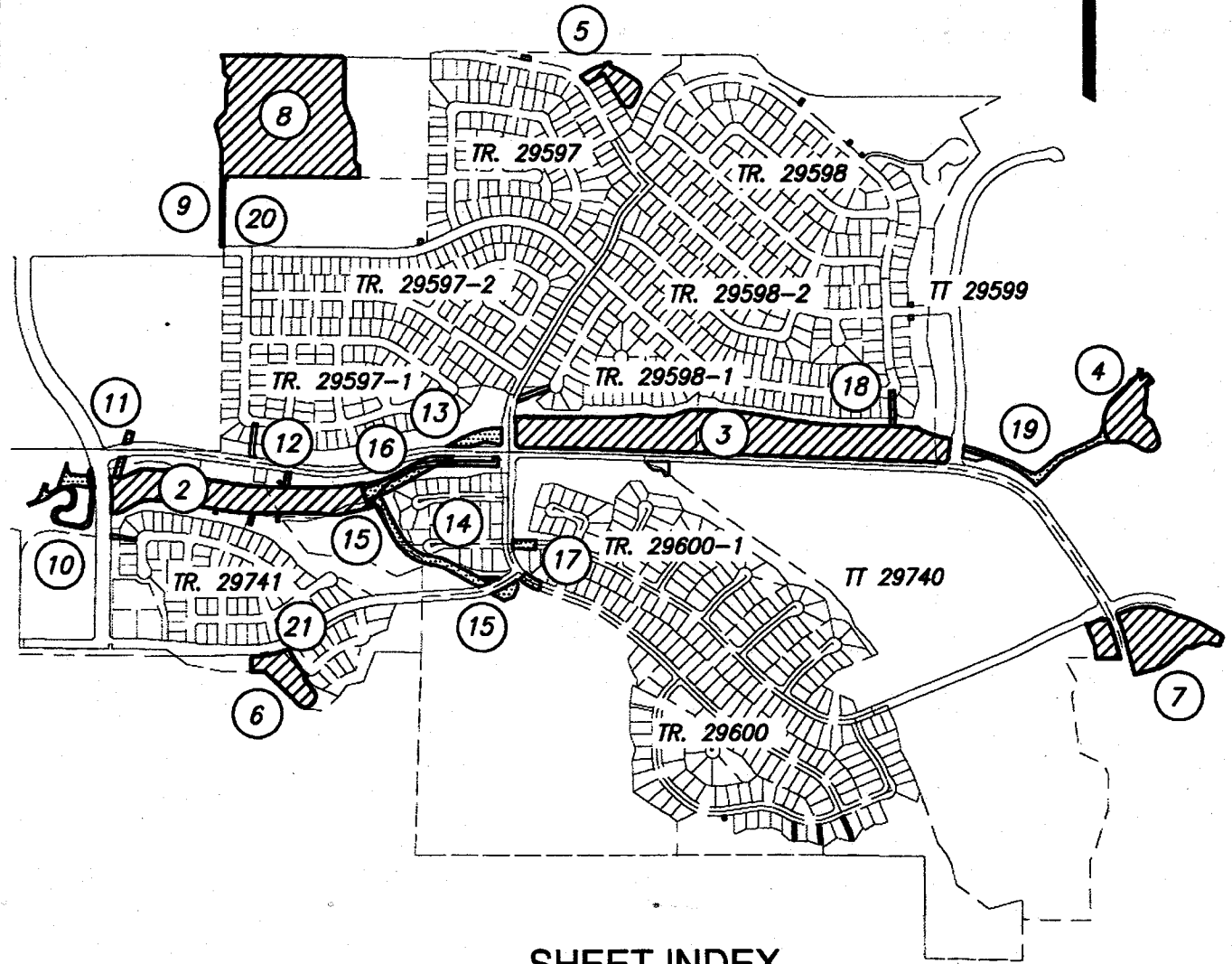
Amount Requested: _____

EXHIBIT F

**Map of Flood Control Right of Way Within
Community Facilities District No. 23
of Riverside Unified School District**

[See Attached Map]

SCALE NTS



SHEET INDEX

○ INDICATES SHEET NUMBER

 INDICATES RCFC FEE PROPERTY

 INDICATES RCFC EASEMENT PROPERTY



Stantec

STANTEC CONSULTING INC.
277 RANCHEROS DRIVE
SUITE 300
SAN MARCOS, CA 92069
760.891.3200

stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA

DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

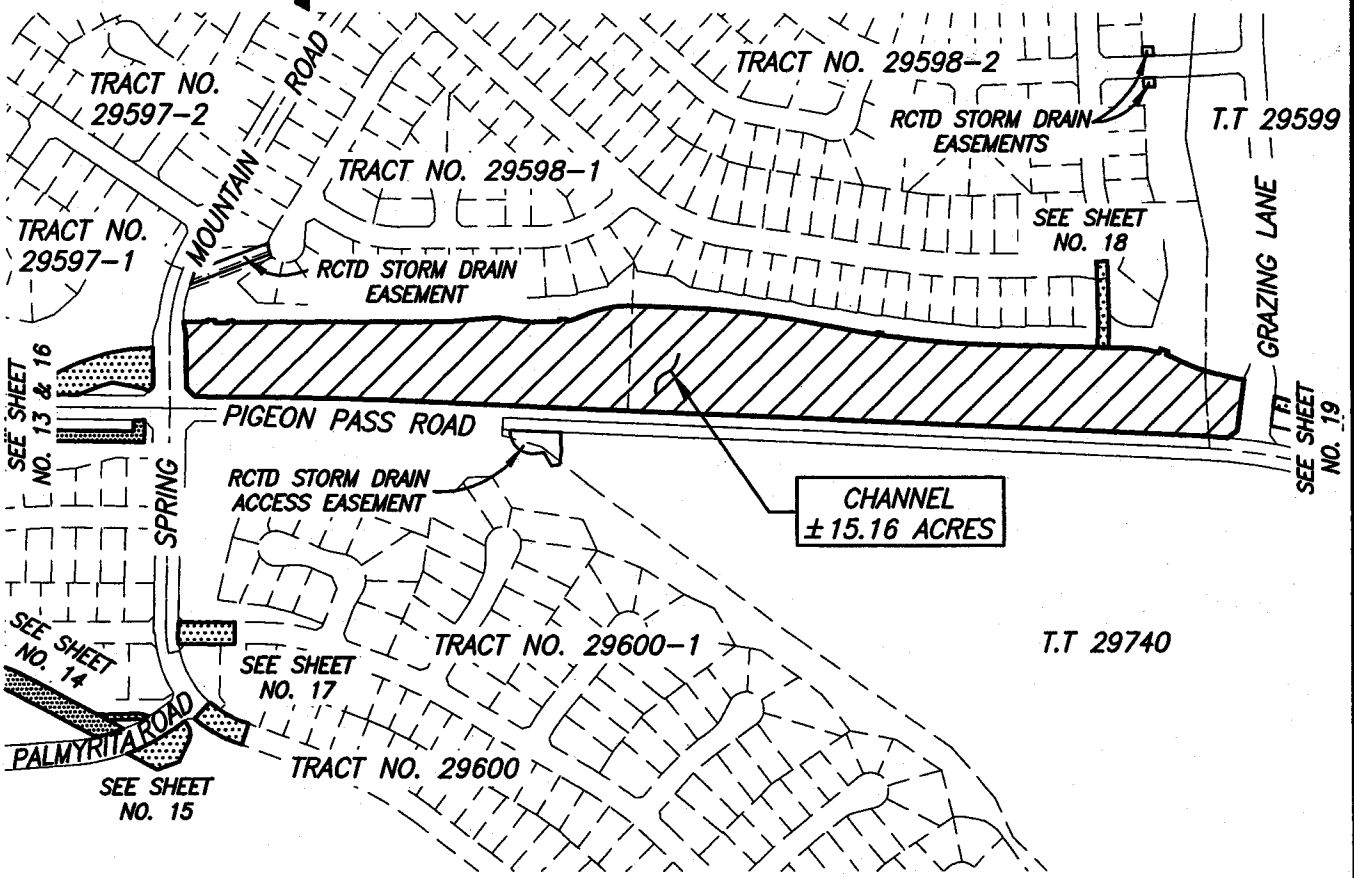
SCALE: NTS



DATE: 6/04/07

BY: MLP

SHEET 1 OF 21

SCALE 1"=500'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY

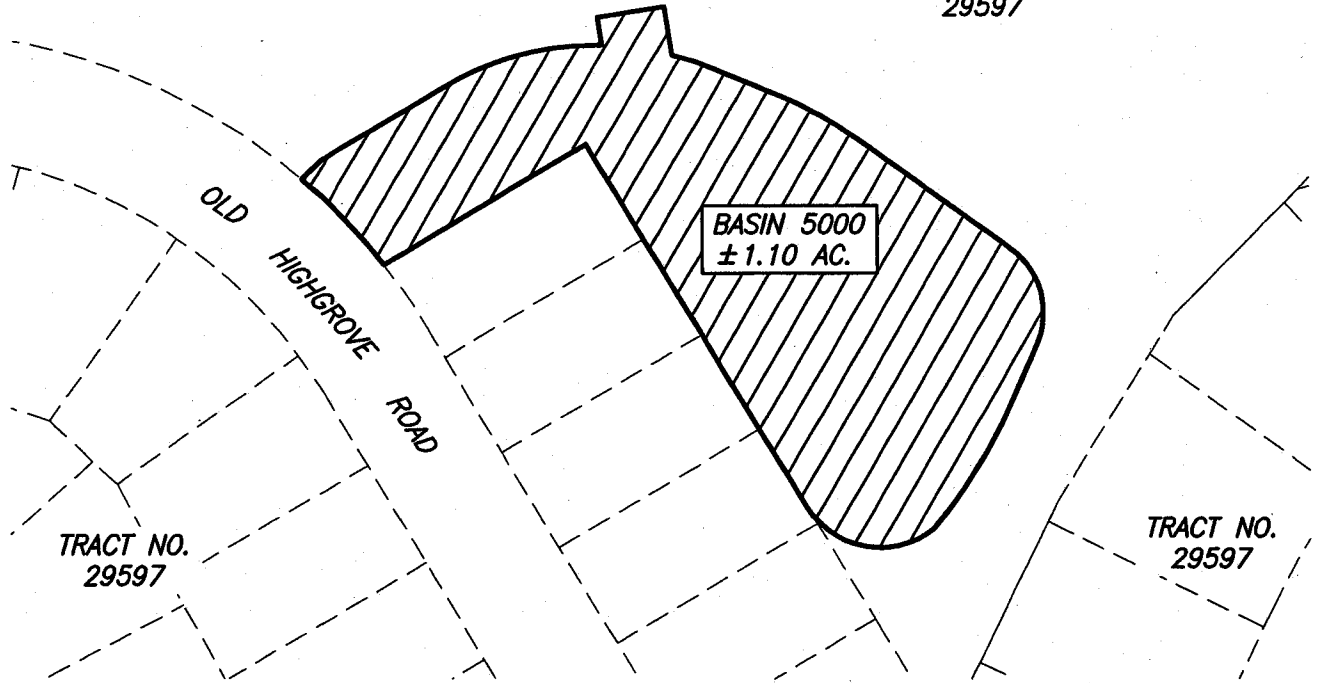
 **STANTEC CONSULTING INC.**
 277 RANCHEROS DRIVE
 SUITE 300
 SAN MARCOS, CA 92069
 760.891.3200 stantec.com

COUNTY OF RIVERSIDE, CALIFORNIA
DEDICATION EXHIBIT
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=500'
 DATE: 6/04/07
 BY: MLP
 SHEET 3 OF 21

SCALE 1"=100'

TRACT NO.
29597



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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COUNTY OF RIVERSIDE, CALIFORNIA

DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

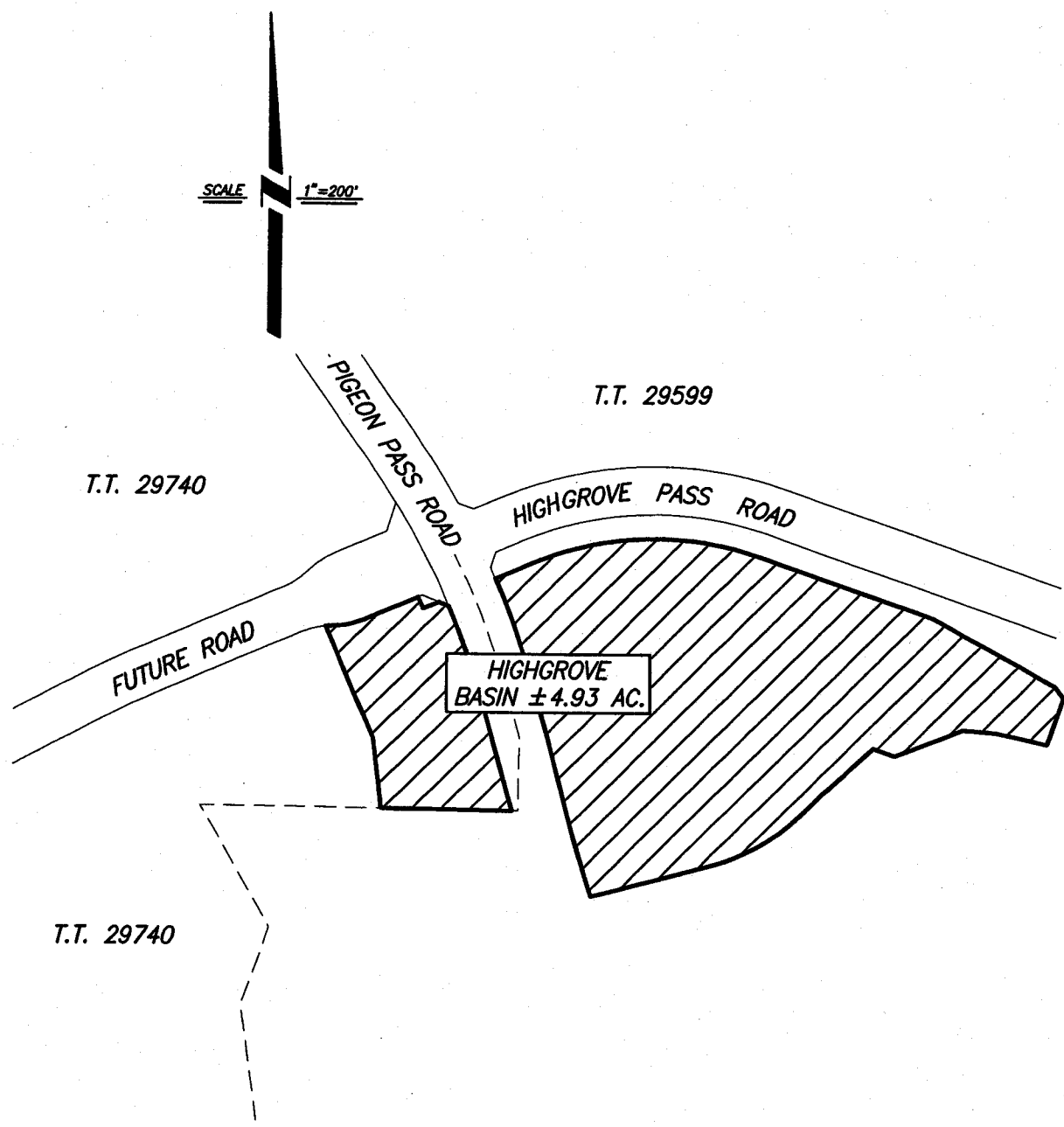
SCALE: 1"=100'



DATE: 6/04/07

BY: MLP

SHEET 5 OF 21

SCALE 1"=200'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY

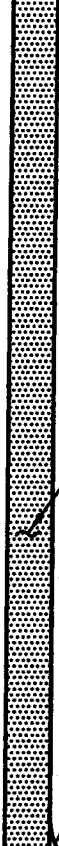
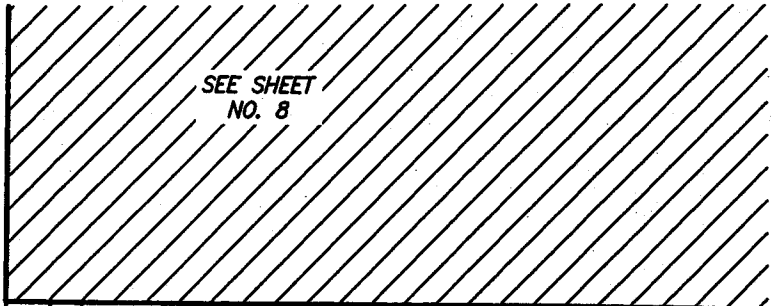
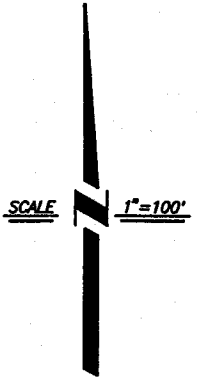


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COUNTY OF RIVERSIDE, CALIFORNIA
DEDICATION EXHIBIT
 SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE:	1"=200'
DATE:	6/04/07
BY:	MLP
SHEET 7 OF 21	



RCTD STORM DRAIN EASEMENT

STORM DRAIN EASEMENT 24' WIDE

TRACT NO. 29597

BLUE MOUNTAIN DRIVE (FORMERLY SPRING STREET)



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY

TRACT NO. 29597-1

TRACT NO. 29597-2



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 9 OF 21

SCALE 1"=100'



STORM DRAIN EASEMENT 40' WIDE

MT. VERNON AVENUE

STORM DRAIN EASEMENT ± 0.42 AC.

PASS ROAD

PIGEON AVENUE

TRACT NO. 29741

SEE SHEET NO. 2

TRACT NO. 29741

SEE SHEET NO. 10



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

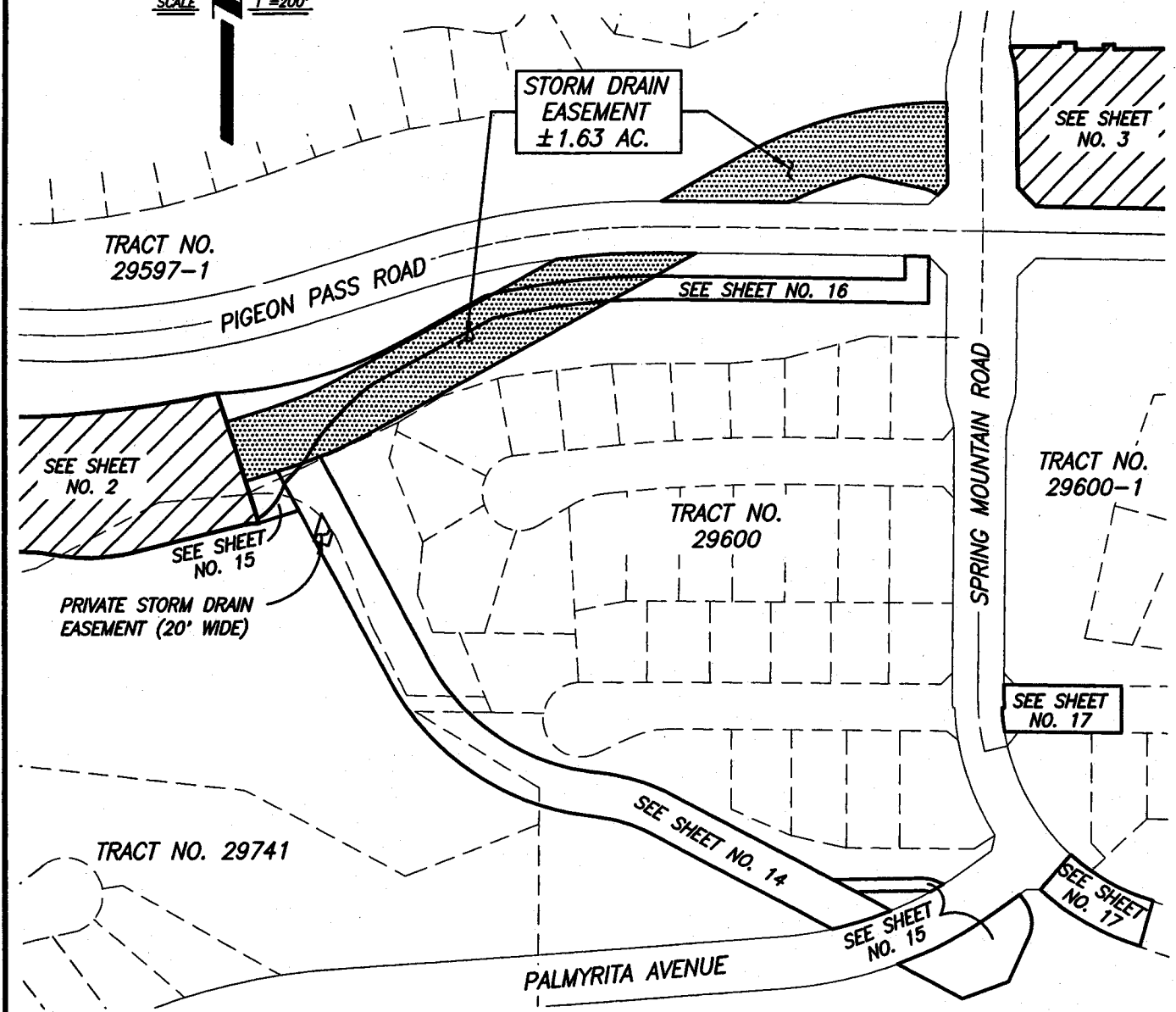
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
DATE: 6/04/07

BY: MLP

SHEET 11 OF 21

SCALE 1"=200'



-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 13 OF 21

SCALE 1"=200'

TRACT NO. 29597-1

SEE SHEET NO. 13

SEE SHEET NO. 3

TRACT NO. 29597-1

PIGEON PASS ROAD

SEE SHEET NO. 16

SEE SHEET NO. 13

SEE SHEET NO. 2

STORM DRAIN EASEMENT ±2,615 S.F.

TRACT NO. 29600

TRACT NO. 29600-1

PRIVATE STORM DRAIN EASEMENT (20' WIDE)

SPRING MOUNTAIN ROAD

SEE SHEET NO. 17

STORM DRAIN EASEMENT 16' WIDE



TRACT NO. 29741

SEE SHEET NO. 14

SEE SHEET NO. 17

PALMYRITA AVENUE

STORM DRAIN EASEMENT ±0.25 AC.

-  INDICATES RCFC FEE PROPERTY
-  INDICATES RCFC EASEMENT PROPERTY



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

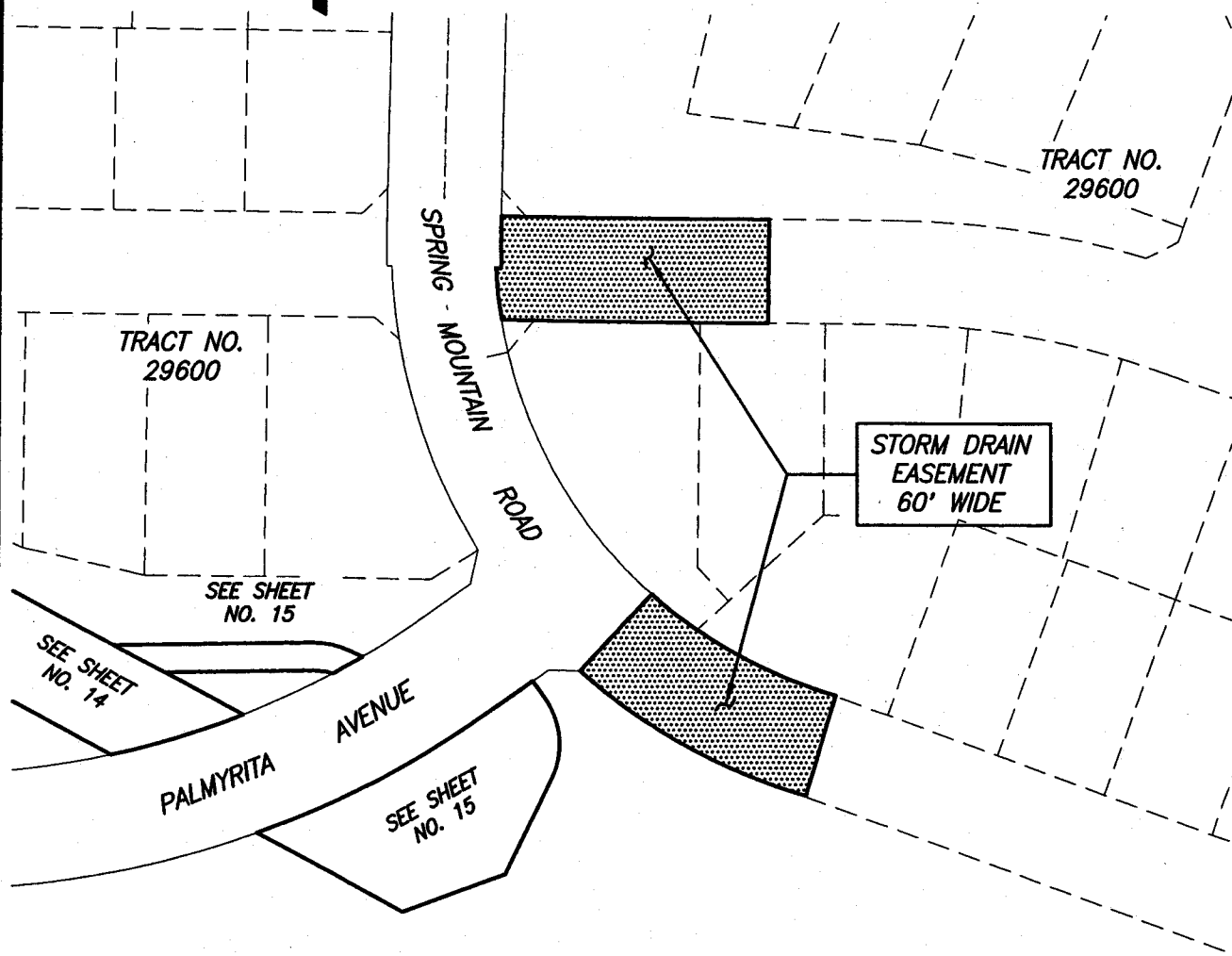
SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 15 OF 21

SCALE 1"=100'



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 17 OF 21

SCALE 1"=200'

T.T. 29599

TRACT NO.
29598-1

GRAZING LANE

RCTD STORM DRAIN
ACCESS EASEMENT

SEE SHEET
NO. 4

SEE SHEET
NO. 3

STORM DRAIN
ACCESS EASEMENT
± 1.02 AC.

PIGEON PASS ROAD

T.T. 29740



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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COUNTY OF RIVERSIDE, CALIFORNIA

DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=100'

DATE: 6/04/07

BY: MLP

SHEET 19 OF 21

SCALE 1"=10'

TRACT NO.
29741

STORM DRAIN
EASEMENT
30' WIDE

PALMYRITA AVENUE

SEE SHEET NO. 6



INDICATES RCFC FEE PROPERTY



INDICATES RCFC EASEMENT PROPERTY



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COUNTY OF RIVERSIDE, CALIFORNIA

DEDICATION EXHIBIT

SPRING MOUNTAIN RANCH - FLOOD CONTROL

SCALE: 1"=10'

DATE: 6/04/07

BY: MLP

SHEET 21 OF 21

EXHIBIT B

ASSIGNMENT OF CONTRACTS

[See Attachment]

ASSIGNMENT OF CONTRACTS

THIS ASSIGNMENT OF CONTRACTS ("Assignment") is made this _____ day of _____, 20____, by and between SMR VENTURES, LLC, a Delaware limited liability company ("Assignor"), and SFI SMR LLC, a Delaware limited liability company ("Assignee").

RECITALS

A. Assignor is or was the owner of the property which is the subject of Riverside County Tract Map Nos. 29597, 29598, 29599, 29600, 29740 and 29741 ("Property"), providing for the development of approximately 1,461 proposed single family residential lots ("Spring Mountain Ranch").

B. Concurrently herewith, the Property is being transferred to Assignee by First American Title Insurance Company pursuant to that certain Trustee's Sale No. 08-24758 ("Transfer").

C. In connection with the Transfer, Assignor desires to assign to Assignee, and Assignee desires to assume from Assignor all of Assignor's rights and obligations under each of the contracts identified on Exhibit A attached hereto (the "Contracts"), in accordance with the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Assignor hereby assigns, sells and transfers to Assignee, all of Assignor's right, title and interest in the Contracts.

2. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Assignee that as of the date of this Assignment:

A. The Contracts are assigned to Assignee free and clear of all liens, claims or encumbrances;

B. Assignor is a party to the Contracts, and Assignor has the full power and authority to execute, deliver and perform its obligations under this Assignment; and

C. To Assignor's knowledge, neither the execution and delivery of this Assignment and the instruments to be executed or delivered by Assignor pursuant to this Assignment nor the consummation of the transaction contemplated herein conflict with or result in the material breach of the Contracts or any written agreement relating to the Contracts.

3. Acceptance of Contracts. Effective as of the date hereof, Assignee hereby accepts Assignor's assignment of the Contracts.

EXHIBIT 5 PAGE 53

4. **Indemnification.** Assignor shall protect, indemnify, defend and hold Assignee free and harmless from and against any and all claims, damages, liens, liabilities, losses, costs and expenses, including reasonable attorneys' fees and court costs (collectively, "**Liabilities**"), resulting from or arising out of the inaccuracy of the foregoing representations and/or warranties of Assignor. Assignor's indemnification obligations set forth herein shall survive the transfer of the Contracts pursuant to this Assignment.

5. **Further Assurances.** Each of Assignor and Assignee agree to execute such further documents as the other may deem reasonably necessary or desirable to effectuate the purposes of this Assignment. Assignor and Assignee further hereby covenant and agree to reasonably cooperate with each other in order to effectuate the proposed transfer described herein.

6. **Miscellaneous.** There are no agreements, understandings, commitments, representations or warranties with respect to the subject matter hereof except as expressly set forth in this Assignment and the Contracts. This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Assignment shall be binding upon the parties and their heirs, representatives, executors, administrators, successors and assigns and shall inure to the benefit of the parties and to their respective heirs, representatives, executors, administrators, successors and assigns. This Assignment shall be governed by and construed in accordance with California law.

[Signatures on Following Page]

IN WITNESS WHEREOF, Assignor and Assignee do hereby execute this Assignment as of the date first written above.

ASSIGNOR:

SMR VENTURES, LLC, a Delaware limited liability company

ASSIGNEE:

SFI SMR LLC,
a Delaware limited liability company

By: _____
Name: _____
Its: _____

*RECEIVED, SOLELY
IN THAT CAPACITY*

EXHIBIT A

LIST OF CONTRACTS

1. Joint Community Facilities Agreement- Flood Control, dated June 26, 2007, by and between SMR Ventures, LLC, the Riverside Unified School District, Riverside County Flood Control and the County of Riverside.
2. Joint Community Facilities Agreement - Street Improvements, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
3. Joint Community Facilities Agreement- Sewer Collection Facilities, dated June 26, 2007, by and between SMR Ventures, LLC, Riverside Unified School District, and the County of Riverside.
4. Water and Sewer Backbone Improvement and Tri-party Reimbursement Agreement, dated January 8, 2004, and amended December 1, 2005, by and between SMR Ventures, LLC, MFR-Groves Development, L.P., a Texas limited partnership, and Springbrook Investments, L.P., a California limited partnership.
5. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (sewer facilities reimbursement fee), dated October 1, 2006, by and between SMR Ventures, LLC, and the Riverside Unified School District.
6. Agreement Providing for Reimbursement of Development Fees from Bond Proceeds Relating to Riverside Unified School District Community Facilities District No. 23 (traffic mitigation fee), dated February 1, 2006, by and between SMR Ventures, LLC, and the City of Grand Terrace.
7. Amended Sanitation System and Installation Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the County of Riverside.
8. City of Riverside Development Indemnification Agreement, dated June 22, 2004, by and between SMR Ventures, LLC and the City of Riverside.
9. Agreement Between Riverside Highland Water Company and Eastbridge Partners L.P. for the Construction of Water Related Facilities and Furnishing of Domestic and Irrigation Water, dated April 26, 2002, by and between Riverside Highland Water Company and Eastbridge Partners L.P (the "RHWC Agreement"), and Addendum I to the RHWC Agreement, dated May 10, 2004, as assigned to SMR Ventures, LLC, on May 10, 2004.
10. Department of the Army Permit Authorization No. 200400186-RRS (404 Permit), dated December 19, 2003, issued by the Army Corps of Engineers to Eastbridge, L.P, as predecessor in interest to SMR Ventures, LLC.

11. Clean Water Act Section 401 Water Quality Certifications for Spring Mountain Ranch - CRWQCB No. 200100542-RRS, dated October 21, 2003, issued by the California Regional Water Quality Control Board to Eastbridge, L.P., as predecessor in interest to SMR Ventures, LLC.
12. Agreement Regarding Proposed Activities Subject to California Fish and Game Code Section 1603, 6-2001-141, dated December 10, 2002, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
13. Agreement Regarding Proposed Stream or Lake Alteration, 6-2003-035, dated March 20, 2003, by and between U.S. Department of Fish and Game and Eastbridge, L.P., as assigned to SMR Ventures, LLC.
14. Contract for Extension of Electric Distribution Line Rule No. 15 (Work Order No. 6531-1988/51916) dated as of June 30, 2006, (Work Order No. 6531-1990/51918) dated as of July 6, 2006, and (Work Order No. 6531-1990/51918) dated as of July 6, 2006, by and between Southern California Edison Company and SMR Ventures, LLC.
15. Line Extension Contract (Project No. 93976), dated September 25, 2007, by and between the Southern California Gas Company and SMR Ventures, LLC, for residential single family project at Spring Mountain Ranch (Tract Nos. 29597, 29598, 29599, 29600).
16. Application and Letter of Agency for Custom Work (Work Order LB-29, 5563373), dated April 26, 2005, by and between SBC and SMR Ventures, LLC.
17. Right of Entry Agreement for Pigeon Pass Road Corridor Project, dated April, 2009, by and between SMR Ventures, LLC and the County of Riverside.
18. Right of Entry and Construction License Agreement, dated March 17, 2009, by and between SMR Ventures, LLC and the County of Riverside on behalf of the Waste Management Department.
19. All of Assignor's right, title, and interest, in and to all unexpired claims, warranties, and guarantees received in connection with the construction and equipping of the Property, including, without limitation, the right to sue any obligor thereto for any breach of any covenant, agreement, representation, warranty, or guarantee contained therein.
20. All of Assignor's right, title, and interest, in and to all licenses, permits, opinions, agreements, resolutions, certifications, approvals, certificates of occupancy, entitlements, tract maps, tentative tract maps and franchises issued by any federal, state, county, regional or other governmental authority in any way relating to the development, construction, subdivision, use, occupancy, maintenance, or operation of the Property (collectively, the "Licenses and Permits"), running to, or in favor of, Assignor and/or the Property and Assignor's interest in any performance or payment bonds issued in favor of Assignor pursuant to such Licenses and Permits.
21. All of Assignor's right, title and interest, in and to any plans and specifications, studies, drawings and other technical descriptions prepared for construction, repair or alteration of the

Property, in both hard copy and original computer aided design or similar electronic formats, and all amendments and modifications thereof.

22. All of Assignor's right, title, and interest in, the engineers' contracts, utility contracts, maintenance agreements, management agreements, marketing agreements, any Joint Community Facility Agreements related to reimbursement of the cost of the infrastructure construction for the Property, listing agreements, reciprocal easement or operating agreements, equipment leases, declarations, any purchase agreements, any sale contracts, all earnest money sales deposits, development agreements, service contracts, in any way relating to the development, use, occupancy, operating, maintenance, enjoyment, acquisition or ownership of the Property or services produced in or relating to the Property, or the proceeds (as defined in the California Uniform Commercial Code) and any refunds or reimbursements derived therefrom.

EXHIBIT 5 PAGE 58