

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

811A



**FROM:** TLMA - Transportation Department

**SUBMITTAL DATE:**  
November 21, 2012

**SUBJECT:** Tracts 30575-1, 31220, 31386, and 31580 Subdivision Improvement Settlement Agreements, Second Supervisorial District

**RECOMMENDED MOTION:** That the Board of Supervisors approve and execute the attached Settlement Agreements for Tracts 30575-1, 31220, 31386, and 31580, which allows Arch Insurance Company to complete the necessary bonded subdivision improvements in place of the defaulted developer for the purpose of preserving public health and safety.

**BACKGROUND:** On the various dates listed below, pursuant to Government Code Section 66462, the County of Riverside, acting through the Board of Supervisors, and WL Homes LLC DBA John Laing Homes entered into Subdivision Improvement Agreements for the construction of onsite and offsite street improvements, installation of water and sewer improvements, and

Juan C. Perez  
Director of Transportation

HS:llr  
(Continued On Attached Page)

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:
	Annual Net County Cost:	\$ 0	For Fiscal Year: 12/13

<b>SOURCE OF FUNDS:</b> Development Bonds (100%)	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
There are no General Funds used in this project.	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE  
BY:   
Tina Grande

**County Executive Office Signature**

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Stone, seconded by Supervisor Benoit 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: December 11, 2012  
xc: Transp.

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

Prev. Agn. Ref. 3/21/06 - 2.10 | District: 2/2 | Agenda Number:

ATTACHMENTS FILED  
WITH THE CLERK OF THE BOARD

3.27

FORM APPROVED COUNTY COUNSEL  
BY: SUNSHINE S. SYKES  
DATE: 11/26/12  
Departmental Concurrence

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

**The Honorable Board of Supervisors**

**RE: Tracts 30575-1, 31220, 31386, and 31580 Subdivision Improvement Settlement Agreements, Second Supervisorial District**

**November 21, 2012**

**Page 2 of 2**

monument installation within Tracts 30575-1, 31220, 31386, and 31580. Faithful Performance and Material and Labor Bonds were posted by Arch Insurance Company to guarantee the completion of the improvements within the subdivision, as well as offsite improvements. The required improvements have only been partially completed in accordance with the approved plans, and WL Homes LLC DBA John Laing Homes abandoned the project and defaulted on the Subdivision Improvement Agreements.

On November 30, 2004, Tract 30575-1 entered into Subdivision Agreements for the construction of improvements to streets, installation of water and sewer systems, and monuments within the above-referenced subdivision. On August 3, 2010, the Transportation Department issued a Notice of Default to WL Homes LLC DBA John Laing Homes and its surety Arch Insurance Company.

On April 8, 2008, Tract 31220 entered into Subdivision Agreements for the construction of onsite and offsite improvements to streets, installation of water and sewer systems, and monuments within the above-referenced subdivision. On February 8, 2011, the Transportation Department issued a Notice of Default to WL Homes LLC DBA John Laing Homes and its surety Arch Insurance Company.

On December 20, 2005, Tract 31386 entered into Subdivision Agreements for the construction of improvements to streets, installation of water and sewer systems, and monuments within the above-referenced subdivision. On June 6, 2009, the Transportation Department issued a Notice of Default to WL Homes LLC DBA John Laing Homes and its surety Arch Insurance Company.

On November 22, 2005, Tract 31580 entered into Subdivision Agreements for the construction of improvements to streets, installation of water and sewer systems, and monuments within the above-referenced subdivision. On August 4, 2010, the Transportation Department issued a Notice of Default to WL Homes LLC DBA John Laing Homes and its surety Arch Insurance Company.

On the dates as indicated in the various attached settlement agreements, the County, through the Transportation Department, issued a Notice of Default to WL Homes LLC DBA John Laing Homes and its surety Arch Insurance Company concerning the default of the Subdivision Improvement Agreements for the above-listed tracts. The County also made a demand upon Arch Insurance Company, as surety under subdivision bonds, to complete the bonded improvements within the subdivision.

Given that the tracts enumerated above have been mostly completed, Arch Insurance Company has agreed to take over and procure completion of the improvements necessary for the safety and welfare of the surrounding public and acceptance into the maintained road system on the above-referenced tracts. The improvements necessary for the safety and welfare of the surrounding public and environment for the above tracts are fully described in the referenced Exhibit "C" in the attached Takeover Agreements.

**SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between THE COUNTY OF RIVERSIDE, ("County"), and Arch Insurance Company ("ARCH") effective on the date this Agreement is approved by the Board of Supervisors for the County of Riverside ("Effective Date").

**I. RECITALS**

A. WHEREAS, on or about November 30, 2004 WL Homes, LLC, dba John Laing Homes ("Developer"), entered into Subdivision Agreements with the County to furnish all labor, equipment and materials necessary to perform and complete street, drainage, monuments, water and sewer system improvements for a portion of a land division known as Tract 30575-1 ("Project"). The Subdivision Agreements are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "A".

B. WHEREAS, on or about September 4, 2004, pursuant to California Government Code Sections 66499 et seq., ARCH issued the following surety bonds for the Project: (1) Faithful Performance Bond No. SU5009748 in the amount of \$1,815,000 (reduced to \$652,600) to guarantee the completion of the following improvements: Streets and Drainage \$1,352,000, Water System \$196,000 and Sewer System \$267,000; (2) Material and Labor Bond No. SU5009748 in the amount of \$1,083,500 allocable as follows: Streets and Drainage \$852,000, Water System \$98,000 and Sewer System \$133,500; and (3) Subdivision Monument Bond No. SU5009749 in the amount of \$27,000. (Collectively "Bonds") The Bonds are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "B".

C. WHEREAS, subsequently thereafter, Developer performed work on the improvements but thereafter failed to complete the remaining work per the Subdivision Agreements.

D. WHEREAS, on or about January 7, 2011 the County advised that Developer was in default and the County made a claim against the Bonds.

E. WHEREAS, in or about February 15, 2012, ARCH agreed to complete certain work identified in the Subdivision Agreements with one or more Completion Contractors ("Completion Contractors").

F. WHEREAS, this Agreement is intended to resolve all remaining issues between ARCH and the County with regard to the remaining improvements on the Project, fully, finally and forever, as set forth herein.

NOW, THEREFORE, based on the exchange of valuable consideration, the receipt and sufficiency of which is acknowledged, ARCH and the County agree to the following terms and conditions:

## II. TERMS AND CONDITIONS

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

2. Incorporation of the Plans for the Subdivision Improvements on the Project. The following plans are incorporated by reference into this Agreement as though fully set forth herein and are expressly made a part of this Agreement.

- a. Tract Map of Tract 30575-1 (attached hereto as Exhibit "C")
- b. Street and Drainage Improvement Plans
- c. Water and Sewer Improvement Plans

The plans listed above shall hereinafter be referred to as the "Plans," for purposed of the Agreement and any attachments.

3. ARCH to Perform Portion of Remaining Work. ARCH shall be responsible for the completion of the work as shown in the "Plans" and as described in Exhibit "D" through one or more Completion Contractor(s) engaged by ARCH.

a. Prior to commencement of the work described in Exhibit D and in accordance with the Plans, the Completion Contractor(s) will obtain approval for and implementation of all traffic control throughout the duration of the work described in Exhibit D and in accordance with the Plans pursuant to the County of Riverside Transportation Department and/or the City of Eastvale.

b. All work shall be in compliance with General Notes, Basis of Bearings, Engineer's Notes, Notice to the Contractor, Legends, Notifications, Jurupa Community Services District Notes and Limitations, or any other references depicted on any of the Plans described in Exhibit D and in accordance with the Plans. The work shall incorporate best management practices for Storm Water Pollution Prevention Plans (SWPPP) as they apply to general construction practices in the Santa Ana Watershed.

c. The County agrees to provide assistance to the Completion Contractor in obtaining access to properties it owns and/or has an easement for public use or right of way over properties adjacent to or in connection with the Project as required to complete the work.

d. ARCH will complete the work described in Exhibit D within 360 days, which will begin when ARCH retains a Completion Contractor and acquires all permits, licenses and any other documentation necessary to proceed with the work described in Exhibit D.

e. ARCH's completion of the work described in Exhibit D shall be in accordance with the Plans, subject, however, to the limitation in California Government Code Section 66499.9(b) that ARCH shall not perform any changes or alterations to the Plans which exceed the original estimated cost of the improvement by more than 10%.

f. It is agreed that the items on the completion detail list(s), Exhibit D, is the anticipated full extent of the work necessary to complete. If any further work is deemed necessary by the County that is not included on Exhibit D, the County reserves the right to demand performance by Arch.

g. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed.

h. The Completion Contractor(s) shall not commence the work described in Exhibit D and in accordance with the Plans until it has obtained and paid for an encroachment permit, verified or paid for a grading permit and paid for any other fees as may be reasonably required by the County of Riverside and the City of Eastvale for the Project. County to advise surety of all inspection fees required for the work described.

i. ARCH reserves the right to terminate the Completion Contractor with or without cause and enter into a contract with another Completion Contractor upon written notice to the County.

4. Selection of Completion Contractors. No later than 75 days after the date of this Agreement, ARCH will hire Completion Contractors with aggregate bids to complete the work described in Exhibit D and in accordance with the Plans.

5. Relationship of ARCH to Completion Contractors. ARCH warrants and represents that ARCH and its officers, officials, employees, and/or agents have no ownership interest in any of the Completion Contractors that ARCH hires to perform the work under this Agreement. ARCH also warrants and represents that ARCH and its officers, officials, employees, and/or agents have not and will not receive any rebates, refunds, dividends, payments or any other type of consideration from the Completion Contractors officers, officials, employees, or agents.

6. Release of Bonds.

a. Except as limited by paragraph 3(f), upon completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work provided in this Agreement by the County, as provided under the Subdivision Improvement Agreements and Subdivision Improvement Bonds, the County shall reduce the amount of the Performance Bond No. SU5009748 by ninety percent (90%) in accordance with the provisions of County of Riverside Ordinance 460 and California Government Code 66499.7 and 66499.9. Upon Completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work described in Exhibit D and in accordance with the Plans by the County, Monument Bond No. SU5009749 shall be released. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed. Inspections and completion shall be set forth in the Subdivision Agreement. Such approval and acceptance by the County shall start the one year maintenance obligations under the Subdivision Improvement Agreements.

b. Upon completion of the one-year maintenance of the work described in Exhibit D and in accordance with the Plans by ARCH and its Completion Contractors, agents and assigns, as provided under the Subdivision Improvement agreements and Subdivision Improvement Bonds, the County shall release the remaining balance of Performance Bond No. SU5009748 in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

c. Payment bonds shall be released in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

7. County's and ARCH Obligations with respect to the work described in this Agreement. For purposes of completing the work provided in this Agreement, the County and ARCH shall have all rights, obligations, and responsibilities under the Subdivision Agreements with respect to each other, to the same extent and effect as if ARCH had executed the Subdivision Agreements initially and in addition to Developer.

8. Bonds Penal Amount. The Performance Bond, Payment Bonds and Monument Bond ("Bonds") remain in full force and effect in accordance with their terms and provisions; provided, however, that the aggregate liability of ARCH, under this Agreement and the bonds is limited to, and shall not exceed, the penal sums of said bonds.

9. Indemnification by ARCH. ARCH shall indemnify, defend, and save harmless the County, the City of Eastvale and their officers, agents, and employees from any and all liability, claims, demands, suits, or causes of action for damages arising out of the completion of the work described in Exhibit D and in accordance with the Plans undertaken by ARCH pursuant to this Agreement, except, however, ARCH shall not be responsible to indemnify, defend and save harmless the County for damages caused solely by the County's breach of contract or active negligence. This Section shall survive the termination of this Agreement.

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

County of Riverside Transportation Department  
Attn: Hugh Smith  
2950 Washington Street  
Riverside, Ca. 92504

With a copy to:

County of Riverside  
Office of County Counsel  
Attn: Sunshine Sykes, Esq.  
3960 Orange Street, Suite 500  
Riverside, Ca. 92501-3674

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

Arch Insurance  
Attn: Gail Latham  
1601 Cherry Street, Suite 1500  
Philadelphia, Pa. 19102

With a copy to:

Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
Attn: John Immordino, Esq.  
555 South Flower Street, Suite 2900  
Los Angeles, Ca. 90071-2407

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

12. All Claims referred to ARCH. The County recognizes that ARCH may be liable to unpaid contractors, subcontractors, or suppliers of Developer. The County agrees to make no representations or promises of payment to these contractors, subcontractors, or suppliers and to refer all inquiries to ARCH.

13. Performance Rights Confirmed. Nothing shall limit ARCH's rights as a completing surety under the Subdivision Agreements and applicable law, including the right of equitable subrogation which affords to ARCH all rights and remedies of the County against Developer, among others. Further, ARCH subrogated to Developer's rights as ARCH is a performing surety under the Bonds. The County acknowledges that: (1) ARCH is entering into this Agreement not as a contractor, but as a means of satisfying ARCH's bond obligations, (2) ARCH will provide one or more Completion Contractors who are properly licensed and insured to perform the work described in this Agreement; and (3) the County hereby forever releases and discharges any and all claims that ARCH is an unlicensed contractor.

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

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

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

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

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

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

20. Reservation. Other than expressly waived herein, ARCH and the County fully reserve all rights and defenses against each other, with respect to the Bonds, the Subdivision Agreements and Plans and ARCH expressly reserves all rights and defenses against Developer as the bond principal. Moreover, nothing in this Agreement constitutes a waiver of the penal amount or an increase in the liability of ARCH under the Bonds.

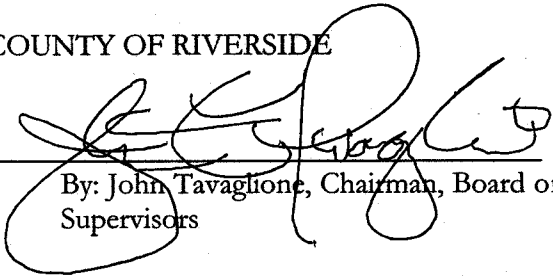


21. Counterparts/Facsimile. This Agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be deemed to be an original with all the counterparts constituting but one and the same instrument. The execution of this Agreement by any parties hereto will not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

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

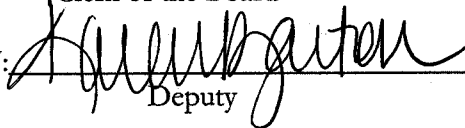
DATED: DEC 11 2012

COUNTY OF RIVERSIDE

  
By: John Tavaglione, Chairman, Board of Supervisors


ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

BY:   
Deputy

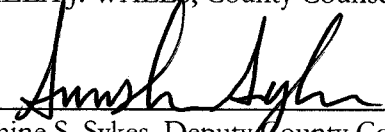
DATED: 10/18/12

ARCH INSURANCE COMPANY


  
By: Gail Latham, Assistant Vice President

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

By:   
Sunshine S. Sykes, Deputy County Counsel

DATED: 11/6/12

By:   
John Immordino, Attorney for Arch Insurance Company

DATED: 10-24-12

AGREEMENT  
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS

**EXHIBIT A**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES, hereinafter called Contractor.

WITNESSETH:

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 30575-1, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of One million three hundred fifty-two thousand and no/100 Dollars (\$1,352,000.00).

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

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

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

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

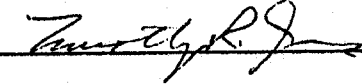
County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

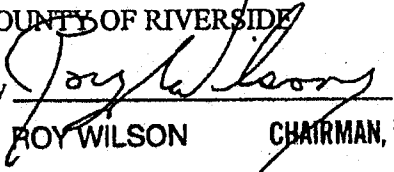
By 

Title Vice President of Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

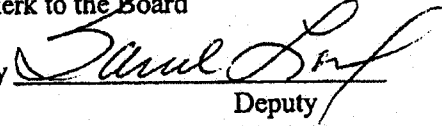
COUNTY OF RIVERSIDE

By 

ROY WILSON CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By   
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By 

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame Esparza Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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

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



WITNESS my hand and official seal.  
Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

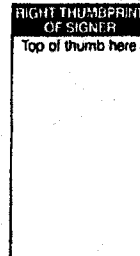
**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

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

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



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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 30575-1, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Jurupa Community Services District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of One hundred ninety-six thousand and no/100 Dollars (\$196,000.00).

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

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

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

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

County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. J.

Title Vice President of Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Roy Wilson  
ROY WILSON

CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Samuel Long  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By William C. Katzenstein

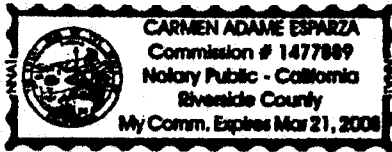
SIGNATURES OF CONTRACTOR MUST BE WITNESSES BY NOTARY  
AND EXECUTED IN TRIPPLICATE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Carmen A  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

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

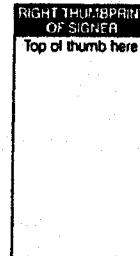
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

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

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

Signer is Representing: \_\_\_\_\_



## SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between THE COUNTY OF RIVERSIDE, ("County"), and Arch Insurance Company ("ARCH") effective on the date this Agreement is approved by the Board of Supervisors for the County of Riverside ("Effective Date").

### I. RECITALS

A. WHEREAS, on or about December 13, 2005 WL Homes, LLC, dba John Laing Homes ("Developer"), entered into Subdivision Agreements with the County to furnish all labor, equipment and materials necessary to perform and complete street, drainage, monuments, water and sewer system improvements for a portion of a land division known as Tract 31220, and offsite improvements for a portion of Tract 30575-1 ("Project"). The Subdivision Agreements are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "A".

B. WHEREAS, on or about January 20, 2005, pursuant to California Government Code Sections 66499 et seq., ARCH issued the following surety bonds for the Project: (1) Performance Bond No. SU5012279 in the amount of \$407,000.00 (reduced to \$74,200.00) to guarantee the completion of the following improvements: Streets and Drainage \$265,000, Water System \$63,000 and Sewer System \$79,000; (2) Material and Labor Bond No. SU5012279 in the amount of \$ 203,500 allocable as follows: Streets and Drainage \$132,500, Water System \$31,500 and Sewer System \$39,500; (3) Subdivision Monument Bond No. SU5012280 in the amount of \$19,000; (4) Performance Bond No. SU5013371 in the amount of \$228,500 (reduced to \$40,050) to guarantee the completion of the following offsite improvements: Streets and Drainage \$178,000, Water System \$17,000 and Sewer System \$33,500 and (5) Material and Labor Bond No. SU5013371 (offsite) in the amount of \$114,250 allocable as follows: Streets and Drainage \$89,000, Water System \$8,500 and Sewer System \$16,750; (Collectively "Bonds"). The Bonds are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "B".

C. WHEREAS, subsequently thereafter, Developer performed work on the improvements but thereafter failed to complete the remaining work per the Subdivision Agreements.

D. WHEREAS, on or about April 7, 2011 the County advised that Developer was in default and the County made a claim against the Bonds.

E. WHEREAS, on or about February 15, 2012, ARCH agreed to complete certain work identified in the Subdivision Agreements with one or more Completion Contractors ("Completion Contractors").



F. WHEREAS, this Agreement is intended to resolve all remaining issues between ARCH and the County with regard to the remaining improvements on the Project, fully, finally and forever, as set forth herein.

NOW, THEREFORE, based on the exchange of valuable consideration, the receipt and sufficiency of which is acknowledged, ARCH and the County agree to the following terms and conditions:

## II. TERMS AND CONDITIONS

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

2. Incorporation of the Plans for the Subdivision Improvements on the Project. The following plans are incorporated by reference into this Agreement as though fully set forth herein and are expressly made a part of this Agreement.

- a. Tract map for Tract 31220 (attached hereto as Exhibit "C")
- b. Street and Drainage Improvement Plans
- c. Water and Sewer Improvement Plans

The plans listed above shall hereinafter be referred to as the "Plans," for purpose of the Agreement and any attachments.

3. ARCH to Perform Remaining Work. ARCH shall be responsible for the completion of the work as shown in the "Plans" and as described in Exhibit "D" through one or more Completion Contractor(s) engaged by ARCH.

a. Prior to commencement of the work described in Exhibit D and in accordance with the Plans, the Completion Contractor(s) will obtain approval for and implementation of all traffic control throughout the duration of the work described in Exhibit D and in accordance with the Plans pursuant to the County of Riverside Transportation Department and/or the City of Eastvale.

b. All work shall be in compliance with General Notes, Basis of Bearings, Engineer's Notes, Notice to the Contractor, Legends, Notifications, Jurupa Community Services District Notes and Limitations, or any other references depicted on any of the Plans described in Exhibit D and in accordance with the Plans. The work shall incorporate best management practices for Storm Water Pollution Prevention Plans (SWPPP) as they apply to general construction practices in the Santa Ana Watershed.

c. The County agrees to provide assistance to the Completion Contractor in obtaining access to properties it owns and/or has an easement for public use or right of way over properties adjacent to or in connection with the Project as required to complete the work.

d. ARCH will complete the work described in Exhibit D within 360 days, which will begin when ARCH retains a Completion Contractor and acquires all permits, licenses and any other documentation necessary to proceed with the work described in Exhibit D.

e. ARCH's completion of the work described in Exhibit D shall be in accordance with the Plans, subject, however, to the limitation in California Government Code Section 66499.9(b) that ARCH shall not perform any changes or alterations to the Plans which exceed the original estimated cost of the improvement by more than 10%.

f. It is agreed that the items on the completion detail list(s), Exhibit D, is the anticipated full extent of the work necessary to complete. If any further work is deemed necessary by the County that is not included on Exhibit D, the County reserves the right to demand performance by Arch.

g. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed.

h. The Completion Contractor(s) shall not commence the work described in Exhibit D and in accordance with the Plans until it has obtained and paid for an encroachment permit, verified or paid for a grading permit and paid for any other fees as may be reasonably required by the County of Riverside and the City of Eastvale for the Project. County to advise surety of all inspection fees required for the work described.

i. ARCH reserves the right to terminate the Completion Contractor with or without cause and enter into a contract with another Completion Contractor upon written notice to the County.

4. Selection of Completion Contractors. No later than 75 days after the date of this Agreement, ARCH will hire Completion Contractors with aggregate bids to complete the work described in Exhibit D and in accordance with the Plans.

5. Relationship of ARCH to Completion Contractors. ARCH warrants and represents that ARCH and its officers, officials, employees, and/or agents have no ownership interest in any of the Completion Contractors that ARCH hires to perform the work under this Agreement. ARCH also warrants and represents that ARCH and its officers, officials, employees, and/or agents have not and will not receive any rebates, refunds, dividends, payments or any other type of consideration from the Completion Contractors officers, officials, employees, or agents.

6. Release of Bonds.

a. Except as limited by paragraph 3(f), upon completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work provided in this Agreement by the County, as provided under the Subdivision Improvement Agreements and Subdivision Improvement Bonds, the County shall reduce the amount of the Performance Bonds No. SU5012279 and SU5013371 by ninety percent (90%) in accordance with the provisions of County of Riverside Ordinance 460 and California Government Code 66499.7 and 66499.9. Upon Completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work described in Exhibit D and in accordance with the Plans by the County, Monument Bond No. SU5012280 shall be released. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed. Inspections and completion shall be set forth in the Subdivision Agreement. Such approval and acceptance by the County shall start the one year maintenance obligations under the Subdivision Improvement Agreements.

b. Upon completion of the one-year maintenance of the work described in Exhibit D and in accordance with the Plans by ARCH and its Completion Contractors, agents and assigns, as provided under the Subdivision Improvement agreements and Subdivision Improvement Bonds, the County shall release the remaining balance of Performance Bond Numbers SU5012279 and SU5013371 in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

c. Payment bonds shall be released in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

7. County's and ARCH Obligations with respect to the work described in this Agreement. For purposes of completing the work described in this Agreement the County and ARCH shall have all rights, obligations, and responsibilities under the Subdivision Agreements with respect to each other, to the same extent and effect as if ARCH had executed the Subdivision Agreements initially and in addition to Developer.

8. Bonds Penal Amount. The Performance Bond, Payment Bonds and Monument Bond ("Bonds") remain in full force and effect in accordance with their terms and provisions; provided, however, that the aggregate liability of ARCH, under this Agreement and the bonds is limited to, and shall not exceed, the penal sums of said bonds.

9. Indemnification by ARCH. ARCH shall indemnify, defend, and save harmless the County, the City of Eastvale and their officers, agents, and employees from any and all liability, claims, demands, suits, or causes of action for damages arising out of the completion of the work described in Exhibit D and in accordance with the Plans undertaken by ARCH pursuant to this Agreement, except, however, ARCH shall not be responsible to indemnify, defend and save

harmless the County for damages caused solely by the County's breach of contract or active negligence. This Section shall survive the termination of this Agreement.

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

County of Riverside Transportation Department  
Attn: Hugh Smith  
2950 Washington Street  
Riverside, Ca. 92504

With a copy to:

County of Riverside  
Office of County Counsel  
Attn: Sunshine Sykes, Esq.  
3960 Orange Street, Suite 500  
Riverside, Ca. 92501-3674

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

Arch Insurance  
Attn: Gail Latham  
1601 Cherry Street, Suite 1500  
Philadelphia, Pa. 19102

With a copy to:

Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
Attn: John Immordino, Esq.  
555 South Flower Street, Suite 2900  
Los Angeles, Ca. 90071-2407

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

12. All Claims referred to ARCH. The County recognizes that ARCH may be liable to unpaid contractors, subcontractors, or suppliers of Developer. The County agrees to make no representations or promises of payment to these contractors, subcontractors, or suppliers and to refer all inquiries to ARCH.

13. Performance Rights Confirmed. Nothing shall limit ARCH's rights as a completing surety under the Subdivision Agreements and applicable law, including the right of equitable subrogation which affords to ARCH all rights and remedies of the County against Developer, among others. Further, ARCH subrogated to Developer's rights as ARCH is a performing surety under the Bonds. The County acknowledges that: (1) ARCH is entering into this Agreement not as a contractor, but as a means of satisfying ARCH's bond obligations, (2) ARCH will provide one or more Completion Contractors who are properly licensed and insured to perform the work described in this Agreement; and (3) the County hereby forever releases and discharges any and all claims that ARCH is an unlicensed contractor.

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

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

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

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

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

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

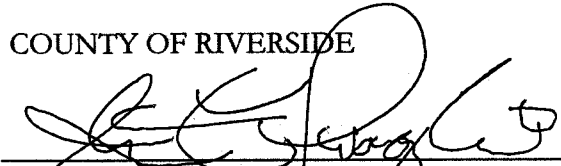
20. Reservation. Other than expressly waived herein, ARCH and the County fully reserve all rights and defenses against each other, with respect to the Bonds, the Subdivision Agreements and Plans and ARCH expressly reserves all rights and defenses against Developer as the bond principal. Moreover, nothing in this Agreement constitutes a waiver of the penal amount or an increase in the liability of ARCH under the Bonds.

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

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

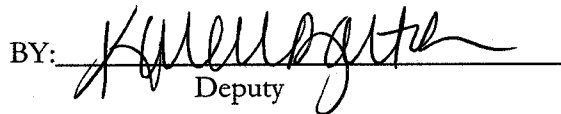
DATED: DEC 11 2012

COUNTY OF RIVERSIDE

  
By: John Tavaglione, Chairman, Board of Supervisors

ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

BY:   
Deputy

DATED: 10/18/12

ARCH INSURANCE COMPANY


  
By: Gail Latham, Assistant Vice President

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

By:   
Sunshine S. Sykes, Deputy County Counsel

DATED: 11/6/12

By:   
John Immordino, Attorney for Arch Insurance Company

DATED: 10-24-12

**SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between THE COUNTY OF RIVERSIDE, ("County"), and Arch Insurance Company ("ARCH") effective on the date this Agreement is approved by the Board of Supervisors for the County of Riverside ("Effective Date").

**I. RECITALS**

A. WHEREAS, on or about December 20, 2005 WL Homes, LLC, dba John Laing Homes ("Developer"), entered into Subdivision Agreements with the County to furnish all labor, equipment and materials necessary to perform and complete street, drainage, monuments, water and sewer system improvements for a portion of a land division known as Tract 31386 ("Project"). The Subdivision Agreements are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "A".

B. WHEREAS, on or about February 7, 2005, pursuant to California Government Code Sections 66499 et seq., ARCH issued the following surety bonds for the Project: (1) Faithful Performance Bond No. SU5012975 in the amount of \$2,754,755 (reduced to \$1,225,000) to guarantee the completion of the Streets and Drainage; (2) Material and Labor Bond No. SU5012975 in the amount of \$1,404,755 allocable to the Streets and Drainage; (3) Faithful Performance Bond No. SU5012976 in the amount of \$419,000 (reduced to \$83,800) to guarantee the completion of the Water System; (4) Material and Labor Bond No. SU5012976 in the amount of \$309,500 allocable to the Water System; (5) Faithful Performance Bond No. SU5012977 in the amount of \$436,500 (reduced to \$87,300) to guarantee the completion of the Sewer System; (6) Material and Labor Bond No. SU5012977 in the amount of \$218,250 allocable to the Sewer System; and (7) Subdivision Monument Bond No. SU5012978 in the amount of \$57,800. (Collectively "Bonds") The Bonds are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "B".

C. WHEREAS, subsequently thereafter, Developer performed work on the improvements but thereafter failed to complete the remaining work per the Subdivision Agreements.

D. WHEREAS, on or about October 18, 2010 the County advised that Developer was in default and the County made a claim against the Bonds.

E. WHEREAS, in or about February 15, 2012, ARCH agreed to complete certain work identified in the Subdivision Agreements with one or more Completion Contractors ("Completion Contractors").

F. WHEREAS, this Agreement is intended to resolve all remaining issues between ARCH and the County with regard to the remaining improvements on the Project, fully, finally and forever, as set forth herein.

NOW, THEREFORE, based on the exchange of valuable consideration, the receipt and sufficiency of which is acknowledged, ARCH and the County agree to the following terms and conditions:

## II. TERMS AND CONDITIONS

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

2. Incorporation of the Plans for the Subdivision Improvements on the Project. The following plans are incorporated by reference into this Agreement as though fully set forth herein and are expressly made a part of this Agreement .

- a. Tract map for Tract 31386, dated December 2003 (attached hereto as Exhibit "C")
- b. Street and Drainage Improvement Plans
- c. Water and Sewer Improvement Plans

The plans listed above shall hereinafter be referred to as the "Plans," for purposed of the Agreement and any attachments.

3. ARCH to Perform Portion of Remaining Work. ARCH shall be responsible for the completion of the work as shown in the "Plans" and as described in Exhibit "D" through one or more Completion Contractor(s) engaged by ARCH.

a. Prior to commencement of the work described in Exhibit D and in accordance with the Plans, the Completion Contractor(s) will obtain approval for and implementation of all traffic control throughout the duration of the work described in Exhibit D and in accordance with the Plans pursuant to the County of Riverside Transportation Department and/or the City of Eastvale.

b. All work shall be in compliance with General Notes, Basis of Bearings, Engineer's Notes, Notice to the Contractor, Legends, Notifications, Jurupa Community Services District Notes and Limitations, or any other references depicted on any of the Plans described in Exhibit D and in accordance with the Plans. The work shall incorporate best management practices for Storm Water Pollution Prevention Plans (SWPPP) as they apply to general construction practices in the Santa Ana Watershed.



c. The County agrees to provide assistance to the Completion Contractor in obtaining access to properties it owns and/or has an easement for public use or right of way over properties adjacent to or in connection with the Project as required to complete the work.

d. ARCH will complete the work described in Exhibit D within 360 days, which will begin when ARCH retains a Completion Contractor and acquires all permits, licenses and any other documentation necessary to proceed with the work described in Exhibit D.

e. ARCH's completion of the work described in Exhibit D shall be in accordance with the Plans, subject, however, to the limitation in California Government Code Section 66499.9(b) that ARCH shall not perform any changes or alterations to the Plans which exceed the original estimated cost of the improvement by more than 10%.

f. It is agreed that the items on the completion detail list(s), Exhibit D, is the anticipated full extent of the work necessary to complete. If any further work is deemed necessary by the County that is not included on Exhibit D, the County reserves the right to demand performance by Arch.

g. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed.

h. The Completion Contractor(s) shall not commence the work described in Exhibit D and in accordance with Exhibit C until it has obtained and paid for an encroachment permit, verified or paid for a grading permit and paid for any other fees as may be reasonably required by the County of Riverside and the City of Eastvale for the Project. County to advise surety of all inspection fees required for the work described.

i. ARCH reserves the right to terminate the Completion Contractor with or without cause and enter into a contract with another Completion Contractor upon written notice to the County.

4. Selection of Completion Contractors. No later than 75 days after the date of this Agreement, ARCH will hire Completion Contractors with aggregate bids to complete the work described in Exhibit D and in accordance with Exhibit C.

5. Relationship of ARCH to Completion Contractors. ARCH warrants and represents that ARCH and its officers, officials, employees, and/or agents have no ownership interest in any of the Completion Contractors that ARCH hires to perform the work under this Agreement. ARCH also warrants and represents that ARCH and its officers, officials, employees, and/or agents have not and will not receive any rebates, refunds, dividends, payments or any other type of consideration from the Completion Contractors officers, officials, employees, or agents.

6. Release of Bonds.

a. Except as limited by paragraph 3(f), upon completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work described in provided in this Agreement by the County, as provided under the Subdivision Improvement Agreements and Subdivision Improvement Bonds, the County shall reduce the amount of the Performance Bond Nos. SU5012975, SU5012976, and SU5012977 by ninety percent (90%) in accordance with the provisions of County of Riverside Ordinance 460 and California Government Code 66499.7 and 66499.9. Upon Completion of the work described in Exhibits C and D by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work described in Exhibits C and D by the County, Monument Bond No. SU5012978 shall be released. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed. Inspections and completion shall be set forth in the Subdivision Agreement. Such approval and acceptance by the County shall start the one year maintenance obligations under the Subdivision Improvement Agreements.

b. Upon completion of the one-year maintenance of the work described in this Agreement by ARCH and its Completion Contractors, agents and assigns, as provided under the Subdivision Improvement agreements and Subdivision Improvement Bonds, the County shall release the remaining balance of Performance Bond Numbers SU5012975, SU5012976, and SU5012977 in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

c. Payment bonds shall be released in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

7. County's and ARCH Obligations with respect to the work described in this Agreement. For purposes of completing the work described in this Agreement, the County and ARCH shall have all rights, obligations, and responsibilities under the Subdivision Agreements with respect to each other, to the same extent and effect as if ARCH had executed the Subdivision Agreements initially and in addition to Developer.

8. Bonds Penal Amount. The Performance Bond, Payment Bonds and Monument Bond ("Bonds") remain in full force and effect in accordance with their terms and provisions; provided, however, that the aggregate liability of ARCH, under this Agreement and the bonds is limited to, and shall not exceed, the penal sums of said bonds.

9. Indemnification by ARCH. ARCH shall indemnify, defend, and save harmless the County, the City of Eastvale and their officers, agents, and employees from any and all liability, claims, demands, suits, or causes of action for damages arising out of the completion of the work described in Exhibit D and in accordance with Exhibit C undertaken by ARCH pursuant to this

Agreement, except, however, ARCH shall not be responsible to indemnify, defend and save harmless the County for damages caused solely by the County's breach of contract or active negligence. This Section shall survive the termination of this Agreement.

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

County of Riverside Transportation Department  
Attn: Hugh Smith  
2950 Washington Street  
Riverside, Ca. 92504

With a copy to:

County of Riverside  
Office of County Counsel  
Attn: Sunshine Sykes, Esq.  
3960 Orange Street, Suite 500  
Riverside, Ca. 92501-3674

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

Arch Insurance  
Attn: Gail Latham  
1601 Cherry Street, Suite 1500  
Philadelphia, Pa. 19102

With a copy to:

Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
Attn: John Immordino, Esq.  
555 South Flower Street, Suite 2900  
Los Angeles, Ca. 90071-2407

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

12. All Claims referred to ARCH. The County recognizes that ARCH may be liable to unpaid contractors, subcontractors, or suppliers of Developer. The County agrees to make no representations or promises of payment to these contractors, subcontractors, or suppliers and to refer all inquiries to ARCH.

13. Performance Rights Confirmed. Nothing shall limit ARCH's rights as a completing surety under the Subdivision Agreements and applicable law, including the right of equitable subrogation which affords to ARCH all rights and remedies of the County against Developer, among others. Further, ARCH subrogated to Developer's rights as ARCH is a performing surety under the Bonds. The County acknowledges that: (1) ARCH is entering into this Agreement not as a contractor, but as a means of satisfying ARCH's bond obligations, (2) ARCH will provide one or more Completion Contractors who are properly licensed and insured to perform the work described in this Agreement; and (3) the County hereby forever releases and discharges any and all claims that ARCH is an unlicensed contractor.

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

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

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

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

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

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

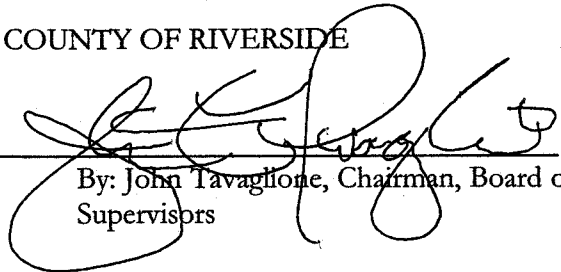
20. Reservation. Other than expressly waived herein, ARCH and the County fully reserve all rights and defenses against each other, with respect to the Bonds, the Subdivision Agreements and Plans and ARCH expressly reserves all rights and defenses against Developer as the bond principal. Moreover, nothing in this Agreement constitutes a waiver of the penal amount or an increase in the liability of ARCH under the Bonds.

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

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

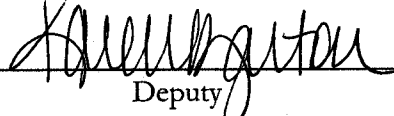
DATED: DEC 11 2012

COUNTY OF RIVERSIDE

  
By: John Tavaglione, Chairman, Board of Supervisors

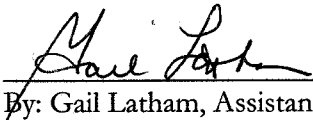
ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

BY:   
Deputy

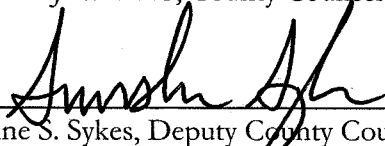
DATED: 10/18/12

ARCH INSURANCE COMPANY


  
By: Gail Latham, Assistant Vice President

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

By:   
Sunshine S. Sykes, Deputy County Counsel

DATED: 11/6/12

By:   
John Lamordino, Attorney for Arch Insurance Company

DATED: 10-24-12

**SETTLEMENT AGREEMENT**

This SETTLEMENT AGREEMENT ("Agreement") is made and entered into by and between THE COUNTY OF RIVERSIDE, ("County"), and Arch Insurance Company ("ARCH") effective on the date this Agreement is approved by the Board of Supervisors for the County of Riverside ("Effective Date").

**I. RECITALS**

A. WHEREAS, on or about November 22, 2005 WL Homes, LLC, dba John Laing Homes ("Developer"), entered into Subdivision Agreements with the County to furnish all labor, equipment and materials necessary to perform and complete street, drainage, monuments, water and sewer system improvements for a portion of a land division known as Tract 31580 ("Project"). The Subdivision Agreements are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "A".

B. WHEREAS, on or about January 7, 2005, pursuant to California Government Code Sections 66499 et seq., ARCH issued the following surety bonds for the Project: (1) Faithful Performance Bond No. SU5012262 in the amount of \$4,717,600 (reduced to \$1,250,000) to guarantee the completion of the Streets and Drainage; (2) Material and Labor Bond No. SU5012262 in the amount of \$2,427,850 allocable to the Streets and Drainage; (3) Faithful Performance Bond No. SU5012263 in the amount of \$355,000 (reduced to \$71,000) to guarantee the completion of the Water System; (4) Material and Labor Bond No. SU5012263 in the amount of \$177,500 allocable to the Water System; (5) Faithful Performance Bond No. SU5012264 in the amount of \$412,000 reduced to \$82,400) to guarantee the completion of the Sewer System; (6) Material and Labor Bond No. SU5012264 in the amount of \$206,000 allocable to the Sewer System and (7) Subdivision Monument Bond No. SU5012265 in the amount of \$60,800. (Collectively "Bonds") The Bonds are incorporated in this Agreement by reference as though fully set forth herein and are expressly made a part of this agreement and attached hereto as Exhibit "B".

C. WHEREAS, subsequently thereafter, Developer performed work on the improvements but thereafter failed to complete the remaining work per the Subdivision Agreements.

D. WHEREAS, on or about April 7, 2011 the County advised that Developer was in default and the County made a claim against the Bonds.

E. WHEREAS, in or about February 15, 2012, ARCH agreed to complete certain work identified in the Subdivision Agreements with one or more Completion Contractors ("Completion Contractors").

F. WHEREAS, this Agreement is intended to resolve all remaining issues between ARCH and the County with regard to the remaining improvements on the Project, fully, finally and forever, as set forth herein.

NOW, THEREFORE, based on the exchange of valuable consideration, the receipt and sufficiency of which is acknowledged, ARCH and the County agree to the following terms and conditions:

## II. TERMS AND CONDITIONS

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

2. Incorporation of the Plans for the Subdivision Improvements on the Project. The following plans are incorporated by reference into this Agreement as though fully set forth herein and are expressly made a part of this Agreement.

- a. Tract map of Tract 31580 (attached hereto as Exhibit "C")
- b. Street and Drainage Improvement Plans
- c. Water and Sewer Improvement Plans

The plans listed above shall hereinafter be referred to as the "Plans," for purposed of the Agreement and any attachments.

3. ARCH to Perform Portion of Remaining Work. ARCH shall be responsible for the completion of the work as shown in the "Plans" and as described in Exhibit "D" through one or more Completion Contractor(s) engaged by ARCH.

a. Prior to commencement of the work described in Exhibit D and in accordance with the Plans, the Completion Contractor(s) will obtain approval for and implementation of all traffic control throughout the duration of the work described in Exhibit D and in accordance with the Plans pursuant to the County of Riverside Transportation Department and/or the City of Eastvale.

b. All work shall be in compliance with General Notes, Basis of Bearings, Engineer's Notes, Notice to the Contractor, Legends, Notifications, Jurupa Community Services District Notes and Limitations, or any other references depicted on any of the Plans described in Exhibit D and in accordance with the Plans. The work shall incorporate best management practices for Storm Water Pollution Prevention Plans (SWPPP) as they apply to general construction practices in the Santa Ana Watershed.

c. The County agrees to provide assistance to the Completion Contractor in obtaining access to properties it owns and/or has an easement for public use or right of way over properties adjacent to or in connection with the Project as required to complete the work.

d. ARCH will complete the work described in Exhibit D within 360 days, which will begin when ARCH retains a Completion Contractor and acquires all permits, licenses and any other documentation necessary to proceed with the work described in Exhibit D.

e. ARCH's completion of the work described in Exhibit D shall be in accordance with the Plans, subject, however, to the limitation in California Government Code Section 66499.9(b) that ARCH shall not perform any changes or alterations to the Plans which exceed the original estimated cost of the improvement by more than 10%.

f. It is agreed that the items on the completion detail list(s), Exhibit D, is the anticipated full extent of the work necessary to complete. If any further work is deemed necessary by the County that is not included on Exhibit D, the County reserves the right to demand performance by Arch.

g. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed.

h. The Completion Contractor(s) shall not commence the work described in Exhibit D and in accordance with the Plans until it has obtained and paid for an encroachment permit, verified or paid for a grading permit and paid for any other fees as may be reasonably required by the County of Riverside and the City of Eastvale for the Project. County to advise surety of all inspection fees required for the work described.

i. ARCH reserves the right to terminate the Completion Contractor with or without cause and enter into a contract with another Completion Contractor upon written notice to the County.

4. Selection of Completion Contractors. No later than 75 days after the date of this Agreement, ARCH will hire Completion Contractors with aggregate bids to complete the work described in Exhibit D and in accordance with the Plans.

5. Relationship of ARCH to Completion Contractors. ARCH warrants and represents that ARCH and its officers, officials, employees, and/or agents have no ownership interest in any of the Completion Contractors that ARCH hires to perform the work under this Agreement. ARCH also warrants and represents that ARCH and its officers, officials, employees, and/or agents have not and will not receive any rebates, refunds, dividends, payments or any other type of consideration from the Completion Contractors officers, officials, employees, or agents.

6. Release of Bonds.

a. Except as limited by paragraph 3(f), upon completion of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work provided in this Agreement by the County, as provided under the Subdivision Improvement



Agreements and Subdivision Improvement Bonds, the County shall reduce the amount of the Performance Bond Nos. SU5012262, SU5012263, and SU5012264 by ninety percent (90%) in accordance with the provisions of County of Riverside Ordinance 460 and California Government Code 66499.7 and 66499.9. Upon Completion of the work described in Exhibit D and in accordance with the Plans by ARCH and its Completion Contractors, agents and assigns, and acceptance of the work described in Exhibit D and in accordance with the Plans by the County, Monument Bond No. SU5012265 shall be released. The parties stipulate and agree that ARCH may request inspection and approval of any item of the work provided in this Agreement as the item is completed. Inspections and completion shall be set forth in the Subdivision Agreement. Such approval and acceptance by the County shall start the one year maintenance obligations under the Subdivision Improvement Agreements.

b. Upon completion of the one-year maintenance of the work provided in this Agreement by ARCH and its Completion Contractors, agents and assigns, as provided under the Subdivision Improvement agreements and Subdivision Improvement Bonds, the County shall release the remaining balance of Performance Bond Numbers SU5012262, SU5012263, and SU5012264 in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

c. Payment bonds shall be released in accordance with the County of Riverside Ordinance 460 and California Government Code 66499.7.

7. County's and ARCH Obligations with respect to the work described in this Agreement. For purposes of completing the work described in this Agreement, the County and ARCH shall have all rights, obligations, and responsibilities under the Subdivision Agreements with respect to each other, to the same extent and effect as if ARCH had executed the Subdivision Agreements initially and in addition to Developer.

8. Bonds Penal Amount. The Performance Bond, Payment Bonds and Monument Bond ("Bonds") remain in full force and effect in accordance with their terms and provisions; provided, however, that the aggregate liability of ARCH, under this Agreement and the bonds is limited to, and shall not exceed, the penal sums of said bonds.

9. Indemnification by ARCH. ARCH shall indemnify, defend, and save harmless the County, the City of Eastvale and their officers, agents, and employees from any and all liability, claims, demands, suits, or causes of action for damages arising out of the completion of the work described in Exhibit D and in accordance with the Plans undertaken by ARCH pursuant to this Agreement, except, however, ARCH shall not be responsible to indemnify, defend and save harmless the County for damages caused solely by the County's breach of contract or active negligence. This Section shall survive the termination of this Agreement.

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

County of Riverside Transportation Department  
Attn: Hugh Smith  
2950 Washington Street  
Riverside, Ca. 92504

With a copy to:

County of Riverside  
Office of County Counsel  
Attn: Sunshine Sykes, Esq.  
3960 Orange Street, Suite 500  
Riverside, Ca. 92501-3674

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

Arch Insurance  
Attn: Gail Latham  
1601 Cherry Street, Suite 1500  
Philadelphia, Pa. 19102

With a copy to:

Wilson, Elser, Moskowitz, Edelman & Dicker LLP  
Attn: John Immordino, Esq.  
555 South Flower Street, Suite 2900  
Los Angeles, Ca. 90071-2407

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

12. All Claims referred to ARCH. The County recognizes that ARCH may be liable to unpaid contractors, subcontractors, or suppliers of Developer. The County agrees to make no representations or promises of payment to these contractors, subcontractors, or suppliers and to refer all inquiries to ARCH.

13. Performance Rights Confirmed. Nothing shall limit ARCH's rights as a completing surety under the Subdivision Agreements and applicable law, including the right of equitable subrogation which affords to ARCH all rights and remedies of the County against Developer, among others. Further, ARCH subrogated to Developer's rights as ARCH is a performing surety

under the Bonds. The County acknowledges that: (1) ARCH is entering into this Agreement not as a contractor, but as a means of satisfying ARCH's bond obligations, (2) ARCH will provide one or more Completion Contractors who are properly licensed and insured to perform the work described in this Agreement; and (3) the County hereby forever releases and discharges any and all claims that ARCH is an unlicensed contractor.

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

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

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

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

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

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

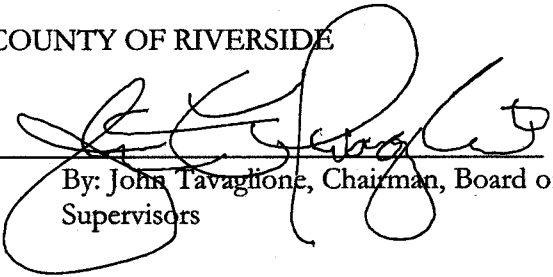
20. Reservation. Other than expressly waived herein, ARCH and the County fully reserve all rights and defenses against each other, with respect to the Bonds, the Subdivision Agreements and Plans and ARCH expressly reserves all rights and defenses against Developer as the bond principal. Moreover, nothing in this Agreement constitutes a waiver of the penal amount or an increase in the liability of ARCH under the Bonds.

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

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

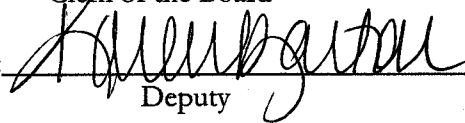
DATED: DEC 11 2012

COUNTY OF RIVERSIDE

  
By: John Tavaglione, Chairman, Board of Supervisors

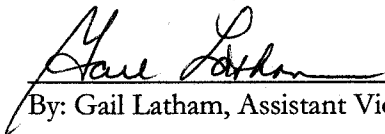
ATTEST:

Kecia Harper-Ihem  
Clerk of the Board

BY:   
Deputy

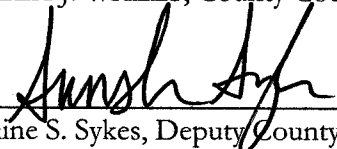
DATED: 10/18/12

ARCH INSURANCE COMPANY

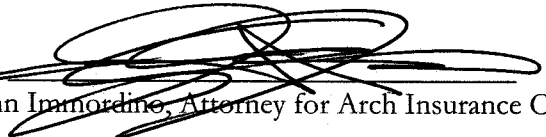
  
By: Gail Latham, Assistant Vice President

APPROVED AS TO FORM:

PAMELA J. WALLS, County Counsel

By:   
Sunshine S. Sykes, Deputy County Counsel

DATED: 11/6/12

By:   
John Immordino, Attorney for Arch Insurance Company

DATED: 10-24-12

0 210 420 840 Feet  
1 inch = 417 feet

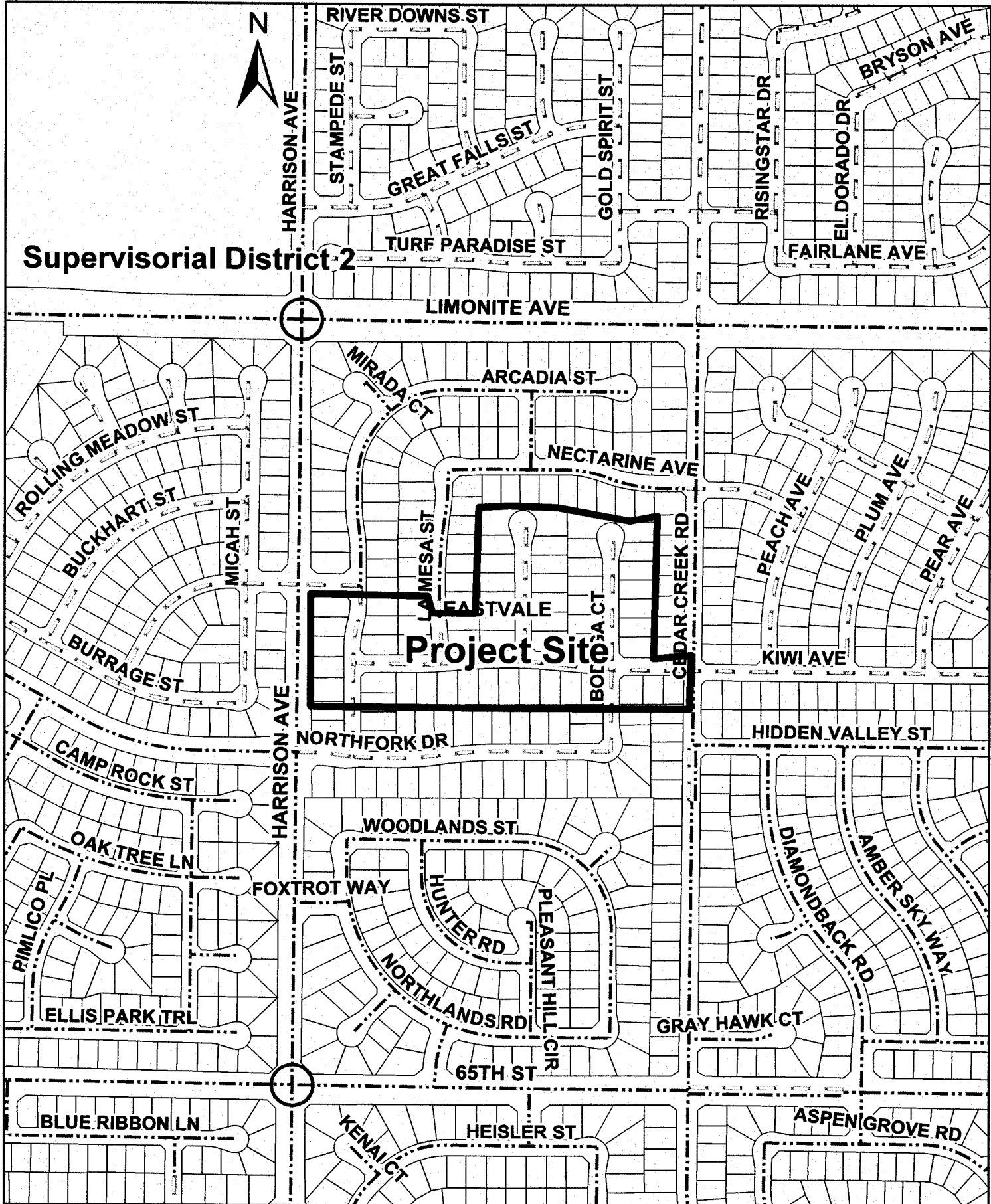
Orthophotos Flown 4/09 (WR, CV) or 4/07 (REMAP, Blythe)  
Printed by rainmur on 4/25/11

# Tract 30575-1

811

## Vicinity Map

Supervisory District 2

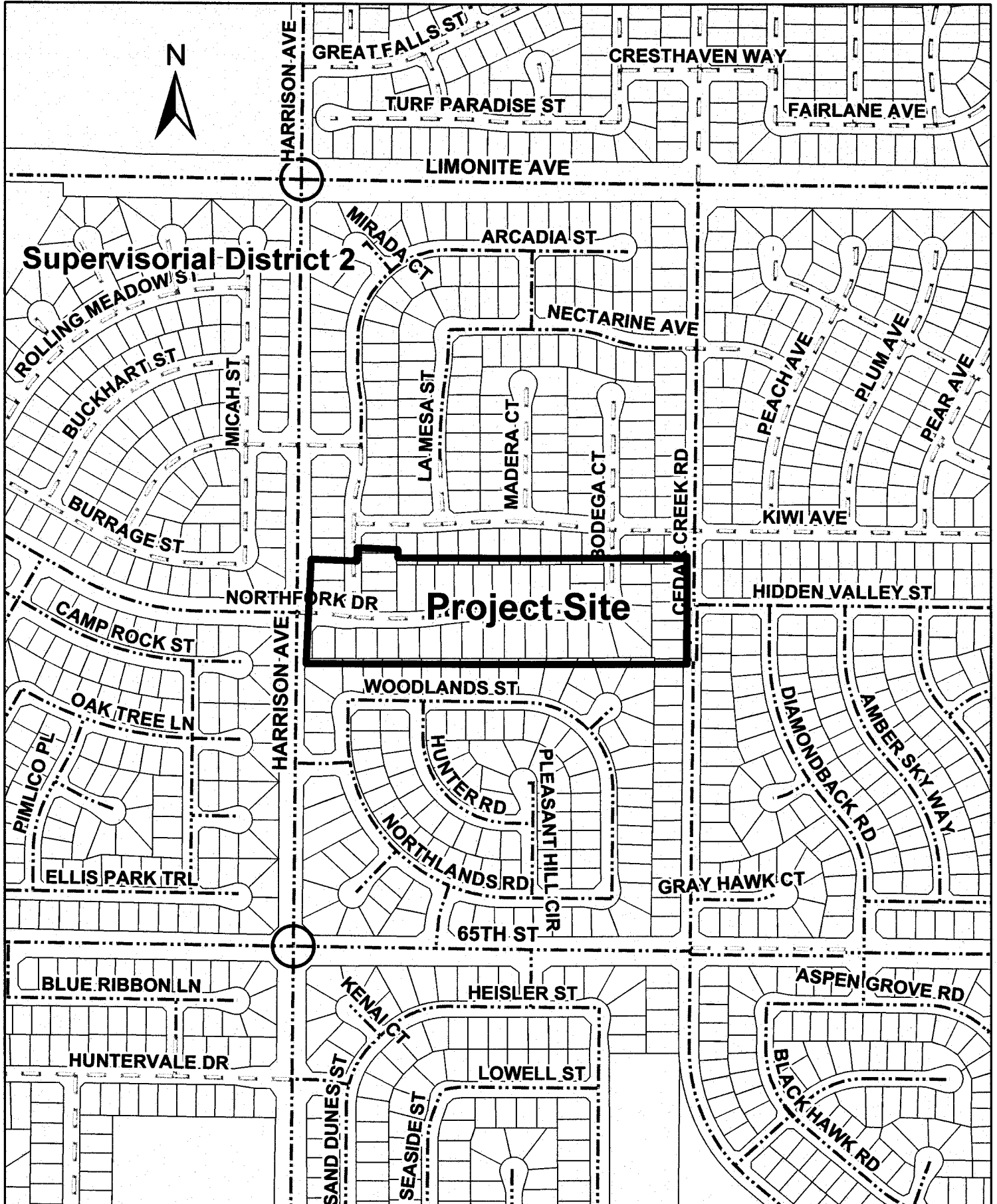


0 210 420 840 Feet  
1 inch = 417 feet

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# Tract 31220

## Vicinity Map

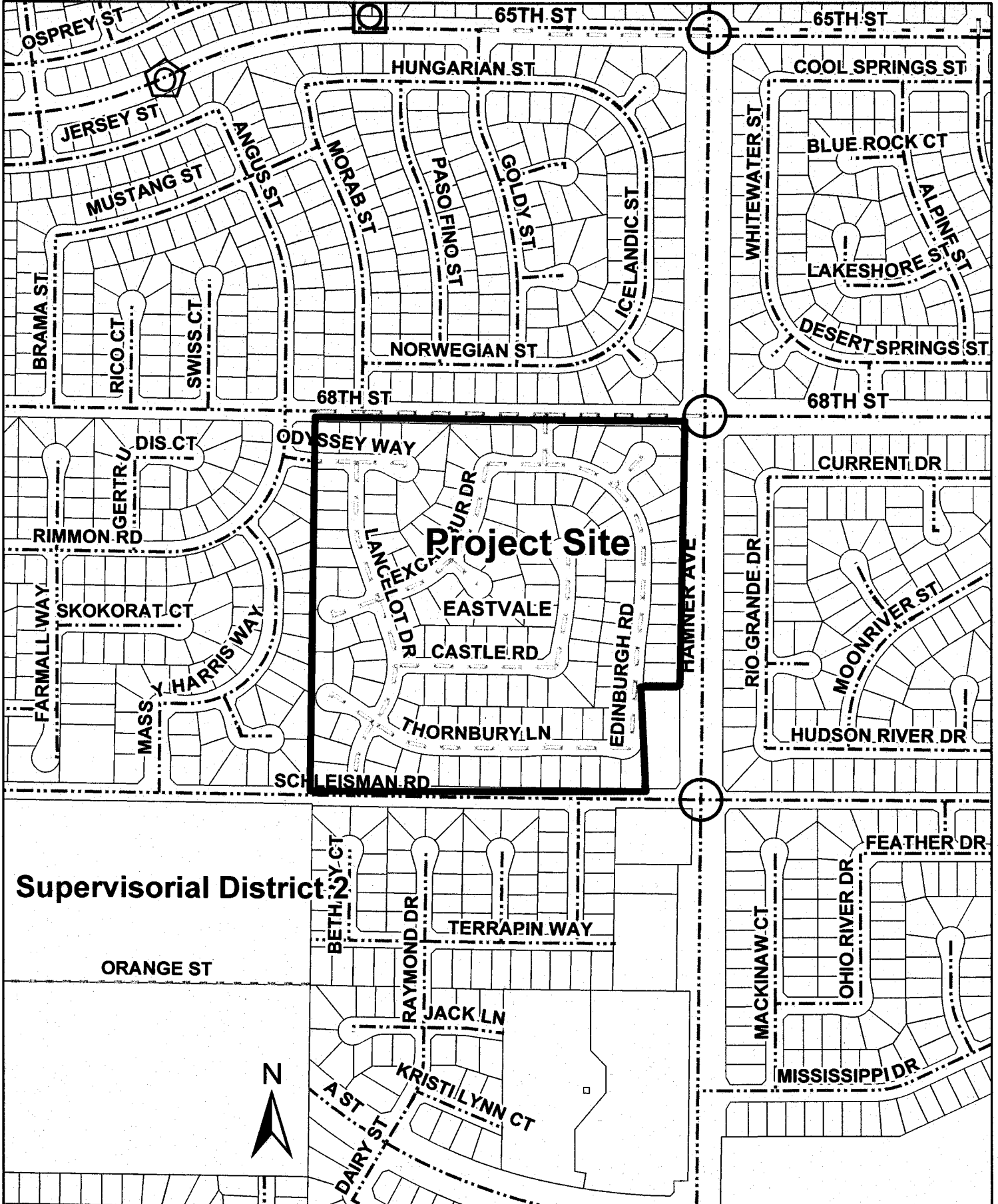


# Tract 31386

## Vicinity Map

0 210 420 840 Feet  
1 inch = 417 feet

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Printed by rairmur on 4/25/11



0 210 420 840 Feet  
1 inch = 417 feet

Orthophotos Flown 4/09 (WR, CV) or 4/07 (REMAP, Blythe)  
Printed by rfairm on 4/25/11

# Tract 31580

## Vicinity Map

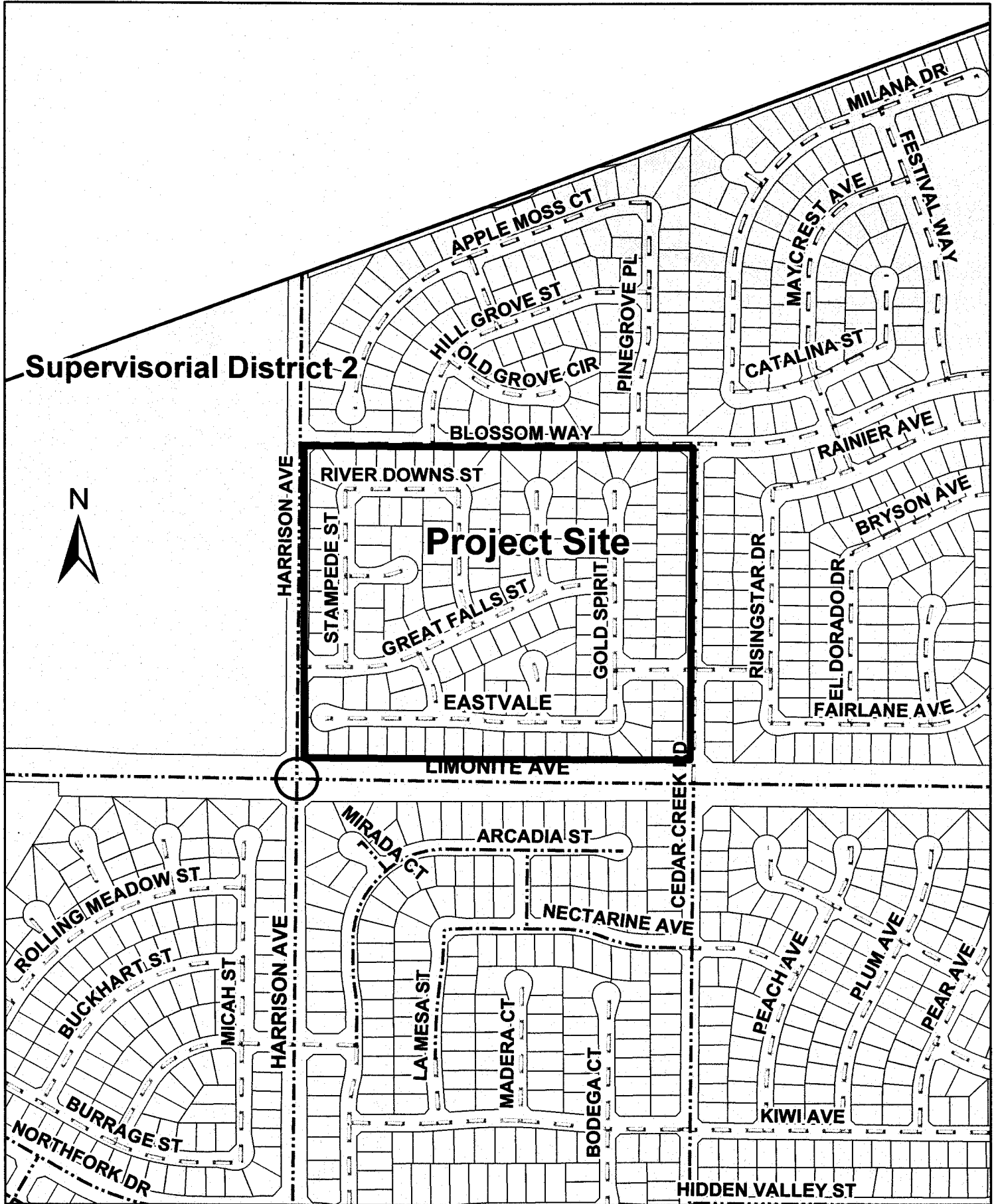
Supervisory District-2



**Project Site**

RIVER DOWNS ST  
STAMPEDE ST  
GREAT FALLS ST  
EASTVALE  
GOLD SPIRIT

HARRISON AVE  
Cedar Creek Rd





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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 30575-1, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within **24** months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by Jurupa Community Services District to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of Two hundred sixty-seven thousand and no/100 Dollars (\$267,000.00).

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

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

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

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

County

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

Contractor

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By *Tamara R. J.*  
Title Vice President of land development  
By \_\_\_\_\_  
Title \_\_\_\_\_

COUNTY OF RIVERSIDE  
By *Roy Wilson*  
ROY WILSON CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By *Samuel*  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By *William C. Katzenstein*

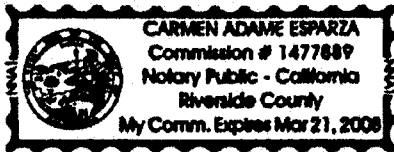
SIGNATURES OF CONTRACTOR MUST BE WITNESSES BY NOTARY  
AND EXECUTED IN TRIPPLICATE

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "John Doe, Notary Public")  
personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

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

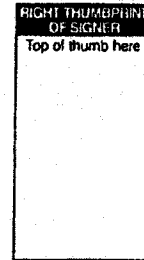
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

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

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

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



**AGREEMENT  
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 30575-1, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, his surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of Twenty-seven thousand and no/100 Dollars (\$27,000.00).

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

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

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

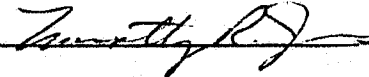
County

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

Contractor

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By 

Title Vice President of land development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By 

ROY WILSON CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By   
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By 

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

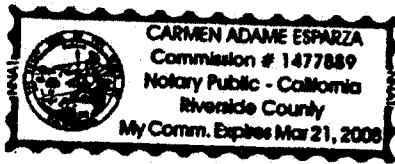
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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

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



WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

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

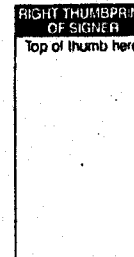
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

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

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

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



**EXHIBIT B**

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

FOR: Streets and Drainage	\$ 1,352,000	Tract No.	30575-1
Water System	\$ 196,000	Parcel Map No.	
Sewer System	\$ 267,000	Bond No.	SU5009748
		Premium	\$13,613.00

Surety	<u>ARCH INSURANCE COMPANY</u>	Principal	<u>WL HOMES LLC</u>
Address	<u>135 N. LOS ROBLES AVENUE #825</u>	Address	<u>255 E. RINCON STREET, SUITE 100</u>
City/State	<u>PASADENA, CA</u>	City/State	<u>CORONA, CA</u>
Zip	<u>91101</u>	Zip	<u>92879</u>
Phone	<u>626-639-5200</u>	Phone	<u>909-272-5100</u>

WHEREAS, the County of Riverside, State of California, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES (hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract/Parcel) 30575-1, which agreement(s) is/are hereby referred to and made a part hereof; and,

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

NOW, THEREFORE, we the principal and ARCH INSURANCE COMPANY, as surety, are held and firmly bound unto the County of Riverside in the penal sum of ONE MILLION EIGHT HUNDRED FIFTEEN THOUSAND & NO/100--- Dollars (\$1,815,000.00---) lawful money of the United States, for the payment of which sum will and truly be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

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

**FAITHFUL PERFORMANCE BOND**

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

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

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on SEPTEMBER 3, 2004.

NAME OF PRINCIPAL: WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: ARCH INSURANCE COMPANY

AUTHORIZED SIGNATURE: \_\_\_\_\_  
D.J. PICARD, Its Attorney-in-Fact Title

(IF CORPORATION, AFFIX SEAL)

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



## POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint Todd M. Rohm, Cathy S. Kennedy, Sejal P. Lange, D. J. Picard and Beata A. Sensi of Orange, CA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

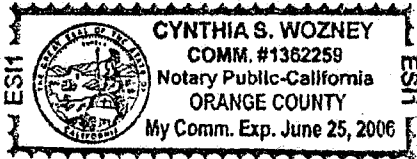
State of CALIFORNIA

County of ORANGE

On SEPTEMBER 3, 2004 before me, CYNTHIA S. WOZNEY, NOTARY PUBLIC  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared D.J. PICARD  
NAME(S) OF SIGNER(S)

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



WITNESS my hand and official seal.

[Signature]  
SIGNATURE OF NOTARY

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER
- TITLE(S)
- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

PERFORMANCE BOND  
TITLE OR TYPE OF DOCUMENT

ONE PAGE - TWO SIDED  
NUMBER OF PAGES

SEPTEMBER 3, 2004  
DATE OF DOCUMENT

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(ES)  
ARCH INSURANCE COMPANY

N/A  
SIGNER(S) OTHER THAN NAMED ABOVE

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

FOR: Streets and Drainage	\$ <u>852,000</u>	Tract No.	<u>30575-1</u>
Water System	\$ <u>98,000</u>	Parcel Map No.	<u>                    </u>
Sewer System	\$ <u>133,500</u>	Bond No.	<u>SU5009748</u>
		Premium	<u>INCLUDED IN PERF. BOND</u>
Surety	<u>ARCH INSURANCE COMPANY</u>	Principal	<u>NL HOMES LLC</u>
Address	<u>135 N. LOS ROBLES AVENUE #825</u>	Address	<u>255 E. RINCON STREET, SUITE 100</u>
City/State	<u>PASADENA, CA</u>	City/State	<u>CORONA, CA</u>
Zip	<u>91101</u>	Zip	<u>92879</u>
Phone	<u>626-639-5200</u>	Phone	<u>909-272-5100</u>

WHEREAS, the County of Riverside, State of California, and NL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES (hereinafter designated as "principal") have entered into, or are about to enter into, the attached agreement(s) whereby principal agrees to install and complete the above designated public improvements relating to (Tract/Parcel) 30575-1, which agreement(s) is/are hereby referred to and made a part hereof; and,

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

NOW, THEREFORE, said principal and the undersigned, as corporate surety, are held firmly unto the County of Riverside and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of said Civil Code in the sum of ONE MILLION EIGHTY-THREE THOUSAND FIVE HUNDRED & NO/100--- Dollars (\$ 1,083,500.00---) for materials furnished or labor thereon of any kind; or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

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

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

**MATERIAL AND LABOR BOND**

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

IN WITNESS WHEREOF, this instrument has been duly executed by the principal and surety above named, on SEPTEMBER 3, 2004.

NAME OF PRINCIPAL: WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
DBA JOHN LAING HOMES

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

(IF CORPORATION, AFFIX SEAL)

NAME OF SURETY: ARCH INSURANCE COMPANY

AUTHORIZED SIGNATURE: \_\_\_\_\_  
D.J. PICARD, Its Attorney-in-Fact Title

(IF CORPORATION, AFFIX SEAL)

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

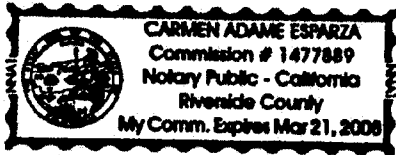
State of California }  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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

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



WITNESS my hand and official seal.

Carmen Adame  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

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

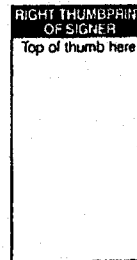
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer**

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

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

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



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

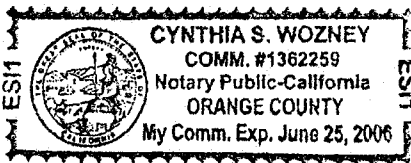
State of CALIFORNIA

County of ORANGE

On SEPTEMBER 3, 2004 before me, CYNTHIA S. WOZNEY, NOTARY PUBLIC  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared D.J. PICARD  
NAME(S) OF SIGNER(S)

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



WITNESS my hand and official seal.

*[Handwritten Signature]*  
SIGNATURE OF NOTARY

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER

\_\_\_\_\_  
TITLE(S)

- PARTNER(S)  LIMITED
- GENERAL

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(ES)  
ARCH INSURANCE COMPANY

**DESCRIPTION OF ATTACHED DOCUMENT**

PAYMENT BOND  
TITLE OR TYPE OF DOCUMENT

ONE PAGE - TWO SIDED  
NUMBER OF PAGES

SEPTEMBER 3, 2004  
DATE OF DOCUMENT

N/A  
SIGNER(S) OTHER THAN NAMED ABOVE

## POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint Todd M. Rohm, Cathy S. Kennedy, Sejal P. Lange, D. J. Picard and Beata A. Sensi of Orange, CA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

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

	Tract/Parcel Map No. <u>30575-1</u>
	Bond No. <u>SU5009748</u> PREMIUM: <u>\$203.00</u>
Surety <u>ARCH INSURANCE COMPANY</u>	Principal <u>WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES</u>
Address <u>135 N. LOS ROBLES AVENUE #825</u>	Address <u>255 E. RINCON STREET, SUITE 100</u>
City/State <u>PASADENA, CA</u>	City/State <u>CORONA, CA</u>
Zip <u>91101</u>	Zip <u>92879</u>
Phone <u>626-639-5200</u>	Phone <u>909-272-5100</u>

**KNOW ALL MEN BY THESE PRESENTS:**

That, WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY DBA JOHN LAING HOMES,  
subdivider, as principal, and ARCH INSURANCE COMPANY,  
a corporation, as surety, are hereby jointly and severally bound to pay to the County of Riverside  
the sum of TWENTY-SEVEN THOUSAND & NO/100--- Dollars (\$ 27,000.00---).

The condition of this obligation is that, whereas the subdivider, as a condition of the filing of the  
final map of Tract/Parcel Map Number 30575-1, entered into an agreement with the  
County of Riverside to set Survey Monuments and Tie Points in said tract and furnish Tie Notes  
therefore and to pay the engineer or surveyor performing the work, in full, within 30 days after  
completion.

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

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

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



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

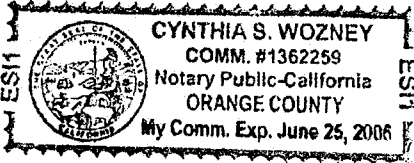
State of CALIFORNIA

County of ORANGE

On SEPTEMBER 3, 2004 before me, CYNTHIA S. WOZNEY, NOTARY PUBLIC  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared D.J. PICARD  
NAME(S) OF SIGNER(S)

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



WITNESS my hand and official seal.

*Cynthia S. Wozney*  
SIGNATURE OF NOTARY

**OPTIONAL**

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

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER
- TITLE(S)
- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

MONUMENT BOND  
TITLE OR TYPE OF DOCUMENT

ONE PAGE - TWO SIDED  
NUMBER OF PAGES

SEPTEMBER 3, 2004  
DATE OF DOCUMENT

**SIGNER IS REPRESENTING:**  
NAME OF PERSON(S) OR ENTITY(IES)  
ARCH INSURANCE COMPANY

N/A  
SIGNER(S) OTHER THAN NAMED ABOVE

## POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint Todd M. Rohm, Cathy S. Kennedy, Sejal P. Lange, D. J. Picard and Beata A. Sensi of Orange, CA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.

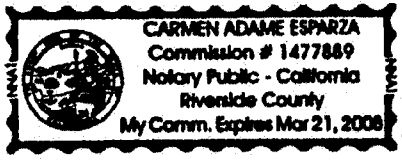
**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of Riverside } ss.

On Sept. 7, 2004 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.  
Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

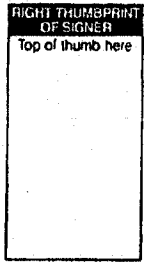
Title or Type of Document: \_\_\_\_\_  
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
Signer(s) Other Than Named Above: \_\_\_\_\_

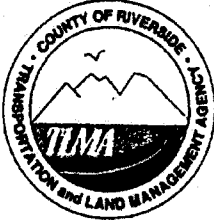
**Capacity(ies) Claimed by Signer**

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

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

Signer is Representing: \_\_\_\_\_





**COUNTY OF RIVERSIDE**  
**TRANSPORTATION AND**  
**LAND MANAGEMENT AGENCY**

**Transportation Department**

May 23, 2007



George A. Johnson, P.E.  
Director of Transportation

Clerk of the Board of Supervisors  
County of Riverside  
County Administrative Center  
4080 Lemon Street  
Riverside, CA 92501

RE: Tract 30575-1 - Partial Release of Security

Dear Sir:

On November 20, 2004, the Board entered into agreements with WL Homes, LLC, dba John Laing Homes for the improvement of streets and the installation of a water and sewer system within the above referenced subdivision. Accompanying these agreements were faithful performance securities posted by Arch Insurance Company as follows:

\$1,352,000 - Bond #SU5009748 for the completion of street improvements  
\$196,000 - Bond #SU5009748 for the completion of the water system  
\$267,000 - Bond #SU5009748 for the completion of the sewer system

The required improvements have been partially completed in accordance with the approved plans. The following portions of the faithful performance securities are hereby released at this time:

\$792,000 for the completion of street improvements  
\$156,800 for the completion of the water system  
\$213,600 for the completion of the sewer system

The following portions of the faithful performance securities are hereby retained at this time:

\$560,000 - Bond #SU5009748 for the completion of street improvements  
\$39,200 - Bond #SU5009748 for the completion of the water system  
\$53,400 - Bond #SU5009748 for the completion of the sewer system

Sincerely,

Hugh Smith  
Engineering Division Manager

HS:lf

1/24/2007  
1/24/2007  
1/24/2007

IN THE UNINCORPORATED TERRITORY OF RIVERSIDE COUNTY, STATE OF CALIFORNIA  
**TRACT MAP NO. 30575-1**  
 BEING A PORTION OF PARCEL & OF LOT LINE ADJUSTMENT NO. 4699 IN THE UNINCORPORATED  
 TERRITORY OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED APRIL 26, 2004 AS  
 INSTRUMENT NO. 2004-031309 OF OFFICIAL RECORDS, RECORDS OF SAIB COUNTY

SHEET 3 OF 8 SHEETS

RABSON & ASSOCIATES, INC.

WILLIAM E. RABSON, P.L.L. 0124

**ENVIRONMENTAL CONSTRAINTS NOTE**

ENVIRONMENTAL CONSTRAINT SHEET AFFECTING THIS MAP IS ON FILE IN THE COUNTY OF RIVERSIDE TRANSPORTATION DEPARTMENT - SURVEY DIVISION, IN C.E.S. ROOM 3.5, PAGE 1422. THIS AFFECTS ALL LOTS.

**REFERENCES**

- 01 - RECORD OF SURVEY, 10 22, PAGE 39
- 02 - TRACT NO. 29207, 10 22, PAGES 10-17
- 03 - TRACT NO. 29208-1, 10 24, PAGE 11-12
- 04 - TRACT NO. 29208-1, 10 24, PAGES 13-19
- 05 - TRACT NO. 29208-1, 10 24, PAGE 20-29

**BASES OF BEARINGS**

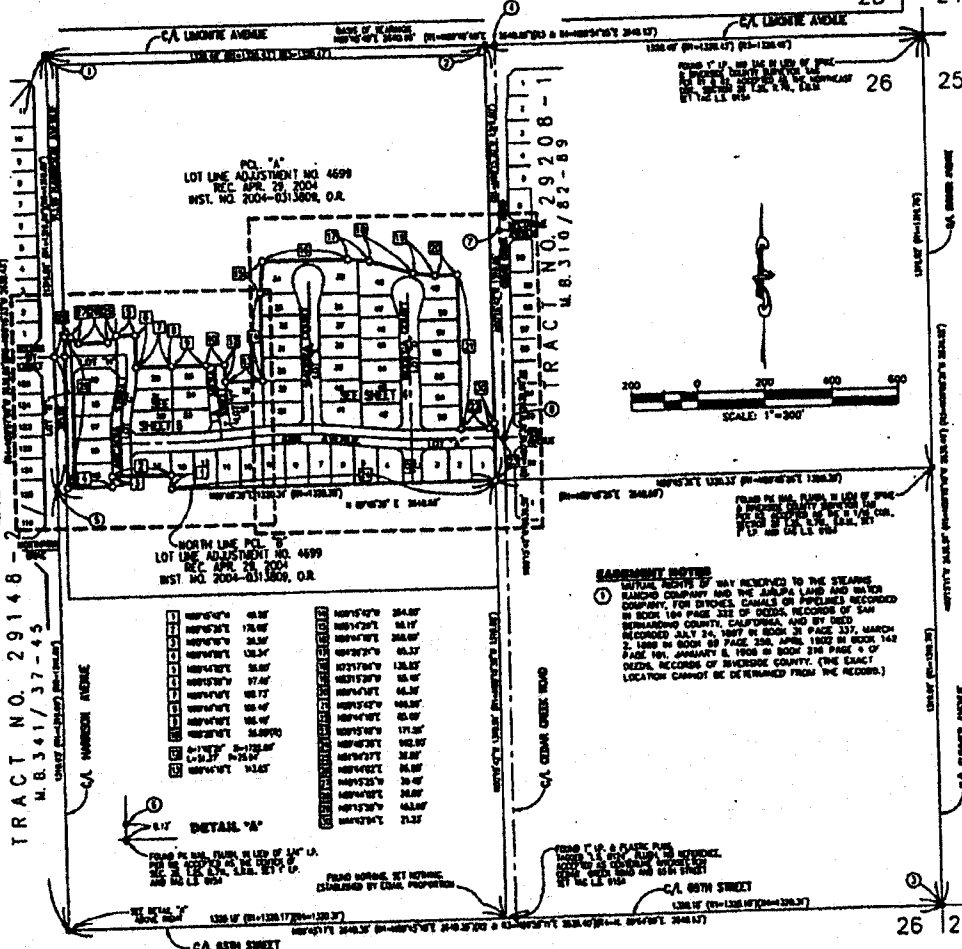
THE BEARINGS SHOWN HEREON ARE BASED UPON THE CONTIGUOUS OF LAKESIDE AVENUE (FORMERLY CLOVERDALE ROAD), BEING N 89°43'40" E, AS SHOWN ON RECORD OF SURVEY, RECORDED IN MAP BOOK 62, PAGE 38, OFFICE OF THE RIVERSIDE COUNTY RECORDER, SAIB COUNTY, CALIFORNIA.

TRACT NO. 29207  
 M.B. 365/5-12

TRACT NO. 29148-1  
 M.B. 341/54-65

TRACT NO. 29148-2  
 M.B. 341/37-45

TRACT NO. 29208-1  
 M.B. 310/62-89



**ESSENTIAL NOTES**

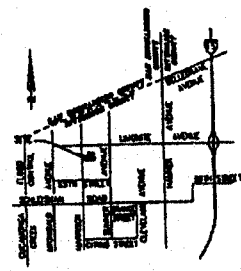
1. ALL RIGHTS OF WAY RECEIVED TO THE STEARNS NATIONAL BANK BY WAY RECEIVED TO THE STEARNS NATIONAL BANK COMPANY AND THE ALPINE LAND AND WATER COMPANY, FOR DITCHES, CANALS OR PIPELINES RECORDED IN BOOK 104 PAGE 332 OF RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, AND BY DEED RECORDED JULY 24, 1977 IN BOOK 28 PAGE 337, MARCH 2, 1980 IN BOOK 89 PAGE 236, APRIL 1902 IN BOOK 142 PAGE 109, JANUARY 8, 1908 IN BOOK 284 PAGE 4 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY. (THE EXACT LOCATION CANNOT BE DETERMINED FROM THE RECORDS.)

**MONUMENT DESCRIPTIONS**

1. FOUND TYPE 'A' CAPPED WELLS ON 1/4" FROM SURFACE WITH 3/4" I.P. TAGGED 'LS 4055', ON 34" IN SPHALT PATCH INSIDE PER R1 AND R2 ACCEPTED AS NORTH 1/4 COR. OF SEC. 26, T. 2 S., R. 7 E., S.B.N.
2. FOUND IRON SPIKE AND PUNCH MARK, SET PUNCH MARK AT RECORD DISTANCE BY EQUAL PROPORTION.
3. FOUND P.N. MARK FLUSH IN LIEU OF 1-1/2" I.P. PER R2 ACCEPTED AS E. 1/4 COR. OF SEC. 26, T. 2 S., R. 7 E., S.B.N. SET 1" I.P. AND TAG L.S. 6154.
4. FOUND 1" I.P. TAGGED 'LS 5655', FLUSH PER R3.
5. FOUND 1-1/4" I.P. TAGGED 'LS 4055', ON 34" PER R1 AND R2.
6. FOUND PUNCHED RAILROAD SPIKE NORTH 617 PER R2.
7. FOUND 1" I.P. AND TAG L.S. 5956, FLUSH PER R1, ACCEPTED AS CENTERLINE INTERSECTION CEDAR CREEK ROAD AND NECHTNER AVENUE.
8. FOUND 1" I.P. AND TAG L.S. 5956, FLUSH PER R1, ACCEPTED AS CENTERLINE INTERSECTION CEDAR CREEK ROAD AND 65TH AVENUE.

**SURVEYOR'S NOTE**

1. 0 INDICATES FOUND MONUMENT AS REFERENCED HEREON.
2. 0 INDICATES SET 1" I.P. IRON PIPE, TAGGED L.S. 6154, FLUSH.
3. SET 1" I.P. TAGGED L.S. 6154, FLUSH, AT ALL INTERIOR LOT CORNERS, UNLESS OTHERWISE NOTED. SET LEAD AND TAG L.S. 6154 IN TOP OF CURB AT ALL SIDE LOT LINES PROJECTED, EXCEPT AT STREET INTERSECTION CORNER OUTBACKS.
4. DRAINAGE EASEMENTS SHALL BE KEPT FREE OF BUILDINGS & OBSTRUCTIONS.
5. INDICATES RESTRICTED ACCESS DEDICATED HEREON.
6. ALL MONUMENTS SHOWN SET ARE SET IN ACCORDANCE WITH THE MONUMENTATION AGREEMENT FOR THIS MAP UNLESS OTHERWISE NOTED.
7. THIS SUBDIVISION CONTAINS 14.215 ACRES, GROSS. THIS SUBDIVISION CONSISTS OF 50 NUMBERED LOTS AND 7 LETTERED LOTS.

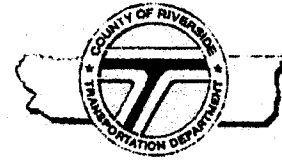




**COUNTY OF RIVERSIDE**  
**TRANSPORTATION AND**  
**LAND MANAGEMENT AGENCY**

**Transportation Department**

**EXHIBIT D**



Juan C. Perez  
Director of Transportation

Sage & Associates  
1301 Dove Street, Suite 820  
Newport Beach, California 92660

March 29, 2012

RE: Tract 30575-1

**Final Punch List**

A field review of Tract Map 30575-1, John Laing Homes project, located in the Eastvale area, was reviewed recently. The following Items of work remain to be completed:

1. Sweep and clean all streets, curb and gutter with a sweeper truck prior to water test as directed.
2. Water test and correct all ponding areas in the curb and gutter, cross gutter and spandrel flow lines as directed.
3. Remove all fuel, oil spills, paint, and other materials spilled on the Portland cement concrete /or Asphalt Concrete paving as directed.
4. Remove miscellaneous debris and spoils piles from the County Right of Way.
5. Remove and replace broken or sub-standard Portland cement concrete sidewalk, curb and gutter, driveways, cross gutters, spandrels, and curb ramp detectable warning surface, as marked.
6. Patch all chips in Portland cement concrete as directed.
7. Furnish and install a silicone seal between the P.C.C. concrete curb and gutter and sidewalk, (in order to prevent run off water from going between the curb and gutter and sidewalk).

8. Furnish and install a silicone seal between the P.C.C. concrete Driveway Approach and the Driveway, to replace the deterioration/missing expansion joint (in order to prevent runoff water from going between the Driveway Approach and Driveway).
9. Clean all catch basins, C.M.P.'s, R.C.P.'s and drains as directed.
10. Grind and patch the interior and exterior surfaces of the catch basin(s) to remove fins, protrusions, rock pockets, etc., as directed.
11. Furnish and install retaining screws in the inlet catch basin lids as directed.
12. Align, adjust, and tighten all street name signs as directed.
13. Provide and 18-inch square saw cut around street name posts, as marked.
14. All street name sign poles are to be placed on Galvanized post, per County Standard 816.
15. Grind .10' and cap pave a .10' hot mix asphalt concrete, 1/2" PG 64-10 Max Medium as marked (to correct trenching and scarring).
16. All access ramps (throughout the entire tract) need to comply with the latest County Standard NO. 403 dated 11/15/04 which indicates the use of Raised Truncated Dome Detectable Warning Surface see County Standard NO. 403 for details.
17. Trim trees that are overhanging onto sidewalk on Kiwi.
17. ~~Remove all unauthorized concrete flat work (within the City Right-Of-Way) around utility boxes (cable, SCE, etc.) and replace the damaged ones in kind, as directed.~~
18. Fog seal all asphalt concrete surfacing with a mixture of asphaltic emulsion and water diluted so that the resulting mixture will contain 60% emulsion and 40% added water. The combined mixture to be spread at the rate of 0.09 of a gallon per square yard.

N/A  
L.R.  
4/25/12

19. Weed kill grass and weeds growing in the joints of P.C.C. concrete curb, gutter and sidewalks and at other locations as directed; with Round Up diluted according to manufacturer's directions (Note: Re-application in 90 days may be necessary to permanently control perennial weeds).
20. Re-paint all striping, legends, and thermal plastic stop bars per the signing and striping plans after the Fog seal application.
21. Monument Bonds: Developers surveyor submits the required documents and requests final approval of the Survey Department at 951-955-6700.

Items of work mentioned above need to be completed within 90 days of the date on this Final Punch List, otherwise a revised Final Punch List may be issued reflecting any new or changed field conditions.

Please notify the Construction Inspection Division at (951) 955-6885 at least two (2) working days in advance of starting remedial or remaining work so that inspection of work in progress can be scheduled.

Sincerely,



George Yassa  
Technical Unit Supervisor

Cc: inspector  
File



Kenneth J. McLaughlin, President  
Kathryn Bogart, Vice President  
Robert "Bob" Craig, Director  
Betty A. Anderson, Director  
Jane F. Anderson, Director



April 24, 2012

Mr. Hugh Smith  
County Of Riverside Transportation Department  
Construction Office  
2950 Washington Street  
Riverside, CA 92504

RE: TRACT 30575-1  
LOTS 1-55

Dear Mr. Smith:

This is to certify that the District has released the above referenced parcel. At this time we have accepted the entire system as part of the sewer and water systems owned and operated by this District.

Sincerely,

A handwritten signature in cursive script that reads "Luz Elena Jaynes".

Luz Elena Jaynes  
Development/Engineering  
Representative

2820PH  
4212 Engineer/ll

AGREEMENT  
FOR THE CONSTRUCTION OF ROAD/DRAINAGE IMPROVEMENTS

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

WITNESSETH:

FIRST: Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Traet 31220, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Two hundred sixty-five thousand and no/100 Dollars (\$265,000.00).

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

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

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

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

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

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

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

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

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

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

County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marian Ashley

MARIAN ASHLEY

CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

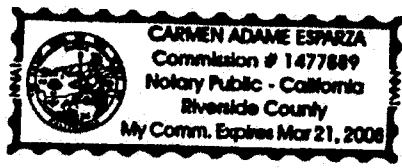
By Monica R. Romero

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
 County of Riverside  
 On 1-21-05 before me, Carmen Adame Esparza Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
 personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.  
Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

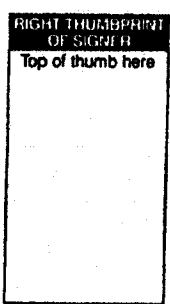
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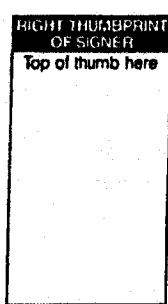
Title or Type of Document: \_\_\_\_\_  
 Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_  
 Signer(s) Other Than Named Above: \_\_\_\_\_

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

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



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



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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Jurupa Community Services District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Sixty-three thousand and no/100 Dollars (\$63,000.00).

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

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

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

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

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

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

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

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

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

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

County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marion Ashley

MARION / ASHLEY CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By Yonica R. Romero

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



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

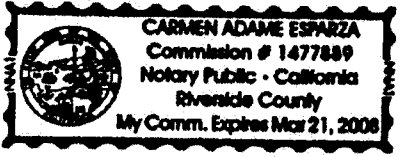
State of California

County of Riverside

On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.  
Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

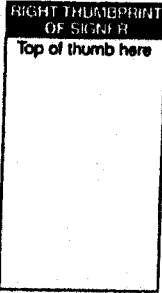
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

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

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

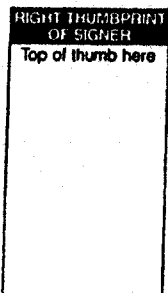
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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

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

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



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

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by Jurupa Community Services District to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of Seventy-nine thousand and no/100 Dollars (\$79,000.00).

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

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

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

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

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

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

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

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

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

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

County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Local Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marion Ashley

MARION ASHLEY

CLERK, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

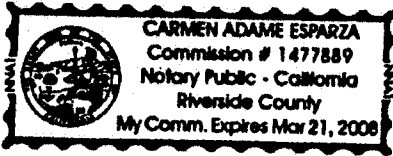
By Monica R. Romo

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
 County of Riverside  
 On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
 personally appeared Christy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

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Title or Type of Document: \_\_\_\_\_

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

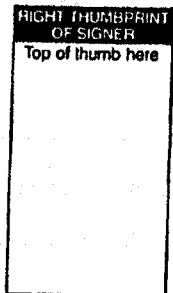
Signer(s) Other Than Named Above: \_\_\_\_\_

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

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

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

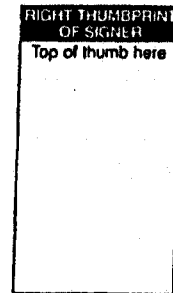
Signer Is Representing:  
 \_\_\_\_\_  
 \_\_\_\_\_



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

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

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



**AGREEMENT  
FOR THE PLACEMENT OF SURVEY MONUMENTS**

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to set, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all survey monuments and tie points and to furnish to the County Surveyor tie notes for said tract in accordance with the standards set forth in Riverside County Ordinance No. 461 and Section 8771 et seq. of the Business and Professions Code of the State of California. Contractor further agrees to pay, within 30 days of presentation to contractor of the final billing of any surveyor or engineer for work performed by him as provides for in Article 9 of Chapter 4, Division 2 of Title 7 of the Government Code of the State of California (commencing with Section 66495). Contractor further agrees that if payment to the surveyor or engineer is not made within 30 days, the surveyor or engineer notifies County that he has not been paid for setting the final monuments, and the Board of Supervisors, pursuant to Section 66497 of the Government Code, after providing Contractor with an opportunity to present evidence as to whether or not the surveyor or engineer has been paid, orders that payment be made by County to the engineer or surveyor, Contractor will, upon demand, and without proof of loss by County, reimburse County for any funds so expended. Notwithstanding any other provisions herein, the determination of County as to whether the surveyor or engineer has been paid shall be conclusive on Contractor, his surety, and all parties who may have an interest in the agreement or any portion thereof.

All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Surveyor, and shall not be deemed complete until approved and accepted as complete by the County. The estimated cost of said work and improvements is the sum of Nineteen thousand and no/100 Dollars (\$19,000.00).

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

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

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

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

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

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

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Construction Engineer  
Riverside County Transportation Dept.  
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WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Const Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marcia Ashley

MARCIA ASHLEY

MEMBER, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

By Monica R. Romero

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



**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

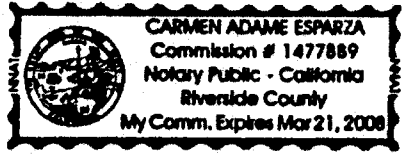
State of California

County of Riverside

On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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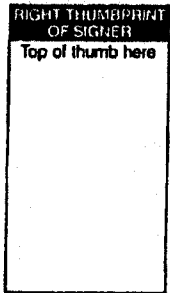
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Signer(s) Other Than Named Above: \_\_\_\_\_

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

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

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

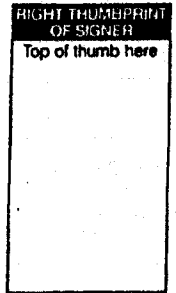


Signer Is Representing: \_\_\_\_\_

\_\_\_\_\_

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

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



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

\_\_\_\_\_

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

905B



FROM: TLMA - Transportation Dept.

SUBMITTAL DATE:  
December 05, 2005

SUBJECT: Approval of TRACT 31220 (and Offsite Improvements for a portion of Tract 30575-1  
A Schedule "A" Subdivision in the Eastvale Area

RECOMMENDED MOTION: That the Board approve the Improvement Agreements and Securities as approved by County Counsel, approve the final map and authorize the Chairman to sign the Improvement Agreements and map for Tract 31220.

BACKGROUND: This map complies in all respects with the provisions of Division 3 of Title 15 of the Government Code and applicable local ordinances. The developer desires to enter into Improvement Agreements to guarantee the construction of the required improvements and has submitted Improvement Agreements and Securities which have been approved by County Counsel.

Departmental Concurrence

REVIEWED BY EXECUTIVE OFFICE  
*[Signature]*  
DATE 12/5/05

HS:if

- Submittals: Final Map
- Road/Drainage Imprvmt Agrmts (Onsite)
- Water System Improvement Agrmts (Onsite)
- Sewer System Improvement Agrmts (Onsite)
- Survey Monument Agreements (Onsite)
- Road/Drainage Imprvmt Agrmts (Offsite)
- Water System Improvement Agrmts (Offsite)
- Sewer System Improvement Agrmts (Offsite)

*[Signature]*  
George A. Johnson  
Director of Transportation

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Buster, Tavaglione, Stone, Wilson and Ashley  
 Nays: None  
 Absent: None  
 Date: December 13, 2005  
 xc: Transp.

Nancy Romero  
Clerk of the Board  
By *[Signature]*  
Deputy

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

Prev. Agn. Ref.:

District: 2

Agenda Number:

2.14

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to furnish all labor, equipment and materials necessary to perform and complete, within 24 months from the date this agreement is executed, in a good and workmanlike manner, all road and drainage improvements in accordance with those Road Plans for said land division which have been approved by the County Director of Transportation, and are on file in the office of the Riverside County Transportation Department, and do all work incidental thereto in accordance with the standards set forth in Riverside County Ordinance No. 461, as amended, which are hereby expressly made a part of this agreement. All the above required work shall be done under the inspection of and to the satisfaction of the County Director of Transportation, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Two hundred sixty-five thousand and no/100 Dollars (\$265,000.00).

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

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

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

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

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

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

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

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

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

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

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

Contractor  
WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Land Development  
By \_\_\_\_\_  
Title \_\_\_\_\_

COUNTY OF RIVERSIDE  
By Marion Ashley  
MARION ASHLEY CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

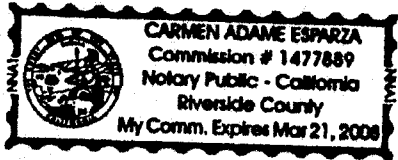
By Janice K. Romero

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
 County of Riverside  
 On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
 personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

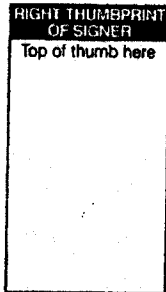
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

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

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

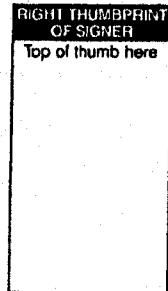
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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

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

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



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

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a water distribution system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said distribution system, and, further, to extend main or mains from the existing supply system maintained and operated by Jurupa Community Services District to connect with the distribution system described above with all pipe laid at such a depth as to provide a full thirty-six inch (36") minimum cover from the top of the pipe to street grade, unless otherwise specified by the Director of Transportation, all in accordance with those plans and specifications which have been approved by both the County Health Director and Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. Contractor further agrees that all underground improvements shall be completed prior to the paving of any roadway. The estimated cost of said work and improvements is the sum of Sixty-three thousand and no/100 Dollars (\$63,000.00).

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

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

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

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

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

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

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

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



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

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

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

Contractor  
WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marion Ashley

MARION ASHLEY CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

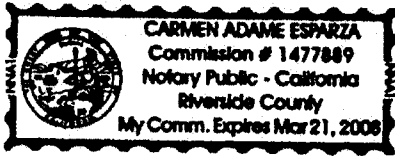
By Syovica R. Romero

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
County of Riverside  
On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.  
Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

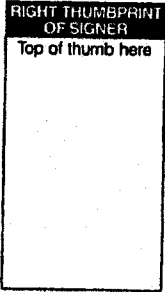
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

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

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

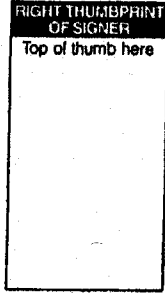
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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

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

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



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

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

This agreement, made and entered into by and between the County of Riverside, State of California, hereinafter called County, and WL HOMES LLC, A DELAWARE LIMITED LIABILITY COMPANY, hereinafter called Contractor.

**WITNESSETH:**

**FIRST:** Contractor, for and in consideration of the approval by County of the final map of that certain land division known as Tract 31220, hereby agrees, at Contractor's own cost and expense, to construct or cause to have constructed, within 24 months from the date this agreement is executed, in a good and workmanlike manner, a sanitary sewer system, complete with all necessary pipes, valves, fire hydrants, connections and appurtenances necessary to the satisfactory operation of said sanitary sewer system. Contractor further agrees to extend the main or mains from the existing sewer system maintained and operated by Jurupa Community Services District to connect with the sanitary sewer system required to be constructed by this agreement. All the above required work shall be in accordance with those plans and specifications which have been approved by the Director of Transportation, and are on file in the office of the Riverside County Transportation Department. Said approved plans and specifications are hereby made a part of this agreement as fully as though set forth herein. All of the above required work shall be done under the inspection of, and to the satisfaction of, the County Director of Transportation and the County Health Officer, and shall not be deemed complete until approved and accepted as complete by the County and accepted by the above-named agency into its sewer system. Contractor further agrees to maintain the above required improvements for a period of one year following acceptance by the County, and during this one year period to repair or replace, to the satisfaction of the Director of Transportation, any defective work or labor done or defective materials furnished. The estimated cost of said work and improvements is the sum of Seventy-nine thousand and no/100 Dollars (\$79,000.00).

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

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

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

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

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

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

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

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

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

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

County

Contractor

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

WL HOMES LLC,  
A DELAWARE LIMITED LIABILITY COMPANY  
255 E. RINCON STREET, SUITE 100  
CORONA, CA 92879

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

By Timothy R. Jones  
Timothy R. Jones  
Title Vice President Land Development

By \_\_\_\_\_

Title \_\_\_\_\_

COUNTY OF RIVERSIDE

By Marion Ashley

MARION ASHLEY

CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

NANCY ROMERO,  
Clerk to the Board

By Schlemmer  
Deputy

APPROVED AS TO FORM

WILLIAM C. KATZENSTEIN, County Counsel

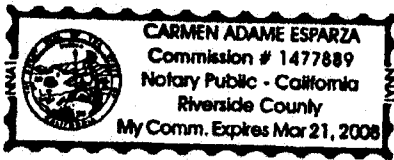
By Gloria R. Roman

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

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California  
 County of Riverside  
 On 1-21-05 before me, Carmen Adame Esparza, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
 personally appeared Timothy R. Jones  
Name(s) of Signer(s)

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



WITNESS my hand and official seal.

Carmen Adame Esparza  
Signature of Notary Public

**OPTIONAL**

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

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

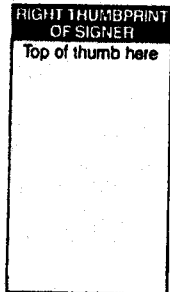
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

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

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

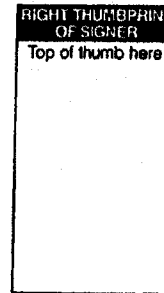
- Individual
- Corporate Officer  
Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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

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

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



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