

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



ITEM: 11.10
(ID # 14038)

MEETING DATE:

Tuesday, December 15, 2020

FROM: FLOOD CONTROL DISTRICT:

SUBJECT: FLOOD CONTROL DISTRICT: Approval of Cooperative Agreement Between the Riverside County Flood Control and Water Conservation District, the County of Riverside and Diamond Valley, LLC for Salt Creek Winchester Road Storm Drain, Stage 1 (Parcel Map No. 36545), Project No. 4-0-00026, No Further Action is Required Under CEQA, District 3. [\$0] (Companion Item to MT Item No. 14083)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that nothing further is required under the California Environmental Quality Act (CEQA) because all potentially significant effects have been adequately analyzed and considered in the previously certified Environmental Impact Report for Specific Plan No. 288 (SCH#1991042082);
2. Approve the Cooperative Agreement between the Riverside County Flood Control and Water Conservation District (District), the County of Riverside (County) and Diamond Valley, LLC (Developer);
3. Authorize the General Manager-Chief Engineer or designee to take all necessary steps to implement the Cooperative Agreement including, but not limited to, negotiating, approving and executing any non-substantive amendments and any assignment and assumption associated with change of ownership of the property, subject to approval by County Counsel;

ACTION:

Jason Uhley, GENERAL MGR-CHF FLD CNTRL ENG 12/2/2020

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 15, 2020
xc: Flood

Kercia R. Harper
Clerk of the Board

By:
Deputy

(companion item 3.44)

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4. Authorize the Chairwoman to execute the Cooperative Agreement documents on behalf of the District; and
5. Direct the Clerk of the Board to return four (4) executed Cooperative Agreements to the District and one (1) executed Cooperative Agreement to the County.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: N/A	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Cooperative Agreement (Agreement) sets forth the terms and conditions by which certain flood control facilities required as a condition of approval for Parcel Map No. 36545 are to be constructed by Developer and will be inspected, operated and maintained by the District, County, and Developer.

The Agreement is necessary to formalize the transfer of necessary rights of way and to provide for District construction inspection and subsequent operation and maintenance Salt Creek Winchester Road Storm Drain, Stage 1 facility.

Upon completion of construction, the District will assume ownership and responsibility for the operation and maintenance of the mainline storm drain systems and laterals that are greater than 36 inches in diameter, concrete pads, slope protection barriers, signage and fencing. The County will assume ownership and responsibility for the project's associated catch basins, curbs and gutters, connector pipes, inlets and laterals that are 36 inches or less in diameter located within County rights of way. The Developer will retain ownership of a 48-inch lateral, two water quality basins and the project's associated catch basins, curbs and gutters, connector pipes, inlets and laterals that are 36 inches or less in diameter and a detention basin located within privately-held rights of way.

County Counsel has approved the Agreement as to legal form, and the Developer has executed the Agreement. A companion item appears on the Riverside County Transportation Department's agenda this same date.

Environmental Findings

The development slated for Parcel Map No. 36545 was originally approved by the County Board of Supervisors when the Winchester Specific Plan No. 288 and Environmental Impact Report (EIR) No. 376 were adopted on April 29, 1997 (SCH No.1991042082). The Riverside County Planning Department, as the Lead Agency, produced a subsequent environmental analysis

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when Amendment No. 2 to Specific Plan No. 288 and Addendum No. 1 to EIR No. 376 were adopted by the County Board of Supervisors on November 3, 2013.

Pursuant to Section 15096 of the CEQA Statutes and Guidelines, the District, in its limited capacity as a Responsible Agency, considered the Project's EIR and independently finds that potential environmental impacts related to construction, inspection, operation and maintenance of the facilities, which are the subject of the Agreement, were adequately addressed. Furthermore, the District finds that no significant impact will occur from approving the Agreement as the Agreement will merely formalize the transfer of rights of way and memorialize the District's construction inspection, operation and maintenance responsibilities over the facilities. As such, nothing further is required under CEQA.

Impact on Residents and Businesses

As noted above, construction of these drainage improvements is the responsibility of the developer, as required for the development of Parcel Map No. 36545. The principal beneficiaries are the future residents of the tract. Ancillary benefits will accrue to the public who will utilize the tract's roadways.

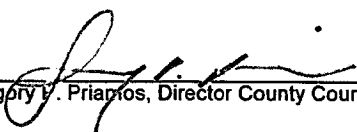
Additional Fiscal Information

The Developer is funding all construction and construction inspection costs. Future operation and maintenance costs of the District maintained storm drain facilities will accrue to the District.

ATTACHMENTS:

1. Vicinity Map
2. Cooperative Agreement

AMR:rlp
P8\235385



Gregory V. Priamos, Director County Counsel 12/4/2020

CLERK'S COPY

Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

COOPERATIVE AGREEMENT

Salt Creek - Winchester Road Storm Drain, Stage 1
Project No. 4-0-00026
Parcel Map No. 36545

This Cooperative Agreement ("Agreement"), dated as of December 15, 2020, is entered into by and between the Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), the County of Riverside, a political subdivision of the State of California ("COUNTY"), and Diamond Valley, LLC, a Delaware limited liability company ("DEVELOPER"), (together, the "Parties"). The Parties hereto agree as follows:

RECITALS

A. DEVELOPER is the legal owner of record of certain real property located within the County of Riverside. DEVELOPER has submitted for approval Parcel Map No. 36545 located in an unincorporated area of western Riverside County. As a condition of approval for Parcel Map No. 36545, DEVELOPER must construct certain flood control facilities in order to provide flood protection and drainage for DEVELOPER's planned development; and

B. The legal description of Parcel Map No. 36545 is provided in Exhibit "A" attached hereto and made a part hereof; and

C. The required flood control facilities and drainage improvements, as shown on DISTRICT's Drawing No. 4-1161, and as shown in concept in blue on Exhibit "B", attached hereto and made a part hereof and includes the construction of:

- i. Salt Creek - Winchester Road Storm Drain, Stage 1 ("LINE Q"), which is comprised of approximately 1,919 lineal feet of underground storm drain system including its associated riprap outlet structure and laterals. At its downstream terminus, LINE Q

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will drain into DISTRICT's Salt Creek Channel. At its upstream terminus, LINE Q ends with concrete bulkhead for future extension;

- ii. All safety devices requested by DISTRICT staff during PROJECT construction and during any final field inspections, including but not limited to concrete pads, slope protection barriers, signage and fencing, ("SAFETY DEVICES"). SAFETY DEVICES shall be purchased and installed by DEVELOPER, and subject to DISTRICT's inspection and approval. Together, LINE Q and SAFETY DEVICES are hereinafter called "DISTRICT FACILITIES"; and

D. Associated with the construction of DISTRICT FACILITIES is the construction of certain street inlets, connector pipe, curb and gutter, and various lateral storm drains that are thirty-six inches (36") or less in diameter that are located within COUNTY held easements or rights of way ("APPURTENANCES"); and

E. Also associated with the construction of DISTRICT FACILITIES is the construction of (i) two construction related BMPs, and (ii) a 36" lateral storm drain, certain catch basins, curbs and gutters, connector pipes and inlets located within DEVELOPER held rights of way or easements ("DEVELOPER FACILITIES"), to be initially owned and maintained by DEVELOPER, and will be subsequently owned and maintained by the Homeowners Association for Parcel Map No. 36545; and

F. Together, DISTRICT FACILITIES, APPURTENANCES and DEVELOPER FACILITIES are hereinafter called "PROJECT"; and

G. DEVELOPER and COUNTY desire DISTRICT to accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES.

Therefore, DISTRICT must review and approve DEVELOPER's plans and specifications for PROJECT and subsequently inspect the construction of DISTRICT FACILITIES; and

H. DEVELOPER and DISTRICT desire COUNTY to accept ownership and responsibility for the operation and maintenance of APPURTENANCES. Therefore, COUNTY must review and approve DEVELOPER's plans and specifications for PROJECT and subsequently inspect and approve the construction of APPURTENANCES; and

I. DISTRICT is willing to: (i) review and approve DEVELOPER's plans and specifications for PROJECT, (ii) inspect the construction of DISTRICT FACILITIES, and (iii) accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, provided DEVELOPER (a) complies with this Agreement, (b) constructs PROJECT in accordance with DISTRICT and COUNTY approved plans and specifications, (c) obtains and conveys to DISTRICT and COUNTY the necessary rights of way for the inspection, operation and maintenance of DISTRICT FACILITIES and APPURTENANCES, and (d) accepts ownership and responsibility for the operation and maintenance of PROJECT following completion of PROJECT construction until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES as set forth herein; and

J. COUNTY is willing to (i) review and approve DEVELOPER's plans and specifications for PROJECT, (ii) inspect the construction of PROJECT, (iii) accept and hold faithful performance and payment bonds submitted by DEVELOPER for DISTRICT FACILITIES and APPURTENANCES, (iv) grant DISTRICT the right to inspect, operate and maintain DISTRICT FACILITIES within COUNTY rights of way, and (v) accept ownership and responsibility for the operation and maintenance of APPURTENANCES, provided PROJECT is constructed in accordance with plans and specifications approved by DISTRICT and COUNTY.

NOW, THEREFORE, the Parties hereto mutually agree as follows:

SECTION I

DEVELOPER shall:

1. Prepare PROJECT plans and specifications, hereinafter called "IMPROVEMENT PLANS", in accordance with applicable DISTRICT and COUNTY standards, and submit to DISTRICT and COUNTY for their respective review and approval.

2. Continue to pay DISTRICT, within thirty (30) days after receipt of periodic billings from DISTRICT, any and all such amounts as are deemed reasonably necessary by DISTRICT to cover DISTRICT's costs associated with the review of IMPROVEMENT PLANS, review and approval of rights of way and conveyance documents, and with the processing and administration of this Agreement. Additionally, DEVELOPER shall pay COUNTY, within thirty (30) days after receipt of periodic billings from COUNTY, any and all such amounts as are deemed reasonably necessary by COUNTY to cover COUNTY's costs associated with i) the review of IMPROVEMENT PLANS, ii) the review and approval of right of way and conveyance documents, and iii) the processing and administration of this Agreement.

3. Grant DISTRICT and COUNTY, by execution of this Agreement, the right to enter upon DEVELOPER's property where necessary and convenient for the purpose of gaining access to, and performing inspection service for the construction of PROJECT as set forth herein.

4. Provide COUNTY, upon execution of this Agreement, or not less than twenty (20) days prior to recordation of the final map for Parcel Map No. 36545 or any phase thereof, whichever occurs first, with faithful performance and payment bonds in accordance with COUNTY's ordinance for the estimated cost for construction of

DISTRICT FACILITIES as determined by DISTRICT and of APPURTENANCES as determined by COUNTY. The surety, amount and form of the bonds, shall be subject to approval of DISTRICT (Attention: Contract Services Section) and COUNTY. The bonds shall remain in full force and effect until DISTRICT FACILITIES are accepted by DISTRICT and COUNTY as complete.

5. Deposit with DISTRICT (Attention: Business Office – Accounts Receivable), and notify Contract Services Section, upon DISTRICT approval of IMPROVEMENT PLANS, the estimated cost of providing construction inspection for DISTRICT FACILITIES, in an amount as determined and approved by DISTRICT in accordance with Ordinance Nos. 671 and 749 of the County of Riverside, including any amendments thereto, based upon the bonded value of DISTRICT FACILITIES.

6. Furnish DISTRICT (Attention: Contract Services Section), upon DISTRICT's approval of IMPROVEMENT PLANS, with a complete list of all contractors and subcontractors to be performing work on PROJECT, including the corresponding license number and license classification of each. At such time, DEVELOPER shall further identify in writing its designated superintendent for PROJECT construction.

7. Furnish DISTRICT (Attention: Contract Services Section), upon DISTRICT's approval of IMPROVEMENT PLANS, with a construction schedule which shall show the order and dates in which DEVELOPER or DEVELOPER's contractor proposes to carry out the various parts of work, including estimated start and completion dates. As construction of PROJECT progresses, DEVELOPER shall update said construction schedule as requested by DISTRICT.

8. Furnish DISTRICT (Attention: Contract Services Section), upon DISTRICT's approval of IMPROVEMENT PLANS, with a confined space entry procedure specific to PROJECT. The procedure shall comply with requirements

contained in California Code of Regulations, Title 8, Section 5158, Other Confined Space Operations, Section 5157, Permit Required Confined Space and District Confined Space Procedures, SOM-18. The procedure shall be reviewed and approved by DISTRICT prior to the issuance of a Notice to Proceed, which shall be given by DISTRICT to DEVELOPER upon DISTRICT's and COUNTY's approval.

9. DEVELOPER shall not commence operations until DISTRICT (Attention: Contract Services Section) and COUNTY have been furnished with original certificate(s) of insurance and original certified copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments. Upon approval of IMPROVEMENT PLANS, an original certificate of insurance evidencing the required insurance coverage shall be provided to DISTRICT. At minimum, the procured insurance coverages should adhere to DISTRICT's required insurance provided in EXHIBIT "C", attached hereto and made a part hereof. Failure to maintain the insurance required by this paragraph shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to DEVELOPER that DISTRICT is unable to perform its obligations hereunder, nor to accept responsibility for ownership, operation and maintenance of DISTRICT FACILITIES due, either in whole or in part, to said breach of this Agreement.

10. Secure, at its sole cost and expense, all necessary licenses, agreements, permits and rights of entry as may be needed for the construction, inspection, operation and maintenance of PROJECT. DEVELOPER shall furnish DISTRICT (Attention: Real Estate Services Section) and COUNTY, upon DISTRICT approval of IMPROVEMENT PLANS or not less than twenty (20) days prior to recordation of the final map for Parcel Map No. 36545 or any phase thereof, whichever occurs first, with

sufficient evidence of DEVELOPER having secured such necessary licenses, agreements, permits and rights of entry, as determined and approved by DISTRICT and COUNTY.

11. Obtain and provide DISTRICT (Attention: Real Estate Services Section), upon DISTRICT approval of IMPROVEMENT PLANS, with duly executed Irrevocable Offer(s) of Dedication to the public for flood control and drainage purposes, including ingress and egress, for the rights of way deemed necessary by DISTRICT for the construction, inspection, operation and maintenance of DISTRICT FACILITIES. The Irrevocable Offer(s) of Dedication shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the offer(s).

12. Furnish DISTRICT (Attention: Real Estate Services Section), when submitting the Irrevocable Offer(s) of Dedication as set forth in Section I.11., with Preliminary Reports on Title dated not more than thirty (30) days prior to date of submission of all the property described in the Irrevocable Offer(s) of Dedication.

13. Furnish DISTRICT (Attention: Plan Check Section) and COUNTY each with a set of final mylar PROJECT plans and assign their ownership to DISTRICT and COUNTY respectively.

14. Notify DISTRICT in writing (Attention: Construction Management Section) after receiving DISTRICT's plan check, right of way and administrative clearance for PROJECT as set forth in Sections I.4 through I.13, with twenty (20) days written notice of intent to start of construction of PROJECT, and include PROJECT's geotechnical firm, concrete lab/test firm, D-Load test forms, trench shoring/false work calculations, concrete mix designs for DISTRICT's review and approval. Construction shall not begin on any element of PROJECT, for any reason whatsoever, until DISTRICT and COUNTY have issued to DEVELOPER a written Notice to Proceed authorizing DEVELOPER to

commence construction of PROJECT.

15. Prior to commencing construction, furnish DISTRICT (Attention: Plan Check Section) and COUNTY with copies of all permits, approvals or agreements required by any federal, state or local resource and/or regulatory agency for the construction, operation and maintenance of PROJECT. Such documents include but are not limited to those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California State Department of Fish and Wildlife, State Water Resources Control Board, and Western Riverside County Regional Conservation Authority ("REGULATORY PERMITS").

16. Not permit any change to or modification of DISTRICT and COUNTY approved IMPROVEMENT PLANS without the prior written permission and consent of DISTRICT and COUNTY.

17. Comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintain a safe working environment for DEVELOPER, COUNTY and DISTRICT employees on the site.

18. Construct or cause to be constructed, PROJECT at DEVELOPER's sole cost and expense, in accordance with DISTRICT and COUNTY approved IMPROVEMENT PLANS.

19. Within two (2) weeks of completing PROJECT construction, provide DISTRICT (Attention: Construction Management Section) and COUNTY with written notice that PROJECT construction is substantially complete and requesting that DISTRICT conduct a final inspection of DISTRICT FACILITIES and COUNTY conduct a final inspection of PROJECT.

20. Upon completion of PROJECT construction, and upon acceptance by COUNTY of all rights of way deemed necessary by DISTRICT and COUNTY for

the operation and maintenance of PROJECT but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to COUNTY the flood control easement(s) including ingress and egress, in a form approved by DISTRICT, to the rights of way as shown in concept cross-hatched in red on Exhibit "D", attached hereto and made a part hereof. The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and COUNTY and shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

21. At the time of recordation of the conveyance document(s) as set forth in Section I.20., furnish DISTRICT (Attention: Real Estate Services Section) with policies of title insurance, each in the amount of not less than (i) fifty percent (50%) of the estimated fee value, as determined by DISTRICT, for each easement parcel to be conveyed to DISTRICT or (ii) one hundred percent (100%) of the estimated value, as determined by DISTRICT, for each fee parcel to be conveyed to DISTRICT, guaranteeing DISTRICT'S interest in said property as being free and clear of all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), and except those which, in the sole discretion of DISTRICT, are acceptable.

22. Accept ownership and sole responsibility for the operation and maintenance of PROJECT until such time as (i) DISTRICT accepts ownership and responsibility for operation and maintenance of DISTRICT FACILITIES, (ii) COUNTY accepts ownership and responsibility for operation and maintenance of APPURTENANCES, and (iii) the Homeowner Association for Parcel Map No. 36545 accepts ownership and responsibility for the operation and maintenance of DEVELOPER FACILITIES.

23. Upon completion of PROJECT construction but prior to

DISTRICT's acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT (Attention: Construction Management Section), with (i) soil compaction report(s) – stamped and wet signed by the geotechnical engineer, (ii) concrete testing report(s) – stamped and wet signed by the civil engineer of record, and (iii) a redlined "record drawings" copy of PROJECT plans. After DISTRICT approval of the redlined "record drawings", DEVELOPER's engineer shall schedule with DISTRICT a time to transfer the redlined changes onto DISTRICT's original mylars at DISTRICT's office, after which the engineer shall review, stamp and sign the original DISTRICT FACILITIES plans "record drawings".

24. Ensure that all work performed pursuant to this Agreement by DEVELOPER, its agents or contractors is done in accordance with all applicable laws and regulations, including but not limited to all applicable provisions of the Labor Code, Business and Professions Code, and Water Code. DEVELOPER shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

25. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of PROJECT, all costs and reasonable expenses and fees, including reasonable attorneys' fees, and acknowledge that, upon entry of judgment, all such costs, expenses and fees shall be computed as costs and included in any judgment rendered.

SECTION II

DISTRICT shall:

1. Review IMPROVEMENT PLANS and approve when DISTRICT has determined that such plans meet DISTRICT standards and are found acceptable to DISTRICT prior to the start of PROJECT construction.

2. Provide COUNTY an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT's final approval.
3. Upon execution of this Agreement, record or cause to be recorded, a copy of this Agreement in the Official Records of the Riverside County Recorder.
4. Record or cause to be recorded, the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section I.20.
5. Inspect construction of DISTRICT FACILITIES.
6. Keep an accurate accounting of all DISTRICT costs associated with the review and approval of IMPROVEMENT PLANS, the review and approval of right of way and conveyance documents, and the processing and administration of this Agreement.
7. Keep an accurate accounting of all DISTRICT construction inspection costs, and within forty-five (45) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section I.5., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete.
8. Provide COUNTY with a reproducible duplicate copy of "record drawings" of DISTRICT FACILITIES plans upon (i) DISTRICT acceptance of PROJECT construction as being complete, and (ii) DISTRICT receipt of stamped and signed "record drawings" of DISTRICT FACILITIES plans as set forth in Section I.23.
9. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT FACILITIES upon; (i) DISTRICT inspection of DISTRICT FACILITIES in accordance with Section I.18., (ii) DISTRICT acceptance of PROJECT construction as being complete, (iii) DISTRICT receipt of stamped and signed "record

drawings" of PROJECT plans, as set forth in Section I.23., (iv) recordation of all conveyance documents described in Section I.20., (v) COUNTY acceptance of APPURTENANCES for ownership, operation, and maintenance, (vi) DISTRICT FACILITIES are fully functioning as a flood control drainage system as solely determined by DISTRICT, and (vii) DISTRICT's sole determination that DISTRICT FACILITIES are in a satisfactorily maintained condition.

10. Prior to DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, DISTRICT FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to the inspection and, in the sole discretion of DISTRICT, DISTRICT FACILITIES is not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.

11. Provide COUNTY with a reproducible duplicate copy of "record Drawings" of DISTRICT FACILITIES plans upon; (i) DISTRICT acceptance of PROJECT construction as being complete, and (ii) DISTRICT receipt of stamped and signed "record drawings" of DISTRICT FACILITIES plans as set forth in Section I.23.

SECTION III

COUNTY shall:

1. Review IMPROVEMENT PLANS and approve when COUNTY has determined that such plans meet County standards and are found acceptable to COUNTY prior to the start of PROJECT construction.
2. Accept COUNTY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER as set forth in Section I.4., and hold said bonds as provided herein.
3. Inspect PROJECT construction.

4. Consent, by execution of this Agreement, to the recording of any Irrevocable Offer(s) of Dedication furnished by DEVELOPER pursuant to this Agreement.

5. As requested by DISTRICT, accept the Irrevocable Offer(s) of Dedication as set forth herein, and any other outstanding offers of dedication necessary for the inspection, operation and maintenance of DISTRICT FACILITIES, and convey sufficient rights of way to DISTRICT to allow DISTRICT to inspect, operate and maintain DISTRICT FACILITIES.

6. Grant DISTRICT, by execution of this Agreement, the right to inspect, operate and maintain DISTRICT FACILITIES within COUNTY rights of way.

7. Upon completion of PROJECT construction, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to DISTRICT the flood control easement(s) including ingress and egress, to the rights of way as shown on Exhibit "D".

8. Accept ownership and sole responsibility for the operation and maintenance of APPURTENANCES upon DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance.

9. Release occupancy permits in accordance with the approved Conditions of Approval for Parcel Map No. 36545.

10. Upon DISTRICT and COUNTY acceptance of PROJECT construction as being complete, accept sole responsibility for the adjustment of all PROJECT manhole rings and covers located within COUNTY rights of way which must be performed at such time(s) that the finished grade along and above the underground portions of DISTRICT FACILITIES are improved, repaired, replaced or changed. It

being further understood and agreed that any such adjustments shall be performed at no cost to DISTRICT.

SECTION IV

It is further mutually agreed:

1. All construction work involved with PROJECT shall be inspected by DISTRICT and COUNTY but shall not be deemed complete until DISTRICT and COUNTY mutually agree in writing that construction is completed in accordance with DISTRICT and COUNTY approved IMPROVEMENT PLANS.
2. COUNTY and DEVELOPER personnel may observe and inspect all work being done on DISTRICT FACILITIES, but shall provide any comments to DISTRICT personnel who shall be solely responsible for all quality control communications with DEVELOPER's contractor(s) during the construction of PROJECT.
3. DEVELOPER shall complete construction of PROJECT within twelve (12) consecutive months after execution of this Agreement and within eight (8) months after commencing work on PROJECT. It is expressly understood that since time is of the essence in this Agreement, failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for DISTRICT to perform the remaining work and require DEVELOPER's surety to pay to COUNTY the penal sum of any and all bonds. In which case, COUNTY shall subsequently reimburse DISTRICT for DISTRICT costs incurred.
4. If DEVELOPER fails to commence construction of PROJECT within nine (9) months after execution of this Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed pending a review of the existing site conditions as they exist at the time DEVELOPER provides written notification to DISTRICT of the start of construction as set forth in Section I.14. In the event of a change in the existing

site conditions that materially affects PROJECT function or DISTRICT's ability to operate and maintain DISTRICT FACILITIES, DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT.

5. DISTRICT shall endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) days of receipt of DEVELOPER's complete written notice as set forth in Section I.14; however, DISTRICT's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

In the event DEVELOPER wishes to expedite issuance of a Notice to Proceed, DEVELOPER may elect to furnish an independent qualified construction inspector at DEVELOPER's sole cost and expense. DEVELOPER shall furnish appropriate documentation of the individual's credentials and experience to DISTRICT for review and, if appropriate, approval. DISTRICT shall review the individual's qualifications and experience, upon approval thereof, said individual, hereinafter called "DEPUTY INSPECTOR", shall be authorized to act on DISTRICT's behalf on all DISTRICT FACILITIES construction and quality control matters. If DEVELOPER's initial construction inspection deposit furnished pursuant to Section I.5. exceeds ten thousand dollars (\$10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER's initial inspection deposit within forty-five (45) days of DISTRICT's approval of DEPUTY INSPECTOR; however, a minimum balance of ten thousand dollars (\$10,000) shall be retained on account.

6. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT designated legal holidays, unless otherwise approved in writing by DISTRICT. If DEVELOPER feels it is necessary to work more than the normal forty (40) hour work week or on holidays, DEVELOPER shall make a written request for permission from DISTRICT to work

the additional hours. The request shall be submitted to DISTRICT at least seventy-two (72) hours prior to the requested additional work hours and state the reasons for the overtime and the specific time frames required. The decision of granting permission for overtime work shall be made by DISTRICT at its sole discretion and shall be final. If permission is granted by DISTRICT, DEVELOPER will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County of Riverside.

7. DEVELOPER shall indemnify and hold harmless DISTRICT, COUNTY, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to DEVELOPER's (including its officers, employees, contractors, subcontractors and agents) actual or alleged acts or omissions related to this Agreement, performance under this Agreement, or failure to comply with the requirements of this Agreement, including but not limited to: (a) property damage; (b) bodily injury or death; (c) liability or damage pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution or any other law, ordinance or regulation caused by the diversion of waters from the natural drainage patterns or the discharge of drainage within or from PROJECT; or (d) any other element of any kind or nature whatsoever arising from the performance of DEVELOPER, its officers, employees, contractors, subcontractors, agents or representatives ("Indemnitors") from this Agreement.

DEVELOPER shall defend, at its sole expense, including all costs and

fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards), the Indemnitees in any claim, proceeding or action for which indemnification is required.

With respect to any action or claim subject to indemnification herein by DEVELOPER, DEVELOPER shall, at its sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, compromise any such claim, proceeding or action without the prior consent of DISTRICT and COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes DEVELOPER's indemnification obligations to Indemnitees as set forth herein.

DEVELOPER's indemnification obligations hereunder shall be satisfied when DEVELOPER has provided to DISTRICT and COUNTY the appropriate form of dismissal (or similar document) relieving DISTRICT or COUNTY from any liability for the claim, proceeding or action involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe DEVELOPER's obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

In the event there is conflict between this section and California Civil Code Section 2782, this section shall be interpreted to comply with California Civil Code Section 2782. Such interpretation shall not relieve DEVELOPER from indemnifying the Indemnitees to the fullest extent allowed by law.

8. DEVELOPER for itself, its successors and assigns hereby releases DISTRICT and COUNTY (including their agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any and all claims,

demands, actions or suits of any kind arising out of any liability, known or unknown, present or future, including but not limited to any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, for damage caused by the discharge of drainage within or from PROJECT. Nothing contained herein shall constitute a release by DEVELOPER of DISTRICT or COUNTY, their officers, agents and employees from any and all claims, demands, actions or suits of any kind arising out of any liability, known or unknown, present or future, for the negligent maintenance of PROJECT, after the acceptance of PROJECT by COUNTY.

9. Any waiver by any party hereto of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any party hereto to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or stopping such party from enforcement hereof.

10. Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

RIVERSIDE COUNTY FLOOD CONTROL
AND CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Contract Services Section

COUNTY OF RIVERSIDE
4080 Lemon Street, 8th Floor
Riverside, CA 92502-1090
Attn: Transportation Department
Plan Check Section

DIAMOND VALLEY, LLC
11990 San Vicente Blvd, Suite 200
Los Angeles, CA 90049
Attn: Hannah Woskow

11. This Agreement is to be construed in accordance with the laws of the

State of California. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

12. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by the Agreement, shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other County.

13. This Agreement is the result of negotiations between the parties hereto, and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by DISTRICT shall have no importance or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Agreement in its final form.

14. The rights and obligations of DEVELOPER shall inure to and be binding upon all heirs, successors and assignees.

15. DEVELOPER shall not assign or otherwise transfer any of its rights, duties or obligations hereunder to any person or entity without the written consent of the other parties hereto being first obtained.

In the event DEVELOPER sells Parcel Map No. 36545, DEVELOPER shall notify DISTRICT and COUNTY of any such transfer or assignment in writing no later than 30 days from the date of the sale. DEVELOPER expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Agreement until DISTRICT, COUNTY, DEVELOPER and the new owner(s) of Parcel Map No. 36545 fully execute an assignment

and assumption agreement that transfers all DEVELOPER's rights, duties or obligations hereunder to the new owner(s) of Parcel Map No. 36545.

16. The individual(s) executing this Agreement on behalf of DEVELOPER certify that they have the authority within their respective company(ies) to enter into and execute this Agreement, and have been authorized to do so by all boards of directors, legal counsel, and/or any other board, committee or other entity within their respective company(ies) which have the authority to authorize or deny entering into this Agreement.

17. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matters hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the parties hereto.

18. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

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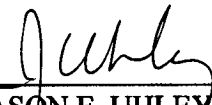
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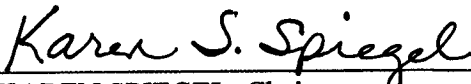
IN WITNESS WHEREOF, the parties hereto have executed this Agreement on

December 15, 2020
(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

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

By 
JASON E. UHLEY
General Manager-Chief Engineer


By 
KAREN SPIEGEL, Chairwoman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

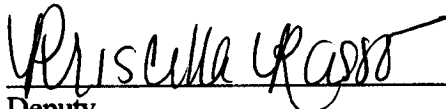
APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER
Clerk of the Board

By 
LEILA MOSHREF-DANESH
Deputy County Counsel

By 
Deputy

(SEAL)

Cooperative Agreement: with County of Riverside and Diamond Valley, LLC
Salt Creek - Winchester Road Storm Drain, Stage 1
Project No. 4-0-00026
Parcel Map No. 36545
AMR:blm
11/16/2020

RECOMMENDED FOR APPROVAL:

COUNTY OF RIVERSIDE

By 
PATRICIA ROMO
Director of Transportation

By 
V. MANUEL PEREZ, Chairman
Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER
Clerk of the Board

By 
KRISTINE BELL-VALDEZ
Supervising Deputy County Counsel

By 
Deputy

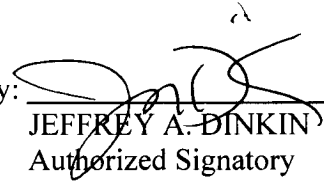
(SEAL)

Cooperative Agreement: with County of Riverside and Diamond Valley, LLC
Salt Creek - Winchester Road Storm Drain, Stage 1
Project No. 4-0-00026
Parcel Map No. 36545
AMR:blm
11/16/2020

DIAMOND VALLEY, LLC,
a Delaware limited liability company,

By: HR Inland Member, LLC,
a Delaware limited liability company,
its Manager

By: Regent Inland Land, LLC,
a Delaware limited liability company
its Manager

By:  _____
JEFFREY A. DINKIN
Authorized Signatory

(ATTACH NOTARY WITH CAPACITY STATEMENT)

Cooperative Agreement: with County of Riverside and Diamond Valley, LLC
Salt Creek - Winchester Road Storm Drain, Stage 1
Project No. 4-0-00026
Parcel Map No. 36545
AMR:blm
11/16/2020

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

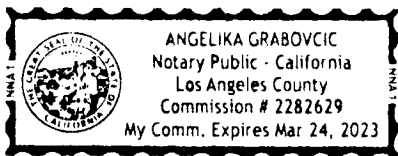
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of LOS ANGELES }
On NOVEMBER 13, 2020 before me, ANGELIKA GRABOVIC, NOTARY PUBLIC
Date Here Insert Name and Title of the Officer
personally appeared JEFFREY DINKIN
Name(s) of Signer(s)

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended 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: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Signer's Name: _____

Corporate Officer – Title(s): _____

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: _____

Exhibit A

LEGAL DESCRIPTION

Real property in the City of Hemet, County of Riverside, State of California, described as follows:

TENTATIVE PARCEL MAP NO. 36545, BEING A DIVISION OF THE FOLLOWING:

PARCEL B OF LOT LINE ADJUSTMENT NO. 05513 RECORDED JUNE 22, 2015 AS DOCUMENT NO. 2015-0264326, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF LOTS "A", "O", "P", "Q", "R" AND PARCEL 2 OF PARCEL MAP NO. 28605, AS SHOWN BY MAP ON FILE IN BOOK 203 OF PARCEL MAPS AT PAGES 99 THROUGH 102, INCLUSIVE THEREOF, RECORDS OF RIVERSIDE COUNTY, CALIFORNIA TOGETHER WITH THAT PORTION OF PARCEL B OF LOT LINE ADJUSTMENT NO. 05398 RECORDED JANUARY 9, 2012 AS INSTRUMENT NO. 2012-0009608, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA LYING WITHIN SECTION 33, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SAN BERNARDINO MERIDIAN, LYING EASTERLY OF THE FOLLOWING DESCRIBED LINE:

COMMENCING AT THE NORTHWESTERLY CORNER OF SAID PARCEL 2, SAID CORNER ALSO BEING THE NORTHEASTERLY CORNER OF SAID PARCEL B, SAID POINT BEING ON A CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 1740.00 FEET, THE RADIAL LINE TO SAID POINT BEARS NORTH 06° 20' 38" WEST;

THENCE NORTHEASTERLY AND EASTERLY ALONG THE NORTHERLY LINE OF SAID PARCEL 2 AND ALONG SAID CURVE, TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 04° 32' 40", AN ARC DISTANCE OF 138.01 FEET TO THE TRUE POINT OF BEGINNING;

THENCE LEAVING SAID NORTHERLY LINE OF PARCEL 2 SOUTH 00° 40' 02" WEST, A DISTANCE OF 146.24 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 181.53 FEET, THE RADIAL LINE TO SAID POINT BEARS NORTH 08° 48' 53" WEST;

THENCE WESTERLY AND SOUTHWESTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 48° 22' 49", ARC DISTANCE OF 153.28 FEET TO THE BEGINNING OF A COMPOUND CURVE, CONCAVE TO THE EAST, HAVING A RADIUS OF 60.63 FEET, THE RADIAL LINE TO SAID POINT BEARS NORTH 57° 11' 42" WEST;

THENCE SOUTHWESTERLY AND SOUTHERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 54° 17' 19", AN ARC DISTANCE OF 57.45 FEET;

THENCE SOUTH 21° 29' 02" EAST, A DISTANCE OF 74.94 FEET;

THENCE SOUTH 37° 21' 03" EAST, A DISTANCE OF 98.39 FEET;

THENCE SOUTH 25° 42' 30" EAST, A DISTANCE OF 89.52 FEET;

THENCE SOUTH 27° 13' 24" EAST, A DISTANCE OF 73.34 FEET;

COOPERATIVE AGREEMENT

Salt Creek - Winchester Road Storm Drain, Stage 1

Project No. 4-0-00026

Parcel Map No. 36545

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Exhibit A

THENCE SOUTH 10° 31' 10" EAST, A DISTANCE OF 37.06 FEET;

THENCE SOUTH 25° 18' 58" EAST, A DISTANCE OF 22.05 FEET;

THENCE SOUTH 60° 12' 49" EAST, A DISTANCE OF 76.25 FEET;

THENCE SOUTH 17° 50' 59" EAST, A DISTANCE OF 74.00 FEET TO THE BEGINNING OF A CURVE, RADIAL TO SAID LINE, CONCAVE TO THE NORTH, HAVING A RADIUS OF 487.00 FEET; THENCE EASTERLY ALONG SAID CURVE, TO THE LEFT, THROUGH A CENTRAL ANGLE OF 2° 10' 24", AN ARC DISTANCE OF 18.47 FEET;

THENCE NORTH 69° 58' 37" EAST, A DISTANCE OF 18.26 FEET;

THENCE SOUTH 25° 01' 23" EAST, A DISTANCE OF 231.38 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF SAID PORTION OF PARCEL B OF LOT LINE ADJUSTMENT NO. 05398, SAID POINT BEING THE END OF THIS LINE DESCRIPTION.

EXCEPTING THEREFROM THAT PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO THE COUNTY OF RIVERSIDE RECORDED DECEMBER 23, 2003 AS INSTRUMENT NO. 2003-998481, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PARCEL OF LAND DESCRIBED IN THAT CERTAIN GRANT DEED TO THE COUNTY OF RIVERSIDE RECORDED MAY 17, 2004 AS INSTRUMENT NO. 2004-367182, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM THAT PORTION SHOWN IN GRANT DEED RECORDED DECEMBER 30, 2016 AS INSTRUMENT NO. 2016-0584549 OF OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ANY PORTION LYING WITHIN THE CORRECTION GRANT DEED RECORDED JUNE 24, 2019 AS INSTRUMENT NO. 2019-0227064 OF OFFICIAL RECORDS.

NOTE: THE ABOVE LEGAL DESCRIPTION IS FOR THE SOLE PURPOSE OF THIS REPORT AND MAY NOT BE CONSIDERED FOR USE IN ANY POLICY OF TITLE INSURANCE TO BE ISSUED BY THIS COMPANY, AND IS SUBJECT TO CHANGE AT ANY TIME.

APN: 461-220-033

COOPERATIVE AGREEMENT

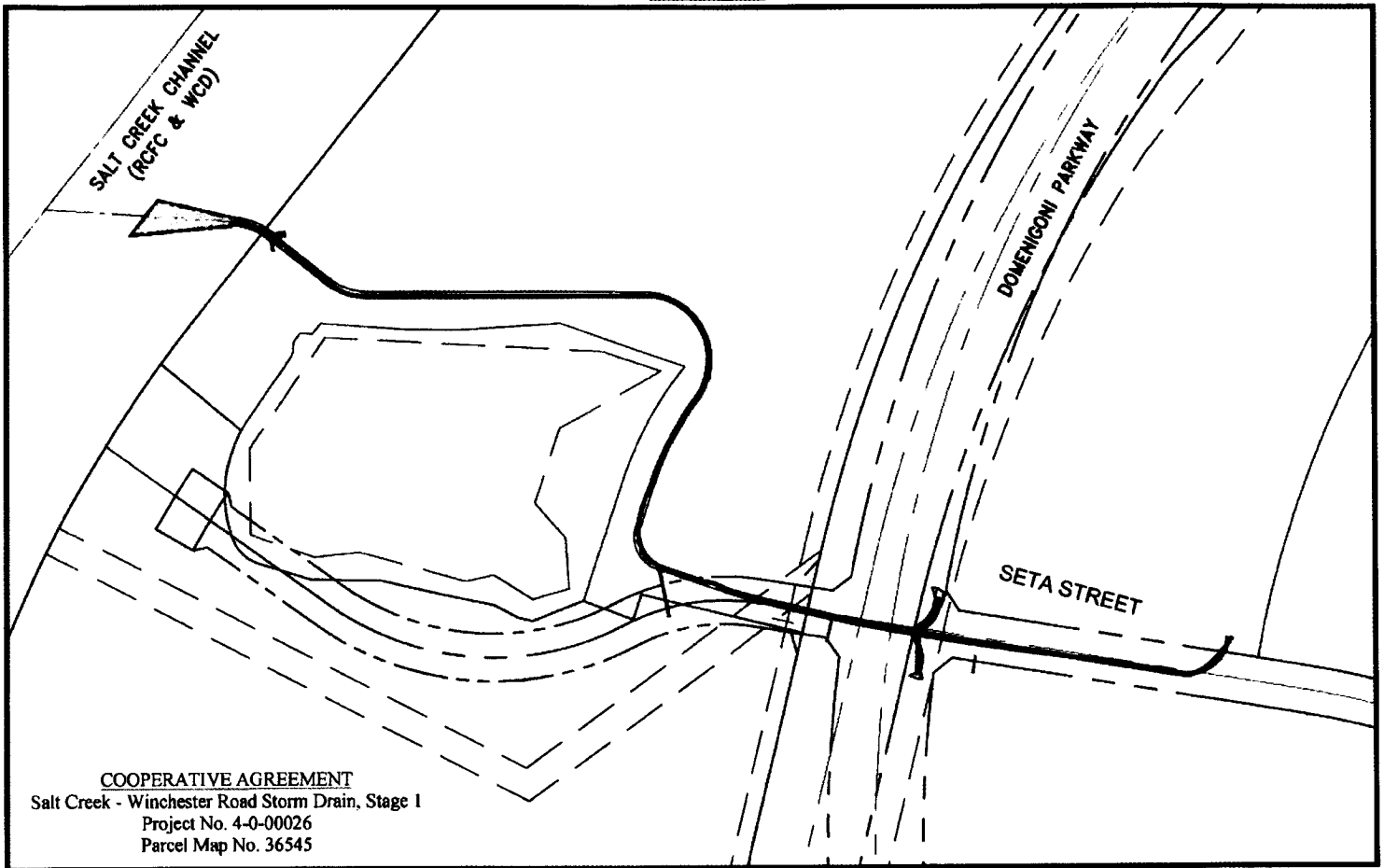
Salt Creek - Winchester Road Storm Drain, Stage 1

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EXHIBIT B



COOPERATIVE AGREEMENT

Salt Creek - Winchester Road Storm Drain, Stage I
Project No. 4-0-00026
Parcel Map No. 36545

Exhibit C

DISTRICT's Insurance Requirements is as follows:

Without limiting or diminishing DEVELOPER's obligation to indemnify or hold DISTRICT harmless, DEVELOPER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the DISTRICT herein refers to the Riverside County Flood Control and Water Conservation District, the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

A. Workers' Compensation:

If DEVELOPER has employees as defined by the State of California, DEVELOPER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of DEVELOPER's performance of its obligations hereunder. Policy shall name the DISTRICT as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If DEVELOPER's vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then DEVELOPER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name the DISTRICT as Additional Insureds.

Exhibit C

D. Professional Liability:

DEVELOPER shall cause any architect or engineer retained by DEVELOPER in connection with the performance of DEVELOPER's obligations under this Agreement to maintain Professional Liability Insurance providing coverage for the performance of their work included within this Agreement, with a limit of liability of not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate. DEVELOPER shall require that, if such Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and that such architect or engineer shall purchase at such architect or engineer's sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that such architect or engineer has maintained continuous coverage with the same or original insurer. Coverage provided under items: 1), 2) or 3) shall continue for the term specified in the insurance policy as long as the law allows.

E. General Insurance Provisions – All Lines:

a. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are waived, in writing, by the DISTRICT Risk Manager. If the DISTRICT's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

b. The DEVELOPER must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the DISTRICT Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to the DISTRICT, and at the election of the DISTRICT's Risk Manager, DEVELOPER's carriers shall either: 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

Exhibit C

c. DEVELOPER shall cause their insurance carrier(s) or its contractor's insurance carrier(s), to furnish DISTRICT with 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by the DISTRICT Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to the DISTRICT prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If DEVELOPER insurance carrier(s) policies does not meet the minimum notice requirement found herein, DEVELOPER shall cause DEVELOPER's insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

d. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith, unless DISTRICT receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto, evidencing coverages set forth herein and the insurance required herein is in full force and effect. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

e. It is understood and agreed by the parties hereto that DEVELOPER's insurance shall be construed as primary insurance, and DISTRICT's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

f. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein, if, in the DISTRICT Risk Manager's reasonable judgment, the amount or type of insurance carried by DEVELOPER has become inadequate.

COOPERATIVE AGREEMENT

Salt Creek - Winchester Road Storm Drain, Stage 1

Project No. 4-0-00026

Parcel Map No. 36545

Page 3 of 4

Exhibit C

g. DEVELOPER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

h. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.

i. DEVELOPER agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

COOPERATIVE AGREEMENT

Salt Creek - Winchester Road Storm Drain, Stage 1

Project No. 4-0-00026

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**SALT CREEK CHANNEL
(RCFC & WCD)**

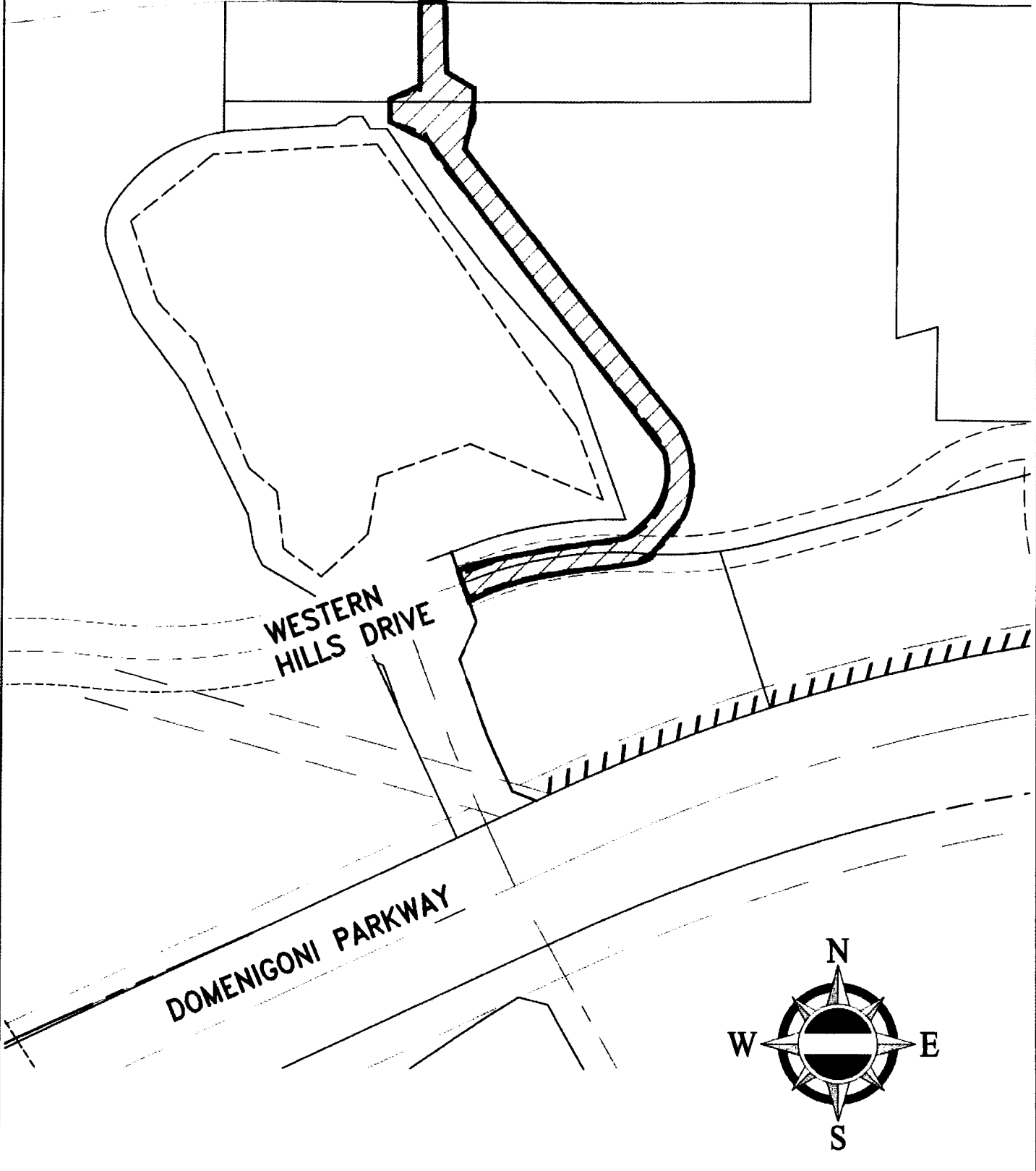


EXHIBIT D
COOPERATIVE AGREEMENT
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Project No. 4-0-00026
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