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



ITEM: 11.3 (ID # 14640) MEETING DATE:

FROM:

FLOOD CONTROL DISTRICT:

Tuesday, March 30, 2021

**SUBJECT:** FLOOD CONTROL DISTRICT: Approval of Agreement for Property Use Between the Riverside County Flood Control and Water Conservation District and Richland Ventures, Inc., for Mabey Canyon Debris Basin, Project No. 2-0-00041, Encroachment Permit No. 3712, RCFC Parcel No. 2041-1, District 2. [\$0]

#### **RECOMMENDED MOTION:** That the Board of Supervisors:

- Find that nothing further is required under the California Environmental Quality Act ("CEQA") because all potentially significant effects have been adequately analyzed in an earlier certified Environmental Impact Report (EIR) (SCH # 2014021003) and an Addendum to the EIR prepared for the Project pursuant to State CEQA Guidelines Section 15164;
- 2. Approve the Agreement for Property Use (Agreement) between the Riverside County Flood Control and Water Conservation District (District) and Richland Ventures, Inc. (Permittee);
- 3. Authorize the Chair to execute the Agreement documents on behalf of the District;
- 4. Authorize the District's General Manager-Chief Engineer to sign any necessary future amendments to the above Agreement, subject to County Counsel approval, that do not materially change the scope of services, including but not limited to, extension of time, revisions to basin excavation provisions, change in location of temporary stockpile, etc.;
- 5. Authorize the General Manager-Chief Engineer to terminate the Agreement in accordance with the terms and conditions of the Agreement; and
- 6. Direct the Clerk of the Board to return two (2) executed Agreements to the District.

**ACTION: Policy** 

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Perez 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

RAL MGR-CHF FLD CNTRL ENG

Kecia R. Harper Clerk of the Board

Absent:

None

The state of

Deputy

Date:

Flood

March 30, 2021

Page 1 of 3 ID# 14640 11.3

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$ 0
NET COUNTY COST	\$0	\$ 0	\$0	\$ 0
<b>SOURCE OF FUNDS:</b> The subject Agreement for Property Use is a revenue generating instrument.			se is Budget Adjus	stment: No
			For Fiscal Ye	ar: N/A

C.E.O. RECOMMENDATION: Approve

#### **BACKGROUND:**

#### Summary

District issued Encroachment Permit No. 3712 to Permittee to accommodate Permittee's Phase 1 and Phase 2 rough grading operations for its proposed development for Tentative Tract Map No. 36544 (Skyline Heights) located adjacent to and contiguous with District's Parcel 2041-1, located at Mabey Canyon Road and West Foothill Parkway, in the city of Corona, County of Riverside.

This action converts the Encroachment Permit to a Property Use Agreement during the dryseason, where Permittee will be allowed to construct temporary improvements within the District's Mabey Canyon Debris Basin right of way. The Agreement is also necessary as it sets forth the terms and condition by which Permittee will make monthly rent payments of Two Thousand Eight Hundred Dollars (\$2,800) to District for use of Mabey Canyon Debris Basin right of way. Likewise, Permittee will either (i) make a one-time cash deposit or (ii) execute and provide a letter of credit, in the amount of One Million Seven Hundred Sixteen Thousand Dollars (\$1,716,000), the estimated cost to remove the temporary improvements if Permittee fails to remove its temporary improvements and restore to Mabey Debris Basin right of way prior in like manner acceptable to District.

The District will refund any unexpended balances to Permittee upon removal of its temporary improvements and restoration of Mabey Debris Basin.

County Counsel has approved the Agreement as to legal form, and the Permittee has executed the Agreement.

#### **Environmental Findings**

The City of Corona (City) as Lead Agency prepared an Environmental Impact Report (EIR) for the Permittee's Skyline Heights Project (SCH # 2014021003). The City's EIR analyzed the environmental impacts associated with the annexation of 394.8 acres for residential development, landscape, open space, street and utility improvements in the City of Corona. The City certified the EIR on February 1, 2017 and a Notice of Determination (NOD) was filed with the State Clearinghouse on February 10, 2017.

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

During the design and review process for the Skyline Heights Project, the City and Permittee determined that a temporary haul route within the District's Mabey Canyon Debris Basin right of way would be required to move cut material and to improve potential traffic and road conditions during construction of the Skyline Heights Project. As such, the City and Permittee requested to enter into an Agreement with the District. This Agreement sets forth the property use terms and conditions between the District and the Permittee for the proposed temporary haul route within the Mabey Canyon Debris Basin right of way. Since impacts associated with the temporary haul route were not analyzed in the previously certified EIR, the District, as a Responsible Agency, prepared an Addendum to the previously certified EIR. The Addendum analyzed impacts associated with the temporary haul route within Mabey Canyon Debris Basin pursuant to Section 15164 (a) of the State CEQA Guidelines and concluded that construction of the temporary haul route would not result in any new significant effects not already analyzed by the previously certified EIR. Additionally, none of the conditions outlined in Section 15162 of the State CEQA Guidelines that would require the preparation of a subsequent environmental document are triggered; therefore, the previously certified EIR and addendum to the EIR are considered sufficient in fulfilling the District's obligation to comply with CEQA for the execution of the Agreement. No further analysis is required under CEQA.

#### Impact on Residents and Businesses

The District concludes that there will be no fiscal impact on private residents or private businesses as a result of Board's adoption of the subject Property Use Agreement. All construction costs associated with the temporary improvements will be borne by the Permittee. The operation and maintenance of the existing flood control facility will continue to be a District responsibility.

#### Additional Fiscal Information

Approving this Property Use Agreement charges a nominal monthly property use fee. Any unexpended balances will be returned to Permittee.

#### ATTACHMENTS:

- 1. Vicinity Map
- 2. Agreement for Property Use
- CEQA Addendum

AM:blm P8/237223

Jason Farin Principal Management Analyst

3/23/2021

Gregory . Prianos, Director County Counsel

3/18/2021

Page 3 of 3 ID# 14640 11.3

#### **AGREEMENT FOR PROPERTY USE**

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

This Agreement For Property Use ("Agreement"), dated as of <u>Harch 30</u>, 2021, is entered into by the Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), and Richland Ventures, Inc., a Florida Corporation, ("PERMITTEE"). DISTRICT and PERMITTEE are individually referred to herein as "party" and collectively referred to herein as "parties". The parties agree as follows:

#### RECITALS

- A. DISTRICT owns, operates and maintains Mabey Canyon Debris Basin (Project No. 2-0-00041), hereinafter called "MABEY DEBRIS BASIN", principally located in the City of Corona; and
- B. MABEY DEBRIS BASIN is an essential and integral part of DISTRICT's regional system of stormwater management infrastructure that provides critical flood protection and drainage within the southwesterly portion of Corona; and
- C. PERMITTEE has a proposed development on Tentative Tract Map No. 36544 (Skyline Heights) in the City of Corona, adjacent to and abutting MABEY DEBRIS BASIN; and
- D. In order to achieve its Phase 1 and Phase 2 rough grading operations, PERMITTEE will need to construct a temporary haul access road ("HAUL ROAD") and install two (2) double 96 inch CSP storm drainpipes ("CSP"), hereinafter called "TEMPORARY HAUL OPERATIONS" for its Skyline Heights development, as shown in concept in Exhibit "A", attached hereto and made a part hereof; and
- E. TEMPORARY HAUL OPERATIONS will be located within the MABEY
  DEBRIS BASIN right of way, which consists of DISTRICT's existing right of way identified as

DISTRICT's Parcel Number 2041-1 ("MABEY BASIN RIGHT OF WAY"), as shown in concept in Exhibit "B", attached hereto and made a part hereof; and

- F. DISTRICT supports PERMITTEE's desires to accomplish its TEMPORARY HAUL OPERATIONS and ensures that MABEY DEBRIS BASIN is not adversely impacted; and
- Subject to the provisions of this Agreement, DISTRICT is willing to: (i) review and approve, as appropriate, PERMITTEE's plans and specifications for TEMPORARY HAUL OPERATIONS, (ii) allow PERMITTEE to accomplish, or caused to be accomplished its TEMPORARY HAUL OPERATIONS within MABEY BASIN RIGHT OF WAY, provided that PERMITTEE: (i) complies with all of the terms and conditions set forth herein, (ii) constructs TEMPORARY HAUL OPERATIONS in accordance with the approved plans and specifications, (iii) accepts sole responsibility for the removal of TEMPORARY HAUL OPERATIONS prior to termination of Agreement, (iv) accepts sole responsibility for any repairs and damages to MABEY DEBRIS BASIN as set forth herein, (v) TEMPORARY HAUL OPERATIONS that are to be located within or adjacent to MABEY BASIN RIGHT OF WAY and their associated use(s) are compatible with and will not adversely affect the primary purpose and function of MABEY DEBRIS BASIN, (vi) TEMPORARY HAUL OPERATIONS will not unduly interfere with DISTRICT's ability to operate and maintain MABEY DEBRIS BASIN, and (vii) indemnify and hold DISTRICT harmless against any claim or cause of action resulting from (a) PERMITTEE's design and construction of TEMPORARY HAUL OPERATIONS, (b) PERMITTEE's use of MABEY BASIN RIGHT OF WAY or PERMITTEE's responsibilities in connection therewith or the condition thereof, and;

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

#### SECTION I

- 1. <u>Use of Property.</u> DISTRICT hereby authorizes PERMITTEE, in accordance with the terms, covenants, conditions and provisions of this Agreement, the non-exclusive use of MABEY BASIN RIGHT OF WAY, as depicted on Exhibit "A", for the purpose of its Skyline Heights development. It is expressly agreed that MABEY BASIN RIGHT OF WAY shall be used by PERMITTEE solely and exclusively for the purpose of accommodating its TEMPORARY HAUL OPERATIONS.
- 2. <u>Required Construction Approvals</u>. In connection with Section I.1 above, PERMITTEE shall:
  - Prepare or cause to be prepared, plans and specifications for TEMPORARY HAUL OPERATIONS, hereinafter together called "HAUL ROUTE PLANS", and submit to DISTRICT (Attention: Encroachment Permits Section) for review and written approval.
  - ii. Comply with all provisions, and its rules and regulations for Encroachment Permit No. 3712 (EP 3712), including any amendments thereto for TEMPORARY HAUL OPERATIONS or any other improvements within MABEY BASIN RIGHT OF WAY.
  - iii. Notify DISTRICT in writing (Attention: Encroachment Permits Section) at least twenty (20) days prior to the start of construction of TEMPORARY HAUL OPERATIONS. Construction shall not begin on any element of TEMPORARY HAUL OPERATIONS for any reason whatsoever until DISTRICT has issued a written Notice to Proceed authorizing PERMITTEE to commence construction of TEMPORARY HAUL OPERATIONS.

- iv. At the time of providing written notice to DISTRICT of the start of construction, deposit with DISTRICT (Attention: Business Office Accounts Receivable), the estimated cost of providing construction inspection for TEMPORARY HAUL OPERATIONS, in an amount as determined and approved by DISTRICT. If at any time the costs exceed the deposit or are anticipated by DISTRICT to exceed the deposit with DISTRICT, PERMITTEE shall pay such additional amount(s) as deemed reasonably necessary by DISTRICT to complete inspection of TEMPORARY HAUL OPERATIONS within thirty (30) days after receipt of billing from DISTRICT.
- v. At the time of providing written notice to DISTRICT of the start of construction, furnish DISTRICT (Attention: Encroachment Permits Section) with its primary construction contractor and any subcontractor(s) that will be performing work on TEMPORARY HAUL OPERATIONS, including the corresponding license number and license classification of each. At such time, PERMITTEE shall further identify in writing its designated superintendent for TEMPORARY HAUL OPERATIONS.
- vi. At the time of providing written notice to DISTRICT of the start of construction, furnish DISTRICT (Attention: Encroachment Permits Section) with a construction schedule which shall show the order and dates in which PERMITTEE's contractor(s) proposes to carry on the construction of TEMPORARY HAUL OPERATIONS, including estimated start and completion dates. As construction of

- TEMPORARY HAUL OPERATIONS progresses, PERMITTEE shall update said construction schedule as necessary or as requested by DISTRICT.
- vii. Prior to commencing construction of TEMPORARY HAUL OPERATIONS, cause its contractor(s) to furnish DISTRICT (Attention: Encroachment Permits Section) with a confined space entry program specific to TEMPORARY HAUL OPERATIONS. The program 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 Procedure, SOM-18. The program shall be reviewed and approved by DISTRICT prior to the issuance of a Notice to Proceed.
- viii. Prior to commencing construction of TEMPORARY HAUL OPERATIONS, furnish DISTRICT (Attention: Contract Services Section) 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 as set forth in **Section 1.7** below.
- ix. Dry Season construction period for TEMPORARY HAUL

  OPERATIONS is defined as April 1st through October 30th.
- x. Throughout construction of TEMPORARY HAUL OPERATIONS,

  PERMITTEE and its contractor(s) shall maintain a safe working

  environment for DISTRICT employees present at the jobsite and

- comply with all Cal/OSHA safety regulations including regulations concerning confined space.
- xi. Be responsible for providing DISTRICT (Attention: Encroachment Permits Section) with all necessary construction quality control reports including but not limited to, materials testing and soil compaction reports to establish that TEMPORARY HAUL OPERATIONS were constructed in accordance with DISTRICT approved plans and specifications for TEMPORARY HAUL OPERATIONS.
- 3. Term. The term of this Agreement shall commence on the issuance of EP 3712 to PERMITTEE and shall continue in effect until the completion of TEMPORARY HAUL OPERATIONS and acceptance of the as-built condition grades of MABEY DEBRIS BASIN by DISTRICT, or (b) if PERMITTEE fails to meet the conditions of this Agreement or the terms and conditions of EP 3712.
- 4. <u>Deposit and Security.</u> Prior to commencing construction of TEMPORARY HAUL OPERATIONS, PERMITTEE shall deposit with and pay to DISTRICT (Attention: Business Office Accounts Receivable), the one-time cash sum deposit ("CASH") or a DISTRICT approved irrevocable letter of credit from a DISTRICT approved financial institution ("IRREVOCABLE LETTER OF CREDIT") in the amount equal to One Million Seven Hundred Sixteen Thousand Dollars (\$1,716,000)"), shown on Attachement "A", attached hereto and made a part hereof. CASH or IRREVOCABLE LETTER OF CREDIT are hereinafter called "INITIAL DEPOSIT". INITIAL DEPOSIT is the amount agreed upon to cover DISTRICT's estimated cost to remove TEMPORARY HAUL OPERATIONS if PERMITTEE fails to remove TEMPORARY HAUL OPERATIONS and restore MABEY DEBRIS BASIN

prior to the date provided by DISTRICT. Said IRREVOCABLE LETTER OF CREDIT shall be retained by DISTRICT and remain in effect for the duration of the Agreement plus six (6) months after construction completion as surety against any claim or liability resulting from a determination that restoration of MABEY DEBRIS BASIN is not returned to the as-built condition. If at any time the costs exceed or are anticipated by DISTRICT to exceed the INITIAL DEPOSIT with DISTRICT, PERMITTEE shall pay such additional amount(s) as deemed reasonably necessary by DISTRICT to complete removal of TEMPORARY HAUL OPERATIONS within thirty (30) days after notice from DISTRICT.

- 5. Property Use Fee. The property use fee of this Agreement shall be Two Thousand Eight Hundred Dollars (\$2,800) which shall be payable on or before 1st of each month whilst MABEY DEBRIS BASIN is in use by PERMITTEE. Said property use fee shall be mailed to DISTRICT at the address referenced below. For the convenience of this Agreement, the property use fee set forth herein may be referred to as "Use Fee".
- 6. <u>Delinquent Payment</u>. If PERMITTEE fails to pay any Use Fee payment when due, PERMITTEE shall pay, in addition to the unpaid payments, five percent (5%) of the delinquent payment. If the payment is still unpaid at the end of fifteen (15) days after receipt of notice of non-payment, PERMITTEE shall pay an additional five percent (5%) [being a total of ten percent (10%)], which is hereby mutually agreed by the parties to be appropriate to compensate DISTRICT for loss resulting from payment delinquency, including lost interest, opportunities, legal costs, and the cost of servicing the delinquent account.
- 7. <u>Insurance</u>. PERMITTEE shall not commence operations until DISTRICT (Attention: Contract Services Section) has 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. At minimum, the

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 PERMITTEE to said breach of this Agreement.

8. Indemnification. PERMITTEE shall indemnify and hold harmless DISTRICT, the County of Riverside, 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 PERMITTEE'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 TEMPORARY HAUL OPERATIONS; or (d) any other element of any kind or nature whatsoever arising from the performance of PERMITTEE, its officers, employees, contractors, subcontractors, agents or representatives ("Indemnitors") from this Agreement.

PERMITTEE 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 outlined in this Section 8 is required.

With respect to any action or claim subject to indemnification herein by PERMITTEE, PERMITTEE 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; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes PERMITTEE's indemnification obligations to Indemnitees as set forth herein.

PERMITTEE's indemnification obligations hereunder shall be satisfied when PERMITTEE has provided to DISTRICT the appropriate form of dismissal (or similar document) relieving DISTRICT 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 PERMITTEE'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 PERMITTEE from indemnifying the Indemnitees to the fullest extent allowed by law.

9. <u>Temporary Construction Easement</u>. PERMITTEE shall grant a temporary construction easement ("TCE") to DISTRICT, as shown in **Exhibit "D"**, attached hereto and made a part hereof, for the stockpile of material generated by the emergency removal of HAUL ROAD by DISTRICT and shall keep stockpile location free and clear for emergency work for the duration of the Agreement.

#### 10. Protection of Property.

i. PERMITTEE shall be responsible to secure its TEMPORARY

HAUL OPERATIONS, outside of its normal work operation hours,

- including but not limited to, the installation of fences, barriers, and signs as necessary throughout the construction period; and
- ii. PERMITTEE may not place or dump garbage, trash or refuse anywhere upon or within MABEY DEBRIS BASIN; and
- iii. PERMITTEE may not commit or create, or suffer to be committed or created, any waste, hazardous condition and/or nuisance to occur upon MABEY DEBRIS BASIN; and
- iv. PERMITTEE may not cut, prune or remove any native trees or brush within MABEY DEBRIS BASIN without first obtaining written permission from DISTRICT; and
- v. PERMITTEE may not disturb, move, or remove any rocks or boulders upon MABEY DEBRIS BASIN, except for the elimination of safety hazards, without first obtaining written permission from DISTRICT; and
- vi. PERMITTEE must exercise due diligence in the protection of MABEY DEBRIS BASIN against damage or destruction by fire; and
- vii. Upon the termination or revocation of this Agreement, but before its relinquishment to DISTRICT, PERMITTEE shall, at its own cost and expense, remove any debris generated by its use and MABEY DEBRIS BASIN shall be left in a neat condition. PERMITTEE agrees not to damage MABEY DEBRIS BASIN in the process of performing the permitted activities; and

- viii. Any damage(s) to MABEY DEBRIS BASIN caused by PERMITTEE's operations under this Agreement shall be repaired at PERMITTEE's sole expense to the satisfaction of DISTRICT.
- Hazardous Materials. PERMITTEE shall be responsible for and bear the entire cost of all removal, disposal, clean-up, and decontamination which may be required because of hazardous materials being placed by PERMITTEE upon, over or under MABEY DEBRIS BASIN. PERMITTEE shall further indemnify and hold DISTRICT, its officers and employees, harmless from all responsibility, liability and claims for damages to persons or property resulting from the existence or use of hazardous materials which are placed by PERMITTEE on MABEY DEBRIS BASIN on the date DISTRICT takes possession under this Agreement.
- 12. <u>Public Safety</u>. PERMITTEE shall take or cause its contractor(s) or subcontractor(s) to take, any and all other necessary and reasonable steps to protect the public from harm due to the work performed on MABEY DEBRIS BASIN under this Agreement.
- storm of significant size (a maximum of ~10 feet of stage storage, elevation 1129.5 feet, per reference plan datum as shown on DISTRICT's Drawing No. 2-0438) and additional precipitation is forecasted, DISTRICT shall provide 24 hours written notice to PERMITTEE to remove HAUL ROAD. At minimum, HAUL ROAD should be removed to match the spillway elevation of 1137.94 feet, per reference plan datum as shown on DISTRICT's Drawing No 2-0438. If PERMITTEE fails to remove HAUL ROAD within the 24-hour notice, DISTRICT reserves the right to terminate this Agreement including EP 3712.
- 14. <u>Restoration of Property</u>. Prior to termination of Agreement, PERMITTEE shall:

- i. Complete removal of TEMPORARY HAUL OPERATIONS no later than October 30 of the applicable year.
- ii. Restore design grades to as-built conditions. Grades are subject to the verification by DISTRICT.

#### 15. <u>Additional Conditions.</u> PERMITTEE shall:

- i. Assume sole responsibility for the design, construction, inspection, operation, of TEMPORARY HAUL OPERATIONS, including all necessary modifications, repairs, corrections or temporary removal as reasonably deemed necessary by DISTRICT for the continuing function, or operation and maintenance of MABEY DEBRIS BASIN.
- ii. Waive any claim(s) against DISTRICT for damages to TEMPORARY

  HAUL OPERATIONS resulting from DISTRICT's customary
  operation and maintenance activities performed within MABEY

  BASIN RIGHT OF WAY or its appurtenant works, including any
  natural calamity, act of God or any cause or conditions beyond the
  control of DISTRICT, save and except damages resulting from
  DISTRICT's active negligence or willful misconduct.
- iii. Immediately remove, upon written request by DISTRICT's General Manager-Chief Engineer, any improvements and/or equipment within MABEY BASIN RIGHT OF WAY not previously approved by DISTRICT, or cease use of MABEY BASIN RIGHT OF WAY where PERMITTEE has installed any such improvements and/or equipment, or PERMITTEE has used or allowed use of MABEY BASIN RIGHT OF WAY in a manner which, in the sole, reasonable opinion of

- DISTRICT's General Manager-Chief Engineer, would be detrimental to the operation of MABEY DEBRIS BASIN.
- iv. Not permit to be placed against MABEY DEBRIS BASIN or any part thereof, any design professionals', mechanics', material man's, contractors' or subcontractors' liens with the regard to PERMITTEE's actions upon MABEY DEBRIS BASIN. PERMITTEE agrees to hold DISTRICT harmless for any loss or expense, including reasonable attorneys' fees, arising from any such liens which might be filed against MABEY DEBRIS BASIN.

#### **SECTION II**

#### DISTRICT shall:

- 1. <u>Inspection Services</u>. Perform TEMPORARY HAUL OPERATIONS inspection services on a fee for service basis. Further, DISTRICT and its representatives, employees, agents or independent contractors may enter and inspect MABEY DEBRIS BASIN or any portion thereof or any improvements thereon at any time and from time to time at reasonable times to verify PERMITTEE's compliance with the terms and conditions of this Agreement.
- 2. <u>Accounting</u>. Keep an accurate accounting of all DISTRICT costs associated with DISTRICT's performance of TEMPORARY HAUL OPERATIONS inspections services. If at any time such costs exceed PERMITTEE's deposit(s) as set forth herein or are anticipated to exceed the deposit(s) in Section I.4, PERMITTEE shall pay, within thirty (30) days of receipt of DISTRICT's invoice, such additional amounts as are deemed reasonably necessary by DISTRICT to complete inspection of TEMPORARY HAUL OPERATIONS.

- 3. Refund. Refund (i) any remaining balance of CASH to PERMITTEE, within ninety (90) business days upon PERMITTEE's removal of TEMPORARY HAUL OPERATIONS and restoration of MABEY DEBRIS BASIN to the as-built condition and approved by DISTRICT, or (ii) release the IRREVOCABLE LETTER OF CREDIT to PERMITTEE, within six (6) months from the completion of construction as surety against any claim or liability resulting from a determination that restoration of MABEY DEBRIS BASIN is not returned to the as-built condition as approved by DISRICT.
- 4. <u>Survey</u>. Conduct a field survey prior to and at the conclusion of all TEMPORARY HAUL OPERATIONS to verify the as-built condition grades of MABEY DEBRIS BASIN are consistent with the condition prior to the commencement of TEMPORARY HAUL OPERATIONS or otherwise acceptable to DISTRICT. If the as-built condition grades are not in an acceptable condition, corrections shall be made at sole expense of PERMITTEE.
- 5. <u>Temporary Construction Easement</u>. Accept TCE submitted by PERMITTEE as set forth in Section I.9 and hold said TCE as provided herein, until MABEY DEBRIS BASIN has been restored to the as-built condition grades acceptable to DISTRICT.

#### SECTION III – ADDITIONAL TERMS

It is further mutually agreed:

- 1. <u>Headings</u>. The headings and sections used in this Agreement are for convenience only. The obligations of the parties, and especially those of PERMITTEE, may be stated in all parts of the Agreement.
- 2. <u>Compliance with Laws</u>. PERMITTEE shall, in all activities undertaken pursuant to this Agreement, comply and cause its officers, employees, contractors, subcontractors and agents to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees. Without limiting the generality of the foregoing,

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PERMITTEE, at its sole cost and expense, shall obtain any and all permits which may be required

by any law, regulation or ordinance for any activities PERMITTEE desires to conduct or have

conducted pursuant to this Agreement.

3. Not Real Property Interest. It is expressly understood that the use of

property granted herein is not exclusive and does not in any way whatsoever grant or convey any

permanent easement, lease, fee or other real property interest in MABEY DEBRIS BASIN to

PERMITTEE.

4. Notices. 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 WATER CONSERVATION DISTRICT

1995 Market Street Riverside, CA 92501

Attn: Contract Services Section

RICHLAND VENTURES, INC. 3161 Michelson Dr., Suite 425

Irvine, CA 92612 Attn: Brian Hardy

5. Defaults and Termination.

i. DISTRICT reserves the right to immediately terminate this Agreement

if: (i) for any reason whatsoever, DISTRICT's General Manager-Chief Engineer determines that

PERMITTEE's use of MABEY BASIN RIGHT OF WAY is not compatible with MABEY

DEBRIS BASIN primary purpose and function, or (ii) PERMITTEE does not obtain, maintain

and provide proof of insurance in accordance with Section I.7 above, or (iii) PERMITTEE fails

to remove HAUL ROAD within the 24 hour notice as set forth in Section I.13.

ii. DISTRICT reserves the right to immediately terminate EP 3712

including its activities, if PERMITTEE is in violation of any of its terms and conditions, as set

forth herein.

iii. Further, either party may terminate the Agreement for any reason or

for no reason, provided said party delivers thirty (30) days written notice of early termination.

- iv. If in the opinion of DISTRICT's General Manager-Chief Engineer PERMITTEE's use of MABEY BASIN RIGHT OF WAY may cause or contribute to a public hazard, a public nuisance, degradation of water quality or any other matter of substantial concern to DISTRICT reserves the right to require remediation and, if remediation is unsuccessful, to terminate this Agreement immediately.
- v. Upon termination of this Agreement, DISTRICT may immediately enter and take possession of MABEY DEBRIS BASIN.
- 6. <u>Choice of Law/Jurisdiction/Severability</u>. This Agreement is to be governed by and 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 shall be declared severable and shall be given full force and effect to the extent possible. Any legal action, in law or in equity related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in the County of Riverside, California, and the parties waive any provisions of law providing for a change of venue to another location.
- 7. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns and shall not be assigned by either party without the prior written consent of the other party, except that PERMITEE may assign this Agreement in connection with the sale of the property that is subject to Tentative Tract Map No. 36544.
- 8. <u>Modification</u>. The Agreement shall not be changed, modified or amended except upon the written consent of the parties hereto.
- 9. <u>Joint and Several Liability</u>. If PERMITTEE consists of more than one person or entity, the obligations imposed upon each shall be joint and several, and the act of or

notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the Agreement.

- 10. <u>Survival of Termination</u>. Upon termination or expiration of this Agreement, each party's rights and obligations with respect to Indemnification (Section I.8), and any other provisions which by their nature should survive termination or expiration of this Agreement, shall so survive.
- 11. <u>Signatures</u>. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of PERMITTEE and DISTRICT.
- 12. <u>Entire Agreement</u>. This Agreement is the result of negotiations between the parties and supersedes all prior negotiations, representations, or agreements. This Agreement is intended by the parties as a full and final expression of their understanding with respect to the matters contained in this Agreement and shall not be modified in any manner except by an instrument in writing executed by the parties or their respective successors in interest.
- 13. <u>Counterparts</u>. 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.
- 14. <u>Waiver</u>. Any waiver by DISTRICT 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 thereof. Failure on the part of DISTRICT 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 estopping DISTRICT from enforcement hereof.

11

(Signatures on next page)

- 17 -

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

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

JASON E. UHLEY

General Manager-Chief Engineer

VADEN SDIEGEL Chair

Riverside County Flood Control and Water Conservation District Board of Supervisors

APPROVED AS TO FORM:

**GREGORY P. PRIAMOS** 

County Counsel

ATTEST:

KECIA R. HARPER Clerk to the Board

SYNTHIA M. GUNZEL

Chief Deputy County Counsel

Deput

(SEAL)

Agreement For Property Use w/ Richland Ventures, Inc. Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712 02/11/2021 AMR:blm

RICHLAND VENTURES, INC.,

a Florida corporation

JOHN C. TROUTMAN

Vice President

Agreement For Property Use w/ Richland Ventures, Inc. Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712 02/11/2021 AMR:blm

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

MUFG UNION BANK, N.A.
TRADE SERVICE OPERATIONS
HARBORSIDE 3
210 HUDSON STREET, SUITE 500
JERSEY CITY, NJ 07311
ATTENTION: STANDBY LETTER OF CREDIT SECTION

IRREVOCABLE STANDBY LETTE	R
OF CREDIT NO	

ISSUE DATE:

**BENEFICIARY** 

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT 11995 MARKET STREET RIVERSIDE, CA 92501 **APPLICANT** 

RICHLAND VENTURES INC. 3161 MICHELSON DR, SUITE 425 IRVINE, CA 92612

LETTER OF CREDIT AMOUNT: USD 1,716,000.00 (ONE MILLION SEVEN HUNDRED SIXTEEN THOUSAND ND 00/100 U.S. DOLLARS)

**EXPIRY DATE: (EFFECTIVE DATE OF AGREEMENT PLUS SIX (6) MONTHS )** 

LADIES AND GENTLEMEN:

MUFG UNION BANK, N.A., A FINANCIAL INSTITUTION SUBJECT TO REGULATION BY THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA (HEREINAFTER "FINANCIAL INSTITUTION"), HEREBY ESTABLISHES OUR IRREVOCABLE STANDBY LETTER OF CREDIT (THE "IRREVOCABLE LETTER OF CREDIT") IN FAVOR OF RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT UP TO THE AGGREGATE AMOUNT OF USD 1,716,000.00 (ONE MILLION SEVEN HUNDRED SIXTEEN THOUSAND AND 00/100 U.S. DOLLARS ("SECURITY SUM"). WE HAVE BEEN INFORMED BY THE APPLICANT BUT DO NOT INDEPENDENTLY VERIFY THAT THIS IRREVOCABLE LETTER OF CREDIT IS ISSUED AS SECURITY FOR PERFORMANCE OF THAT CERTAIN AGREEMENT FOR PROPERTY USE REGARDING DISTRICT'S PARCEL NUMBER 2041-1) DATED BY AND BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONVERSATION DISTRICT AND RICHLAND VENTURES INC. (HEREINAFTER THE "PERMITTEE") ("AGREEMENT"), AND IDENTIFIED AS THE (MABEY CANYON DEBRIS BASIN, PROJECT NO. 2-0-00041 (ENCROACHMENT PERMIT NO. 3712) (HEREINAFTER "PROJECT"). THE PRECEDING SENTENCE IS INSERTED IN THIS IRREVOCABLE LETTER OF CREDIT FOR INFORMATIONAL PURPOSES ONLY AND WILL NOT AFFECT, OR BECOME A PART OF, THE TERMS AND CONDITIONS OF THIS IRREVOCABLE LETTER OF CREDIT EXCEPT TO DEFINE THE TERMS "PERMITTEE", "AGREEMENT" AND "PROJECT" ELSEWHERE IN THIS IRREVOCABLE LETTER OF CREDIT.

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

FUNDS UNDER THIS IRREVOCABLE LETTER OF CREDIT ARE AVAILABLE WITH US AT OUR ABOVE OFFICE BY PAYMENT AGAINST PRESENTATION OF YOUR DRAFT(S) AT SIGHT DRAWN ON OURSELVES AND ACCOMPANIED BY YOUR SIGNED AND DATED STATEMENT WORDED IN EITHER FORM SPECIFIED BELOW:

FORM SPECIFIED BELOW:
"RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT HAS INCURRED COSTS IN THE AMOUNT OF US\$ FOR THE MONTH OF IN CONNECTION WITH DESIGN AND RELATED COSTS FOR THE DEVELOPMENT OF THE PROJECT."
OR
"RICHARD VENTURES INC. ("THE PERMITTEE") HAS NOT COMPLIED WITH THE TERMS AND CONDITIONS OF THE AGREEMENT PURSUANT TO WHICH PERMITTEE AGREED TO MAKE DESIGN DEPOSITS AS MORE SPECIFICALLY IDENTIFIED IN THE AGREEMENT."
OR
"RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ("THE DISTRICT") HAS RECEIVED NOTICE OF NON-EXTENSION UNDER MUFG UNION BANK, N.A. IRREVOCABLE LETTER OF CREDIT NO AND RICHARD VENTURES INC.'S ("THE PERMITTEE") OBLIGATIONS TO THE DISTRICT REMAIN OUTSTANDING AND THE DISTRICT HAS NOT RECEIVED A REPLACEMENT IRREVOCABLE LETTER OF CREDIT IN FORM ACCEPTABLE TO THE DISTRICT."
THIS IRREVOCABLE LETTER OF CREDIT BECOMES EFFECTIVE ON ITS ISSUANCE DATE FIRST SHOWN ABOVE.
PARTIAL AND MULTIPLE DRAWINGS ON ANY NUMBER OF OCCASIONS ARE PERMITTED UNDER THIS IRREVOCABLE LETTER OF CREDIT.

WE HEREBY AGREE WITH YOU THAT EACH DEMAND PRESENTED HEREUNDER IN FULL COMPLIANCE WITH THE TERMS HEREOF WILL BE DULY HONORED BY PAYMENT TO YOU OF THE AMOUNT OF SUCH DEMAND, IN IMMEDIATELY AVAILABLE FUNDS OF MUFG UNION BANK, N.A.:

- (i) NO LATER THAN 2:00 P.M. **NEW YORK TIME, NEW YORK** ON THE BUSINESS DAY FOLLOWING THE BUSINESS DAY ON WHICH SUCH DEMAND IS PRESENTED TO MUFG UNION BANK, N.A. IF SUCH PRESENTATION IS MADE TO MUFG UNION BANK, N.A. **AT OR BEFORE 10:00 A.M. NEW YORK TIME, NEW YORK.**
- (ii) NOT LATER THAN 2:00 P.M. **NEW YORK TIME, NEW YORK** ON THE 2ND BUSINESS DAY FOLLOWING THE BUSINESS DAY ON WHICH SUCH DEMAND IS PRESENTED TO MUFG UNION BANK, N.A., IF SUCH PRESENTATION IS MADE TO MUFG UNION BANK, N.A. **AFTER 10:00 A.M., NEW YORK TIME, NEW YORK.**

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

"BUSINESS DAY" MEANS ANY DAY OTHER THAN A SATURDAY, A SUNDAY, OR A DAY ON WHICH BANKING INSTITUTIONS IN **NEW YORK CITY, NEW YORK** ARE AUTHORIZED BY LAW TO BE CLOSED.

WE SHALL HONOR YOUR DRAFT(S), SUBMITTED IN ACCORDANCE WITH THIS IRREVOCABLE LETTER OF CREDIT, WITHOUT ENQUIRING WHETHER YOU HAVE THE RIGHT AS BETWEEN YOURSELF AND THE APPLICANT TO MAKE SUCH DRAW AND WITHOUT RECOGNIZING ANY CLAIM OF THE APPLICANT, OR OBJECTION BY IT TO PAYMENT BY US.

THIS IRREVOCABLE LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING. THIS UNDERTAKING IS INDEPENDENT OF AND SHALL NOT IN ANY WAY BE MODIFIED, AMENDED, AMPLIFIED OR INCORPORATED BY REFERENCE TO ANY DOCUMENT, CONTRACT OR AGREEMENT REFERENCED HEREIN OTHER THAN THE STIPULATED ICC RULES AND GOVERNING LAWS.

THIS IRREVOCABLE LETTER OF CREDIT EXPIRES AT OUR ABOVE OFFICE ON (SIX (6) MONTHS FROM THE TERMINATION OF AGREEMENT). IT IS A CONDITION OF THIS IRREVOCABLE LETTER OF CREDIT THAT SUCH EXPIRATION DATE SHALL BE DEEMED AUTOMATICALLY EXTENDED, WITHOUT WRITTEN AMENDMENT, FOR ONE YEAR PERIODS IN EACH SUCCEEDING CALENDAR YEAR, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO ANY SUCH EXPIRATION DATE, WE SEND WRITTEN NOTICE TO YOU AT YOUR ADDRESS ABOVE BY OVERNIGHT COURIER OR REGISTERED MAIL THAT WE ELECT NOT TO EXTEND THE EXPIRATION DATE OF THIS IRREVOCABLE LETTER OF CREDIT BEYOND THE DATE SPECIFIED IN SUCH NOTICE.

UPON OUR SENDING YOU SUCH NOTICE OF THE NON-EXTENSION OF THE EXPIRATION DATE OF THIS IRREVOCABLE LETTER OF CREDIT, YOU MAY ALSO DRAW UNDER THIS IRREVOCABLE LETTER OF CREDIT, ON OR BEFORE THE EXPIRATION DATE SPECIFIED IN SUCH NOTICE, BY PRESENTATION TO US AT OUR ABOVE ADDRESS OF YOUR DRAFT AT SIGHT DRAWN ON OURSELVES AND ACCOMPANIED BY YOUR SIGNED AND DATED STATEMENT WORDED IN EITHER FORM SPECIFIED ABOVE.

IN THE EVENT OF A DRAWING, ALL DOCUMENTS MUST BE DISPATCHED IN ONE LOT BY REGISTERED MAIL OR COURIER SERVICES TO: MUFG UNION BANK, N.A, TRADE SERVICE OPERATIONS, HARBORSIDE 3, 210 HUDSON STREET, SUITE 500, JERSEY CITY, NJ 07311,, ATTENTION: STANDBY LETTER OF CREDIT SECTION.

ALL DRAFTS SHALL SPECIFICALLY STATE THAT THEY ARE DRAWN UNDER THIS IRREVOCABLE LETTER OF CREDIT NO.

THIS IRREVOCABLE LETTER OF CREDIT IS TRANSFERABLE ONE OR MORE TIMES, BUT IN EACH INSTANCE ONLY TO A SINGLE TRANSFEREE AND ONLY IN THE FULL AMOUNT AVAILABLE TO BE DRAWN UNDER THE IRREVOCABLE LETTER OF CREDIT. AT THE TIME OF SUCH TRANSFER. ANY SUCH TRANSFER MAY BE EFFECTED ONLY THROUGH MUFG UNION BANK, N.A. AND ONLY UPON PRESENTATION TO US AT OUR PRESENTATION OFFICE SPECIFIED HEREIN OF A DULY EXECUTED

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

TRANSFER REQUEST IN THE FORM ATTACHED HERETO AS EXHIBIT A, WITH INSTRUCTIONS THEREIN IN BRACKETS.

COMPLIED WITH, TOGETHER WITH THE ORIGINAL OF THIS IRREVOCABLE LETTER OF CREDIT AND ANY AMENDMENTS THERETO. EACH TRANSFER SHALL BE EVIDENCED BY OUR ENDORSEMENT ON THE REVERSE OF THE ORIGINAL OF THIS IRREVOCABLE LETTER OF CREDIT, AND WE SHALL DELIVER SUCH ORIGINAL TO THE TRANSFEREE. THE TRANSFEREE'S NAME SHALL AUTOMATICALLY BE SUBSTITUTED FOR THAT OF THE BENEFICIARY WHEREVER SUCH BENEFICIARY'S NAME APPEARS WITHIN THIS STANDBY IRREVOCABLE LETTER OF CREDIT. ALL CHARGES IN CONNECTION WITH THIS IRREVOCABLE LETTER OF CREDIT INCLUDING ANY TRANSFER OF THIS IRREVOCABLE LETTER OF CREDIT ARE FOR THE APPLICANT'S ACCOUNT.

WE ARE SUBJECT TO VARIOUS LAWS, REGULATIONS AND EXECUTIVE AND JUDICIAL ORDERS (INCLUDING ECONOMIC SANCTIONS, EMBARGOES, ANTI-BOYCOTT, ANTI-MONEY LAUNDERING, ANTI-TERRORISM, AND ANTI-DRUG TRAFFICKING LAWS AND REGULATIONS) OF THE U.S. AND OTHER COUNTRIES THAT ARE ENFORCEABLE UNDER APPLICABLE LAW.

EXCEPT AS STATED HEREIN, THIS IRREVOCABLE LETTER OF CREDIT IS NOT SUBJECT TO ANY CONDITION OR QUALIFICATION AND IS OUR INDIVIDUAL OBLIGATION WHICH IS IN NO WAY CONTINGENT UPON REIMBURSEMENT OR ANY RIGHT OF SUBROGATION. WE IRREVOCABLY WAIVE ANY AND ALL RIGHTS OF SUBROGATION, WHETHER AS PROVIDED BY STATUTE OR OTHERWISE, NOW OR HEREAFTER THAT MIGHT, BUT FOR SUCH WAIVER EXIST, IN RESPECT TO THIS IRREVOCABLE LETTER OF CREDIT OR ANY PAYMENT WE MAKE UNDER IT, AS TO THE APPLICANT, YOU, OR THE TRANSACTION BETWEEN YOU AND THE APPLICANT. WE FURTHER GIVE IRREVOCABLE NOTICE THAT WE ARE NOT NOW AND WILL NOT BE THE SECONDARY OBLIGOR OR CO-OBLIGOR OF APPLICANT'S OBLIGATIONS AND LIABILITIES TO YOU FOR ANY PURPOSE. OUR OBLIGATIONS TO YOU UNDER THIS IRREVOCABLE LETTER OF CREDIT ARE OUR PRIMARY OBLIGATIONS AND ARE STRICTLY AS STATED HEREIN.

THE SIGNATORY OF THIS IRREVOCABLE LETTER OF CREDIT HEREBY WARRANTS THAT HE/SHE IS A DULY AUTHORIZED REPRESENTATIVE OF MUFG UNION BANK, N.A., AND HAS THE AUTHORITY TO BIND MUFG UNION BANK, N.A. TO THIS IRREVOCABLE LETTER OF CREDIT.

THE FINANCIAL INSTITUTION HEREBY AGREES WITH RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT THAT ALL DRAFT(S) AND DOCUMENT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS IRREVOCABLE LETTER OF CREDIT WILL BE HONORED UPON PRESENTATION TO US AS SPECIFIED HEREIN. EXCEPT AS EXPRESSLY STATED OTHERWISE HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY CONDITION OR QUALIFICATION.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS IRREVOCABLE LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998, INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (THE "ISP98"). AS TO MATTERS NOT COVERED BY THE ISP98,

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

THIS IRREVOCABLE LETTER OF CREDIT SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH **THE LAWS OF THE STATE OF CALIFORNIA** WITHOUT GIVING EFFECT TO PRINCIPALS OF CONFLICTS OF LAW.

VERY T	RULY YOURS,	
MUFG	UNION BANK, N.A.	
BY:		
	AUTHORIZED SIGNATURE	

Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

#### **EXHIBIT A**

#### **IRREVOCABLE STANDBY LETTER OF CREDIT NO. S334111M**

IRREVOCABLE LETTER OF CREDIT TRANSFER INSTRUCTIONS (PAGE 1 OF 2)

MUFG, UNION BANK, N.A.
TRADE OPERATIONS
HARBORSIDE 3
210 HUDSON STREET, SUITE 500
JERSEY CITY, NJ 07311
ATTENTION: STANDBY LETTER OF CREDIT SECTION

(ADDRESS)

DATE:
RE: MUFG UNION BANK, N.A. IRREVOCABLE STANDBY LETTER OF CREDIT NO, DATED"
LADIES AND GENTLEMEN:
FOR VALUE RECEIVED, THE UNDERSIGNED BENEFICIARY ("BENEFICIARY") HEREBY IRREVOCABLY TRANSFERS TO:
(NAME OF TRANSFEREE

"TRANSFEREE") ALL RIGHTS OF BENEFICIARY TO DRAW UNDER THE ABOVE IRREVOCABLE LETTER OF CREDIT ("IRREVOCABLE LETTER OF CREDIT") AND TRANSFEREE SHALL HAVE SOLE RIGHTS AS BENEFICIARY THEREOF, INCLUDING WITHOUT LIMITATION SOLE RIGHTS RELATING TO ANY AMENDMENTS THERETO, WHETHER INCREASES OR EXTENSIONS OR OTHER AMENDMENTS AND WHETHER NOW EXISTING OR HEREAFTER MADE. IN CONNECTION WITH THE FOREGOING, BENEFICIARY HEREBY IRREVOCABLY AGREES AND INSTRUCTS YOU (A) THAT BENEFICIARY DOES NOT RETAIN ANY RIGHT TO REFUSE TO ALLOW YOU TO ADVISE TO TRANSFEREE ANY AMENDMENT TO THE IRREVOCABLE LETTER OF CREDIT, (B) THAT ALL FUTURE AMENDMENTS TO THE IRREVOCABLE LETTER OF CREDIT ARE TO BE ADVISED DIRECTLY TO TRANSFEREE WITHOUT NECESSITY OF ANY CONSENT OF OR NOTICE TO BENEFICIARY, AND (C) THAT THERE WILL BE NO SUBSTITUTION OF BENEFICIARY'S DRAFT(S) AND/OR OTHER DOCUMENTS FOR THOSE PRESENTED TO YOU BY TRANSFEREE.

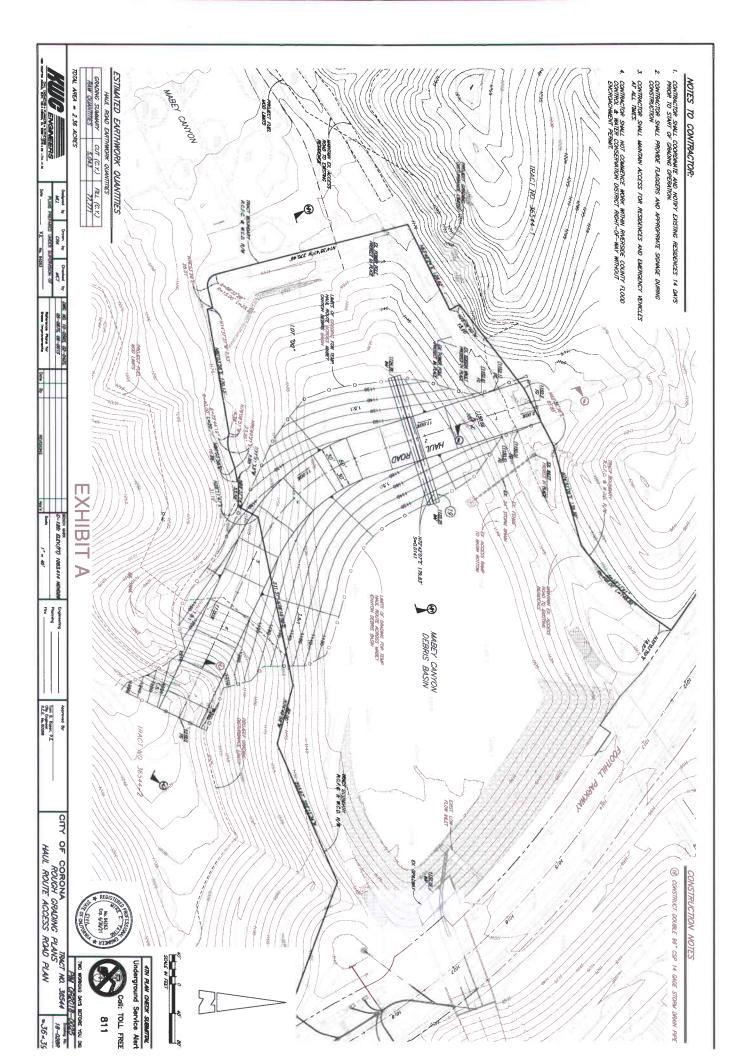
Mabey Canyon Debris Basin Project No. 2-0-00041 Encroachment Permit No. 3712

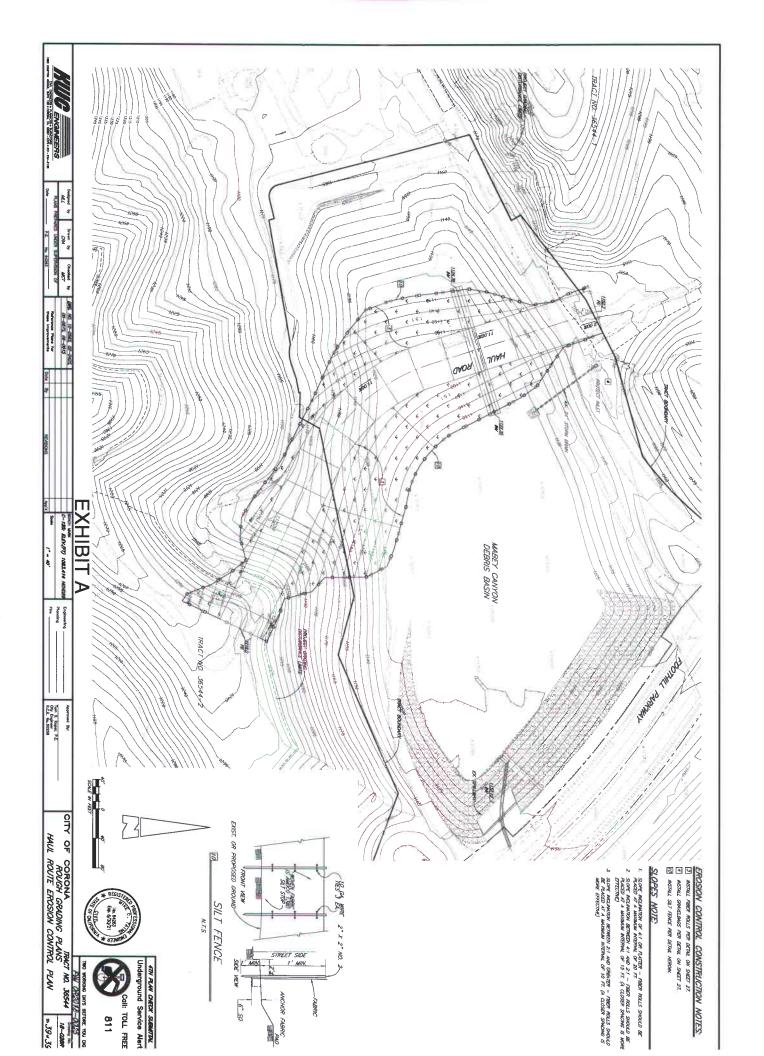
LETTER OF CREDIT TRANSFER INSTRUCTIONS (PAGE 2 OF 2)

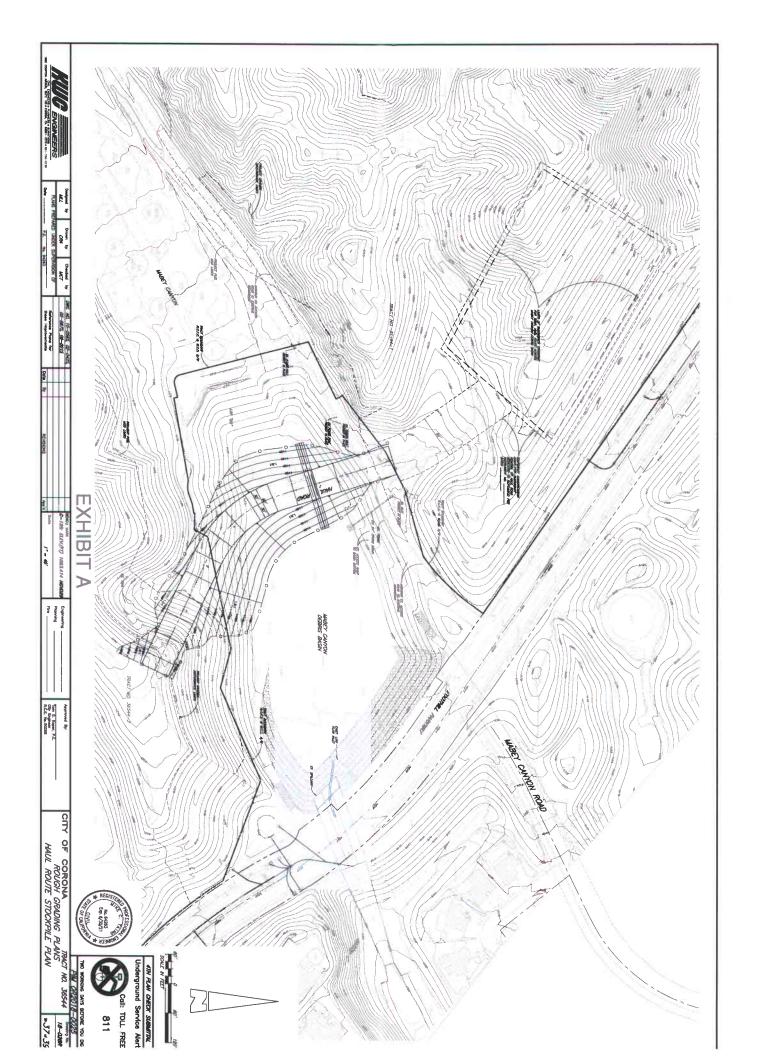
VERY TRULY VOLUBS

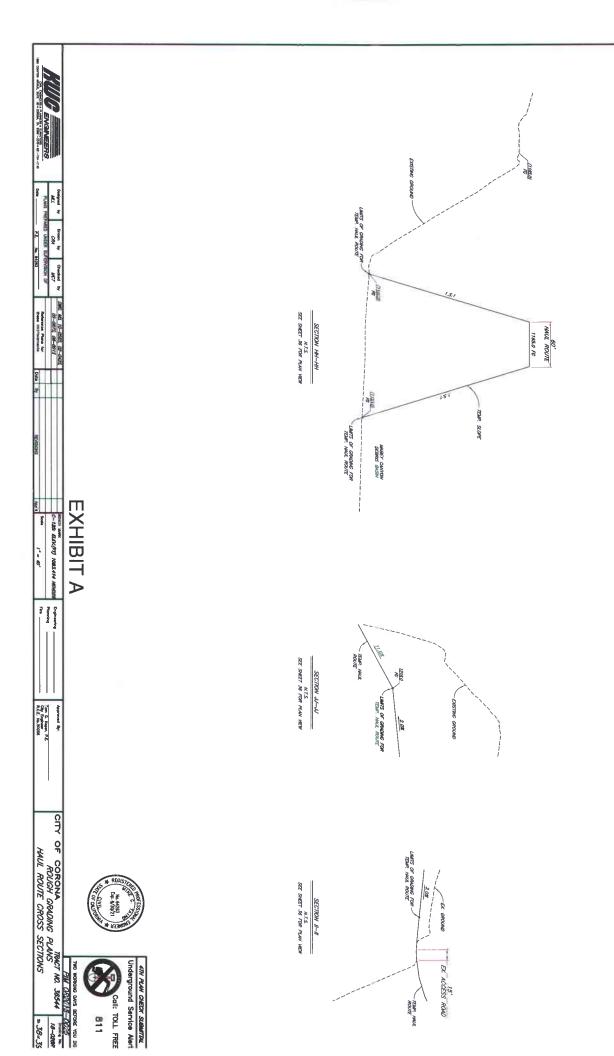
WE ENCLOSE HEREWITH THE ORIGINAL IRREVOCABLE LETTER OF CREDIT (AND ALL ORIGINAL AMENDMENTS THERETO DATED ON OR PRIOR TO THE DATE OF THESE TRANSFER INSTRUCTIONS). WE ASK YOU TO ENDORSE THE TRANSFER ON THE REVERSE THEREOF AND TO FORWARD SUCH ENDORSED IRREVOCABLE LETTER OF CREDIT DIRECTLY TO THE TRANSFEREE WITH YOUR CUSTOMARY NOTICE OF TRANSFER OR AT YOUR DISCRETION, REISSUE THE IRREVOCABLE LETTER OF CREDIT IN FAVOR OF THE TRANSFEREE WITH PROVISIONS CONSISTENT WITH THE IRREVOCABLE LETTER OF CREDIT.

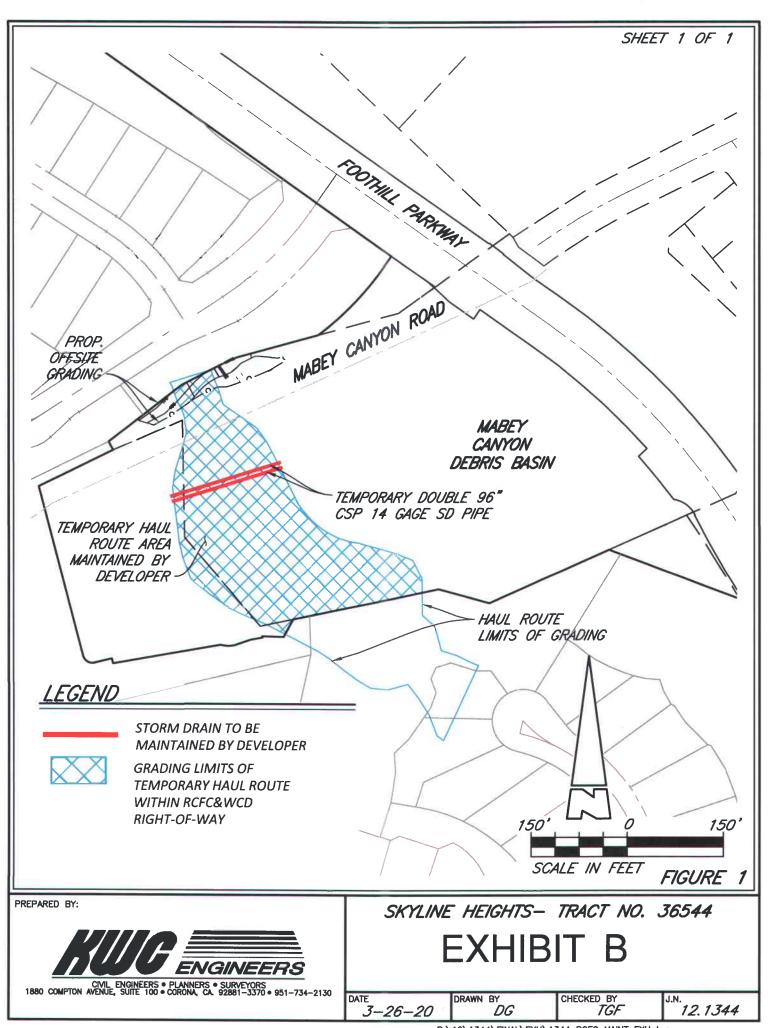
VERT TROCE TOOKS,
(NAME OF BENEFICIARY)
(AUTHORIZED SIGNATURE)
SIGNATURE AUTHENTICATED THE SIGNATURE WITH TITLE AS STATED CONFORMS WITH THAT ON FILE WITH US AND IS AUTHORIZED FOR TH
EXECUTION OF THIS INSTRUMENT.
(NAME OF BANK)
(AUTHORIZED SIGNATURE NAME AND TITLE)











#### **DISTRICT's Insurance Requirements is as follows:**

Without limiting or diminishing PERMITTEE's obligation to indemnify or hold DISTRICT harmless, PERMITTEE 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 PERMITTEE has employees as defined by the State of California, PERMITTEE 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. <u>Commercial General Liability</u>:

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 PERMITTEE'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 vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then PERMITTEE 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.

#### D. <u>Professional Liability</u>:

PERMITTEE shall cause any architect or engineer retained by PERMITTEE in connection with the performance of PERMITTEE'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. PERMITTEE 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. Pollution and Asbestos Liability:

PERMITTEE or its construction contractor(s) shall obtain, at its sole expense and keep in effect during the term of the contract, Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions (if project involves environmental hazards) covering PERMITTEE's or its construction contractor(s) liability for a third party bodily injury and property damage arising from pollution conditions caused by the PERMITTEE or its construction contractor(s) while performing their operations under the contract. The insurance coverage shall apply to sudden and accidental pollution events. Any coverage restriction as to time limit for discovery of a pollution incident and/or a time limit for notice to the insurer must be accepted by the DISTRICT. The insurance coverage shall also respond to cleanup cost. This coverage may be written in combination with the commercial general liability insurance or professional liability insurance.

PERMITTEE or its construction contractor(s) shall maintain Pollution Legal Liability and/or Asbestos Legal Liability and/or Errors and Omissions with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate. The policy shall be endorsed to state that the general aggregate limit of liability shall apply separately to this contract. Any self-insured retention/deductible amount shall be submitted to the DISTRICT for review and approval. If PERMITTEE or its construction contractor(s) maintains broader coverage and/or higher limits than the minimums shown above, the DISTRICT requires and shall be entitled to the broader coverage and/or higher limits maintained by PERMITTEE or its construction contractor(s).

Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the DISTRICT.

In the event, PERMITTEE or its construction contractor(s) encounters materials on the site that is believed to be asbestos or polychlorinated biphenyl (PCB) which has not been rendered harmless, PERMITTEE or its construction contractor(s) shall immediately stop work in the area affected and report the condition to the DISTRICT in writing. The work in the affected area shall not thereafter be resumed except by written agreement of the DISTRICT and PERMITTEE, if in fact the material is asbestos or polychlorinated biphenyl (PCB) and has not been rendered harmless. The work in the affected area shall be resumed in the absence of asbestos or polychlorinated biphenyl (PCB), or when it has been rendered harmless, by written agreement of the DISTRICT and PERMITTEE.

PERMITTEE or its construction contractor(s) shall not be required to perform without consent any work relating to asbestos or polychlorinated biphenyl (PCB).

#### F. 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 PERMITTEE 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, PERMITTEE'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.
- c. PERMITTEE 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 PERMITTEE insurance carrier(s) policies does not meet the minimum notice requirement found herein, PERMITTEE shall cause PERMITTEE'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 PERMITTEE'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 PERMITTEE has become inadequate.
  - g. PERMITTEE shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

<ul> <li>h. The insurance requirements contained in this Agreement may be n with a program(s) of self-insurance acceptable to DISTRICT.</li> <li>i. PERMITTEE agrees to notify DISTRICT of any claim by a third pa</li> </ul>	
i. PERIVITIEE agrees to notify DISTRICT of any claim by a time pa	ty
or any incident or event that may give rise to a claim arising from	
performance of this Agreement.	
performance of this rigidement.	
A CREEMENT FOR PROPERTY LICE	

# LEGAL DESCRIPTION OF TEMPORARY STOCKPILE EASEMENT

A Temporary Easement lying over, under, and across that portion of the easterly half of fractional Section 4, Township 4 South, Range 7 West, San Bernardino Meridian, in the City of Corona, County of Riverside, State of California, being more particularly described as follows:

**COMMENCING** at the Center quarter corner of said Fractional Section 4, as shown on a Record of Survey filed in Book 121, Pages 47 through 49, inclusive, of Record of Surveys, in the Office of the Recorder of said County;

Thence westerly along the southerly line of the northeast quarter of said Section and the southerly Line of Parcel 3 as recorded in Instrument No. 2000-479181 of Official Records of said County and as shown on said Record of Survey, South 89°28'41" East, a distance of 377.92 feet:

Thence northerly at right angles to and leaving said southerly line, North 0°31'19" East, a distance of 3.06 feet to the **TRUE POINT OF BEGINNING**;

Thence North 31°50'24" East, a distance of 313.89 feet;

Thence South 59°31'13" East, a distance of 475.87 feet;

Thence South 40°51'01" West, a distance of 109.75 feet;

Thence South 34°35'28" East, a distance of 175.35 feet to the beginning of a tangent curve, concave southwesterly and having a radius of 324.47 feet;

Thence southeasterly along said curve, through a central angle of 16°49'28", an arc length of 95.28 feet to the northerly line of that Parcel of land recorded June 19, 1974 as Instrument No. 76072 of Official Records of said County;

Thence southwesterly along said Parcel, South 62°39'38" West, 66.19 feet to an angle point on the northerly line of said Parcel;

Thence southwesterly along said Parcel, South 52°20'21" West, 27.23 feet to a beginning of a non-tangent curve, concave southwesterly and having a radius of 234.47 feet, a radial line of which bears North 77°11'37" East;

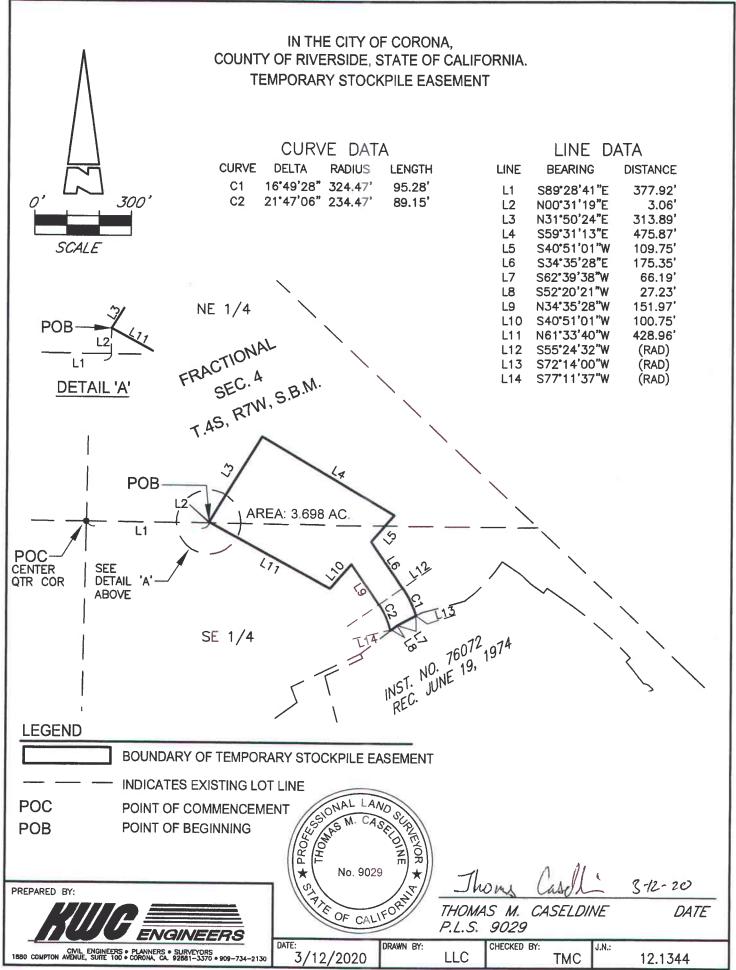
Thence leaving said northerly line of said Parcel, northwesterly along said curve, through a central angle of 21°47'06", an arc length of 89.15 feet;

Thence North 34°35'28" West, a distance of 151.97 feet:

Thence South 40°51'01" West, a distance of 100.75 feet;

Thence North 61°33'40' West, a distance of 428.96 feet to said **POINT OF BEGINNING**.

Easement Contains 3.698 Acres, more or less.



End North: 2,255,875.1657'

East: 6,148,336.6553'

Segment#7: Line

Course: S62°39'38"W

North: 2,255,844.7672'

Length: 66.19'

East: 6,148,277.8586'

Segment# 8: Line

Course: S52°20'21"W

North: 2,255,828.1300'

Length: 27.23'

East: 6,148,256.3022'

Segment# 9: Curve

Length: 89.15'

Delta: 21°47'06"

Chord: 88.61'

Course In: S77°11'37"W

Course III: 3// 113/ W

RP North: 2,255,776.1580'

End North: 2,255,909.2704'

Radius: 234.47'

Tangent: 45.12'

Course: N23°41'56"W

Course Out: N55°24'32"E

East: 6,148,027.6648'

East: 6,148,220.6862'

Segment# 10: Line

Course: N34°35'28"W

North: 2,256,034.3758'

Length: 151.97'

East: 6,148,134.4104'

Segment# 11: Line

Course: S40°51'01"W

North: 2,255,958.1664'

Length: 100.75'

East: 6,148,068.5114'

Perimeter: 2,034.39'

Error Closure: 0.0108

Error North: -0.00660

Area: 161,096.83Sq.Ft.

Course: S52°16'21"E

East: 0.00852

Precision 1: 188,369.44