

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



ITEM: 3.42
(ID # 21522)

MEETING DATE:

Tuesday, April 18, 2023

FROM : TLMA-TRANSPORTATION:

SUBJECT: TRANSPORTATION AND LAND MANAGEMENT AGENCY/TRANSPORTATION:
Approval of Cooperative Agreement Between the County of Riverside, the Riverside County Flood Control and Water Conservation District and Taylor Morrison of California, LLC for Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2 (Tract Map No. 37449-3), Project No. 7-0-00245, CEQA Exempt pursuant to State CEQA Guidelines Section 15061(b)(3), District 3. [\$0] (Companion to MT No. 21459)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that execution of the Cooperative Agreement is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), the "Common Sense" exemption and nothing further is required under the California Environmental Quality Act (CEQA);
2. Approve the Cooperative Agreement between the County of Riverside ("County"), the Riverside County Flood Control and Water Conservation District ("District") and Taylor Morrison of California, LLC ("Developer");
3. Authorize the Chair of the Board of Supervisors to execute the Cooperative Agreement documents on behalf of the County; and
4. Authorize the Director of Transportation 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 or the property, subject to approval by County Counsel.

ACTION:Policy


Mark Lancaster, Director of Transportation 4/5/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: April 18, 2023
xc: Trans., Flood

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

(Companion Item 11.1)

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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
SOURCE OF FUNDS: Developer Funds 100%. No General Funds will be used on this project.			Budget Adjustment: No	
			For Fiscal Year: 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Cooperative Agreement ("Agreement") set forth the terms and conditions by which certain flood control facilities required as a condition of approval for Tract Map No. 37449-3 are to be constructed by Developer and inspected, operated and maintained by the County, District 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 of Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2 facility.

Upon completion of construction, the County will assume ownership, operation and maintenance of certain lateral storm drains measuring thirty-six inches (36") in diameter or less, various catch basins, inlets, connector pipes, concrete pad and drop inlet located within the County's rights of way. Upon completion of construction. The District will assume ownership, operation and maintenance of mainline storm drains greater than 36 inches in diameter and safety devices, the Developer will assume ownership, operation and maintenance of a flared end drainage section, a concrete pad with grated catch basins and trash rack located within Developer held rights of way or easements.

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 Flood Control and Water Conservation District's agenda on the same date.

Environmental Findings

This Agreement is exempt from CEQA pursuant to the CEQA Guidelines Section 15061(b)(3), which provides, "The activity is covered by the commonsense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." The Agreement does not authorize actual physical development of the underlying property to any extent whatsoever. The Agreement merely establishes the terms and conditions

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STATE OF CALIFORNIA**

under which the District will accept future operation and maintenance responsibilities of the facilities identified in the Agreement if and when they are constructed. Such development, if it occurs at all, is subject to separate CEQA review by the lead agency with land use authority over the development prior to construction. As such, execution of this Agreement is a separate and distinct project under CEQA from the development of the site, therefore, it can be seen with certainty that there is no possibility that executing this Agreement will have a significant effect on the environment.

Impact on Residents and Businesses

Construction of these drainage improvements is a requirement for the development of Tract Map No. 37449-3. The key beneficiaries are the future owners of the property.

Additional Fiscal Information

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

ATTACHMENTS:

Vicinity Map
Cooperative Agreement



Jason Farin, Principal Management Analyst 4/11/2023



Aaron Gettis, Deputy County Counsel 4/11/2023

COOPERATIVE AGREEMENT

Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2
Project No. 7-0-00245
Tract Map No. 37449-3

This Cooperative Agreement ("Agreement"), dated as of 4-18-23,

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, on behalf of its Transportation Department ("COUNTY") and Taylor Morrison of California, LLC, a California limited liability company ("DEVELOPER"). DISTRICT, COUNTY and DEVELOPER are individually referred to herein as "Party" and collectively referred to herein as "Parties". The Parties hereto hereby agree as follows:

RECITALS

A. DEVELOPER is the legal owner of record of certain real property located within the County of Riverside. The legal description of Tract Map No. 37449-3 is provided in Exhibit "A", attached hereto and made a part hereof; and

B. DEVELOPER has submitted for approval Tract Map No. 37449-3, located in an unincorporated area of western Riverside County. Pursuant to the conditions of approval for the proposed development Tract Map No. 37449-3, DEVELOPER must construct certain flood control facilities to provide flood protection and drainage for DEVELOPER's planned development; and

C. The required flood control facilities and drainage improvements, are shown on DISTRICT's Drawing No. 7-0571 and as shown in concept on Exhibit "B", attached hereto and made a part hereof and include the construction of:

- i. Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2 ("BELLE TERRE LINE B STAGE 2"), which is comprised of

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approximately 961 lineal feet of 54-inch reinforced concrete pipe and as shown in concept in "blue" on Exhibit "B". At its downstream terminus, BELLE TERRE LINE B STAGE 2 will connect to DISTRICT's Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 1 facility as shown on DISTRICT's Drawing No. 7-0562;

- ii. All safety devices requested by DISTRICT staff during the course of 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's contractor, and subject to DISTRICT's inspection and approval.
- iii. Together, BELLE TERRE LINE B STAGE 2 and SAFETY DEVICES are hereinafter called "DISTRICT DRAINAGE FACILITIES"; and

D. Associated with the construction of DISTRICT DRAINAGE FACILITIES is the construction of certain lateral storm drains that are thirty-six inches (36") or less in diameter, which includes various catch basins, inlets, connector pipes, curb and gutters, concrete pad and drop inlet located within COUNTY rights of way ("COUNTY FACILITIES"); and

E. Associated with the construction of DISTRICT DRAINAGE FACILITIES and COUNTY FACILITIES is the construction of a flared end drainage section ("END SECTION") and a concrete pad with grated catch basins and trash rack ("GRATING BASIN"). END SECTION and GRATING BASIN are called ("DEVELOPER FACILITIES") and are to be initially owned and maintained by DEVELOPER. END SECTION is subsequently owned and maintained by the Property Owner(s) for Tract Map No. 37449-3, and GRATING BASIN is

subsequently owned and maintained by the Homeowners' Association ("HOA") for Tract Map No. 37449-3. In the event (i) DEVELOPER does not transfer ownership, operation and maintenance of DEVELOPER FACILITIES to either the Property Owner(s) or HOA, (ii) DEVELOPER dissolves, or (iii) HOA never forms or dissolves, COUNTY shall be responsible for the operation and maintenance of DEVELOPER FACILITIES identified on DISTRICT Drawing No. 7-0571; and

F. Together, DISTRICT DRAINAGE FACILITIES, COUNTY FACILITIES, and DEVELOPER FACILITIES are hereinafter called ("PROJECT"); and

G. Tract Map No. 37449-3 is located within Murrieta Creek/Warm Springs Valley Area Drainage Plan ("MURRIETA CREEK/WARM SPRINGS VALLEY ADP"). The MURRIETA CREEK/WARM SPRINGS VALLEY ADP Fee obligation for Tract Map No. 3744-3 ("MURRIETA CREEK/WARM SPRINGS VALLEY ADP OBLIGATION") shall be calculated in accordance with the "Rules and Regulations for Administration of Murrieta Creek/Warm Springs Valley Area Drainage Plans", adopted dated September 16, 1980, and as amended ("RULES"); and

H. BELLE TERRE LINE B STAGE 2 is an identified segment of MURRIETA CREEK/WARM SPRINGS VALLEY ADP ("MURRIETA CREEK/WARM SPRINGS VALLEY ADP FACILITY"); and

I. Pursuant to RULES and the provisions of this Agreement, if DISTRICT estimates that upon constructing BELLE TERRE LINE B STAGE 2, DEVELOPER would earn ADP fee credit ("MURRIETA CREEK/WARM SPRINGS VALLEY ADP CREDIT") for constructing MURRIETA CREEK/WARM SPRINGS VALLEY ADP FACILITY, MURRIETA CREEK/WARM SPRINGS VALLEY ADP CREDIT may be used to satisfy the ADP fee obligation for future development for properties located within the boundaries of the

MURRIETA CREEK/WARM SPRINGS VALLEY ADP, hereinafter called "ELIGIBLE PROPERTIES"; and

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

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

L. DISTRICT is willing to accept ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES provided DEVELOPER performs all of the following: (i) complies with this Agreement; (ii) prepares PROJECT plans in accordance with DISTRICT and COUNTY approved plans and specifications and this Agreement, (iii) constructs PROJECT in accordance with DISTRICT and COUNTY approved plans and specifications, and (iv) 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 DRAINAGE FACILITIES and COUNTY accepts ownership and responsibility for the operation and maintenance of COUNTY FACILITIES as set forth herein; and

M. COUNTY is willing to (i) accept and hold faithful performance and payment bonds submitted by DEVELOPER on behalf of DISTRICT for DISTRICT DRAINAGE FACILITIES and COUNTY for COUNTY FACILITIES, (ii) grant DISTRICT the right to inspect, operate and maintain DISTRICT DRAINAGE FACILITIES within COUNTY rights of way, and (iii) accept ownership and responsibility for the operation and maintenance of COUNTY FACILITIES, provided PROJECT is constructed in accordance with plans and specifications approved by DISTRICT and COUNTY.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the Parties hereto mutually agree that the above recitals are true and correct and incorporated into the terms of this Agreement and 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) calendar 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 (i) the review and approval of IMPROVEMENT PLANS, (ii) the processing and administration of this Agreement, and (iii) construction inspection costs. Additionally, DEVELOPER shall pay COUNTY, within thirty (30) calendar 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 and approval of IMPROVEMENT PLANS, (ii) the processing and administration of this Agreement, and (iii) construction inspection costs.

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

4. Upon execution of this Agreement or not less than twenty (20) calendar days prior to recordation of the final map for Tract Map No. 37449-3 or any phase thereof, whichever occurs first, provide COUNTY with faithful performance and payment bonds in accordance with COUNTY's Ordinance No. 460 including any amendments thereto, for the

estimated cost of construction of (i) DISTRICT DRAINAGE FACILITIES as determined by DISTRICT and (ii) COUNTY FACILITIES 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 DRAINAGE FACILITIES are accepted by DISTRICT as complete and COUNTY FACILITIES are accepted by COUNTY as complete.

5. Upon execution of this Agreement, pay DISTRICT the one-time cash sum of Seventy-Six Thousand Eight Hundred Dollars (\$76,800.00), the amount agreed upon to cover DISTRICT's estimated cost to operate and maintain DISTRICT DRAINAGE FACILITIES, for a period of ten (10) years (Zone 7 – Maintenance Trust fund) commencing upon DISTRICT's acceptance of DISTRICT DRAINAGE FACILITIES as complete for ownership, operation and maintenance.

6. Upon DISTRICT's approval of IMPROVEMENT PLANS, deposit with DISTRICT (Attention: Business Office – Accounts Receivable) and notify Contract Services Section, the estimated cost of providing construction inspection for DISTRICT DRAINAGE 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 DRAINAGE FACILITIES.

7. Upon DISTRICT's approval of IMPROVEMENT PLANS, furnish DISTRICT (Attention: Contract Services Section), 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.

8. Upon DISTRICT's approval of IMPROVEMENT PLANS, furnish DISTRICT (Attention: Contract Services Section), 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 or COUNTY.

9. Upon DISTRICT's approval of IMPROVEMENT PLANS and prior to commencing construction of PROJECT, furnish DISTRICT (Attention: Contract Services Section), 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.

10. Upon DISTRICT's approval of IMPROVEMENT PLANS, an original certificate of insurance evidencing the required insurance coverage shall be provided to DISTRICT (Attention: Contract Services Section) and COUNTY. At minimum, the procured insurance coverages should adhere to DISTRICT's required insurance provided in Exhibit "C", attached hereto and made a part hereof. DEVELOPER shall not commence construction until DISTRICT 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. 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 DRAINAGE FACILITIES due, either in whole or in part, to said breach of this Agreement.

11. Upon DISTRICT approval of IMPROVEMENT PLANS, or not less than twenty (20) calendar days prior to recordation of the final map for Tract Map No. 37449-3 or any phase thereof, whichever occurs first, DEVELOPER shall furnish DISTRICT (Attention: Plan Check Section) and COUNTY with sufficient evidence of DEVELOPER securing the necessary licenses, agreements, permits, approvals, rights of way, rights of entry, and temporary construction easements, as may be needed for the construction, inspection, operation and maintenance of PROJECT as determined and approved by DISTRICT and COUNTY.

12. [INTENTIONALLY DELETED]

13. [INTENTIONALLY DELETED]

14. Prior to the start on any portion of PROJECT construction, 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.

15. After receiving DISTRICT's plan check and administrative clearance for PROJECT as set forth in Sections I.4 through I.14., notify DISTRICT (Attention: Construction Management Section) and COUNTY with twenty (20) calendar 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 and concrete mix designs for DISTRICT's review and approval. Construction shall not begin on any element of PROJECT, for any reason whatsoever, until DISTRICT has issued to DEVELOPER a written Notice to Proceed authorizing DEVELOPER to commence construction of PROJECT. DISTRICT reserves the right to withhold issuance of the Notice to Proceed in accordance with Section IV.4.

16. Prior to commencing construction, obtain and 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").

17. 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.

18. Comply with all Cal/OSHA safety regulations including, but not limited to, regulations concerning confined space and maintain a safe working environment for DEVELOPER, DISTRICT and COUNTY employees on the site.

19. Upon receipt of DISTRICT's written Notice to Proceed, construct or cause to be constructed PROJECT at DEVELOPER's sole cost and expense in accordance with DISTRICT and COUNTY approved IMPROVEMENT PLANS.

20. 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 request (i) DISTRICT conduct a final inspection of DISTRICT DRAINAGE FACILITIES and (ii) COUNTY conduct a final inspection of COUNTY FACILITIES.

21. [INTENTIONALLY DELETED]

22. [INTENTIONALLY DELETED]

23. Upon completion of PROJECT construction, accept ownership, sole responsibility and all liability whatsoever for the ownership, operation and maintenance of DEVELOPER FACILITIES until such time as HOA and the Property Owner(s) accept ownership and responsibility for the operation and maintenance of GRATING BASIN and END STATION. Additionally, DEVELOPER shall accept ownership, sole responsibility and all liability whatsoever for the operation and maintenance of PROJECT until such time as (i) DISTRICT accepts ownership and responsibility for operation and maintenance of DISTRICT DRAINAGE FACILITIES and (ii) COUNTY accepts ownership and responsibility for operation and maintenance of COUNTY FACILITIES. DISTRICT DRAINAGE 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 DRAINAGE FACILITIES is not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER. DEVELOPER shall continue to be responsible to own, operate and maintain DEVELOPER FACILITIES.

24. Upon completion of PROJECT construction but prior to DISTRICT acceptance of DISTRICT DRAINAGE 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 IMPROVEMENT 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 IMPROVEMENT PLANS as "record drawings".

25. 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.

26. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of PROJECT or the quality of the work, 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 County of Riverside Recorder.

4. [INTENTIONALLY DELETED]

5. Endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) calendar days of receipt of DEVELOPER's complete written notice as set forth in Section I.15.;

however, DISTRICT's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

6. Reserves the right to withhold issuance of the Notice to Proceed pursuant to Section IV.4.

7. Inspect construction of DISTRICT DRAINAGE FACILITIES.

8. Keep an accurate accounting and submit periodic invoices to DEVELOPER of all DISTRICT costs associated (i) with the review and approval of IMPROVEMENT PLANS, and (ii) the processing and administration of this Agreement.

9. Keep an accurate accounting of all DISTRICT construction inspection costs and within forty-five (45) calendar days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section I.6., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) calendar days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES as being complete.

10. Provide DEVELOPER with a reproducible duplicate copy of "record drawings" of IMPROVEMENT PLANS upon (i) DISTRICT acceptance of PROJECT construction as being complete and (ii) DISTRICT receipt of stamped and signed "record drawing" of IMPROVEMENT PLANS as set forth in Section I.24.

11. Prior to DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES, DISTRICT DRAINAGE 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 DRAINAGE FACILITIES are not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.

12. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES upon (i) DISTRICT inspection of DISTRICT DRAINAGE FACILITIES in accordance with Section I.20., (ii) DISTRICT acceptance of PROJECT construction as being complete; (iii) DISTRICT receipt of stamped and signed "record drawings" of IMPROVEMENT PLANS as set forth in Section I.24., (iv) DISTRICT DRAINAGE FACILITIES are fully functioning as a flood control drainage system as solely determined by DISTRICT, and (v) DISTRICT's sole determination that DISTRICT DRAINAGE FACILITIES are in a satisfactorily maintained condition.

13. Upon DISTRICT acceptance of DISTRICT FACILITIES, provide COUNTY with (i) a reproducible duplicate copy of "record drawings" of constructed DISTRICT FACILITIES, (ii) a written notice that PROJECT is complete, and (iii) request COUNTY to release bonds held for DISTRICT FACILITIES and COUNTY FACILITIES.

SECTION III

COUNTY shall:

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

2. Accept COUNTY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, which meet the requirements of COUNTY Ordinance No. 460, including any amendments thereto, as set forth in Section I.4., for the estimated cost for construction of DISTRICT DRAINAGE FACILITIES as determined by DISTRICT and of COUNTY FACILITIES as determined by COUNTY and hold said bonds as provided herein. The surety, amount and form of the bonds shall list DISTRICT and COUNTY as obligees, be subject to approval of DISTRICT (Attention: Contract Services Section) and

COUNTY. The bonds shall remain in full force and effect until DISTRICT DRAINAGE FACILITIES are accepted by DISTRICT and COUNTY FACILITIES are accepted by COUNTY as complete. Both bonds shall be subscribed by an Admitted Surety Insurer, which is authorized to transact surety insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or larger. Should any bond or surety become insufficient, DEVELOPER shall furnish a new bond within ten (10) calendar days after receiving notice from COUNTY. COUNTY shall not release said bonds until DISTRICT provides COUNTY with a reproducible duplicate copy of "record drawings" and written notification as set forth in Section II.13.

3. Request DEVELOPER update the construction schedule, as deemed necessary.
4. Inspect PROJECT construction.
5. [INTENTIONALLY DELETED]
6. [INTENTIONALLY DELETED]
7. Grant DISTRICT, by execution of this Agreement, the right to inspect, operate and maintain DISTRICT DRAINAGE FACILITIES within COUNTY rights of way.
8. [INTENTIONALLY DELETED]
9. Accept ownership and sole responsibility for the operation and maintenance of COUNTY FACILITIES upon (i) DISTRICT acceptance of DISTRICT DRAINAGE FACILITIES for ownership, operation and maintenance, (ii) COUNTY's final inspection of COUNTY FACILITIES, and (iii) COUNTY's sole determination that COUNTY FACILITIES are in a satisfactorily maintained condition.
10. Release occupancy permits in accordance with the approved conditions of Approval for Tract Map No. 37449-3.

11. 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 DRAINAGE FACILITIES are improved, repaired, replaced or changed. It being further understood and agreed that any such adjustments shall be performed by COUNTY at no cost to DISTRICT.

SECTION IV

It is further mutually agreed:

1. DISTRICT may withhold acceptance for ownership and sole responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITIES unless and until DEVELOPER performs all obligations under this Agreement.

2. 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.

3. COUNTY and DISTRICT personnel may observe and inspect all work being done on DISTRICT DRAINAGE 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 DISTRICT DRAINAGE FACILITIES.

4. If DEVELOPER fails to commence construction of PROJECT within twenty-four (24) consecutive months after execution of this Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed after this period of time 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.15. 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 DRAINAGE FACILITIES, DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT.

5. DEVELOPER shall complete construction of PROJECT within twelve (12) consecutive months after commencement of construction of PROJECT, it is expressly understood that since time is of the essence in this Agreement, unless DISTRICT and COUNTY agree to extend the time to complete construction. Failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority (i) for DISTRICT to terminate the Agreement and (ii) for COUNTY to require DEVELOPER's surety to pay to COUNTY the penal sum of any and all bonds for DISTRICT to complete construction and perform any other remaining work on DISTRICT FACILITIES and COUNTY FACILITIES. In the event, COUNTY and DISTRICT elect to proceed under Section IV.5.ii, the following provisions (a) and (b) apply:

- a. DEVELOPER grants to DISTRICT and DISTRICT's officers, deputies, employees, agents, representatives, contractors and other designees the irrevocable permission to enter upon the Tract Map No. 37749-3 to complete construction and perform any other remaining work on DISTRICT DRAINAGE FACILITIES and COUNTY FACILITIES. This right of entry shall terminate when such construction and any other remaining work is complete.
- b. COUNTY shall enforce the bonds and subsequently reimburse DISTRICT for DISTRICT costs incurred. If funds from the bond are insufficient to cover both COUNTY and DISTRICT's costs, COUNTY and DISTRICT shall negotiate an allocation of funds

between them and determine whether COUNTY or DISTRICT shall cover the remaining costs.

6. 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 DRAINAGE FACILITIES construction and quality control matters. If DEVELOPER's initial construction inspection deposit furnished pursuant to Section I.6. 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) calendar days of DISTRICT's approval of DEPUTY INSPECTOR; however, a minimum balance of Ten Thousand Dollars (\$10,000) shall be retained on account.

7. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT or COUNTY designated legal holidays, unless otherwise approved in writing by DISTRICT and COUNTY. 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 and COUNTY to work the additional hours. The request shall be submitted to DISTRICT and COUNTY 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 and COUNTY at their sole discretion and shall be final. If permission is granted by DISTRICT and COUNTY, 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.

8. DEVELOPER shall indemnify, defend and hold harmless and require DEVELOPER's construction contractor(s) to identify, defend and hold harmless DISTRICT and COUNTY (including each of their respective Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) (individually and collectively referred to as "Indemnitees") from any liability, action, claim or damage whatsoever, based or asserted upon any acts, omissions, or services of DEVELOPER and/or DEVELOPER's construction contractor(s), (including their respective officers, employees, subcontractors, agents or representatives) (individually and collectively hereinafter referred to as "Indemnitors") arising out of or in any way relating to this Agreement, including, but not limited to, property damage, bodily injury or death, or any other element of any kind or nature whatsoever. DEVELOPER or DEVELOPER's construction contractor(s) shall defend, at its sole expense, all costs and fees (including, but not limited to, attorney fees, cost of investigation, defense, and settlements or awards) in any claim or action based upon such alleged acts or omissions. All applicable indemnification provisions of this Agreement shall remain in effect following the termination of the Agreement.

9. With respect to any action or claim subject to indemnification herein by DEVELOPER, DEVELOPER shall, at their sole cost, have the right to use counsel of their own choice and may adjust, settle, or compromise any such action or claim only with the prior consent of DISTRICT and COUNTY. Any such adjustment, settlement or compromise shall not in any

manner whatsoever limit or circumscribe DEVELOPER's indemnification to Indemnites as set forth herein.

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

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

12. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve DEVELOPER or DEVELOPER's construction contractor(s) from indemnifying the Indemnites to the fullest extent allowed by law.

13. 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 DISTRICT or COUNTY (including their Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed

officials, employees, agents and representatives) of DEVELOPER 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 by DEVELOPER after the acceptance of PROJECT by DISTRICT or COUNTY.

14. 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 estopping such Party from enforcement hereof.

15. 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:

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

To COUNTY: COUNTY OF RIVERSIDE
4080 Lemon Street, 8th Floor
Riverside, CA 92501
Attn: Transportation Department
Plan Check Section

To DEVELOPER: TAYLOR MORRISON OF CALIFORNIA, LLC
4695 MacArthur Court, 8th Floor
Newport Beach, CA 92660
Attn: Jared Aronowitz

16. 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 and effect without being impaired or invalidated in any way.

17. 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.

18. 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.

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

20. No Party shall assign this Agreement without the written consent of all other Parties. Any attempt to delegate or assign any interest herein without written consent of all other Parties shall be deemed void and of no effect. In the event DEVELOPER sells Tract Map No. 37449-3, DEVELOPER shall notify DISTRICT and COUNTY of any such transfer or assignment in writing no later than thirty (30) calendar 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 in this Agreement until DISTRICT, COUNTY, DEVELOPER and the new owner(s) of Tract Map No. 37449-3 fully execute an assignment and assumption agreement that transfers all DEVELOPER's rights, duties or obligations hereunder to the new owner(s) of Tract Map No. 37449-3.

21. 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.

22. This Agreement is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter 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.

23. 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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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on

4/18/23

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

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

By *J. Uhley*
JASON E. UHLEY
General Manager-Chief Engineer

By *Karen S. Spiegel*
KAREN SPIEGEL, Chair
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

MINH C. TRAN
County Counsel

KIMBERLY RECTOR
Clerk of the Board

By *Caroline Monroy*
CAROLINE MONROY
Deputy County Counsel

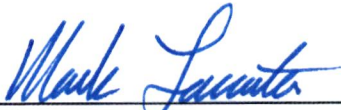
By *Bruna Smith*
Deputy


(SEAL)

Cooperative Agreement:
Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2
Project No. 7-0-00245
Tract Map No. 37449-3
03/01/23
AMR:blm

RECOMMENDED FOR APPROVAL:

COUNTY OF RIVERSIDE

By 
MARK LANCASTER
Director of Transportation


By 
KEVIN JEFFRIES, Chairman
Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

MINH C. TRAN
County Counsel

KIMBERLY RECTOR
Clerk of the Board

By 
STEPHANIE K. NELSON
Deputy County Counsel

By 
Deputy

(SEAL)

Cooperative Agreement:
Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2
Project No. 7-0-00245
Tract Map No. 37449-3
03/01/23
AMR:blm

TAYLOR MORRISON OF CALIFORNIA,
a California limited liability company

By Jared Aronowitz
JARED ARONOWITZ
Authorized Agent

(ATTACH NOTARY WITH CAPACITY
STATEMENT)

Cooperative Agreement:
Warm Springs Valley – Belle Terre Line B Storm Drain, Stage 2
Project No. 7-0-00245
Tract Map No. 37449-3
03/01/23
AMR:blm

ACKNOWLEDGMENT

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 Orange)

On March 2, 2023 before me, Crystal Villalobos, Notary Public
(insert name and title of the officer)

personally appeared Jared Aronowitz,
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.

Signature  (Seal)

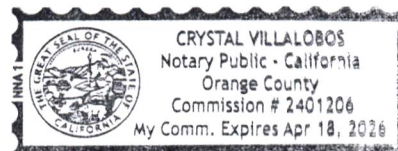


EXHIBIT A

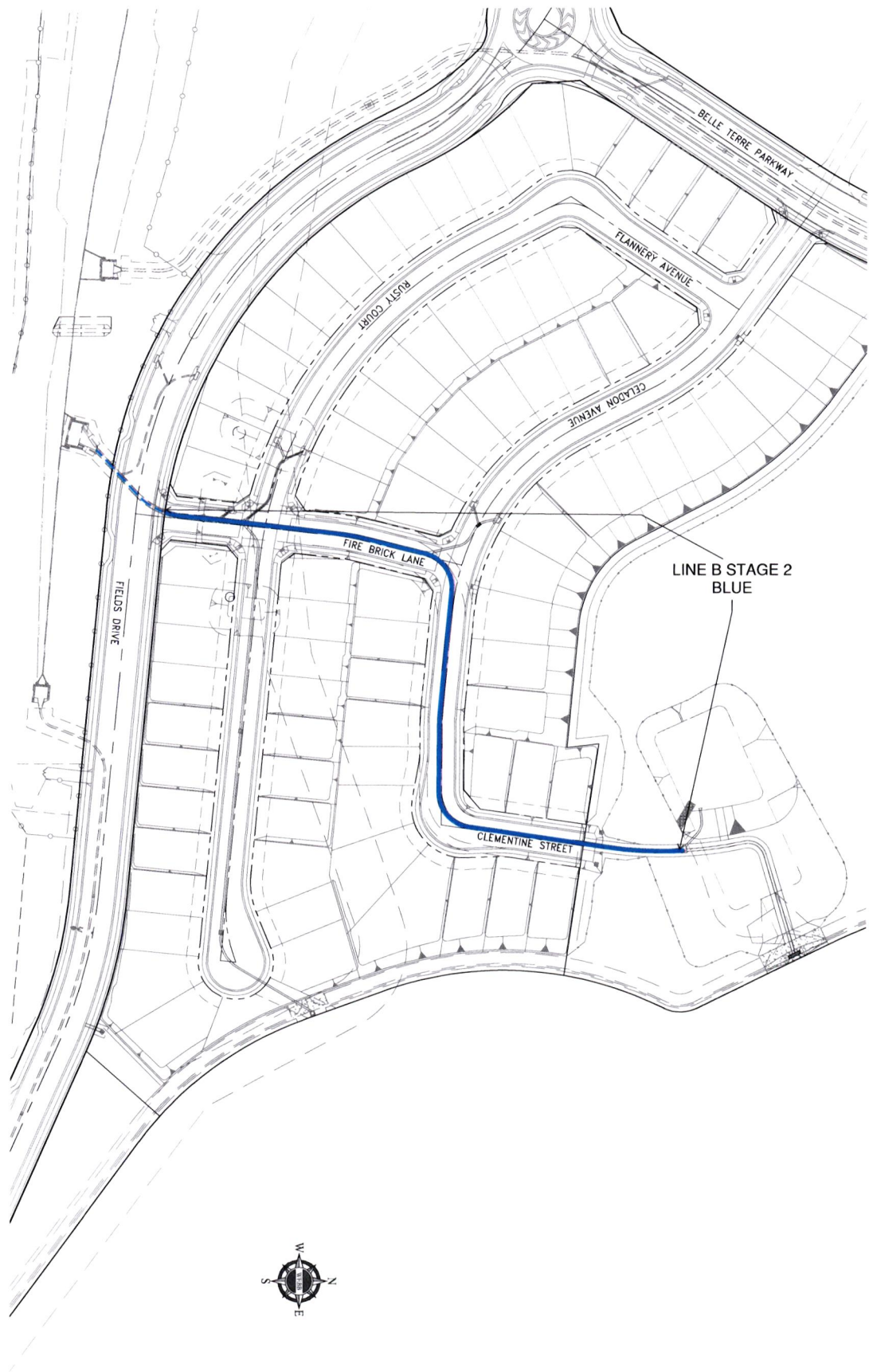
LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Riverside, State of California, described as follows:

PARCEL 7 OF PARCEL MAP NO. 37592, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 251, PAGES 83 THROUGH 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: Portion of 472-170-026(Old) and Portion of 472-180-033(Old); and 472-180-047(New)

EXHIBIT B



LINE B STAGE 2
BLUE



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 \$1,000,000 per occurrence and \$2,000,000 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

Exhibit C

related investigations, claims administration, and defense costs and expenses.

- 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,

Exhibit C

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.

- 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.