

COOPERATIVE AGREEMENT

Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
 Bedford Canyon - Bedford Canyon Drive Storm Drain, Stage 1
 Bedford Canyon - Arantine Hills Storm Drain, Stage 1
 Bedford Canyon - Olvida Drive Storm Drain, Stage 1
 Bedford Canyon - Olvida Drive Storm Drain, Stage 2
 Project Nos. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
 Tract Nos. 36294 and 37030

The Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), the City of Corona, a municipal corporation of the State of California ("CITY"), and Arantine Hills Holdings, LP, a Delaware limited partnership ("DEVELOPER"), hereby agree as follows:

RECITALS

A. DEVELOPER is the legal owner of record of certain real property located within the County of Riverside. DEVELOPER has submitted for approval Tract Nos. 36294 and 37030 located in the city of Corona. As a condition of approval, DEVELOPER must construct certain flood control facilities in order to provide flood protection and drainage for DEVELOPER's planned development; and

B. The legal description of Tract Nos. 36294 and 37030 are provided in Exhibit "A" attached hereto and made a part hereof; and

C. The required DISTRICT flood control facilities and drainage improvements are shown in concept on Exhibit "B" attached hereto and a part hereof, and as shown on DISTRICT's Drawing Nos. 2-0479 and 2-0481, includes the construction of:

- (i) Approximately 4,200 lineal feet of underground storm drain system ("LINE A");
- (ii) Approximately 978 lineal feet of underground storm drain system ("LINE G");

(iii) Approximately 173 lineal feet of underground storm drain system ("LINE K"). At its downstream terminus LINE K will outlet into the proposed Bedford Wash Channel; and

(iv) Approximately 55 lineal feet of underground storm drain system ("LINE C"). At its upstream terminus, LINE C will connect to proposed storm drain facility for Tract No. 37030; and

(v) Approximately 810 lineal feet of underground storm drain system for Tract No. 37030 ("LINE C STAGE 2"). At its downstream terminus, LINE C, STAGE 2 will connect to LINE C. Together, LINE A, LINE G, LINE K, LINE C, LINE C, STAGE 2 are called DISTRICT FACILITIES; and

D. DISTRICT FACILITIES are among the identified drainage improvements that may be included in a proposed Community Facilities District No. 2018-1, hereinafter called "BEDFORD CFD", that may be formed by CITY under the authority of the Mello-Roos Community Facilities Act of 1982 to provide, among other things, a means of financing the construction of the subject drainage facilities; and

E. Prior to a BEDFORD CFD formation, DISTRICT, CITY and DEVELOPER anticipate entering into a separate Joint Community Facilities Agreement, hereinafter called the "BEDFORD JCFA", whereby the BEDFORD CFD will attempt to sell bonds for the purpose of reimbursing DEVELOPER for costs associated with the construction of DISTRICT FACILITIES; and

F. It is the intent of DISTRICT, CITY and DEVELOPER that this Agreement shall principally address matters pertaining to the design, construction and inspection of DISTRICT FACILITIES and DISTRICT's acceptance thereof for ownership, operation and maintenance. If the BEDFORD CFD is formed, then it is the intent of DISTRICT, CITY and DEVELOPER that the BEDFORD JCFA shall principally address matters pertaining to formation

of BEDFORD CFD and the procedures DEVELOPER must follow to obtain any applicable reimbursement from BEDFORD CFD for some or all costs of constructing DISTRICT FACILITIES including, but not limited to, contracting requirements. No decisions have been made by CITY regarding the formation of the BEDFORD CFD or the inclusion in or the exclusion from the CFD of any or all of the DISTRICT FACILITIES and nothing in this Agreement is intended or shall be construed to create or affect any obligations of CITY and/or DEVELOPER to each other with respect to the BEDFORD CFD; and

G. Associated with the construction of DISTRICT FACILITIES is the construction of certain catch basins, inlets, curbs and gutters, connector pipes and various lateral storm drains that are thirty-six inches (36") or less in diameter located within CITY-held easements or rights of way ("APPURTENANCES"); and

H. Also associated with the construction of DISTRICT FACILITIES is the construction of (i) approximately 30 lineal feet of 42" reinforced concrete pipe/corrugated metal pipe ("DEVELOPER STORM DRAINS"); (ii) two (2) outlet riprap structures and an inlet structure; (iii) a detention basin; and (iv) private streets all located within privately-held easements or rights of way within DEVELOPER-held easements or rights of way ("DEVELOPER APPURTENANCES"). DEVELOPER STORM DRAINS and DEVELOPER APPURTENANCES are hereinafter called DEVELOPER FACILITIES. DEVELOPER FACILITIES are to be initially owned and maintained by DEVELOPER, and subsequently owned and maintained by the Home Owners' Association for Tract Nos. 36294 and 37030; and

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

J. On or about October 17, 2017, DISTRICT and DEVELOPER entered into a Right of Entry and Inspection Agreement that authorizes DEVELOPER to construct LINE A, LINE G, LINE K, and LINE C. Pursuant to the Right of Entry and Inspection Agreement,

DEVELOPER has commenced construction of LINE A, LINE G, LINE K, and LINE C; and

K. On or about December 21, 2017, DISTRICT and DEVELOPER entered into a Right of Entry and Inspection Agreement that authorizes DEVELOPER to construct LINE C STAGE 2. Pursuant to the Right of Entry and Inspection Agreement, DEVELOPER has commenced construction of LINE C, STAGE 2; and

L. All parties recognize and acknowledge that DISTRICT FACILITIES will not be accepted for ownership, operation and maintenance responsibilities by DISTRICT until the outlet for the proposed LINE K is constructed in accordance with the Bedford Canyon Wash Channel Plans as shown on DISTRICT's Drawing No. 2-0483; and

M. CITY and DEVELOPER desire DISTRICT to accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES. Therefore, DISTRICT must review and approve DEVELOPER's plans and specifications for DISTRICT FACILITIES and subsequently inspect the construction of DISTRICT FACILITIES; and

N. DISTRICT is willing to (i) review and approve DEVELOPER's plans and specifications for DISTRICT FACILITIES, (ii) inspect the construction of DISTRICT FACILITIES, and (iii) accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, provided that DEVELOPER (i) complies with this Agreement, (ii) constructs PROJECT in accordance with DISTRICT and CITY approved plans and specifications, (iii) obtains and conveys to DISTRICT the necessary rights of way for the inspection, operation and maintenance of DISTRICT FACILITIES; 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 FACILITIES; and

O. CITY is willing to (i) review and approve PROJECT plans and specifications, (ii) inspect the construction of PROJECT, (iii) accept and hold faithful

performance and payment bonds submitted by DEVELOPER for DISTRICT FACILITIES, (iv) grant DISTRICT the right to inspect, operate and maintain DISTRICT FACILITIES located within CITY rights of way, and (v) consent to the recordation and conveyance of the Irrevocable Offer(s) of Dedication furnished by DEVELOPER, provided PROJECT is constructed in accordance with plans and specifications approved by DISTRICT and CITY.

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

SECTION I

DEVELOPER shall:

1. Prepare PROJECT plans and specifications ("IMPROVEMENT PLANS"), including separate plans and specifications for DISTRICT FACILITIES, in accordance with applicable DISTRICT and CITY standards, and submit to DISTRICT and CITY for their respective review and approval.
2. Continue to pay DISTRICT, within thirty (30) days after receipt of periodic billings from DISTRICT, any and all such amounts as are deemed reasonably necessary by DISTRICT to cover DISTRICT's costs associated with the review of IMPROVEMENT PLANS, review and approval of right of way and conveyance documents, and with the processing and administration of this Agreement.
3. Deposit with DISTRICT (Attention: Business Office - Accounts Receivable), at the time of providing written notice to DISTRICT of the start of PROJECT construction as set forth in Section I.8. herein, the estimated cost of providing construction inspection for DISTRICT FACILITIES, in an amount as determined and approved by DISTRICT in accordance with Ordinance Nos. 671 and 749 of the County of Riverside, including any amendments thereto, based upon the bonded value of DISTRICT FACILITIES.
4. Secure, at its sole cost and expense, all 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. DEVELOPER shall furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., or not less than twenty (20) days prior to recordation of the final map for Tract Nos. 36294 and 37030 or any phase thereof, whichever occurs first, with sufficient evidence of DEVELOPER having secured such necessary licenses, agreements, permits, approvals, rights of way, rights of entry and temporary construction easements as determined and approved by DISTRICT and CITY.

5. Prior to commencing construction, furnish DISTRICT and CITY 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").

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

7. Provide CITY, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., or not less than twenty (20) days prior to recordation of the final map for Tract Nos. 36294 and 37030 or any phase thereof, whichever occurs first, with faithful performance and payment bonds, each in the amount of one hundred percent (100%) of the estimated cost for construction of DISTRICT FACILITIES as determined by DISTRICT. The surety, amount and form of the bonds shall be subject to the approval of DISTRICT and CITY. The bonds shall remain in full force and effect until DISTRICT FACILITIES are accepted by DISTRICT and CITY as complete; at which time the bond amount

may be reduced to twenty five percent (25%) for a period of one year to guarantee against any defective work, labor or materials.

8. Notify DISTRICT in writing (Attention: Contract Services Section) at least twenty (20) days prior to the start of construction of PROJECT. 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.

9. Obtain and provide DISTRICT (Attention: Right of Way Acquisition Section), at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., or not less than twenty (20) days prior to the recordation of the final map for Tract Nos. 36294 and 37030 or any phase thereof, whichever occurs first, with duly executed Irrevocable Offer(s) of Dedication to the public for flood control and drainage purposes, including ingress and egress, for the rights of way deemed necessary by DISTRICT for the construction, inspection, operation and maintenance of DISTRICT FACILITIES. The Irrevocable Offer(s) of Dedication shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the offer(s).

10. Furnish DISTRICT, when submitting the Irrevocable Offer(s) of Dedication as set forth in Section I.9. with Preliminary Reports on Title dated not more than thirty (30) days prior to date of submission of all the property described in the Irrevocable Offer(s) of Dedication.

11. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., with a complete list of all contractors and subcontractors to be performing work on DISTRICT FACILITIES, 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.

12. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., 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 progress, DEVELOPER shall update said construction schedule as requested by DISTRICT.

13. Furnish DISTRICT with final mylar PROJECT plans and assign their ownership to DISTRICT prior to the start on any portion of PROJECT construction.

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

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

16. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., a confined space entry procedure specific to DISTRICT FACILITIES. 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.

17. DEVELOPER shall not commence operations until DISTRICT and CITY 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 as required in this Section. 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:

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, County of Riverside and CITY.

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 DISTRICT, County of Riverside and CITY, 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. 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 DISTRICT, County of Riverside and CITY, 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.

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, with a limit of liability of not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate. DEVELOPER shall require that, if such Professional Liability Insurance is written on a claims-made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and that such architect or engineer shall purchase at such architect or engineer's sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that such architect or engineer has maintained continuous coverage with the same or original insurer. Coverage provided

under items: 1), 2) or 3) shall continue for the term specified in the insurance policy, which shall be reasonably acceptable to DISTRICT and CITY.

E. General Insurance Provisions – All Lines:

- i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are waived, in writing, by the County Risk Manager. If the County Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- ii. 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 County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to DISTRICT, and at the election of the County Risk Manager, DEVELOPER's carriers shall either: 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- iii. DEVELOPER shall cause their insurance carrier(s) or its contractor's insurance carrier(s), to furnish DISTRICT and CITY 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 County 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 DISTRICT and CITY 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. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith, unless DISTRICT and CITY 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.

- iv. It is understood and agreed by the parties hereto that DEVELOPER's insurance shall be construed as primary insurance, and neither DISTRICT's nor CITY's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

- v. 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 County Risk Manager's reasonable judgment, the amount or type of insurance carried by DEVELOPER has become inadequate.
- vi. DEVELOPER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- vii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.
- viii. DEVELOPER agrees to notify DISTRICT and CITY 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.

Failure to maintain the insurance required by this paragraph shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to DEVELOPER that DISTRICT is unable to perform its obligations hereunder, nor to accept responsibility for ownership, operation and maintenance of DISTRICT FACILITIES due, either in whole or in part, to said breach of this Agreement.

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

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

20. Upon completion of PROJECT construction, and upon acceptance by CITY of all street rights of way deemed necessary by DISTRICT and CITY for the operation and maintenance of DISTRICT FACILITIES, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey, or cause to be conveyed to DISTRICT the flood control easement(s), including ingress and egress, for the rights of way deemed necessary by DISTRICT for the operation and maintenance of DISTRICT FACILITIES, in a form approved by DISTRICT, for the rights of way as shown in concept on Exhibit "C".

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

22. Accept ownership and sole responsibility for the operation and maintenance of PROJECT until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, CITY accepts ownership and responsibility for operation and maintenance of APPURTENANCES and the Home Owners' Association for Tract Nos. 36294 and 37030 accepts ownership and responsibility for the operation and maintenance of DEVELOPER FACILITIES.

23. Accept all liability whatsoever associated with the ownership, operation and maintenance of PROJECT until such time as DISTRICT FACILITIES are formally accepted by DISTRICT for ownership, operation and maintenance and APPURTENANCES are formally accepted by CITY for ownership, operation and maintenance.

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

25. Upon completion of PROJECT construction, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT with a redlined "record drawings" copy of PROJECT plans. After DISTRICT approval of the redlined "record drawings", DEVELOPER's engineer shall schedule with DISTRICT a time to transfer the redlined changes onto DISTRICT's original mylars at DISTRICT's office, after which the engineer shall review, stamp and sign the original PROJECT engineering plans "record drawings".

26. 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.

SECTION II

DISTRICT shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.

2. Provide CITY an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT's final approval.

3. Upon execution of this Cooperative Agreement, record or cause to be recorded, a copy of this Cooperative Agreement in the Official Records of the Riverside County Recorder.

4. Record or cause to be recorded, the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section I.9.

5. Inspect DISTRICT FACILITIES construction.

6. Keep an accurate accounting of all DISTRICT costs associated with the review and approval of IMPROVEMENT PLANS, the review and approval of right of way and conveyance documents, and the processing and administration of this Cooperative Agreement.

7. Keep an accurate accounting of all DISTRICT construction inspection costs, and within forty-five (45) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section I.3., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) days after DISTRICT acceptance of DISTRICT FACILITIES as being complete. If at any time the costs exceed the deposit or are anticipated by DISTRICT to exceed the deposit, DEVELOPER shall pay such additional amount(s), as deemed reasonably necessary by DISTRICT to complete inspection of DISTRICT FACILITIES, within thirty (30) days after receipt of billing from DISTRICT.

8. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT FACILITIES upon (i) DISTRICT inspection of DISTRICT FACILITIES in accordance with Section I.19., (ii) DISTRICT acceptance of PROJECT construction as being complete, (iii) DISTRICT receipt of stamped and signed "record drawings" of PROJECT plans, as set forth in Section I.25., (iv) recordation of all conveyance documents described in Section

I.21., (v) CITY acceptance of APPURTENANCES for ownership, operation, and maintenance, and (vi) DISTRICT's sole determination that DISTRICT FACILITIES are in a satisfactorily maintained condition.

9. Provide CITY with a reproducible duplicate copy of "record drawings" PROJECT plans upon DISTRICT acceptance of DISTRICT FACILITIES as being complete.

SECTION III

CITY shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.
2. Accept CITY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, as set forth in Section I.7., and hold said bonds as provided herein.
3. Inspect PROJECT construction.
4. Consent, by execution of this Cooperative Agreement, to the recording of Irrevocable Offer(s) of Dedication to the public for flood control and drainage purposes furnished by DEVELOPER pursuant to this Cooperative Agreement as necessary for the construction, inspection, operation and maintenance of DISTRICT FACILITIES.
5. As requested by DISTRICT, accept the Irrevocable Offer(s) of Dedication as set forth herein, and any other outstanding offers of dedication necessary for the construction, inspection, operation and maintenance of DISTRICT FACILITIES, and convey sufficient rights of way to DISTRICT to allow DISTRICT to inspect, operate and maintain DISTRICT FACILITIES.
6. Grant DISTRICT, by execution of this Agreement, the right to inspect, operate and maintain DISTRICT FACILITIES located within CITY rights of way.
7. Upon DISTRICT acceptance of DISTRICT FACILITIES construction as

being complete, accept sole responsibility for the adjustment of all PROJECT manhole rings and covers located within CITY rights of way which must be performed at such time(s) that the finished grade along and above the underground portions of DISTRICT FACILITIES are improved, repaired, replaced or changed. It being further understood and agreed that any such adjustments shall be performed at no cost to DISTRICT.

SECTION IV

It is further mutually agreed:

1. All work involved with PROJECT shall be inspected by DISTRICT and CITY but shall not be deemed complete until DISTRICT and CITY mutually agree in writing that construction is completed in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.
2. CITY and DEVELOPER personnel may observe and inspect all work being done on DISTRICT FACILITIES , but shall provide any comments to DISTRICT personnel who shall be solely responsible for all quality control communications with DEVELOPER's contractor(s) during the construction of PROJECT.
3. DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to the inspection and, in the sole discretion of DISTRICT, DISTRICT FACILITIES are not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.
4. DEVELOPER shall complete construction of PROJECT within twelve (12) consecutive months after execution of this Agreement and within one hundred twenty (120) consecutive calendar days after commencing work on PROJECT. It is expressly understood that since time is of the essence in this Agreement, failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for DISTRICT to perform the remaining work and

require DEVELOPER's surety to pay to CITY the penal sum of any and all bonds. In which case, CITY shall subsequently reimburse DISTRICT for DISTRICT costs incurred.

5. If DEVELOPER fails to commence construction of PROJECT within eight (8) months after execution of this Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed pending a review of the existing site conditions as they exist at the time DEVELOPER provides written notification to DISTRICT of the start of construction as set forth in Section I.8. In the event of a change in the existing site conditions that materially affects PROJECT function or DISTRICT's ability to operate and maintain DISTRICT FACILITIES , DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT. In the event of a change in the existing site conditions that materially affects PROJECT function or CITY's ability to operate and maintain CITY FACILITIES, CITY may require DEVELOPER to modify IMPROVEMENTS PLANS as deemed necessary by CITY.

6. DISTRICT shall endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) days of receipt of DEVELOPER's complete written notice, as set forth in Section I.8.; however, DISTRICT's construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

In the event DEVELOPER wishes to expedite issuance of a Notice to Proceed, DEVELOPER may elect to furnish an independent qualified construction inspector at DEVELOPER's sole cost and expense. DEVELOPER shall furnish appropriate documentation of the individual's credentials and experience to DISTRICT for review and, if appropriate, approval. DISTRICT shall review the individual's qualifications and experience and, upon approval thereof, said individual, hereinafter called "DEPUTY INSPECTOR", shall be authorized to act on DISTRICT's behalf on all DISTRICT FACILITIES construction and quality control matters. If DEVELOPER's initial construction inspection deposit furnished pursuant to Section

I.3. exceeds ten thousand dollars (\$10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER's initial inspection deposit within forty-five (45) days of DISTRICT's approval of DEPUTY INSPECTOR; however, a minimum balance of ten thousand dollars (\$10,000) shall be retained on account.

7. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT designated legal holidays, unless otherwise approved in writing by DISTRICT. If DEVELOPER feels it is necessary to work more than the normal forty (40) hour work week or on holidays, DEVELOPER shall make a written request for permission from DISTRICT to work the additional hours. The request shall be submitted to DISTRICT at least seventy-two (72) hours prior to the requested additional work hours and shall state the reasons for the overtime and the specific time frames required. The decision of granting permission for overtime work shall be made by DISTRICT at its sole discretion and shall be final. If permission is granted by DISTRICT, DEVELOPER will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County of Riverside.

8. DEVELOPER for itself, its successors and assigns hereby releases DISTRICT, County of Riverside and CITY (including their governing bodies, agencies, districts, special districts and departments, their respective directors, officer, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any and all claims, demands, actions, or suits of any kind arising out of any liability, known or unknown, present or future, including but not limited to any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, for damage caused by the discharge of drainage within or from PROJECT. Nothing contained herein

shall constitute a release by DEVELOPER of DISTRICT, its officers, agents and employees from any and all claims, demands, actions or suits of any kind arising out of any liability, known or unknown, present or future, for the negligent maintenance of DISTRICT FACILITIES, after the acceptance of ownership, operation and maintenance of DISTRICT FACILITIES by DISTRICT.

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

DEVELOPER shall defend, at its sole expense, including all costs and fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards), DISTRICT, County of Riverside, and CITY (including their respective governing bodies, agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) in any claim, proceeding or action for which indemnification is required.

With respect to any of DEVELOPER's indemnification requirements, DEVELOPER shall, at its sole cost, have the right to use counsel of their own choice and shall

have the right to adjust, settle, or compromise any such claim, proceeding or action without the prior consent of DISTRICT, County of Riverside and CITY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes DEVELOPER's indemnification obligations to DISTRICT, County of Riverside, or CITY.

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

The specified insurance limits required in this Agreement shall in no way limit or circumscribe DEVELOPER's obligations to indemnify and hold harmless DISTRICT, County of Riverside and CITY from third party claims.

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

10. 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.

11. 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

CITY OF CORONA
PUBLIC WORKS DEPARTMENT
400 S. Vicentia Avenue
Corona, CA 92882
Attn: Michele Hindersinn

ARANTINE HILLS HOLDINGS, LP
85 Enterprise Suite 450
Aliso Viejo, CA 92656
Attn: John Sherwood

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

13. 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.

14. 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 import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Agreement in its final form.

15. The rights and obligations of each party hereto shall inure to and be binding upon all heirs, successors and assignees.

16. No party hereto shall not assign or otherwise transfer any of its rights, duties or obligations hereunder to any person or entity without the written consent of the other parties hereto being first obtained. In the event of any such transfer or assignment, the transferring party expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Agreement.

17. The individual(s) executing this Agreement on behalf of DEVELOPER hereby certify that they have the authority within their respective company(ies) or entities to enter

into and execute this Agreement, and have been authorized to do so by any and all boards of directors, legal counsel, and/or any other board, committee or other entity within their respective company(ies) or entities which have the authority to authorize or deny entering this Agreement.

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

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

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL: **RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION ISTRICT**

By _____
JASON E. UHLEY
General Manager-Chief Engineer

By _____
MARION ASHLEY
Chairman, Riverside County Flood Control and Water Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

GREGORY P. PRIAMOS
County Counsel

KECIA HARPER-IHEM
Clerk of the Board

By _____
LEILA MOSHREF-DANESH
Deputy County Counsel

By _____
Deputy

(SEAL)

Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
Bedford Canyon - Bedford Canyon Drive Storm Drain, Stage 1
Bedford Canyon - Arantine Hills Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 2
Project Nos. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
Tract Nos. 36294 and 37030
05/23/18
AMR:blm

CITY OF CORONA

By _____
DARRELL TALBERT
City Manager

APPROVED AS TO FORM:

ATTEST:

By _____
DEAN DERLETH
City Attorney

By _____
SYLVIA EDWARDS
City Clerk

(SEAL)

Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
Bedford Canyon - Bedford Canyon Drive Storm Drain, Stage 1
Bedford Canyon - Arantine Hills Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 2
Project Nos. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
Tract Nos. 36294 and 37030
02/20/18
AMR:blm

ARANTINE HILLS HOLDINGS LP,
a Delaware limited partnership

By: TNHC-ARANTINE GP LLC,
a Delaware limited liability company,
Its General Partner

By: TNHC Land Company LLC,
a Delaware limited liability company,
Its sole member and manager

By: _____

Its: _____

By: _____

Its: _____

(ATTACH NOTARY WITH CAPACITY
STATEMENT)

Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
Bedford Canyon - Bedford Canyon Drive Storm Drain, Stage 1
Bedford Canyon - Arantine Hills Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 2
Project Nos. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
Tract Nos. 36294 and 37030
05/23/18
AMR:blm

Exhibit A

LEGAL DESCRIPTION

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

PARCEL A:

LOTS 1, 9 THROUGH 10 AND LETTERED LOTS B, D THROUGH I, K THROUGH M, P THROUGH T OF TRACT NO. 36294, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 456, PAGES 23 THROUGH 38 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THAT PORTION OF LOT 9 AS INCLUDED IN TRACT MAP NO. 37030, AS PER MAP RECORDED IN BOOK 458, PAGES 100 THROUGH 117, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM A ONE-HALF INTEREST IN AND TO ANY OIL, GAS, OR OTHER MINERALS, AS RESERVED IN DEED FROM ROBERT A. MC MILLAN ET AL TO D.W. HENDRICKSON ET AL, RECORDED DECEMBER 21, 1956, IN BOOK 2015, PAGE 10 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM AN UNDIVIDED TWO-THIRDS INTEREST IN ALL OIL, GAS, MINERALS, HYDROCARBON SUBSTANCES AND CLAY UNDERLYING SAID LAND, AND THAT MAY BE PRODUCED OR RECOVERED THEREFROM, AS RESERVED IN DEED FROM PUBLIX TITLE COMPANY, A CORPORATION, RECORDED NOVEMBER 13, 1956 IN BOOK 1997 PAGE 567 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID RESERVATION HAS SINCE BEEN CONVEYED TO H. HOWARD GOODMAN, TRUSTEE OF THE GOODMAN TRUST OF 1977, BY DOCUMENT RECORDED JUNE 27, 1980 AS INSTRUMENT NO. 118070 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

PARCEL B:

LOTS 1 THROUGH 45 AND LETTERED LOTS A THROUGH N, P, Q AND R OF TRACT NO. 37030, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED NOVEMBER 1, 2017 IN BOOK 458, PAGES 100 THROUGH 117 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

EXCEPTING THEREFROM A ONE-HALF INTEREST IN AND TO ANY OIL, GAS, OR OTHER MINERALS, AS RESERVED IN DEED FROM ROBERT A. MC MILLAN ET AL TO D.W. HENDRICKSON ET AL, RECORDED DECEMBER 21, 1956, IN BOOK 2015, PAGE 10 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

ALSO EXCEPTING THEREFROM AN UNDIVIDED TWO-THIRDS INTEREST IN ALL OIL, GAS, MINERALS, HYDROCARBON SUBSTANCES AND CLAY UNDERLYING SAID LAND, AND THAT MAY BE PRODUCED OR RECOVERED THEREFROM, AS RESERVED IN DEED FROM PUBLIX TITLE COMPANY, A CORPORATION, RECORDED NOVEMBER 13, 1956 IN BOOK 1997 PAGE 567 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA, SAID RESERVATION HAS SINCE BEEN CONVEYED TO H. HOWARD GOODMAN, TRUSTEE OF THE GOODMAN TRUST OF 1977, BY DOCUMENT RECORDED JUNE 27, 1980 AS INSTRUMENT NO. 118070 OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA.

COOPERATIVE AGREEMENT

Bedford Canyon – Hudson House Drive Storm Drain, Stage 1
Bedford Canyon – Bedford Canyon Drive Storm Drain, Stage 1
Bedford Canyon – Arantine Hills Storm Drain, Stage 1
Bedford Canyon – Olvida Drive Storm Drain, Stage 1
Bedford Canyon – Olvida Drive Storm Drain, Stage 2
Project Nos. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
Tract Nos. 36294 and 37030

Exhibit A

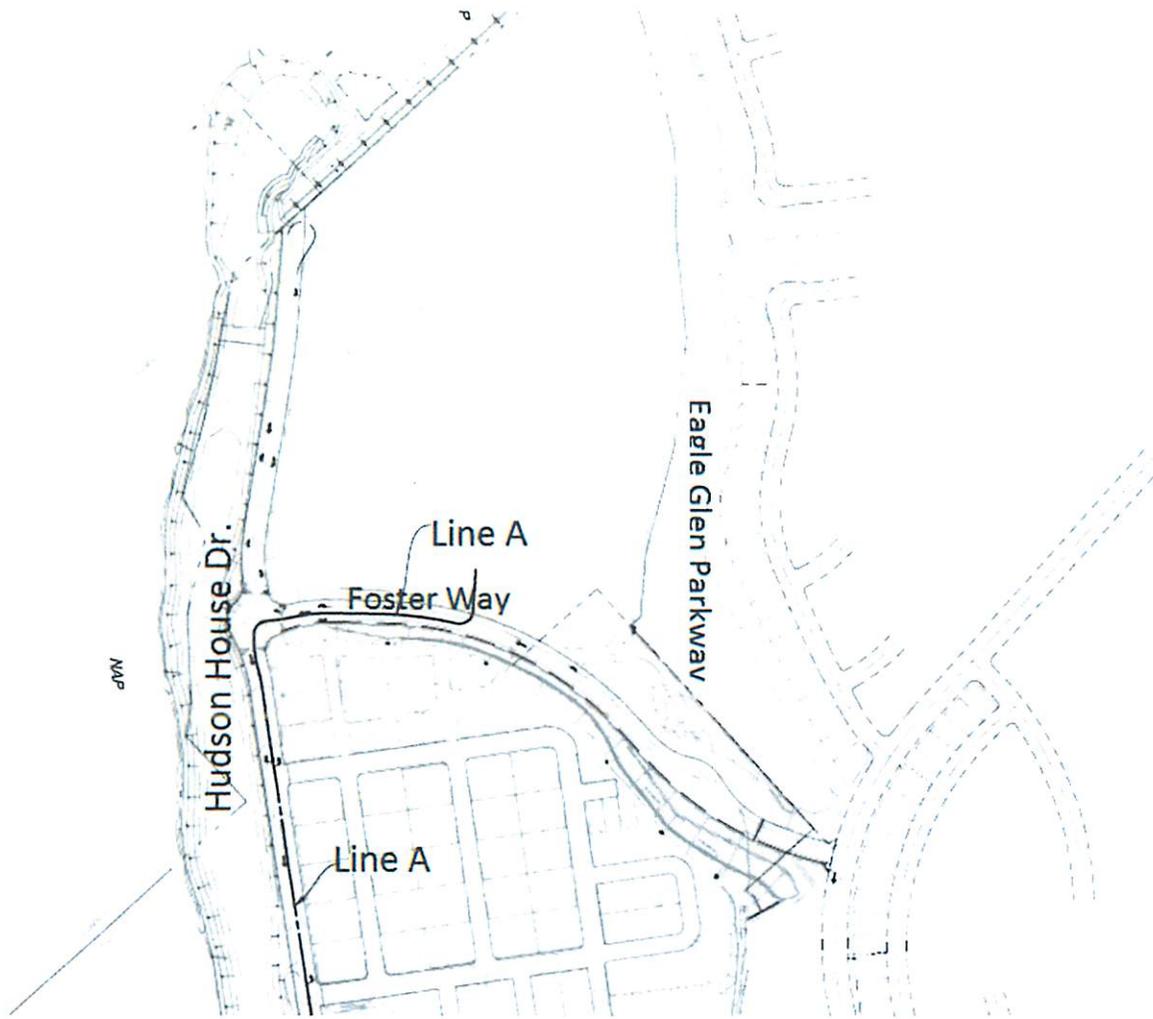
PARCEL C:

PERMANENT EASEMENTS AS CONTAINED IN THE DOCUMENT ENTITLED "GRANT OF EASEMENT" RECORDED JULY 22, 2011 AS INSTRUMENT NO. 2011-0321330 OF OFFICIAL RECORDS AND CONTAINED IN THE DOCUMENT ENTITLED "IRREVOCABLE OFFER OF DEDICATION" RECORDED JULY 19, 2012 AS INSTRUMENT NO. 2012-0336145 OF OFFICIAL RECORDS, BOTH OF SAID COUNTY.

COOPERATIVE AGREEMENT

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Exhibit B



COOPERATIVE AGREEMENT

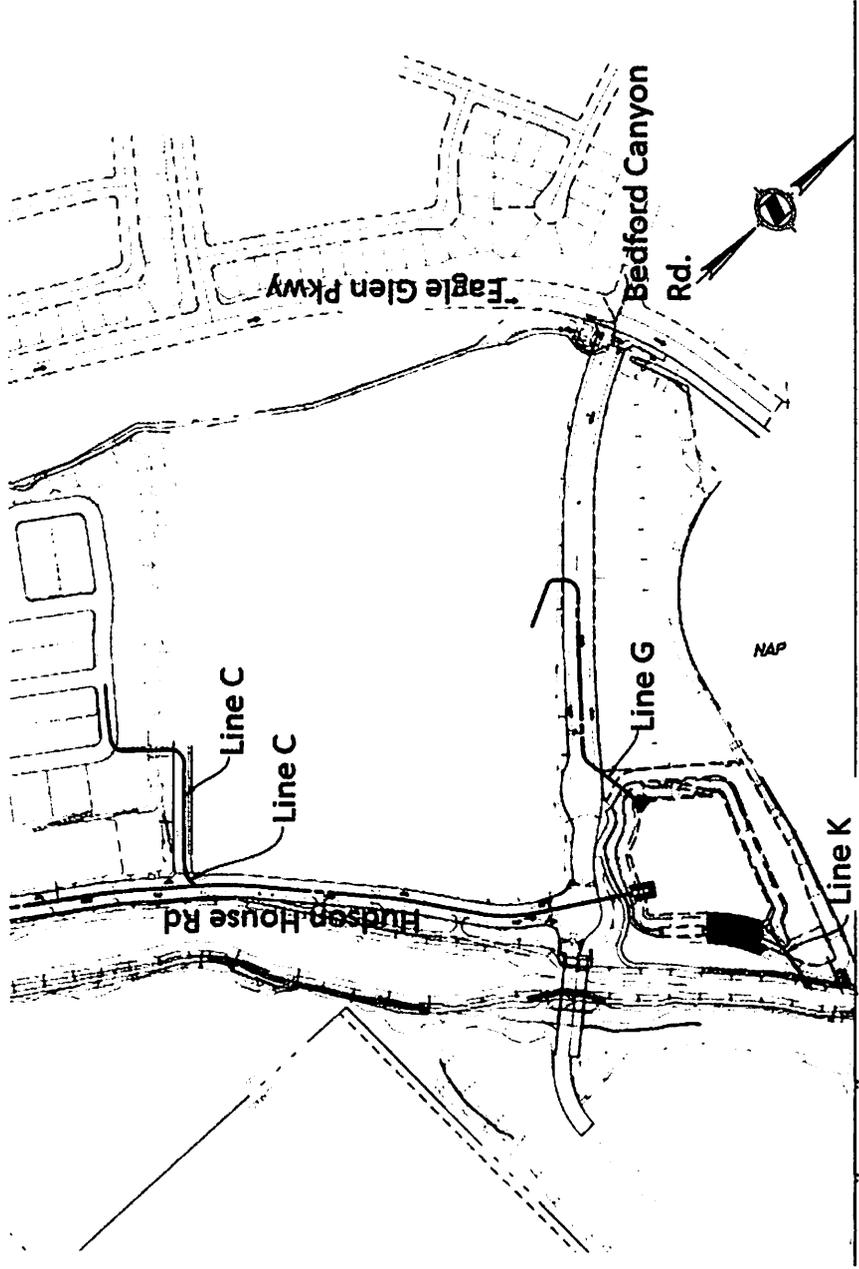
Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
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TR 36294 - 37030

Project No. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379

Page 1 of 2

Exhibit B



COOPERATIVE AGREEMENT

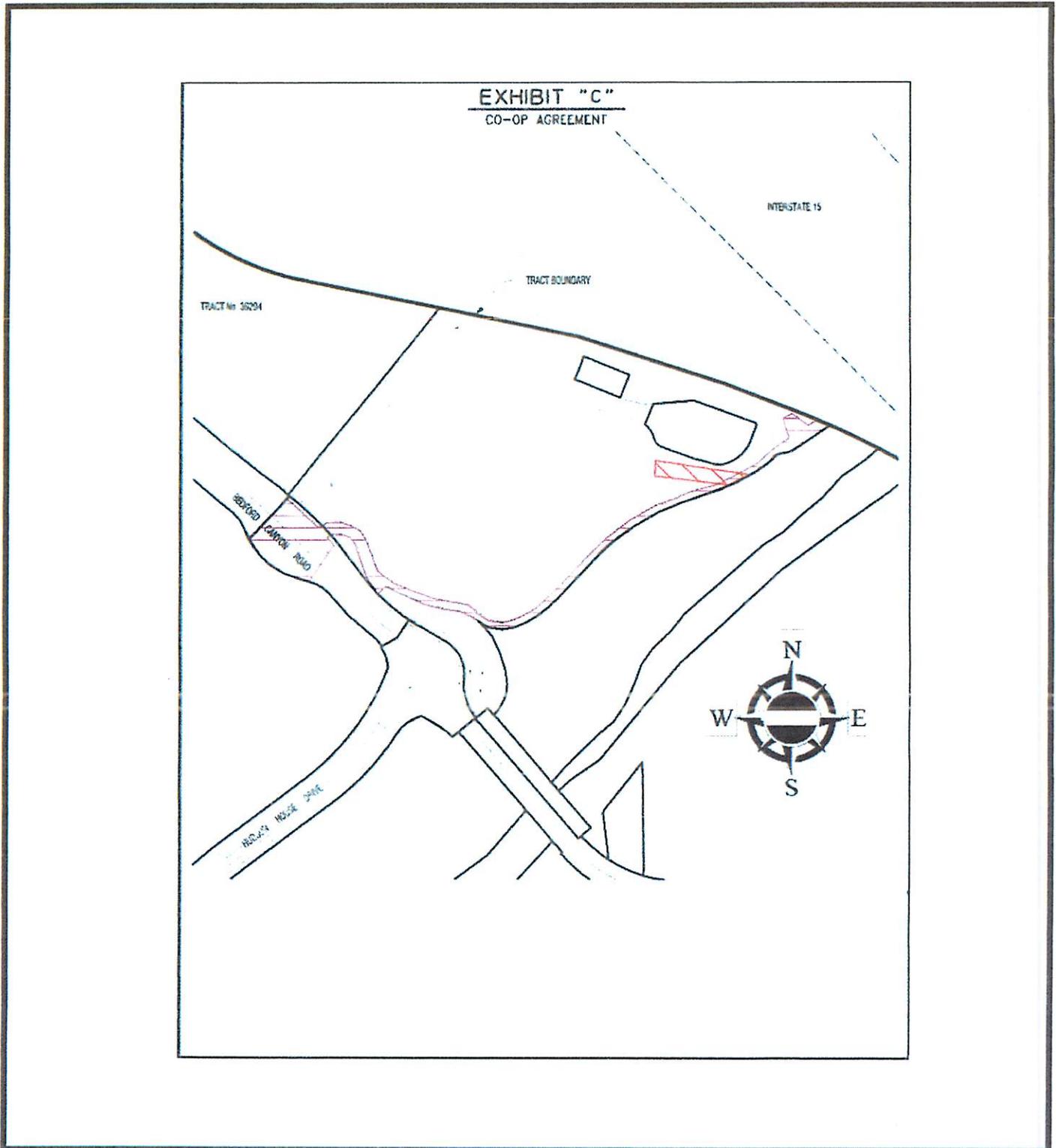
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Bedford Canyon - Olvida Drive Storm Drain, Stage 2

TR 36294 - 37030

Project No. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379

Page 2 of 2

Exhibit C



COOPERATIVE AGREEMENT

Bedford Canyon - Hudson House Drive Storm Drain, Stage 1
Bedford Canyon Drive Storm Drain, Stage 1
Bedford Canyon - Arantine Hills Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 1
Bedford Canyon - Olvida Drive Storm Drain, Stage 2
Project No. 2-0-00376, 2-0-00377, 2-0-00378 and 2-0-00379
Tract Nos. 36294 and 37030