

COOPERATIVE AGREEMENT
Bedford Canyon Wash, Stage 2
Project No. 2-0-00381
Miscellaneous No. 208
(Phase 4 Facilities for Tentative Tract Map No. 38572)

This Cooperative Agreement ("Agreement"), dated as of _____, is entered into by and between the Riverside County Flood Control and Water Conservation District, a body corporate and 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"). DISTRICT, CITY and DEVELOPER 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 city of Corona, identified by Assessor's Parcel Numbers 282-030-030, 282-030-037, and 282-040-021; and
- B. DEVELOPER has submitted for approval Miscellaneous No. 208 related to the property, and as a condition of approval for Tentative Tract Map No. 38572, DEVELOPER must construct certain flood control facilities in order to provide flood protection and drainage for DEVELOPER's planned development; and
- C. The legal description of Miscellaneous No. 208 is provided in Exhibit "A" attached hereto and made a part hereof; and
- D. The required flood control facilities and drainage improvements related to Tentative Tract Map No. 38572 are shown on DISTRICT's Drawing No. 2-0499 and shown in concept on Exhibit "B", attached hereto and made a part hereof, and include the construction of the following:

- (i). Bedford Canyon Wash, Stage 2 ("BEDFORD CANYON WASH STAGE 2"), consists of approximately 2,086 lineal feet of earthen and riprap lined channel, a rock lined debris basin, including outlet structure, catch basins and three (3) laterals consisting of 54-inch and 48-inch reinforced concrete pipes and maintenance access road. At its downstream terminus, BEDFORD CANYON WASH STAGE 2 will connect to DISTRICT's existing Bedford Canyon Wash, Stage 1 facility, as shown on DISTRICT's Drawing No. 2-0483; and
- (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; and

E. Together, BEDFORD CANYON WASH STAGE 2 and SAFETY DEVICES are hereinafter called "DISTRICT FACILITIES"; and

F. DISTRICT FACILITIES, or a portion thereof, is among the identified eligible drainage improvements that may be included in a Community Facilities District No. 2018-1, hereinafter called ("BEDFORD CFD"), formed by CITY on July 1, 2018 under the authority of the Mello-Roos Community Facilities Act of 1982 to provide, among other things, a means of financing the construction of portions of DISTRICT FACILITIES; and

G. DISTRICT, CITY and DEVELOPER have amended the Joint Community Facilities Agreement, hereinafter called the ("BEDFORD JCFA"), whereby BEDFORD CFD will

attempt to sell bonds for the purpose of reimbursing DEVELOPER for costs associated with the construction of DISTRICT FACILITIES, or a portion thereof; and

H. DEVELOPER anticipates entering into a Conservation Easement Agreement with the Riverside Corona Resource Conservation District ("RCRCD"), or another conservancy organization acceptable to the Resource Agencies, to address the post-construction Long Term Maintenance Plan ("LTMP") for DISTRICT FACILITIES, with consent of DISTRICT; and

I. DEVELOPER is conditioned to construct a joint use access road/community trail along the proposed channel's southwesterly maintenance access road ("FUTURE TRAIL"). FUTURE TRAIL is proposed to be constructed within rights of way to be acquired by DISTRICT. Subsequently, FUTURE TRAIL is anticipated to be maintained by CITY. DISTRICT intends to enter into a separate license agreement with CITY setting forth the operation and maintenance responsibilities for FUTURE TRAIL. DISTRICT and CITY acknowledge that a separate license agreement will not be entered into until all the necessary rights of way have been conveyed in a form approved by DISTRICT; and

J. DEVELOPER and CITY 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

K. DISTRICT is willing to accept ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES provided DEVELOPER performs all of the following: (i) complies with this Agreement, (ii) prepares DISTRICT FACILITIES plans in accordance with DISTRICT and CITY approved plans and specifications and this Agreement, (iii) constructs DISTRICT FACILITIES in accordance with DISTRICT and CITY approved plans

and specifications and this Agreement, (iv) obtains and conveys to DISTRICT and CITY the necessary rights of way for the inspection, operation and maintenance of DISTRICT FACILITIES, and (v) accepts ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES following completion of DISTRICT FACILITIES construction until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES; and

L. CITY is willing to (i) review and approve, in conjunction with DISTRICT, DEVELOPER's plans and specifications for DISTRICT FACILITIES, (ii) accept and hold faithful performance and payment bonds submitted by DEVELOPER on behalf of DISTRICT for DISTRICT FACILITIES, (iii) consent to the recordation and conveyance of the Irrevocable Offer(s) of Dedication furnished by DEVELOPER, provided DISTRICT FACILITIES is constructed in accordance with plans and specifications approved by DISTRICT and CITY; and

M. In conjunction with DISTRICT FACILITIES, DISTRICT acquired certain rights of way, referenced as Parcel 2380-500, hereinafter called ("DISTRICT EASEMENTS"), as shown on Exhibit "C", attached hereto and made a part hereof, and as recorded in the Official Records of Riverside County on document No. 2021-0236955. DISTRICT will (i) allow DEVELOPER to enter upon DISTRICT EASEMENTS for the purpose of performing inspection services and construction of DISTRICT FACILITIES, and (ii) vacate its associated DISTRICT EASEMENTS, after DISTRICT's determination of DISTRICT FACILITIES construction as being complete; and

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 DISTRICT FACILITIES plans and specifications, hereinafter called "IMPROVEMENT PLANS", 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) 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 of IMPROVEMENT PLANS, (ii) the review and approval of rights of way and conveyance documents, (iii) the processing and administration of this Agreement and (iv) construction inspection costs. Additionally, DEVELOPER shall pay CITY, within thirty (30) calendar days after receipt of periodic billings from CITY, any and all such amounts deemed reasonably necessary by CITY to cover CITY's costs associated with (i) the review and approval of IMPROVEMENT PLANS, (ii) the review and approval of right of way and conveyance documents, and (iii) the processing and administration of this Agreement.

3. By execution of this Agreement, grant DISTRICT and CITY 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 DISTRICT FACILITIES 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 Tentative Tract Map No. 38572 or any phase thereof, whichever occurs first, provide CITY with faithful performance and payment bonds in accordance with CITY's municipal code including any amendments thereto, for the estimated cost for construction of DISTRICT FACILITIES as determined by DISTRICT. The surety amount and

form of the bonds shall list CITY as an obligee and shall be subject to approval of DISTRICT (Attention: Contract Services Section) and CITY. The bonds shall remain in full force and effect until DISTRICT FACILITIES are accepted by DISTRICT 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 VIII or larger. Should any bond or surety become insufficient, DEVELOPER shall furnish a new bond within ten (10) calendar days after receiving notice from CITY.

5. Upon DISTRICT's and CITY'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 FACILITIES in an amount as determined and approved by DISTRICT in accordance with County of Riverside Ordinance Nos. 671 and 749, including any amendments thereto, based upon the bonded value of DISTRICT FACILITIES.

6. Upon DISTRICT's and CITY'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 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 DISTRICT FACILITIES construction.

7. Upon DISTRICT's and CITY'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 DISTRICT FACILITIES progresses, DEVELOPER shall update said construction schedule as requested by DISTRICT.

8. Upon DISTRICT's and CITY's approval of IMPROVEMENT PLANS, furnish DISTRICT (Attention: Contract Services Section) with 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, which shall be given by DISTRICT to DEVELOPER upon DISTRICT's approval of said procedure.

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

10. Upon DISTRICT's and CITY's approval of IMPROVEMENT PLANS or not less than twenty (20) calendar days prior to recordation of the final map for Tentative Tract Map No. 38572 or any phase thereof, whichever occurs first, furnish DISTRICT (Attention: Plan Check Section) 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 DISTRICT FACILITIES as determined and approved by DISTRICT.

11. Upon DISTRICT's and CITY's approval of IMPROVEMENT PLANS and prior to the start on any portion of DISTRICT FACILITIES construction, obtain and provide DISTRICT (Attention: Plan Check Section) with duly executed Irrevocable Offers(s) of Dedication to the public for flood control and drainage purposes, including ingress and egress, for the rights of way deemed necessary by DISTRICT for the construction, inspection, operation and maintenance of DISTRICT FACILITIES. The Irrevocable Offer(s) of Dedication shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the offer(s).

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

13. Prior to the start of construction on any portion of DISTRICT FACILITIES, furnish DISTRICT (Attention: Plan Check Section) and CITY each with a set of final mylar plans of DISTRICT FACILITIES and assign ownership of such plans to DISTRICT and CITY, respectively.

14. After receiving DISTRICT's plan check and administrative clearance for DISTRICT FACILITIES construction as set forth in Sections I.1 through I.13, notify DISTRICT (Attention: Construction Management Section) with twenty (20) calendar days written notice of intent to start construction of DISTRICT FACILITIES and include DISTRICT FACILITIES' geotechnical firm, concrete lab/test firm, D-Load test forms, trench shoring/false work calculations, concrete mix designs for DISTRICT's review and approval. Construction shall not begin on any element of DISTRICT FACILITIES, for any reason whatsoever, until DISTRICT has issued to DEVELOPER a written Notice to Proceed authorizing DEVELOPER to commence construction of DISTRICT FACILITIES. DISTRICT reserves the right to withhold issuance of the Notice to Proceed in accordance with Section IV.4.

15. Prior to commencing construction, furnish DISTRICT (Attention: Plan Check Section) 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 of DISTRICT FACILITIES. Such documents include, but are not limited to, those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California State Department of Fish and Wildlife, State Water Resources Control Board, and Western Riverside County Regional Conservation Authority ("REGULATORY PERMITS").

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

17. 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 CITY employees on the site.

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

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

20. Upon completion of DISTRICT FACILITIES construction, but prior to DISTRICT acceptance of DISTRICT FACILITIES for ownership, operation and maintenance, convey or cause to be conveyed to DISTRICT, on a Final Map or by separate instrument, the flood control easement(s), including ingress and egress, in a form approved by DISTRICT, to the rights of way as shown in concept in cross-hatched in blue on Exhibit "E", attached hereto and made a part hereof. The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and CITY and shall be executed by all legal and equitable owners of the property(ies) described in the easement(s) or grant deed(s).

21. At the time of recordation of the conveyance document(s) as set forth in Section 1.20, 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 parcel(s) 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. Upon completion of DISTRICT FACILITIES construction, accept ownership, sole responsibility and all liability whatsoever for the ownership, operation and maintenance of DISTRICT FACILITIES until such time as (i) DISTRICT accepts ownership and responsibility for operation and maintenance of DISTRICT FACILITIES. DISTRICT FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to the inspection and in the sole discretion of DISTRICT, DISTRICT FACILITIES is not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.

23. Upon completion of DISTRICT FACILITIES construction, and prior to acceptance of DISTRICT FACILITIES, at its sole cost and expense, obtain all necessary permits, approvals, or agreement, for the continuing operation and maintenance ("ONGOING REGULATORY PERMITS"), for jurisdictional areas within DISTRICT FACILITIES, as may be required by any Federal, State, or local resource and/or regulatory agency. DEVELOPER is the applicant and permittee, and responsible for the operation and maintenance, until DISTRICT FACILITIES are accepted by DISTRICT. This requirement shall apply even if permits were not required for construction such that if any regulatory agency decides to add or require any ONGOING REGULATORY PERMITS prior to DISTRICT's acceptance, DEVELOPER shall obtain said ONGOING REGULATORY PERMITS pursuant to this Section I. ONGOING REGULATORY PERMITS include but are not limited to those issued by the U.S. Army Corps of Engineers, State Water Resources Control Board, Regional Water Quality Control Board, California Department of Fish and Wildlife, and the Western Riverside County Regional Conservation Authority, collectively and individually referred to as "REGULATORY AGENCY(IES)". DISTRICT will not accept DISTRICT FACILITIES until ONGOING REGULATORY PERMITS have been reviewed and deemed acceptable to DISTRICT. ONGOING REGULATORY PERMITS applications shall be consistent with the final LTMP

provided to DISTRICT and consistent with the maintenance practices in place for DISTRICT's Bedford Canyon Wash, Stage I facility (DISTRICT's Drawing No. 2-0483). DEVELOPER is required to provide DISTRICT with copies of each permit application prior to submitting to the respective REGULATORY AGENCY(IES), and prior to accepting or executing ONGOING REGULATORY PERMITS, as this will avoid receiving a permit with terms and conditions that are deemed unacceptable to DISTRICT.

24. Not cause ONGOING REGULATORY PERMITS to conflict with DISTRICT's ability to operate and maintain DISTRICT FACILITIES. If DEVELOPER provides ONGOING REGULATORY PERMITS that are deemed unacceptable to DISTRICT, DEVELOPER may be required to update or amend them prior to DISTRICT acceptance of DISTRICT FACILITIES, at its sole cost and expense.

25. Upon completion of DISTRICT FACILITIES 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 (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".

26. Prepare, or caused to be prepared, the legals and plats for the portions of DISTRICT EASEMENTS to be vacated and submit for DISTRICT's review and approval.

27. 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.

28. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of DISTRICT FACILITIES, 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 DISTRICT FACILITIES construction.
2. Provide CITY an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT's final approval.
3. Upon execution of this Agreement, record or cause to be recorded a copy of this Agreement in the Official Records of the Riverside County Recorder.
4. Record or cause to be recorded the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section I.11.
5. Endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) calendar days of receipt of DEVELOPER's complete written notice of intent to start construction of DISTRICT FACILITIES as set forth in Section I.14.; however, DISTRICT's construction

inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

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

7. Allow DEVELOPER to proceed with the construction of DISTRICT FACILITIES without ONGOING REGULATORY PERMITS that may be required in place.

8. By execution of this Agreement, allow DEVELOPER to enter upon DISTRICT EASEMENTS for the purpose of performing inspection services and construction of DISTRICT FACILITIES as set forth herein.

9. Review, and if applicable, comment on (i) environmental permit applications prior to DEVELOPER submitting to REGULATORY AGENCY(IES) and (ii) any draft ONGOING REGULATORY PERMITS prior to DEVELOPER executing or accepting ONGOING REGULATORY PERMITS. DISTRICT's review is necessary to avoid receiving permits with terms and conditions that may not be acceptable to DISTRICT. DISTRICT has previously approved LTMP and maintenance activities for the Bedford Canyon Wash Stage I facility and DISTRICT agrees to approve substantially similar maintenance activities for maintenance of DISTRICT FACILITIES (Miscellaneous No. 208).

10. Upon review of the environmental permit applications, DISTRICT reserves the right to request changes to the environmental permit applications if routine maintenance actions required by DISTRICT are not specified in ONGOING REGULATORY PERMITS applications for DISTRICT FACILITIES.

11. Inspect construction of DISTRICT FACILITIES.

12. Keep an accurate accounting and submit periodic invoices to DEVELOPER of all DISTRICT costs associated with (i) the review and approval of

IMPROVEMENT PLANS, (ii) the review and approval of right of way and conveyance documents and (iii) the processing and administration of this Agreement.

13. Keep an accurate accounting of all DISTRICT construction inspection costs and, within forty-five (45) calendar days after DISTRICT acceptance of DISTRICT FACILITIES as being complete, submit a final cost statement to DEVELOPER. If the deposit as set forth in Section I.5. exceeds such inspection costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) calendar days after DISTRICT acceptance of DISTRICT FACILITIES as being complete.

14. Upon (i) DISTRICT acceptance of DISTRICT FACILITIES construction as being complete and (ii) DISTRICT receipt of stamped and signed "record drawing" of IMPROVEMENT PLAN as set forth in Section I.25., provide DEVELOPER with a reproducible duplicate copy of "record drawings" of IMPROVEMENT PLANS.

15. Prior to DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT FACILITIES, DISTRICT FACILITIES shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to any 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.

16. INTENTIONALLY DELETED.

17. Upon determination of DISTRICT FACILITIES construction as being complete, at DEVELOPER's sole cost and expense, vacate its associated DISTRICT EASEMENTS.

18. 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 DISTRICT

FACILITIES construction as being complete, (iii) DISTRICT receipt of stamped and signed "record drawings" of DISTRICT FACILITIES plans as set forth in Section I.25., (iv) recordation of all conveyance documents described in Section I.20., (v) receipt of all required policies of title insurance described in Section I.21., (vi) DISTRICT receipt of ONGOING REGULATORY PERMITS for DISTRICT FACILITIES, (vii) DISTRICT FACILITIES fully functioning as a flood control drainage system as solely determined by DISTRICT, and (viii) DISTRICT's sole determination that DISTRICT FACILITIES are in a satisfactorily maintained condition.

19. Upon both of the following: DISTRICT acceptance of DISTRICT FACILITIES and DISTRICT receipt of stamped and signed "record drawings" of IMPROVEMENT PLANS as set forth in Section I.25., provide CITY with (i) a reproducible duplicate copy of "record drawings" of constructed DISTRICT FACILITIES, (ii) a written notice that DISTRICT FACILITIES is complete and (iii) request CITY to release bonds held for DISTRICT FACILITIES.

20. Upon receipt of CITY's Encroachment Permit application, issue an Encroachment Permit and execute a License Agreement with CITY for FUTURE TRAIL.

SECTION III

CITY shall:

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

2. Accept CITY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, which meet the requirements of CITY municipal code or ordinances, including any amendments thereto, as set forth in Section I.4., for the estimated cost for construction of DISTRICT FACILITIES as determined by DISTRICT, and hold said bonds

as provided in this Agreement. The bonds shall list CITY as obligee and be subject to the approval of DISTRICT (Attention: Contract Services Section) and CITY. The bonds shall remain in full force and effect until DISTRICT FACILITIES are accepted by DISTRICT 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 VIII or larger. Should any bond or surety become insufficient, DEVELOPER shall furnish a new bond within ten (10) calendar days after receiving notice from CITY. CITY shall not release said bonds until DISTRICT provides CITY with a reproducible duplicate copy of "record drawings" and written notification that DISTRICT FACILITIES is complete, as set forth in Section II.20.

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

4. Intentionally deleted.

5. Release occupancy permits in accordance with the approved conditions of approval for Tentative Tract Map No. 38572.

6. Submit and obtain an Encroachment Permit from DISTRICT (Attention: Plan Check Section) and execute a License Agreement with DISTRICT for FUTURE TRAIL, pursuant to its rules and regulations and comply with all provisions set forth therein.

SECTION IV

It is further mutually agreed:

1. DISTRICT may not unreasonably withhold acceptance for ownership and sole responsibility for the operation and maintenance of DISTRICT FACILITIES unless and until DEVELOPER performs all obligations under this Agreement.

2. All construction work involved with DISTRICT FACILITIES shall be inspected by DEVELOPER and DISTRICT but shall not be deemed complete until DISTRICT agrees in writing that construction of DISTRICT FACILITIES is completed in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

3. DISTRICT and CITY 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 DISTRICT FACILITIES.

4. If DEVELOPER fails to commence construction of DISTRICT FACILITIES, 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.14. In the event of a change in the existing site conditions that materially affects DISTRICT FACILITIES function or DISTRICT's ability to operate and maintain DISTRICT FACILITIES, DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT.

5. DEVELOPER shall complete construction of DISTRICT FACILITIES within twelve (12) months after commencement of construction of DISTRICT FACILITIES, unless DISTRICT agrees to extend the time to complete construction. Failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for (i) DISTRICT to terminate the Agreement and (ii) the remaining work on DISTRICT FACILITIES to be performed by CITY to the extent that the bonds provided by DEVELOPER pursuant to Section I.4 are sufficient to perform such work and require DEVELOPER's surety to pay to CITY the penal sum

of any and all bonds. In the event such bonds are insufficient to perform the entirety of the work, CITY shall perform and prioritize the work necessary to ensure public safety requirements are met. Should CITY perform the remaining work on DISTRICT FACILITIES under this section, DEVELOPER grants to CITY and CITY's officers, deputies, employees, agents, representatives, contractors and other designees the irrevocable permission to enter upon the Miscellaneous No. 208 (as described in the Recitals) to complete construction and remaining work on DISTRICT FACILITIES. This right of entry shall terminate when such construction and remaining work is complete. CITY shall subsequently reimburse DISTRICT from the funds paid by DEVELOPER's surety for any DISTRICT costs incurred to the extent there are sufficient funds available.

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, 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.5. exceeds Ten Thousand Dollars (\$10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER's initial inspection deposit within forty-five (45) 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. DISTRICT FACILITIES construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT or CITY designated legal holidays, unless otherwise approved in writing by DISTRICT and CITY. If DEVELOPER

feels it is necessary to work more than the normal forty (40) hour work week or on DISTRICT or CITY designated legal holidays, DEVELOPER shall make a written request for permission from DISTRICT and CITY to work the additional hours. The request shall be submitted to DISTRICT and CITY 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 CITY at their reasonable discretion and shall be final. If permission is granted by DISTRICT and CITY, 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 CITY municipal codes or ordinances, including any amendments thereto.

8. DEVELOPER shall indemnify, defend and hold harmless and require DEVELOPER's construction contractor(s) to indemnify, defend and hold harmless the DISTRICT, the County of Riverside and CITY (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 hereinafter 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, the Indemnitees, including 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 its sole cost, have the right to use counsel of its own choice and may adjust, settle, or compromise any such action or claim only with the prior consent of DISTRICT, the County of Riverside or CITY. Any such adjustment, settlement or compromise shall not in any manner whatsoever limit or circumscribe DEVELOPER's indemnification obligations to Indemnitees as set forth herein.

10. DEVELOPER's and DEVELOPER's construction contractor(s) indemnification obligation hereunder shall be satisfied when DEVELOPER or DEVELOPER's construction contractor(s) has provided to DISTRICT, the County of Riverside and CITY the appropriate form of dismissal relieving DISTRICT, the County of Riverside or CITY 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 or DEVELOPER's construction contractor(s) obligations to indemnify and hold harmless Indemnitees from third party claims.

12. 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 or DEVELOPER's construction contractor(s) from indemnifying Indemnitees to the fullest extent allowed by law.

13. DEVELOPER for itself, its successors and assigns hereby releases DISTRICT, the County of Riverside and CITY (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) 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 DISTRICT FACILITIES. Nothing contained herein shall constitute a release of DEVELOPER by DISTRICT, County of Riverside or CITY (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) 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 by DEVELOPER after the acceptance of DISTRICT FACILITIES by DISTRICT, as described in this Agreement.

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

To DEVELOPER: ARANTINE HILLS HOLDINGS LP
c/o Pacific Ventures Management LLC
4400 MacArthur Boulevard, Suite 740
Newport Beach, CA 92660
Attn: Brian Milich

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 provisions of this Agreement are solely for the benefit of the Parties and not for the benefit of any third party. Accordingly, no third party shall have any right or action based on the provisions of this Agreement.

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

21. 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.

22. In the event DEVELOPER sells Miscellaneous No. 208 (as described in the Recitals), DEVELOPER shall notify DISTRICT and CITY 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, CITY, DEVELOPER and the new owner(s) of Miscellaneous No. 208 fully execute an assignment and assumption agreement that transfers all DEVELOPER's rights, duties or obligations in this Agreement to the new owner(s) of Miscellaneous No. 208.

23. 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.

24. 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.

25. 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.

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

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

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

By _____
JASON E. UHLEY
General Manager-Chief Engineer

By _____
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 _____
RYAN YABKO
Deputy County Counsel

By _____
Deputy

(SEAL)

[Signed in Counterpart]

Cooperative Agreement:
Bedford Canyon Wash, Stage 2
Project No. 2-0-00381
Miscellaneous No. 208
(Phase 4 Facilities for Tentative Tract Map No. 38572)
AMR:blj
06/05/24

CITY OF CORONA

By _____
JACOB ELLIS
City Manager

APPROVED AS TO FORM:

ATTEST:

By _____
DEAN DERLETH
City Attorney

By _____
SYLVIA EDWARDS
City Clerk

(SEAL)

Cooperative Agreement:
Bedford Canyon Wash, Stage 2
Project No. 2-0-00381
Miscellaneous No. 208
(Phase 4 Facilities for Tentative Tract Map No. 38572)
AMR:blj
06/05/24

ARANTINE HILLS HOLDINGS LP,
a Delaware limited partnership

By: PV Development Management LLC,
a Delaware limited liability company,
as property manager

By: Pacific Ventures Management LLC,
a Delaware limited liability company,
Its Manager

By:


Jason Perrin
President

Its:

(ATTACH NOTARY WITH CAPACITY
STATEMENT)

Cooperative Agreement:
Bedford Canyon Wash, Stage 2
Project No. 2-0-00381
Miscellaneous No. 208
(Phase 4 Facilities for Tentative Tract Map No. 38572)
AMR:blj
06/05/24

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.

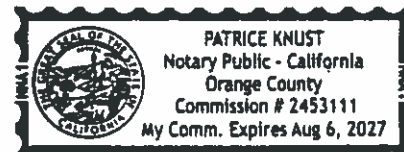
State of California
County of Orange

On June 14, 2024 before me, Patrice Knust, Notary Public
(insert name and title of the officer)

personally appeared Jason Perrin,
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 Patrice Knust, Notary Public (Seal)

EXHIBIT A

LEGAL DESCRIPTION

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

LOT 1 AND LETTERED LOT H 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 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.

APN: 282-030-030 (Lot 1) and 282-030-037 (Lot H)

COOPERATIVE AGREEMENT

Bedford Canyon Wash, Stage 2

Project No. 2-0-00381

Miscellaneous No. 208

(Phase 4 facilities for Tentative Tract Map No. 38572)

EXHIBIT A

LEGAL DESCRIPTION

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

PARCEL ONE: (APN NO'S 282-030-030 AND 282-030-037)

LOT 1 AND LETTERED LOT H 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 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 TWO: (APN 282-040-021)

PARCEL 1 OF PARCEL MAP NO. 37036, IN THE CITY OF CORONA, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FILED IN [BOOK 250, PAGES 41 THROUGH 44](#) OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

COOPERATIVE AGREEMENT

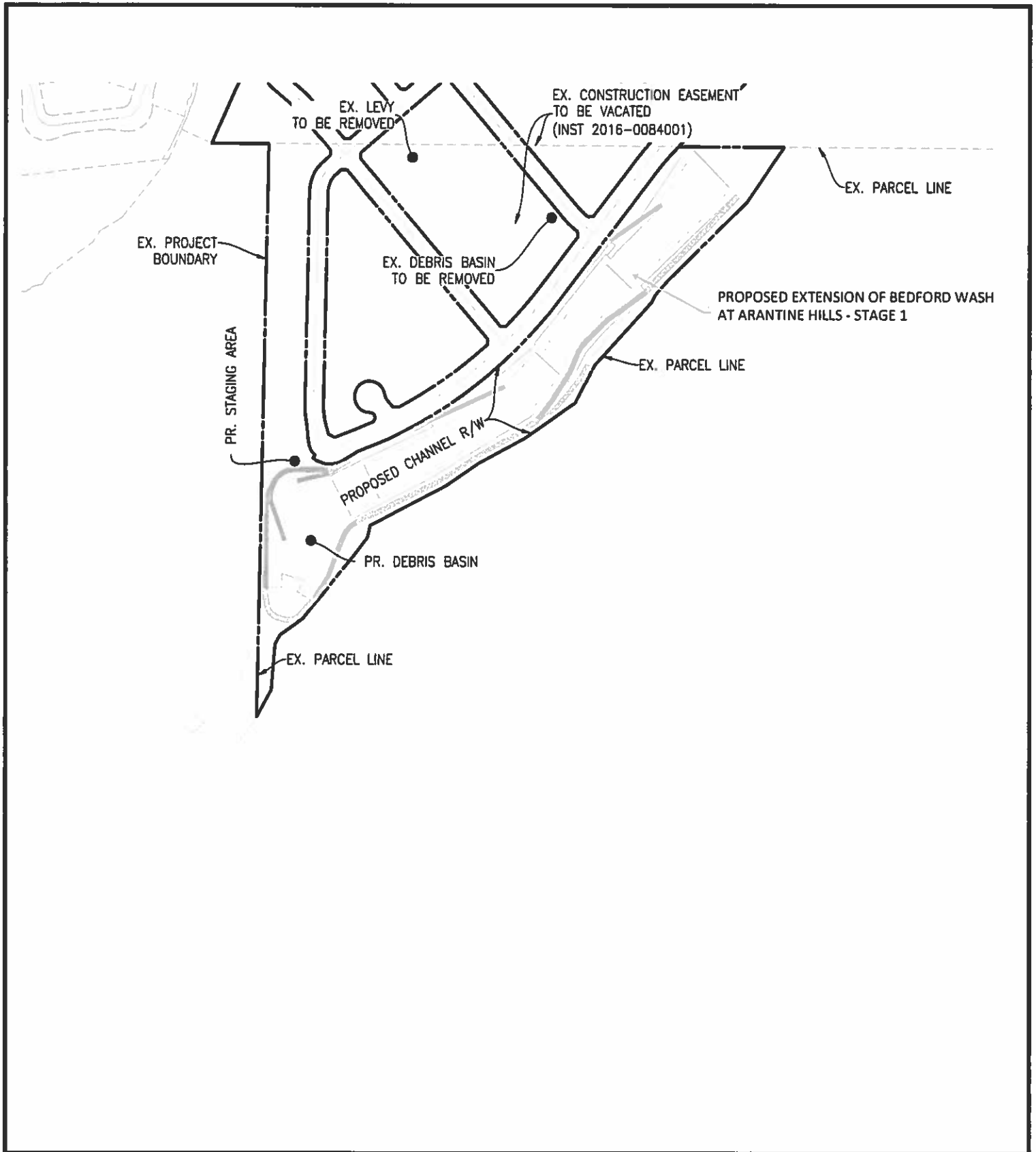
Bedford Canyon Wash, Stage 2

Project No. 2-0-00381

Miscellaneous No. 208

(Phase 4 facilities for Tentative Tract Map No. 38572)

EXHIBIT B



COOPERATIVE AGREEMENT

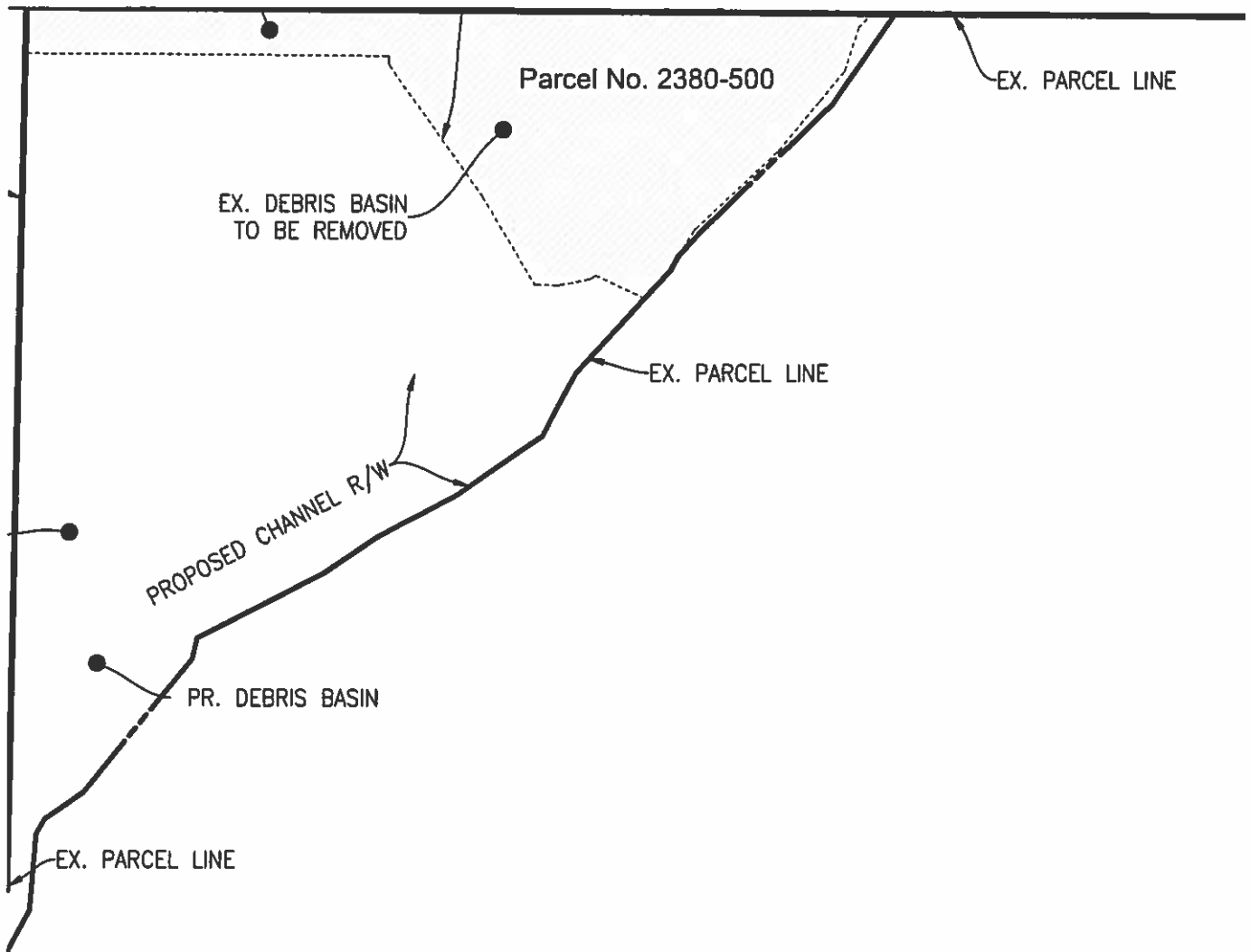
Bedford Canyon Wash, Stage 2

Project No. 2-0-00381

Miscellaneous No. 208

(Phase 4 facilities for Tentative Tract Map No. 38572)

EXHIBIT C



COOPERATIVE AGREEMENT
Bedford Canyon Wash, Stage 2
Project No. 2-0-00381
Miscellaneous No. 208
(Phase 4 facilities for Tentative Tract Map No. 38572)

Exhibit D

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 D

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 D

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 D

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.

EXHIBIT E



COOPERATIVE AGREEMENT

Bedford Canyon Wash, Stage 2

Project No. 2-0-00381

Miscellaneous No. 208

(Phase 4 facilities for Tentative Tract Map No. 38572)