

AGREEMENT FOR CONSTRUCTION OF IMPROVEMENTS

WHEREAS, the undersigned, AFG DEVELOPMENT, LLC, referred to herein as the "Developer", whose principal street address is 1451 RESEARCH PARK DR, STE 200, RIVERSIDE, CA 92507, whose mailing address, if different, is P.O. Box 52049, RIVERSIDE, CA 92507 and whose telephone number is (951) 334-9003, has made application to the City of Riverside, referred to herein as the "City", and Riverside County Flood Control and Water Conservation District, referred to herein as the "District" for approval of project designated **Parcel Map 37475**; and

WHEREAS, the Developer has not completed all of the work, or made all of the improvements required as a condition of approval of the project and desires to enter into a contract for the completion of the work and the installation of the improvements and to furnish security for the performance of this contract;

NOW, THEREFORE, in consideration of the approval of above designated project by the City and District, and as a condition of such approval, the Developer promises and agrees at the Developer's own expense to do all of the work and make all of the improvements required which work and improvements, without limitation by enumeration, consist of the following:

All Riverside County Flood Control and Water Conservation District and the City of Riverside Drainage Facilities associated with Parcel Map 37475 (The Exchange Project).

The above enumeration of items is understood to be only a general designation of the work and improvements, and not a binding description thereof. All of the work shall be done, and improvements made and completed as shown on and in strict compliance with applicable plans and specifications, and any subsequent alterations thereto. Alterations in the plans and specifications and the work to be performed may be accomplished without giving prior notice thereof to the surety; however, the amount of the surety's obligations shall not be changed. In no event shall such change result in exonerating the surety's obligations. Such work shall be completed, and improvements made within one year from the date of this agreement, unless such time be extended by the City and District upon written application of the Developer.

As a condition of granting a time extension, the City and District at their option may require a new security and agreement to reflect any revised estimated cost, as determined by the City and District, of the work and the improvements for the period covered by the time extension.

It is understood that by providing security for this agreement, the surety consents in advance to any extension of time as may be given by the City and District to the Developer and waives notices of such extension. The making of an application for an extension of time by the Developer shall, upon granting of the application by the City and District, constitute a waiver by the Developer and by the surety of all defenses of laches, estoppel, statutes of limitations, and other limitations of action, in any action, or proceeding filed by the City and District within the period of four years immediately following the date to which the time of performance was extended.

The Developer further agrees that any and all grading done or to be done in conjunction with the herein described project shall conform to the requirements of the Riverside Municipal Code and any other applicable ordinances regulating excavations and fills (e.g., grading regulations) and shall be completed within the period of time described above and prior to the acceptance by or on behalf of the City and District of the work and improvements and prior to the release by the City and District of the surety guaranteeing performance of this agreement.

The Developer promises and agrees to maintain all of the improvements required by this agreement after any construction has been started under this contract in a state of good repair, until all of the work and improvements are completed and accepted by the City and District in writing and until the security for the performance of this agreement is released in its entirety. It is further agreed that once work has started that all work shall be performed in an expedient and diligent manner as determined by the City and District. Should the City and District determine that cessation of work or incomplete construction poses possible health or safety hazards or inconvenience to the public, the City and District may, upon giving written notice, declare the Developer to be in default.

The Developer shall be responsible for maintaining all improvements for a period of one year following completion of the work, and acceptance by the City and District in writing, against any defective work or labor done, or defective materials furnished, in the performance of the contract. It is further agreed that upon completion and acceptance of the improvements by the City of Riverside and District, the liability of the surety for no less than ten percent (10%) of the face amount thereof, or \$300.00, whichever is greater, will continue for the purpose of guaranteeing maintenance of the improvements for a period of one year following the completion and acceptance by the City and District in writing against any defective work or labor done, or defective materials furnished in the performance of this contract with the City of Riverside and District. Said maintenance shall include, but shall not be limited to, repair of pavement, curbs, gutters, sidewalks, parkways, slopes, sewers, storm drains and removal of debris from sewers and storm drains; said maintenance shall also include, but not be limited to by this enumeration, sweeping, repairing and maintaining in a good and safe condition all streets and street improvements as required by the City and District. It shall be the Developer's responsibility to initiate this work, but if the Developer should fail to do so, such maintenance shall be promptly performed when the Developer is notified to do so by the Public Works Director of the City. Upon failure of the Developer to properly maintain the improvements as determined by the City and District, the City and District may do all necessary work required by this paragraph, the cost thereof being chargeable to the Developer and the surety by this agreement.

If the Developer and the surety fail to install all or any of the work or to install all or any part of the improvements required by this contract within the time set forth herein, or fail to comply with any other obligation contained herein, they shall be jointly and severally liable to the City and District for any administrative expenses and attorney's fees incurred in obtaining compliance with this agreement and any such expenses and fees incurred in processing any action for damages or for any other remedies permitted by law.

It is further understood and agreed that upon default of any obligation hereunder, and at any time after any such default, the City and District may make written demand upon the Developer or surety or both to immediately remedy the default or complete the work. If the remedial activities or the completion of work are not thereafter diligently prosecuted to completion and fully completed within thirty days after the making of such demand (or such other time as may be contained in the demand), the City and District may then complete or arrange for completion of all remaining work or conduct such remedial activity as in the sole judgment of the City and District may be required, all at the full expense and obligation of the Developer and surety and all without the necessity of giving any further notice to the Developer or surety before the City and District performs or arranges for performance of any remaining work or improvements, whether or not the Developer or surety have constructed any of the required improvements at the time. In the event the City and District elects to complete or arrange for completion of the remaining work and improvements, the Public Works Director, upon such election, may require all work by the Developer or surety to cease in order to permit adequate coordination by the City and District for completing any remaining work and improvements not yet completed. The

Developer and the surety further agree under this agreement to hold the City and District and their officers and employees free and harmless from any claim, demand or action for damages, injury or death, and to indemnify the City and District for any loss, arising out of or incurred as the result of or in connection with improper maintenance or dangerous conditions or any act or omission in connection with any of the improvements required, existing or occurring or arising out of any act or omission occurring prior to written release by the City and District of the security guaranteeing maintenance.

It is agreed that all work and improvements done pursuant to this agreement shall conform to the standards applicable at the time work is actually commenced.

For purposes of enforcing this agreement, the term "City" includes the City Council, the City Manager, the City Attorney, the Public Works Director, or any of them, or any of their authorized representatives.

It is further agreed that the amount of security to guarantee the performance of this contract will be **Four Million Five Hundred Seventy One Thousand Six Hundred and 00/100 dollars (\$4,571,600.00)**. In addition, the Developer shall provide security in the amount of **Two Million Two Hundred Eighty Five Thousand Eight Hundred and 00/100 dollars (\$2,285,800.00)** to guarantee payment to any contractors, subcontractors, and persons furnishing labor, materials, and equipment to them for the performance of the work herein described. The labor and material security may be released six months after written acceptance of the improvements by the City and District providing no claims have been filed with the City and District against the security. The security to guarantee performance and payment to laborers and material suppliers shall be in the form of SURETY BOND (cash deposit, irrevocable letter of credit, or corporate surety bonds).

The Developer acknowledges and agrees to City regulations governing signs and advertising structures. Developer agrees and consents to removal by the City of all signs erected, placed, or situated in violation of any City ordinance governing size, location or required permits. Removal shall be at the expense of the Developer and Developer shall indemnify and hold the City free and harmless from any claim or demand arising out of or incurred as a result of such removal, excepting negligent acts or omissions by the City, its agents or employees. Developer agrees that said signs may be erected only pursuant to a permit issued by the City upon payment of necessary fees or deposits.

The Developer acknowledges that installation of the required improvements under this agreement is the Developer's sole responsibility and the Developer is not relieved of this responsibility should the Developer sell or transfer title to the property for which these improvements are required. Should the Developer wish to transfer responsibility for the required improvements, written application must be made to the City and District requesting agreement and bond forms be prepared for the new Developer reflecting the current estimated cost, as determined by the City and District, to construct all of the required improvements. Upon submittal by the new Developer, and acceptance of the new agreement and security by the City and District, the previous agreement and security may be released in its entirety.

IN WITNESS WHEREOF, this agreement has been duly executed by the Developer above named on
JANUARY 12, 2022

AEG LLC
Developer

By Jim Guthrie
Signature

JIM GUTHRIE MANAGING MEMBER
Name and Title

CITY OF RIVERSIDE

Public Works Director/City Engineer

By Chris Scully

Checked by : Chris Scully

By _____
Signature

Name and Title

(Names and signatures must be the same as on
security and City Attorney's Office must approve
both this agreement and the security)

Approved as to Form:

By: Anthony L. Beaumon
Deputy City Attorney