

**ROAD IMPROVEMENT AGREEMENT FOR
IMPROVEMENT WARRANTY**
(After Construction is Complete)
(Government Code §§ 66462 and 66463)

Development: RA 06-1210

Road: Dougherty Road

Developer: Shapell Industries Inc., a Delaware Corp

Maintenance Period: 1 year

Effective Date: _____

Deposits:

- A. (Cash) \$ 127,000
- B. (Bonds, etc.)
 - 1. (Faithful Performance & Maintenance) \$ 1,767,650
 - 2. (Payment) \$ 6,315,500

1. PARTIES & DATE. Effective on the above date, the County of Contra Costa, California, hereinafter called "County," and the above-named Developer, mutually promise and agree as follows concerning this development.

2. IMPROVEMENT WARRANTY. Developer warrants that the road and street improvements, development drainage, street signs, and all other public improvements were constructed, installed and completed in this development in a manner equal or superior to the requirements of the County Ordinance Code, Title 9.

3. GUARANTEE & MAINTENANCE. Developer guarantees that the aforesaid development improvements are and will be free from defects and will perform satisfactorily in accordance with County Ordinance Code; and he shall maintain the improvements for one year after the date of this agreement against any defective workmanship or materials or any unsatisfactory performance.

4. IMPROVEMENT SECURIT - DEPOSIT & BONDS. Upon executing this agreement, Developer shall deposit as security with the County:

A. Cash: \$1,000.00 cash or 1% of the estimated cost of the improvements, whichever is more; together with

B. Bond, etc.: (1. Faithful performance) additional security totaling 15% of the cost of the estimated improvements less the cash deposit in the form of a cash deposit, acceptable instrument of credit, or an acceptable corporate surety bond, guaranteeing his faithful performance of this agreement and maintenance of the work for one year after the date of this agreement against any defective workmanship or materials or any unsatisfactory performance; plus (2. payment for labor & materials) another such additional security in at least the above specified amount, which is 50% of the estimated cost of the aforementioned improvements, securing payment to the contractor, to his subcontractors, and to persons renting equipment or furnishing labor or materials to them or to the Developer. Said payment bond to become null and void six months after the completion of improvements.

5. NO WAIVER BY COUNTY. Inspection of the improvements and/or materials, or approval of improvements and/or materials inspected, or statement by any officer, agent or employee of the County indicating that the improvements or any part thereof comply with the requirements of this agreement, or acceptance of the whole or any part of said improvements and/or materials, or payments, therefor, or any combination or all of these acts, shall not relieve the Developer of his obligation to fulfill this agreement as prescribed; nor shall the County be thereby be stopped from bringing any action for damages arising from the failure to comply with any of the terms and conditions hereof.

6. INDEMNITY: Developer shall hold harmless and indemnify the indemnities from the liabilities as defined in this section:

A. The indemnities benefited and protected by this promise are the County, and its special district, elective and appointive boards, commissions, officers, agents, and employees;

B. The liabilities protected against are any liability or claim for damage of any kind allegedly suffered, incurred or threatened because of actions defined below, and including personal injury, death, property damage, inverse condemnation, or any combination of these, and regardless of whether or not such liability, claim or damage was unforeseeable at any time before the County approved the subdivision map or accepted the improvements as completed, and including the defense of any suit(s), action(s), or other proceeding(s) concerning these;

C. The actions causing liability are any act or omission (negligent or non-negligent) in connection with the matters covered by this agreement and attributable to the Developer, contractor, subcontractor, or any officer, agent, or employee of one or more of them;

D. Non-Conditions: The promise and agreement in this section are not conditioned or dependent on whether or not any Indemnity has prepared, supplied, or approved any plan(s) or specification(s) in connection with the improvements or development, or has insurance or other indemnification covering any of these matters.

7. COSTS: Developer shall pay or have paid when due all the costs of the work, including inspections thereof and relocating existing utilities required thereby.

8. NON-PERFORMANCE AND COSTS: If Developer fails to maintain the work and improvements during the time specified in this agreement, County may proceed to maintain them by contract or otherwise, and Developer shall pay the costs and charges, therefor immediately upon demand. If County sues to compel performance of this agreement or recover engineering costs and the cost of maintaining the improvements, Developer shall pay all reasonable attorneys' fees, costs of suit, and all other expenses of litigation incurred by County in connection therewith.

9. ASSIGNMENT: If before the completion of the maintenance period the development is annexed to a city, the County may assign to that city the County's rights under this agreement and any deposit or bond securing them.

10. LABOR & MATERIALS, WARRANTY: Developer further warrants that the claims and liens of all persons, contractors, and subcontractors furnishing labor or materials for the installation of said improvements in the development have been satisfied. The Developer agrees to satisfy any valid claims or liens of labor and materialmen as to the said improvements and development appearing hereafter upon demand by the County.

11. CONSIDERATION: In consideration hereof, County shall clear the development for occupancy, and recognizes this development as one complying with State laws and County ordinances.

CONTRA COSTA COUNTY:

Julia R. Bueren, Public Works Director


By: _____

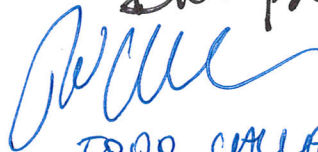
RECOMMENDED FOR APPROVAL:

By: _____
Engineering Services Division

Developer:

Shapell Industries Inc., a Delaware Corporation


Robert D. Moore
(Name and Title)
Dev. President


Todd Callahan
(Name and Title)
VICE PRESIDENT

FORM APPROVED: Victor J. Westman, County Counsel

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 Alameda

On July 6, 2016 before me, Jean R. Westphal, Notary Public
(insert name and title of the officer)

personally appeared Robert D. Moore,
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.

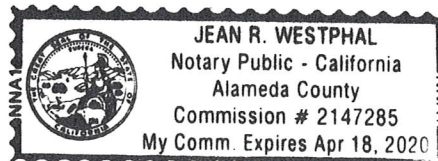
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jean R. Westphal

(Seal)



ACKNOWLEDGMENT

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State of California
County of Alameda)

On July 6, 2016 before me, Jean R. Westphal, Notary Public
(insert name and title of the officer)

personally appeared Todd Callahan,
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.

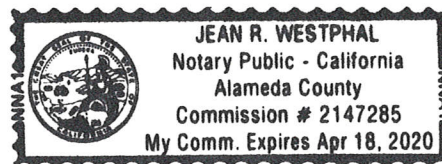
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Jean R. Westphal

(Seal)



Subdivision: Gale Ranch IV RA 06-1210

Bond No.: 58735832

Premium: \$14,141.00

Any claim under this Bond should be sent

to the following address:

2 Paoli Office Park

Paoli, PA 19301

**IMPROVEMENT SECURITY BOND
FOR SUBDIVISION AGREEMENT**
(Performance, Guarantee and Payment)
(Gov. Code, §§ 66499-66499.10)

1. **RECITAL OF SUBDIVISION AGREEMENT.** The Principal has executed an agreement with the County of Contra Costa (hereinafter "County") to install and pay for street, drainage and other improvements in Subdivision 06-1210 as specified in the Subdivision Agreement, and to complete said work within the time specified for completion in the Subdivision Agreement, all in accordance with State and local laws and rulings thereunder in order to satisfy conditions for filing of the Final Map or Parcel Map for said subdivision. Under the terms of the Subdivision Agreement, Principal is required to furnish a bond to secure the faithful performance of the Subdivision Agreement and payment to laborers and materialmen.

2. **OBLIGATION.** Shapell Industries, Inc., a Delaware Corporation, as Principal, and Western Surety Company, a corporation organized and existing under the laws of the State of South Dakota and authorized to transact surety business in California, as Surety, hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns to the County of Contra Costa, California to pay it:

(A. Performance and Guarantee) One Million Seven Hundred Sixty Seven Thousand Six Hundred Fifty and 00/100 Dollars (\$ 1,767,650.00) for itself or any city assignee under the above Subdivision Agreement.

(B. Payment) Six Million Three Hundred Fifty Thousand and 00/100 Dollars (\$ 6,315,500.00) to secure the claims to which reference is made in Title XV (commencing with Section 3082) of Part 4 of Division III of the Civil Code of the State of California.

3. **CONDITION.** This obligation is subject to the following condition.

A. The condition of this obligation as to Section 2.(A) above is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the County of Contra Costa (or city assignee), its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of Contra Costa (or city assignee) in successfully enforcing such obligation, and to be taxed as costs and included in any judgment rendered.

B. The condition of this obligation, as to Section 2.(B) above, is such that said Principal and the undersigned as corporate surety are held firmly bound unto the County of Contra Costa and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid Subdivision Agreement and referred to in the aforesaid Civil Code for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, and that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of Contra Costa (or city assignee) in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

C. No change, extension of time, alteration, or addition to the terms of said Subdivision Agreement or the work to be performed thereunder or any plan or specifications of said work, agreed to by the Principal and the County of Contra Costa (or city assignee) shall relieve any Surety from liability on this bond; and consent is hereby given to make such change, extension of time, alteration or addition without further notice to or consent by Surety; and Surety hereby waives the provisions of Civil Code Section 2819 and holds itself bound without regard to and independently of any action against the Principal whenever taken.

SIGNED AND SEALED on July 14, 20 16.

Shapell Industries, Inc., a Delaware

Principal: Corporation

Address: _____

Zip: _____

By: _____

Print Name: _____

Title: _____

Surety: Western Surety Company

Address: 100 Matsonford Road

Radnor, PA

Zip: 19087

By: _____

Print Name: Joseph W. Kolok, Jr.

Title: Attorney-in-Fact

[Note: All signatures must be acknowledged. For corporations, two officers must sign. The first signature must be that of the chairman of the board, president, or vice-president; the second signature must be that of the secretary, assistant secretary, chief financial officer, or assistant treasurer. (Civ. Code, § 1190 and Corps. Code, § 313.)]

Form Approved by County Counsel
(Rev. 1/06)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

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 PENNSYLVANIA

County of CHESTER

On JULY 14, 2016 before me, ARLENE OSTROFF, Notary Public
Date Name and Title of Notary

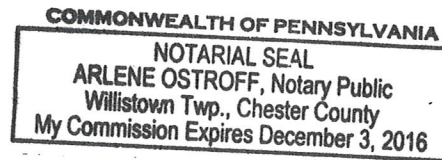
personally appeared JOSEPH W. KOLOK, JR.
Name and or Names of Signer(s)

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 *Arlene Ostroff*
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

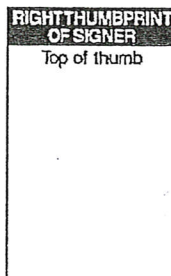
Title or Type of Document _____

Document Date _____ Number of Pages: _____

Signer's Name: _____

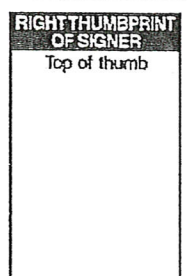
- ☐ Individual
- ☐ Corporate Officer – Title(s): _____
- ☐ Partner - ☐ Limited ☐ General
- ☐ Guardian or Conservator
- ☒ Attorney-in-Fact
- ☐ Trustee
- ☐ Other: _____

Signer is representing _____
WESTERN SURETY COMPANY



- ☐ Individual
- ☐ Corporate Officer – Title(s): _____
- ☐ Partner - ☐ Limited ☐ General
- ☐ Guardian or Conservator
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Other: _____

Signer is representing _____



Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

William F Simkiss, Richard J Decker, Daniel P Dunigan, Joseph W Kolok Jr, Brian C Block, James L Hahn, Individually

of Paoli, PA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 10th day of February, 2016.



WESTERN SURETY COMPANY

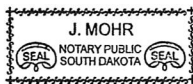
Paul T. Bruflat, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 10th day of February, 2016, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

June 23, 2021



J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 14TH day of JULY, 2016.



WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

WESTERN SURETY COMPANY
Sioux Falls, South Dakota
Statement of Net Admitted Assets and Liabilities
December 31, 2015

ASSETS

Bonds	\$ 1,694,282,606
Common stocks	24,218,356
Cash, cash equivalents, and short-term investments	25,339,975
Investment income due and accrued	20,596,996
Premiums and considerations	27,577,388
Amounts recoverable from reinsurers	9,329,459
Federal & foreign income taxes recoverable	3,597,963
Net deferred tax asset	16,095,068
Receivable from parent, subsidiaries, and affiliates	1,645,324
Other assets	1,016,832
Total Assets	<u>\$ 1,823,699,967</u>

LIABILITIES AND SURPLUS

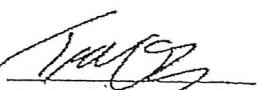
Losses	\$ 214,978,759
Loss adjustment expense	56,382,252
Other expenses	1,040,680
Taxes, License and fees	2,313,346
Unearned premiums	207,378,031
Advance premiums	5,566,599
Ceded reinsurance premiums payable	1,844,830
Provision for reinsurance	681,280
Other liabilities	10,175,884
Total Liabilities	<u>\$ 500,361,661</u>

Surplus Account;

Common stock	\$ 4,000,000
Gross paid in and contributed surplus	280,071,837
Unassigned funds	1,039,266,469
Surplus as regards policyholders	<u>\$ 1,323,338,306</u>
Total Liabilities and Capital	<u>\$ 1,823,699,967</u>

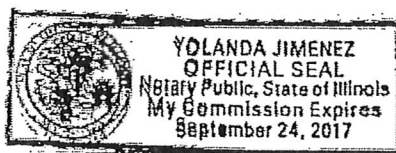
I, Troy Wray, Assistant Vice President of Western Surety Company hereby certify that the above is an accurate representation of the financial statement of the Company dated December 31, 2015, as filed with the various Insurance Departments and is a true and correct statement of the condition of Western Surety Company as of that date.

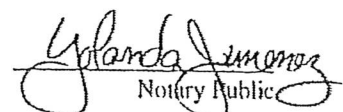
Western Surety Company

By 
Assistant Vice President

Subscribed and sworn to me this 21st day of March, 2016.

My commission expires:




Notary Public

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 Alameda)

On July 14, 2016 before me, Jean R. Westphal, Notary Public
(insert name and title of the officer)

personally appeared Robert D. Moore,
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 Jean R. Westphal

(Seal)

