

K. HOVNANIAN'S SONATA AT THE RESERVE, LLC
[Tract No. 18778]

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement ("Agreement") dated and effective March 24, 2026, is entered into by and between K. HOVNANIAN'S SONATA AT THE RESERVE, LLC, a California limited liability company ("Developer") and the CITY OF CHINO, a general law city and municipal corporation ("City"). Developer and City are collectively referred to as "Parties."

RECITALS

A. On October 29, 2014, the City and Developer entered into the Subdivision Improvement Agreement ("**SIA**") (**Exhibit A**), which is incorporated herein by this reference, providing Developer with conditional authorization to subdivide and construct, on real property reflected on Tract Map No. 18778 owned by the Developer, a total of 65 numbered lots and five lettered lots within the subdivision in Chino known as "Sonata at The Preserve", located at Bickmore Avenue and Mill Creek Avenue and consisting of approximately 9.25 gross acres (hereinafter called the "**Project**").

B. The SIA required Developer to, *inter alia*, construct, install and complete all of the public improvements contained in Exhibit 1 of the SIA in a good and workmanlike manner, according to the approved plans and specifications, and to the satisfaction of the Assistant City Manager/Director of Public Works or his designee, within two (2) years from the date of the City's approval of the SIA. The time for completion could be extended by up to one (1) additional year by the City Council for good cause shown.

C. After the City's Approval (as defined in the SIA) of the plans and specifications of the Developer's Project, the City's personnel field inspected the Developer's Project and improvements thereon, many without objection. However, the City ultimately required Developer to demolish certain items, including but not limited to streets, sidewalks, gutters and curb ramps to comply with the City's latest standard specifications and the provisions of the Chino Municipal Code to the satisfaction of the City pursuant to the SIA. Developer thereafter filed a complaint in the San Bernardino Superior Court, Case No. CIVSB2403234 on January 18, 2024, which disputed whether the additional City-requested improvements were required or not appropriately completed ("**Disputes**") and alleged that the City's requirements constituted a breach of contract ("**Complaint**").

D. Following the City's successful demurrer to the Complaint, Developer filed a First Amended Complaint ("**First Amended Complaint**"). The City again demurred, and the First Amended Complaint was dismissed with prejudice on April 11, 2025. On September 16, 2025, the Court ruled that Developer is required to pay costs in the amount of \$1,948.50 and attorneys' fees in the amount of \$31,649 to the City (**Exhibit B**). As a result of the City's determination that the constructed improvements do not comply with the Approved Subdivision Improvement Plans, the City has: a) not finally accepted certain improvements constructed by the Developer, and b) declined to exonerate the various construction and improvement bonds, security instruments and letters of credit ("**Bonds**") provided for Developer's Project, which Developer has continued to maintain.

E. As a result of the dismissal of the First Amended Complaint and City's determination that the constructed improvements do not comply with the Approved Subdivision Improvement Plans, the Parties have agreed that certain deficiencies in improvements by Developer will be addressed prior

to the City's acceptance of public improvements as outlined in the Land Development Punchlist (**Exhibit C**).

F. Specifically, the Punchlist requires that Developer bring certain items into conformance with permit, plans, standards, and/or specifications by: setting all survey monuments; submitting centerline ties per City Standard Drawing No. 900 for review and approval, red-lined "*Record Drawings*" ("As-Builts") for review and approval, AutoCAD format of plans (once "As-Built" plan have been verified, *List of Public Improvements* constructed, final compaction report records for the construction of public improvements, sewer system CCTV videos and reports; installing 1-inch air vacuum assembly at Crane Ct per the approved plans and City of Chino Standard Drawing No. 435B; constructing signing and striping as per the approved plan SP-622; implement the improvement recommendations outlined in the September 2025 Pavement Investigation Report prepared by LaBelle Marvin, except that the road slurry application shall consist of crack sealing followed by the placement of either Type II REAS or Type II RPMS; and removing Cobblestones per City of Chino Standard No. 275. The City also requires certain repairs and clean-up be made, such as the installation of water meter coupling and A34 adaptor and 3-inch "W" stamp in the curb face at service location; adjustment to grade all sewer and storm drain manholes; painting of all fire hydrants and blow off per City of Chino Standard Drawing No. 445A; final inspection of the streetlights pedestal; and so forth, as enumerated in **Exhibit C**.

G. In the interest of resolving all Disputes related to Developer's Project and improvements thereon, the Parties agree to work together cooperatively to complete final approval and acceptance of the improvements, reduction and exoneration of the related bonds, and all other security reconveyances. To this end, the Parties agree that, in exchange for Developer addressing the deficiencies in **Exhibit C** and paying to City the attorneys' fees and costs in **Exhibit B**, the City shall assume responsibility for implementing any and all corrective actions necessary to install, correct and maintain the improvements that are the subject of the Approved Subdivision Improvement Plans compliant with the SIA, and any and all applicable federal, state, and local laws, regulations, or guidance applicable to the improvements and shall further exonerate all Bonds previously required of the Developer.

H. The Parties now desire to resolve all the issues encompassed in the First Amended Complaint and Punchlist and enter into this Agreement, to resolve all underlying and related contentions and allegations FINALLY, FULLY, COMPREHENSIVELY AND CONCLUSIVELY by the Parties, by and through this Agreement.

I. The Parties understand that this Agreement is subject to the approval of the City Council. The date upon which the City Council approves this Agreement shall be deemed its Effective Date.

NOW, THEREFORE, in consideration of the above Recitals, covenants and agreements, the Parties agree as follows:

SETTLEMENT

1. **DEFINITIONS.**

A. As used herein, the term "**Claims**" means all claims, charges, liabilities, damages, obligations, costs, expenses (including without limitation attorneys' fees), rights and causes of action of any kind, legal or equitable, whether known or unknown, anticipated or unanticipated, past, present or future, contingent or fixed, existing, claimed to exist or which may hereafter exist under the United States

Constitution, the California Constitution, applicable common law, contract, tort or other federal, state, local, or municipal law or regulation, relating in any way to the facts and circumstances that give rise to the Disputes, whether said facts and circumstances occurred prior to or after the occurrence of the Disputes, including but not limited to those alleged in the Complaint and First Amended Complaint.

B. As used herein, the term “Effective Date” means the first (1st) business day after the City Council’s approval of this Agreement. This Agreement shall not become effective, and neither party shall have any rights or obligations hereunder, until the “Effective Date”.

C. As used herein, the term “Approved Subdivision Improvement Plans” refers to those plans for the Project on file with the City’s Public Works Department.

D. As used herein, the term “Ruling” refers to the ruling on the demurrer to the First Amended Complaint and motion for attorneys’ fees and costs issued by the Hon. Carlos M. Cabrera of the San Bernardino Superior Court on September 16, 2025, as detailed in **Exhibit B**.

2. REPRESENTATIONS AND WARRANTIES.

A. Each party hereby represents and warrants that:

- (i) It has the power and authority to enter this Agreement.
- (ii) None of the Claims released hereunder have been in the past or will in the future be assigned, conveyed, or transferred in any fashion to any other person and/or entity.

3. SETTLEMENT TERMS.

A. City Obligations.

(i) Nothing in this Agreement is intended to or shall have the lawful effect of contracting away the City’s zoning authority or any other aspect of the City’s police power or any discretionary approval that rests solely with the City Council, provided, however, the City agrees it will not use its authority, power or any discretionary approval in a manner that it is inconsistent with the provisions of this Agreement. City Staff and counsel for the City have previously reviewed the terms and conditions of this Agreement and have advised the City Council as to the sum and substance of its terms, to the satisfaction of the Council prior to any duly noticed public meetings. City Staff and counsel for the City agree to recommend acceptance and approval of all disputed improvements and projects described herein, consistent with the terms of this Agreement.

(ii) The City shall notice any public meeting(s) required for presentation and approval of this Agreement in accordance with the Brown Act (Government Code § 54950, *et seq.*) and other applicable laws, as promptly as is feasible. If the City Council fails to accept the improvements within sixty (60) days following the Effective Date, this Agreement shall be of no further force or effect on the sixty-first (61st) day. Upon approval of this Agreement, the following will govern the process for final acceptance, bonds, and related matters.

- a. The City and Developer agree that the Project and related improvements will be deemed accepted by Staff who shall recommend acceptance of such improvements to the City Council as set forth in **Exhibit C**, which is incorporated herein by this reference, subject to the Developer’s payment of the City’s attorneys’

fees and costs as set forth in **Exhibit B**.

- b. Developer shall maintain a warranty bond as required by Government Code § 66499.3 for a period of twelve (12) months. Within ten (10) business days after expiration of the warranty bond period, upon presentation of a bond release form substantially in compliance with **Exhibit D**, which is incorporated herein by this reference, City shall execute such bond release to permit exoneration thereof.
- c. City Council's acceptance of the improvements described above shall include a complete defense, indemnification and hold harmless of Developer in connection with any legal challenge brought by a third party, government entity or other person or entity relating to such improvements or this Agreement, with the City's legal counsel of choice.
- d. All other agreements between the parties relating to these parcels and any security therefore are specifically superseded by this Agreement.

B. Developer's Obligations.

(i) Developer and each of Developer's agents shall not oppose the City's approval of the Agreement and shall support, both verbally and in writing, if requested by the City, the City's acceptance of the Agreement ("**Support Covenant**"). This Support Covenant shall be of no further force or effect on the sixty-first (61st) day after the Effective Date if City Council fails to accept the improvements unless the Parties agree in writing to extend this deadline.

(ii) Developer shall not file any lawsuits, administrative appeals pursuant to the City's Municipal Code, or take any other enforcement action which arises from the Punchlist whatsoever, in whatever shape or form, to challenge, appeal, or otherwise seek to influence in any respect, approval of this Agreement except as may be necessary to support or defend the validity of this Agreement.

(iii) Before the date of the City's acceptance of this Agreement, Developer shall pay costs in the amount of \$1,948.50 and attorney fees in the amount of \$31,649, for a total of \$33,597.50 to the City as outlined in **Exhibit B**. City shall be authorized to deposit said payment immediately upon City's approval of this Agreement.

C. General Obligations of All Parties.

(i) The Parties will use their best efforts and cooperate as necessary in performing and implementing this Agreement in good faith.

(ii) As to the warranty bonds required by Government Code § 66499.3 for the Project, the parties have agreed that no claims shall be made under such bonds, as all potential claims have been waived in this Agreement. If a claim of defective construction or other fact allegedly giving rise to a claim under the Warranty Bond: a) the City shall investigate such allegations and reject such claim if appropriate; b) if the City considers the allegations to have merit, the parties will meet and confer and submit the allegations to mediation, consistent with Paragraph 5(G) below, before tending such claim to the surety.

4. GENERAL RELEASE.

A. General Release and Discharge of Claims by Developer. Upon the Effective Date of this Agreement, Developer, for itself and all of its predecessors, successors, assigns, representatives, attorneys, employees, officers, agents and affiliates¹, does hereby fully and forever release and discharge the City, and all of its predecessors, successors, assigns, representatives, attorneys, agents, elective and appointive council members, council boards, commissions, commissioners, officers, employees, of and from any and all disputes, Claims, demands, rights, damages, costs, litigation expenses, attorneys fees, expert fees, consultant fees, other fees, interest, lost profits and earnings, diminution in the value of the business, loss of past, current, future and subsequent business and patronage, the value of the leasehold interest, the loss of goodwill, any inverse condemnation claims, any claims for the taking of property, and any other damages, costs or expenses arising from any and all disputes relating to Developer's Project that Developer may have or may hereafter accrue (except as to any alleged breach of this Agreement), including without limitation, any and all known and unknown, foreseen and unforeseen claim, damage and injury, relating to, or in any way, directly or indirectly, involving or arising out of any facts or circumstances related to the Complaint or First Amended Complaint.

B. General Release and Discharge of Claims by City. Upon the Effective Date of this Agreement and subject to confirmation by City's financial institution that the payment by Developer of the attorneys' fees and costs in **Exhibit B** has been fully cleared for deposit into City's account, City, for itself and all of its predecessors, successors, assigns, representatives, attorneys, employees, officers, agents, affiliates, elective and appointive council members, council boards, commissions, and commissioners, does hereby fully and forever release and discharge the Developer, and all of its predecessors, successors, assigns, representatives, attorneys, agents, affiliates, officers, directors and employees, of and from any and all disputes, claims, demands, rights, damages, costs, litigation expenses, attorneys fees, expert fees, consultant fees, other fees, interest, lost profits and earnings, and any other damages, costs and expenses arising from any and all disputes relating to Developer's Project that City may have or may hereafter accrue (except as to any alleged breach of this Agreement), including without limitation, any and all known and unknown, foreseen and unforeseen claim, damage and injury, relating to, or in any way, directly or indirectly, involving or arising out of any facts or circumstances related to the Complaint or First Amended Complaint.

C. Waiver of Claims. It is the intention of the Parties, in executing this Agreement and receiving the consideration recited herein, that this Agreement will be effective as a full and final accord and satisfaction and general release of all Claims, debts, damages, liabilities, demands, obligations, costs, expenses, disputes, Disputes or causes of Disputes, that the Parties may have against each other by reason of any acts, circumstances or transactions relating in any way to the disputes. In furtherance of this intention, the Parties hereby acknowledge that they are familiar with California Civil Code §1542 and that they hereby expressly waive the protection of that section, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY
HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT

1 "Affiliates" shall mean and include, without limitation, all officers, directors, shareholders, members, partners, trustees, parent companies, sister companies, affiliates, subsidiaries, employers, designees, attorneys, accountants, predecessors, successors, insurers, representatives, agents, designees, authorized parties and entities and related entities and individuals of a party under this Agreement.

WITH THE DEBTOR OR RELEASED PARTY.

The Parties each waive and relinquish any right or benefit that they have or may have under California Civil Code §1542. That is, the Parties shall not invoke the benefits of California Civil Code §1542, or any such similar law, to prosecute or pursue any Claims released hereunder. In connection with such waiver and agreement, the Parties acknowledge that they are aware that they or their attorney may hereafter discover Claims or facts or legal theories in addition to or different from those which they know or believe to exist with respect to the Disputes, but that it is the intention hereby to fully, finally, and forever settle and release all of the Claims, known or unknown, suspected or unsuspected, which do now exist, may exist, or heretofore have existed by reason of any acts, circumstances, facts, events, or transactions relating in any way to the Disputes. It is expressly acknowledged and understood by the Parties to this Agreement that the Parties separately bargained for the foregoing waiver of the provisions of California Civil Code §1542. The Parties consent that this release shall be given full force and effect in accordance with each and all the express terms and provisions, including those terms and provisions related to such unknown and unsuspected claims, demands, and causes of Disputes relating in any way to or arising out of the facts and circumstances underlying or connected with the Disputes.

D. No Representations and Warranties. Each Party represents and warrants to the other that, except as otherwise expressly provided in this Agreement, it is not relying on any representation whatsoever, whether express or implied, including without limitation, representations of fact or opinion made by or on behalf of the Parties herein.

E. Mutual Indemnification. The Developer hereby agrees that it shall indemnify and defend and hold the City and its elected and appointed officials, boards, commissions, officers, agents, attorneys, representative, and employees, harmless from any and all liability, loss, expense, damage, or claims which may arise directly or indirectly from or in connection with any allegation that the warranties and representations made by Developer in this Agreement are false and/or for the breach of any of the terms and conditions of this Agreement by Developer. The City hereby agrees that it shall indemnify and defend and hold the Developer and its predecessors, successors, assigns, representatives, attorneys, agents, affiliates, officers, directors and employees, harmless from any and all liability, loss, expense, damage, or claims which may arise directly or indirectly from or in connection with any allegation that the warranties and representations made by City in this Agreement are false and/or for the breach of any of the terms and conditions of this Agreement by City.

F. No Waiver of Agreement. Nothing herein shall be deemed as a waiver or release of the warranties, representations, rights and obligations of the Parties as set forth in this Agreement.

5. MISCELLANEOUS PROVISIONS.

A. This Agreement shall be governed and interpreted in accordance with the laws of the State of California. Each party agrees that the laws of the State of California shall apply and that any claims brought hereunder shall be subject to the laws and statutes of California. The venue of any legal challenge to this Agreement shall be the San Bernardino County Superior Court or the United States District Court for the Central District of California – Eastern Division.

B. Integrated Agreement. This Agreement and the exhibits attached hereto, which are incorporated into and form a part of this Agreement, contain the entire understanding and agreement between the Parties. No other representations, covenants, undertakings, or other prior

or contemporaneous agreements, oral or written, respecting such matters, which are not specifically incorporated herein, shall be deemed in any way to exist or bind any of the Parties. The Parties acknowledge that this Agreement has been executed without reliance upon any such promise, representation, or warranty not contained herein.

C. Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by all the Parties. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Parties.

D. Binding on Successors. This Agreement and the covenants and conditions contained herein shall obligate, bind, extend to and inure to the benefit of the Parties and each of their respective successors in interest, including, but not limited to, their administrators, executors, owners, partners, officers, directors, shareholders, legal representatives, assignees, attorneys, successors, and agents or employees of the Parties hereto. Prior to assigning any rights or obligations Developer has or may have with respect to this Agreement to a third party, Developer shall obtain written confirmation and deliver to City that such assignee shall be bound by the terms of this Agreement and that such Assignee shall also be entitled to receive the benefits of this Agreement.

E. Representation. The Parties affirmatively represent that they have been represented by counsel of their own choosing. They have read this Agreement and have had the terms used herein and the consequences thereof explained by their attorneys of choice.

F. Construction. This Agreement shall not be construed against the Party preparing it but shall be construed as if all Parties jointly prepared this Agreement. Any uncertainty and ambiguity shall not be interpreted against any one Party. Language in all parts of the Agreement shall be in all cases construed as a whole according to its plain meaning.

G. Dispute Resolution. In the event a dispute arises as to the meaning or interpretation of any provision of this Agreement, including but not limited to any allegation of defective construction or other claim that could give rise to a demand under a warranty bond provided pursuant to Government Code § 66499.3, the parties shall first meet and confer in good faith for a period of thirty (30) days. If the parties are unable to resolve the matter, either party may refer the dispute to legal counsel for further efforts at resolution. Failing resolution among counsel within thirty (30) days thereafter, the parties shall, within fifteen (15) days, agree upon a qualified mediator, with at least ten (10) years of active experience in planning, construction, and ADA compliance, who shall conduct a mediation within thirty (30) days of appointment. If mediation is unsuccessful, either party may initiate litigation to resolve the dispute.

H. Attorneys' Fees and Costs. All attorneys' fees, expert fees and costs incurred through the date of this Agreement that relate in any way to the negotiation or preparation of this Agreement or any obligations called for herein, outside of those detailed in **Exhibit B** and required to be paid by Developer to City pursuant to this Agreement, shall be borne by the respective Parties and each Party agrees to waive any claim, or claims, against any of the other Parties for the reimbursement of all, or any portion of said fees or costs. Should suit be brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover its attorney's fees and costs.

I. No Admission of Liability. This Agreement and the releases contained herein and the consideration referred to herein are done to save litigation expense and to effect the

compromise and settlement of claims and defenses which are denied, disputed, and contested. Nothing contained herein shall be construed as an admission by any Party of any liability of any kind to any other Party. The Parties agree that each Party expressly denies that it is in any way liable or indebted to any other Party and no person interpreting this Agreement shall be able to infer that any Party has engaged in any conduct giving rise to liability to any other Party.

J. Gender Neutral. Whenever in this Agreement the context may so require, the masculine, feminine and neutral genders shall be each deemed to include the other and the singular and the plural shall refer to one another.

K. Counterparts. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original and all of which shall constitute an agreement to be effective as of the date of signing. Further, signatures transmitted and memorialized by facsimile or electronically shall be deemed to have the same weight and effect as an original signature. The Parties may agree that an original signature will be substituted at some later time for any facsimile or electronic signature.

L. Captions and Interpretations. The paragraph titles and captions are inserted in this Agreement as a matter of convenience. As such, the paragraph titles or captions are not intended to define or describe the scope of any provision.

M. Invalid Clause May Be Severed. If any provision, clause, or part of the Agreement is adjudged illegal, invalid or unenforceable, the balance of this Agreement shall remain in full force and effect.

N. Survival of Warranties and Representatives. The warranties and representations made in this Agreement are deemed to survive the execution of this Agreement.

O. BY SIGNING THIS AGREEMENT, THE PARTIES CERTIFY THAT THEY HAVE READ IT, THAT THEY HAVE CONSULTED WITH THEIR LEGAL COUNSEL ABOUT ITS EFFECT, AND THAT THEY FULLY UNDERSTAND IT.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first above written and their attorneys have indicated their approval as to form by their respective signatures in the appropriate spaces below.

K. HOVNANIAN’S SONATA AT THE PRESERVE, LLC

By: _____
NAME
TITLE

APPROVED AS TO FORM:

K. FINNERTY LAW, INC.
ATTORNEYS FOR DEVELOPER

By: _____
Kathleen E. Finnerty

CITY OF CHINO, CITY COUNCIL

By: _____
Eunice M. Ulloa, Mayor

ATTEST:

By: _____
Natalie Gonzaga, City Clerk

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP
COUNSEL FOR CITY OF CHINO

By: _____
Fred Galante, City Attorney

EXHIBITS LIST

- **EXHIBIT A** – Subdivision Improvement Agreement dated October 29, 2014
- **EXHIBIT B** – San Bernardino Superior Court Ruling dated September 16, 2025
- **EXHIBIT C** – Land Development Punchlist
- **EXHIBIT D** – Bond Release Letter

Exhibit A

**Subdivision Improvement Agreement Between the City of Chino and K. Hovnanian's Sonata at
the Preserve, LLC**

SUBDIVISION IMPROVEMENT AGREEMENT

TRACT MAP NO. 18778

THIS AGREEMENT is entered into by and between the CITY OF CHINO, a Municipal Corporation of the State of California (hereafter called "the City") and K. Hovnanian's Sonata at the Preserve (hereafter called "the Subdivider").

WHEREAS, the Subdivider is the owner of certain real property situated in the City of Chino, County of San Bernardino, State of California, generally known and described as Tract Map No. 18778, which is the subject matter of this Agreement (hereafter called "the Property"); and

WHEREAS, the Subdivider has submitted an application to the City to subdivide the Property as Tract Map No. 18778 (hereafter called "the Map"); and

WHEREAS, the Subdivider proposes to develop the Property and construct certain improvements hereon as hereinafter set forth; and

WHEREAS, the City desires to assure that said proposed improvements will be constructed and installed in a good and workmanlike manner, and in strict accordance with all applicable laws, statutes, ordinances, resolutions and regulations now in force and effect in the City of Chino, and the terms and conditions imposed on the approval of said Map by the Planning Commission and the City Council, all of which are incorporated herein; and

WHEREAS, the Subdivider acknowledges familiarity with the City's subdivision ordinance and requirements and the Subdivision Map Act (Government Code Sections 66410-66499.37) and hereby agrees to comply therewith; and

WHEREAS, the Subdivider has prepared and submitted a final tract map for the Property in accordance with the City's requirements for approval by the City Council.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

Article 1 Duty to Install Public Improvements

1.1 Requirements for Public Improvements. The Subdivider shall, at his/her/its own cost and expense, construct, install and complete all of the public improvements contained in Exhibit 1 in a good and workmanlike manner, according to the approved plans and specifications, and to the satisfaction of the Assistant City Manager/Director of Public Works or his designee, within two (2) years from the date of the City's approval of this Agreement, and within the time frame and subject to the conditions set forth in the Encroachment Permit that is issued for the required public improvements . The time for completion may be extended up to one (1) additional year by the City Council for good cause shown. The sum of One Million Six

Hundred One thousand seven hundred dollars (\$1,601,700) is the estimated construction cost of said improvements.

1.2 Ownership of Public Improvements. All public improvements constructed or installed pursuant to this Agreement shall become the sole exclusive property of the City, without payment therefore, upon acceptance of said improvements by the City.

1.3 Definition of Improvements. The term "improvement" shall mean any and all work or infrastructure required for the development of this subdivision, including, but not limited to, bicycle trails, communication transmission devices, curbs, drainage facilities, electric transmission devices, excavation, grading, gutters, landscaping, pathways, sanitary sewers, sidewalks, streets, street lights, traffic control devices, utilities, water lines, as shown on plans, profiles or specifications prepared or submitted by the Subdivider.

1.4 Repair or Reconstruction of Defective Improvements. If, within a period of one (1) year after final acceptance of work performed under this Agreement, any improvement or part of any improvement constructed, installed or furnished, or caused to be constructed, installed or furnished by the Subdivider, or any of the work done under this Agreement fails to comply with, or satisfy, any of the requirements of this Agreement, or the specifications referenced herein, the Subdivider shall, without delay and without any cost to the City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or improvements. Should the Subdivider fail to act promptly or in accordance with these requirements, or should an emergency require repairs or replacements to be made before the Subdivider can be notified, the City may, at its sole option, make the necessary repairs or replacements or perform the necessary work, and the Subdivider shall pay to the City the actual cost of such repairs, plus 15 percent.

1.5 Repair or Replacement of Unrelated Improvements. The Subdivider shall replace, or have replaced, or repair, or have repaired, as the case may be, all pipes and monuments situated on said property, delineated on the Map, which have been destroyed or damaged and the Subdivider shall replace, or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement or repairs, of any and all property damaged or destroyed by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City, or by any public or private corporation, or by any person whomsoever, or by any combination of such persons. Any such repair or replacement shall be to the satisfaction, and subject to the approval, of the Assistant City Manager/Director of Public Works or his designee.

1.6 Time of Completion. All of the public improvements shall be completed within two (2) years from the date of the City's approval of this Agreement, and within the time frame and subject to the conditions set forth in the Encroachment Permit that is issued for the required public improvements. In the event that the Subdivider fails to complete the public improvements within said period, the City may complete said work and shall be entitled to recover the full cost and expenses thereof from the Subdivider, or its surety, as hereinafter provided. The City may require the Subdivider, or its surety, to pay the City, in advance, sufficient monies to pay for the City's cost of completing construction and installation of said public improvements.

1.7 Security. Contemporaneously with the execution hereof, the Subdivider shall file security, subject to the approval of the City Attorney, pursuant to Section 66499 of the Government Code and Section 19.09.010 of the Chino Municipal Code, to guarantee performance of the requirements of this Agreement, the terms and conditions imposed on the approval of Map, and all of the City's ordinances, specifications and regulations as follows:

a. A security device in an amount equal to 100 percent of the estimated construction cost to guarantee the faithful performance of all of the requirements of this Agreement, including the construction, installation and completion of the work and public improvements required by this Agreement; and

b. A security device in an amount equal to 50 percent of the estimated construction cost to guarantee payment to the contractors, their subcontractors, and to persons renting equipment or furnishing labor and materials to said contractors, for the public improvements required by this Agreement; and

c. All security devices under this Agreement shall also guarantee the payment of reasonable attorney fees, expert witness fees and court costs to the City; and

d. Any changes or alterations in the work or public improvements required hereunder, not exceeding 10 percent of their original estimated cost, shall not relieve any liability of the security given for the faithful performance of this Agreement. In the event any changes or alterations of the work or public improvements required hereunder exceed 10 percent of their original estimated cost, the Subdivider shall provide such additional security for its faithful performance as determined by the Assistant City Manager/Director of Public Works or his designee and approved by the City Attorney.

The City Council may, at its sole discretion, reduce the amount of any security device as recommended by the Assistant City Manager/Director of Public Works or his designee and the City Attorney for any portion of the public improvements installed by the Subdivider and accepted by the Assistant City Manager/Director of Public Works or his designee.

1.8 One Year Warranty and Warranty Bond. Without limiting the foregoing, Subdivider warrants and guarantees materials used and workmanship performed on said work and public improvements. In connection herewith, the Subdivider shall submit security, subject to the approval of the City Attorney, for a period of one (1) year following the completion and acceptance of the work hereunder in the sum equal to 10 percent of their actual construction cost and reasonable attorney fees, expert fees and court costs. The Subdivider further agrees to pay the City for all costs to maintain the landscaping in a vigorous and thriving condition, to maintain the street lights and to pay for all energy costs for a period of one (1) year after completion and acceptance thereof by the Assistant City Manager/Director of Public Works or his designee and the City Council. Maintenance and energy costs shall be based on the amounts specified in the most recent publication of the Annual Engineer's Report for the Levy of Assessments for the Landscaping and Lighting Districts.

1.9 Payment of Labor and Materials. The Subdivider and its contractors shall pay for any materials, provision, provender and other supplies or equipment used in, upon, for, or about the performance of the work contracted to be done, and for any work or labor thereon of any kind, and for a payment bond with respect to such work or labor, as required by

Civil Code Section 3247.

Article 2. Procedural Requirements

2.1 Preparation of Improvements Plans. No work pursuant to this Agreement shall be commenced until the Subdivider's plans, profiles and specifications for the public improvements have been submitted to and approved by the Assistant City Manager/Director of Public Works or his designee. The Subdivider warrants that its plans, profiles and specifications conform as a minimum to the City's ordinances and standard specifications, and that they are adequate to construct and install the public improvements in a good, workmanlike manner and in accordance with sound construction practice for public works.

2.2 Cost of Checking Plans. The Subdivider shall pay to the City the cost of checking and approving the plans, profiles and specifications. The Subdivider shall pay to the City the fees for the cost of checking said plans upon submittal of said plans to the City. If said fees prove to be insufficient to complete said plan checking, the Subdivider shall make additional deposits as required by the Assistant City Manager/Director of Public Works or his designee. Failure to make any required payment or deposit shall cause such plan checking to be suspended and be grounds to withhold the issuance of building permits for any construction in the subdivision defined by Map.

2.3 Soils Report. The Subdivider shall cause to be made and pay for soil tests made by a reputable soils testing laboratory to determine gradation, bearing and resistance value of soils within the subdivision. The Subdivider shall also cause to be made and pay for all compaction tests necessary to determine that all soils, including the utility trenches, have been satisfactorily backfilled.

2.4 Permits and Fees. The Subdivider shall, at the Subdivider's expense, obtain all necessary permits and licenses for the construction and installation of the work and public improvements required hereunder and pay all required fees and taxes and give all necessary notices.

2.5 Superintendence by the Subdivider. The Subdivider shall provide continuous superintendence to the construction and installation of the public improvements by assigning a competent foreman or superintendent, satisfactory to the Assistant City Manager/Director of Public Works or his designee, to the work site, who shall have full authority to act for the Subdivider

2.6 Duty to Facilitate Inspections. The Subdivider shall at all times maintain proper facilities and provide safe access for inspection by the Assistant City Manager/Director of Public Works or his designee, to all parts of the work, and to the shops wherein the work is in preparation.

Article 3. The Subdivider's Liabilities

3.1 Liability of the Subdivider. The Subdivider agrees that the use for any purpose and by any person of any or all of the work and public improvements required by this Agreement shall be at the sole and exclusive risk of the Subdivider at all times prior to final acceptance by the City of the completed public improvements thereon and therein; provided that

acceptance by the City shall not eliminate, lessen or relieve the Subdivider of any obligations or undertakings contained in this Agreement. The issuance of any occupancy permits by the City for any structures located within said subdivision shall not be construed to constitute an acceptance or approval of any of the public improvements required hereunder.

3.2 Liability for Nonperformance. Neither the City nor any of its officers or agents shall be liable to the Subdivider or its contractors for any error or omission arising out of, or in connection with, any work to be performed under this Agreement or the plans, profiles or specifications therefore approved by the Assistant City Manager/Director of Public Works or his designee.

3.3 Development Impact Fees. Development Impact Fees shall be paid pursuant to and in accordance with Chino Municipal Code Chapter 3.40 and Chapter 3.45.

3.4 Utility Deposits. Prior to commencement of any work required by this Agreement, the Subdivider shall file with the Assistant City Manager/Director of Public Works or his designee a statement signed by the Subdivider and each public utility to the effect that the Subdivider has made all deposits legally required by such public utility for the connection of any and all public utilities required to be supplied by such public utility within the subdivision.

3.5 Liability for Personal Injuries. The City shall not be liable to the Subdivider or to any other person, firm, or corporation whatsoever, for any injury or damage that may result to any person or property by or from any cause whatsoever, in, on or about the subdivision of the Property or connected to the construction and installation of the work and public improvements required hereunder.

3.6 Release and Indemnification. The Subdivider hereby releases and agrees to indemnify and save the City harmless from and against any and all injuries to and deaths of persons and injuries to property, and all claims, demands, costs, loss, damage and liability, howsoever the same may be caused, and whensoever the same may appear, resulting directly or indirectly from the performance or nonperformance of any work or public improvement to the Property and upon premises adjacent thereto pursuant to this Agreement, and also from any and all injuries to, and deaths of persons, and injuries to property or other interests, and all claims, demands, costs loss, damage, and liability, howsoever same may be caused and whensoever the same may appear, either directly or indirectly made or suffered by the Subdivider, Subdivider's agents, employees, and subcontractors, while engaged in the performance of said work or public improvements. Prior to the commencement of any work or public improvement required hereunder, the Subdivider shall furnish to the City satisfactory evidence of an insurance policy, written upon a form and by a company which meets with the approval of the City, insuring the City, its officers, agents, and employees against loss or liability which may arise during the work, or which may result from any of the work herein required to be done, including all costs of defending any claim arising as a result thereof. Minimum liability and property damage insurance shall be not less than \$500,000.00 for all damages arising out of bodily injury to or death of one person and not less than \$1,000,000.00 for all damages arising out of bodily injuries to or death of more than one person in any one occurrence; and not less than \$250,000.00 for all damages and/or destruction of property in any one occurrence and not less than \$500,000.00 for all damages and/or destruction of property during the policy period. Said policy shall be maintained in full force and effect during the life of this Agreement. Said policy shall state, by its terms and by an endorsement, that said policy shall not be canceled until

the City shall have had at least ninety (90) days prior notice in writing of such cancellation.

Article 4. Inspection of Improvements

4.1 Inspection by Assistant City Manager/Director of Public Works. All public improvements shall be constructed under the inspection of, and subject to approval, of the Assistant City Manager/Director of Public Works or his designee. The cost of inspections shall be paid by the Subdivider, who shall submit a sufficient deposit prior to the issuance of building permits. If said deposit proves to be insufficient to complete said inspection, the Subdivider shall make additional deposits as determined by the Assistant City Manager/Director of Public Works or his designee. Failure to make any required deposit shall cause such plan inspections to be suspended and be grounds to revoke all the building permits for any construction in the subdivision, or to refuse to issue an occupancy permit for any facilities constructed on any lot within said subdivision.

4.2 Approval by Assistant City Manager/Director of Public Works. It is mutually agreed that the Assistant City Manager/Director of Public Works or his designee shall have the authority to reject any or all of the work or public improvements required hereunder if same fails to conform to the approved plans, profiles or specifications for said public improvements or if same are not constructed or installed in a good and workmanlike manner to the satisfaction of the Assistant City Manager/Director of Public Works or his designee. Furthermore, any damage to existing facilities, including any curbs, drainage facilities, gutters, landscaping, sewer and water mains, street or utilities, that occurs after installation, shall be repaired to the satisfaction of the Assistant City Manager/Director of Public Works or his designee by the Subdivider prior to the issuance of an occupancy permit for any structure within the subdivision and prior to the release of any security provided hereunder.

4.3 Responsibility Despite Inspections. Notwithstanding the fact that the Subdivider's plans, profiles and specifications, and construction and installation of the public improvements, and other acts are subject to the approval of the Assistant City Manager/Director of Public Works or his designee, it is understood and agreed that any approval by the Assistant City Manager/Director of Public Works or his designee shall not relieve the Subdivider of the obligation to satisfactorily perform the obligations hereunder. All construction shall be performed strictly in accordance with the approved plans, profiles and specifications, the City's latest standard specifications and the provisions of the Chino Municipal Code to the satisfaction of the Assistant City Manager/Director of Public Works or his designee.

4.4 Occupancy Permits. No occupancy permit for any structure on any lot within the subdivision shall be issued, and no utility connection shall be made, unless and until the Subdivider has complied with all the obligations hereunder to the satisfaction of the Assistant City Manager/Director of Public Works or his designee.

4.5 Notice of Completion. The Subdivider shall record a Notice of Completion for all the work and public improvements completed within ten (10) days after the City's acceptance of said improvements.

4.6 Certification of Satisfactory Completion. Upon the satisfactory completion of the improvements by the Subdivider, the Assistant City Manager/Director of Public Works or his designee, shall certify that the work of said improvements has been satisfactorily

completed.

4.7 Filing of "Record" Drawings. Upon completion of the work or public improvements, the Subdivider shall submit one mylar (4 mils) set of "Record" drawings to the Assistant City Manager/Director of Public Works or his designee. These drawings shall be certified as representing the actual construction and shall depict the work and public improvements as actually constructed, with all changes incorporated therein.

Article 5. Miscellaneous Provisions

5.1 Relationship of Contractors. It is hereby mutually covenanted and agreed by the parties hereto that the Subdivider's contractors are not agents of the City and that the contractors' relations to City, if any, are those of independent contractors.

5.2 Entire Agreement. This writing constitutes the entire agreement of the Parties and supersedes any prior written or oral agreements between them with respect to the subject matter hereof and may not be modified or amended except as set forth herein.

5.3 Attorney's Fees. In the event that any action at law or in equity is brought to interpret or enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs.

5.4 Assignment. This Agreement shall not be assignable by the Subdivider without written consent of the City.

5.5 Successors. Subject to the restrictions against assignment contained herein, this Agreement shall inure to the benefit of and shall be binding upon each of the parties and their respective assigns, successors in interest, person representatives, estates, heirs and legatees.

5.6 No Waiver. No waiver of any breach or default hereunder shall be considered valid unless in writing, and no such waiver shall be deemed a waiver of any subsequent breach or default of the same or similar nature.

5.7 Choice of Law. This Agreement shall be governed by the laws of the State of California without regard to the principles of conflict of laws.

5.8 Invalidity. If any provisions of this Agreement shall be declared invalid, void, or unenforceable by a court of competent jurisdiction of the State of California, the remaining provisions shall continue in full force and effect.

5.9 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall be deemed one original.

5.10 Effective Date of Agreement. This Agreement shall not become effective unless and until the final map of said tract/parcel shall have been approved by the City Council of the City of Chino.

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Executed at Chino, California, on NOVEMBER 5, 2014.

Approved as to Form:

Arturo N. Fresno
Asst. City Attorney 10/29/14

Approved as to Content:

Jose Alire
Assistant City Manager

K. Hovnanian's Sonata at the Preserve

By: Steve Kaezel 10-9-14
(Signature and Date)

Name: STEVE KAEZEL
(Please type or print name)

Title: DIVISION PRESIDENT
(Please type or print title)

CITY OF CHINO

Matthew Ballantyne
Matthew Ballantyne, City Manager

Dated: 11.5.14

ATTEST:

Angela Robles
Angela Robles, City Clerk

Dated: 11.5.14

Attachment: Exhibit 1

SUBDIVISION IMPROVEMENT AGREEMENT

EXHIBIT 1

- A. Removal of undesirable, dangerous and dead plant materials and roots.
- B. All onsite and offsite grading as specified on the approved grading plan.
- C. Relocation of all public utility structures as necessary to properly construct the required improvements.
- D. Storm drain facilities as required and shown on the approved construction plans and in accordance with City Standards.
- E. Sanitary sewers constructed as shown on the approved, engineered plans and in accordance with City Standards.
- F. Water mains, valves, hydrants, services, meters and appurtenances to serve each lot as shown on the approved construction plans and in accordance with City Standards.
- G. Underground installation of all electrical, telephone, cable television and any other energy or communication lines that abut or are within the project site.
- H. A street lighting system (City-owned) in accordance with City Standards.
- I. Disposal of all rocks and debris located within any public right-of-way within said development or on the boundary streets thereof.
- J. Installation of concrete curbs, gutters, sidewalks, cross gutters, driveways and intersections as shown on approved construction plans and in accordance with City Standards.
- K. Installation of asphalt concrete or Portland Cement Concrete street pavement on base material as shown on approved construction plans and in accordance with City Standards.
- L. Street signs at intersections per the City Standards.
- M. Installation of approved landscaping (plants and materials).
- N. Setting monuments as required by the State Code.

The Subdivider shall also perform all work and furnish all materials necessary, in the opinion of the Assistant City Manager/Director of Public Works or his designee and on his order, to complete the improvements in accordance with the plans and specifications on file as hereinbefore specified, or any changes required or ordered by said Engineer which, in his opinion, are necessary or required to complete this work.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

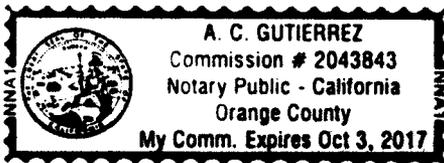
County of Orange }

On 10.09.14
Date

before me, AC Gutierrez Notary Public
Here Insert Name and Title of the Officer

personally appeared _____

Steve Kapel
Name(s) of Signer(s)



Place Notary Seal Above

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: _____

[Signature]
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

Signer's Name: _____

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

Signer Is Representing: _____

Signer Is Representing: _____

Executed in Triplicate

Bond No.: K08619918
Contract No.: 2015-167
Approved: 11/4/2014 #7
Premium: \$16,017.00/year

FAITHFUL PERFORMANCE BOND

WHEREAS, the City Council of the City of Chino, State of California, hereinafter designated as "CITY" and K. Hovnanian's Sonata at the Preserve hereinafter designated as "PRINCIPAL," have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated October 9, 2014, and identified as Project No. Tract Map No. 18778, is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and Westchester Fire Insurance Company, as surety, are held and firmly bound unto the City of Chino in the penal sum of One Million Six Hundred One Thousand Seven Hundred Dollars and 0/100 (\$1,601,700.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above-bound 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 said agreement and any alteration thereof made as therein provided, on his or its 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 City, 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.

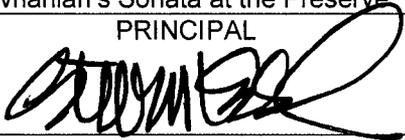
As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees including reasonable attorneys' fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety above named, on October 9, 2014.

K. Hovnanian's Sonata at the Preserve
PRINCIPAL

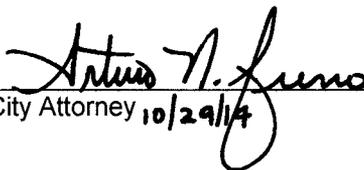
Westchester Fire Insurance Company
SURETY

By: 

By: 
Christine Marotta, Attorney-in-Fact

SIGNATURES MUST BE NOTARIZED

Approved as to Form:


Asst. City Attorney 10/29/14

ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

OCT. 09 2014

On _____, before me, a Notary Public in and for the above county, personally appeared Christine Marotta to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Westchester Fire Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



(SEAL)

Nicole Kubena
Notary Public

COOK County, ILLINOIS

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such person's written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Christine Marotta, Debra Kohlman, all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 23 day of December 2013.

WESTCHESTER FIRE INSURANCE COMPANY

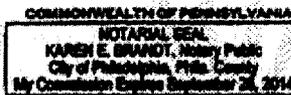


Stephen M. Haney
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 23 day of December, AD 2013 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

OCT 09 2014

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this day of



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER December 23, 2015.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

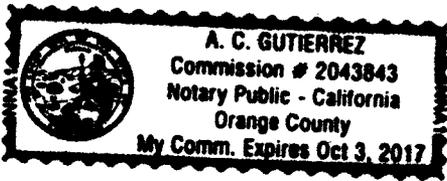
County of Orange

On 10.15.2014
Date

before me, A.C. Gutierrez Notary Public
Here Insert Name and Title of the Officer

personally appeared

Steve Kabel
Name(s) of Signer(s)



Place Notary Seal Above

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: [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Partner — Limited General Partner — Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

Executed in Triplicate

Bond No.: K08619918
Contract No.: 2015-167
Approved: 11/4/2014 #7
Premium: Included w/ Perf. Bond

LABOR AND MATERIAL BOND

WHEREAS, the City Council of the City of Chino, State of California, hereinafter designated as "CITY" and K. Hovnanian's Sonata at the Preserve, hereinafter designated as "PRINCIPAL," have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated October 9, 2014, and identified as Project No. Tract Map No. 18778, is hereby referred to and made a part hereof; and

WHEREAS, under the terms of said agreement, Principal is required, before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Chino to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned, as corporate surety, are held and firmly bound unto the City of Chino, and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Code of Civil Procedure in the sum of Eight Hundred Thousand Eight Hundred Fifty and 00/100 dollars (\$800,850.00) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said 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 attorneys' fees, incurred by City 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.

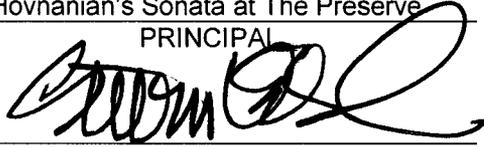
It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their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

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety above named, on October 9, 2014.

K. Hovnanian's Sonata at The Preserve
PRINCIPAL

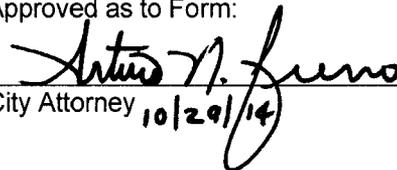
By: 

Westchester Fire Insurance Company
SURETY

By: 
Christine Marotta, Attorney-in-Fact

SIGNATURE(S) MUST BE NOTARIZED

Approved as to Form:


Asst. City Attorney 10/29/14

ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

OCT. 09 2014

On _____, before me, a Notary Public in and for the above county, personally appeared Christine Marotta to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Westchester Fire Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



(SEAL)

Nicole Kubena

Notary Public

COOK County, ILLINOIS

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

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- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Christine Marotta, Debra Kohlman, all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 23 day of December 2013.

WESTCHESTER FIRE INSURANCE COMPANY

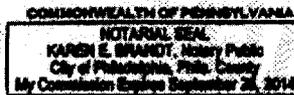


Stephen M. Haney
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 23 day of December, AD. 2013 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company, that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

OCT 09 2014

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this day of



William L. Kelly
William L. Kelly, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER December 23, 2015.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Orange }

On October 15, 2014 before me, _____
Date

A.C. Gutierrez Notary Public
Here Insert Name and Title of the Officer

personally appeared _____

Deve Kabel
Name(s) of Signer(s)

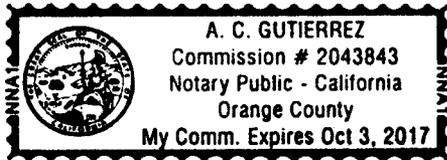
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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: _____

(Signature)
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

Signer's Name: _____

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

Signer Is Representing: _____

Signer Is Representing: _____

Executed in Triplicate

Bond No.: K08619876
Contract No.: 2015-167
Approved: 11/4/2014 #7
Premium: \$1,602.00/year

WARRANTY BOND

WHEREAS, the City Council of the City of Chino, State of California, hereinafter designated as "CITY" and K. Hovnanian's Sonata at the Preserve, hereinafter designated as "PRINCIPAL," have entered into an agreement whereby Principal has agreed to warrant and guarantee the installation, completion, and maintenance of certain designated public improvements, which said agreement, dated October 9, 2014, and identified as Project No. Tract Map No. 18778, is hereby referred to and made a part hereof; and

WHEREAS, said Principal is required under the terms of said agreement to furnish a bond for the warranty of said improvements.

NOW, THEREFORE, we, the Principal, and Westchester Fire Insurance Company, as surety, are held and firmly bound unto the City of Chino in the penal sum of One Hundred Sixty Thousand One Hundred Seventy Dollars and 00/100 (\$160,170.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors, and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bound 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 said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed thereof made as therein provided, on his or its 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 City, 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.

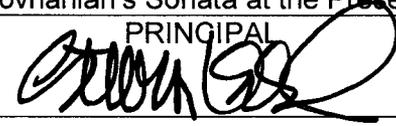
As a part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

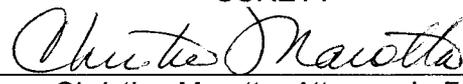
The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by Principal and Surety above named, on October 9, 2014.

K Hovnanian's Sonata at the Preserve
PRINCIPAL

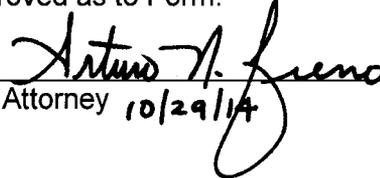
Westchester Fire Insurance Company
SURETY

By: 

By: 
Christine Marotta, Attorney-in-Fact

SIGNATURE(S) MUST BE NOTARIZED

Approved as to Form:


Asst. City Attorney 10/29/14

ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

OCT. 09 2014

On _____, before me, a Notary Public in and for the above county, personally appeared Christine Marotta to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Westchester Fire Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



(SEAL)

Nicole Kubena
Notary Public

COOK County, ILLINOIS

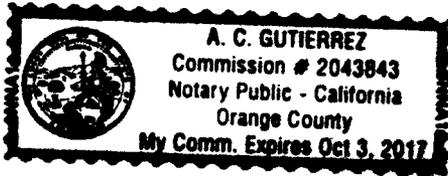
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT
CIVIL CODE § 1189

State of California

County of Orange }

On 10.15.2014 before me, AC Gutierrez Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Steve Kabel
Name(s) of Signer(s)



Place Notary Seal Above

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: [Handwritten Signature]
Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Partner — Limited General Partner — Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

Power of Attorney

WESTCHESTER FIRE INSURANCE COMPANY

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
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- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Christine Marotta, Debra Kohlman, all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding Twenty Five million dollars & zero cents (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 23 day of December 2013.

WESTCHESTER FIRE INSURANCE COMPANY

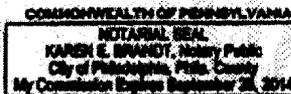


Stephen M. Haney
Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 23 day of December, AD. 2013 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

OCT 09 2014

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this day of



William L. Kelby
William L. Kelby, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER December 23, 2015.

Super Safety® ANTI-FRAUD PROTECTION

FORM NO. 8600S

**MEMORANDUM
CITY OF CHINO
PUBLIC WORKS DEPARTMENT**

COUNCIL MEETING DATE: NOVEMBER 4, 2014

TO: MATTHEW C. BALLANTYNE, CITY MANAGER

FROM: JOSE ALIRE, ASSISTANT CITY MANAGER/PUBLIC WORKS *JA*

SUBJECT: FINAL TRACT MAP NO. 18778 (K. HOVNANIAN'S SONATA AT THE PRESERVE, LLC)

RECOMMENDATION

Approve Final Tract Map No. 18778, and authorize the City Manager to execute the necessary documents on behalf of the City.

FISCAL IMPACT

There is no direct fiscal impact to the City.

City Clerk: *Jan*

Approved Denied Continued Tabled

AYES:	DY <input checked="" type="checkbox"/>	TH <input checked="" type="checkbox"/>	GD <input checked="" type="checkbox"/>	EE <input checked="" type="checkbox"/>	EU <input checked="" type="checkbox"/>
NOES:	DY <input type="checkbox"/>	TH <input type="checkbox"/>	GD <input type="checkbox"/>	EE <input type="checkbox"/>	EU <input type="checkbox"/>
ABSENT:	DY <input type="checkbox"/>	TH <input type="checkbox"/>	GD <input type="checkbox"/>	EE <input type="checkbox"/>	EU <input type="checkbox"/>
ABSTAIN:	DY <input type="checkbox"/>	TH <input type="checkbox"/>	GD <input type="checkbox"/>	EE <input type="checkbox"/>	EU <input type="checkbox"/>

Revenue: _____

Expenditure: _____

Transfer In: _____

Transfer Out: _____

BACKGROUND

Tract Map No. 18778, as presented by K. Hovnanian's Sonata at the Preserve (subdivider), consists of 65 residential lots and 5 lettered lots (for common area landscaping purposes) on approximately 6.01 acres. The tract is located generally north of Pine Avenue, east of Rincon Meadows Avenue, west of Mill Creek Avenue, and south Bickmore Avenue (Exhibit A) located within the Preserve Specific Plan area. Tract Map No. 18778 was tentatively and conditionally approved by the City of Chino Planning Commission on March 10, 2010.

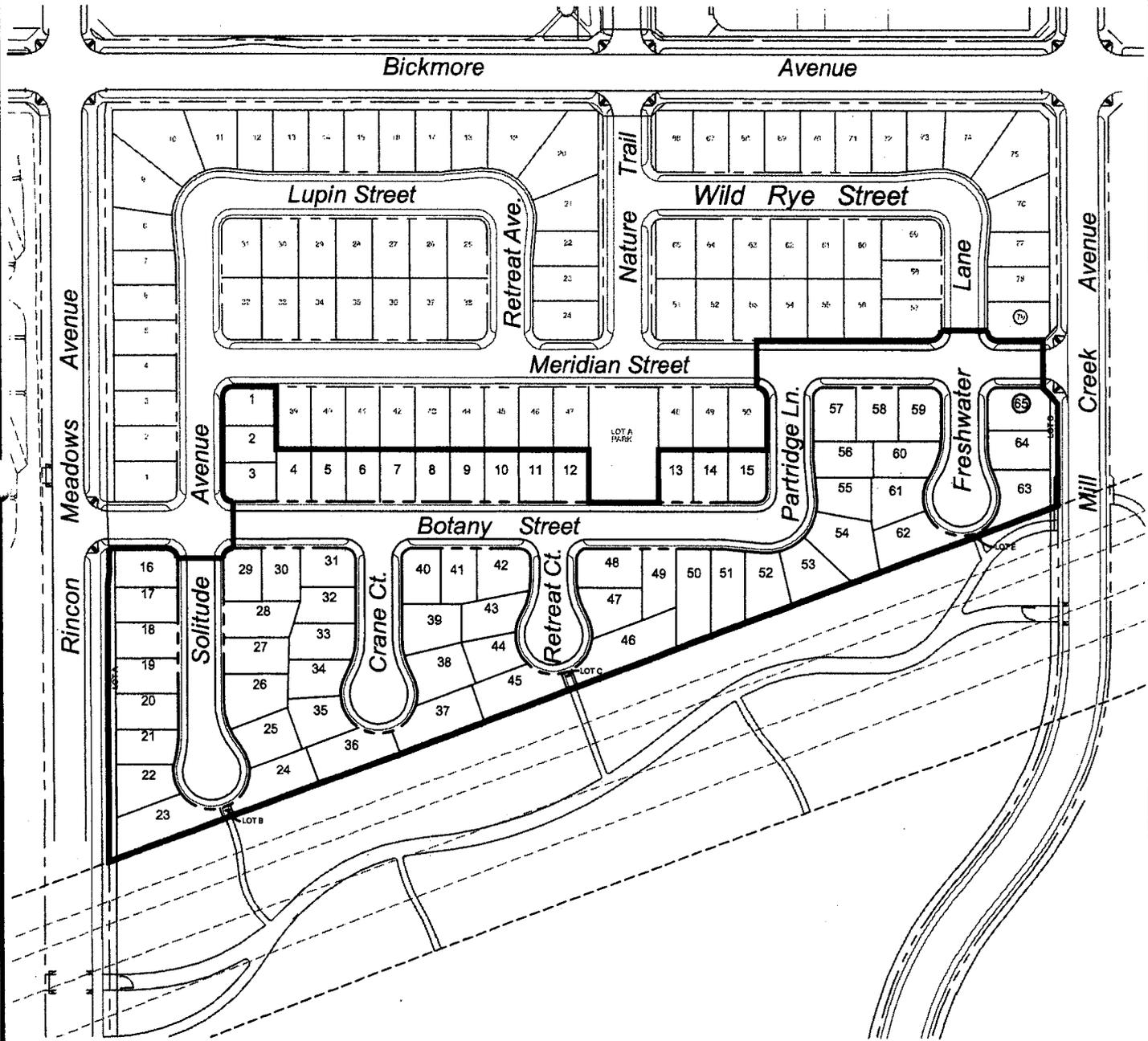
ISSUES/ANALYSIS

The requirements made at the time of tentative map approval have been satisfied by K. Hovnanian's Sonata at the Preserve by execution of the Subdivision Improvement Agreement and by posting the necessary securities to guarantee the construction of public improvements. The City Attorney has reviewed and approved the Subdivision Improvement Agreement and respective securities.

JA/MPH/lm

Attachment: Exhibit A

EXHIBIT A
TRACT NO. 18778
 IN THE
CITY OF CHINO



Plotted: Oct. 20, 2014 - 10:59am

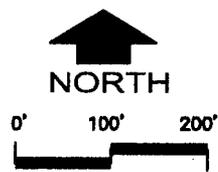
E:\600-899\661-Khovman\0661-003\Exhibits\Tr18778 - Exhibit

is Operating Corp

JN 481190

LDKING
 Engineers/Planners/Surveyors

2151 Convention Center Way
 Suite 100 B
 Ontario, California 91764-4464
 Phone: (909) 937-0200
 Fax: (909) 937-0202



WESTCHESTER FIRE INSURANCE COMPANY

GENERAL PURPOSE RIDER

To be attached to and form part of Bond Number K08619918 effective October 9, 2014 issued by Westchester Fire Insurance Company in the amount of One Million Six Hundred One Thousand Seven Hundred and 00/100 Dollars (\$1,601,700.00), on behalf of K. Hovnanian's Sonata at the Preserve as Principal, and in favor of City of Chino as Obligee:

NOW Therefore, it is agreed **that the bond amount has been decreased:**

FAITHFUL PERFORMANCE BOND

From: One Million Six Hundred One Thousand Seven Hundred and 00/100 Dollars (\$1,601,700.00)

To: Five Hundred Two Thousand Eight Hundred and 00/100 Dollars (\$502,800.00)

LABOR AND MATERIAL BOND

From: Eight Hundred Thousand Eight Hundred Fifty and 00/100 Dollars (\$800,850.00)

To: Two Hundred Fifty One Thousand Four Hundred and 00/100 Dollars (\$251,400.00)

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged and in full force and effect.

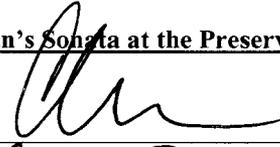
This rider is to be effective the 6th day of September, 2018 .

Signed, sealed and dated this 10th day of September, 2018 .

K. Hovnanian's Sonata at the Preserve

Principal

By:


Chris Collins, Division Controller

Westchester Fire Insurance Company

Surety


Richard Valente, Attorney-in-Fact

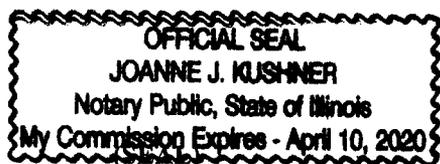
ACKNOWLEDGMENT OF SURETY

STATE OF ILLINOIS

COUNTY OF COOK

On SEP 10 2018, before me, a Notary Public in and for the above county, personally appeared Richard Valente to me personally known, who, being by me duly sworn, did state that he is Attorney-in-Fact of Westchester Fire Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by him voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.



Joanne J. Kushner
Notary Public

COOK County, ILLINOIS

WESTCHESTER FIRE INSURANCE COMPANY

Power of Attorney

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
(2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
(3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
(5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Christine Marotta, Debra Kohiman, Richard Valente, Thomas Pluss all of the City of CHICAGO, Illinois, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding TWENTY FIVE MILLION DOLLARS & ZERO CENTS (\$25,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 9 day of May 2017

WESTCHESTER FIRE INSURANCE COMPANY



Signature of Stephen M. Haney

Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 9 day of May, 2017 before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
KAREN E. BRANDT, Notary Public
City of Philadelphia, Phila. County
My Commission Expires Sept. 28, 2018

Signature of Karen E. Brandt
Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

SEP 10 2018

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this ___ day of ___ 20__



Signature of Dawn M. Chloros
Dawn M. Chloros, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER MAY 09, 2019.



EXHIBIT B

San Bernardino Superior Court Ruling dated September 16, 2025



SUPERIOR COURT OF CALIFORNIA,
COUNTY OF SAN BERNARDINO
San Bernardino District
247 West 3rd St
San Bernardino, CA 92415
www.sb-court.org

MINUTE ORDER

Case Number: CIVSB2403234

Date: 3/6/2025

Case Title: K. Hovnanian's Sonata at the Preserve, LLC
-v -
City of Chino et al

Department S24 - SBJC	Date: 3/6/2025	Time: 9:00 AM	Ruling on Submitted Matter
-----------------------	----------------	---------------	----------------------------

Judicial Officer: Carlos Cabrera
Judicial Assistant: Jennifer Medina

Ruling

The Court having taken the matter of Defendant City of Chino's Demurrer and Motion to Strike under submission on 2/24/2025 now rules as follows:

1. Defendant's Request for Judicial Notice is granted.
2. Defendant's Objections to Declarations of Steve Scherbarth and Kathleen E. Finnerty are sustained.
3. Defendant's Demurrer on the ground that Plaintiff's Complaint is subject to the 90-day statute of limitations set forth in Government Code Section 66499.37 is sustained without leave to amend.
4. Defendant's Demurrer on the ground that Plaintiff failed to exhaust its administrative remedies is overruled.
5. Considering the Court ruling on the Demurrer, Defendant's Motion to Strike is moot.

(See the Court's Ruling signed this date for further findings.)

Ruling on Submitted Matter
Court's Ruling on Defendant's Demurrer and Motion to Strike, signed and filed

Notice given by Judicial Assistant
Correspondence Coversheet Generated to Mail:
Minute Order and Ruling dated 03/06/25

== Minute Order Complete ==

MAR - 6 2025

RULING FOR CIVSB2403234

Department S24 - Judge Carlos M. Cabrera

K. Hovnanian's Sonata at the Preserve, LLC v. City of Chino, et al

BY Jennifer Medina
JENNIFER MEDINA, DEPUTY

Motion: Demurrer/Strike

Movant: City of Chino (hereinafter collectively "City" / "Defendant")

Respondent: K. Hovnanian's Sonata at the Preserve, LLC (hereinafter "Preserve" / "Plaintiff")

RELEVANT PROCEDURAL/FACTUAL BACKGROUND

On May 17, 2024, K. Hovnanian's Sonata at the Preserve, LLC ("Plaintiff") filed this breach of contract action against the City of Chino ("Defendant" or "the City"). On September 12, 2024, the Court sustained the City's demurrer to Plaintiff's complaint, with leave to amend, on the grounds that Plaintiff's complaint was time-barred by the 90-day statute of limitations set forth in the Subdivision Map Act (Gov. Code, § 66499.37). On Court's own motion, the Court takes Judicial Notice of September 12, 2024, minute order and the Ruling of the Demurrer attached. On October 2, 2024, Plaintiff filed its operative First Amended Complaint (FAC), which includes the same four causes of action previously pleaded by Plaintiff in its initial complaint

ANALYSIS

Meet and Confer Requirement

Under Code of Civil Procedure section 430.41, subdivision (a), before filing a demurrer, the objecting party shall meet and confer with the opposing party for the purpose of determining whether an agreement can be reached to resolve the objections to the pleading. The parties should meet and confer at least five days before the responsive pleading is due. Under Code of Civil Procedure section 430.41, subdivision (a)(3), the demurring party must file a declaration stating either:

(A) The means by which the demurring party met and conferred with the party who filed the pleading subject to demurrer, and that the parties did not reach an agreement resolving the objections raised in the demurrer.

(B) That the party who filed the pleading subject to demurrer failed to respond to the meet and confer request of the demurring party or otherwise failed to meet and confer in good faith.

Attorney Alison Flowers filed a declaration establishing the attorneys exchanged written correspondence. However, due “to scheduling problems because of the press of work, personal matters, and holidays, [counsel] were unable to connect telephonically before the deadline” (Flowers Decl. ¶4.) Notably, the attorneys exchanged numerous emails about scheduling. Finally, on the day prior to the filing of these motions, defense counsel stated: “I’m wondering if it may be better for us just to file the demurrer and motion to strike, since I doubt either one of us will change our positions?” (See Flowers Decl. ¶4, Exh. B.)

Ms. Flowers failed to provide any explanation as to why she elected not to file a declaration for an automatic extension of time to complete the meet and confer process. The City failed to satisfy the statutory meet and confer requirement. Nevertheless, the issues are well defined, and fully briefed, and the parties appear entrenched in their positions. As a practical matter, it is not clear a further meet and confer would be productive.

City’s Objections to Plaintiff’s Evidence

Plaintiff filed declarations of Steve Scherbarth and Kathleen E. Finnerty both setting forth evidentiary facts. The City filed a general objection to these declarations as they included evidence outside the scope of the pleadings. The Court may not consider extrinsic evidence in ruling on the demurrer. (See, e.g., *Afuso v. United States Fid. & Guar. Co., Inc.* (1985) 169 Cal.App.3d 859, 862, disapproved on other grounds in *Moradi-Shalal v. Fireman’s Fund Ins. Cos.* (1988) 46 Cal.3d 287 [error for court to consider contents of release which was not part of any court record].) Plaintiff cites *Wolf v. Superior Court* (2004) 114 Cal.App.4th 1343, 1350-

1351 for the proposition that the Court may consider extrinsic evidence to determine the meaning of disputed contract terms. (See Opp. at p. 4, fn. 2.) But *Wolf* involves a motion for summary judgment, not a demurrer. As the Court does not consider Plaintiff's extrinsic evidence, the City's objections are sustained.

Demurrer

The City demurs to Plaintiff's First Amended Complaint (hereinafter "FAC") partially on the same grounds as the prior demurrer: (1) it is barred by the 90-day statute of limitations under the Subdivision Map Act; and (2) Plaintiff failed to allege exhaustion of administrative remedies.

90-Day Statute of Limitations under the Subdivision Map Act (SMA)

Any action to attack, review, set aside, void, or annul a local agency's decision regarding a subdivision—or any proceeding, act, or determination taken or made before such a decision—generally must be filed and served within 90 days of the decision. (Gov. Code, § 66499.37; *Templeton Action Comm. v. County of San Luis Obispo* (2014) 228 Cal.App.4th 427 [subdivider is indispensable party and must also be served within 90 days; affirming dismissal]; *Torrey Hills Community Coalition v. City of San Diego* (2010) 186 Cal.App.4th 429 [affirming dismissal when summons not served within 90 days, rejecting claim of impossibility].)

Except as otherwise provided in the Mitigation Fee Act (Gov. Code, §§66000–66025; not at issue here), challenges to map approval, denial, map conditions, certificates of compliance, subdivision improvement agreements, tentative map extensions, and related claims all must be brought within the 90-day statute of limitations. (See Gov. Code, § 66499.37; *Honchariw v. County of Stanislaus* (2015) 238 Cal.App.4th 1 [90-day statute of limitation applies to claim of inverse condemnation arising out of denial of subdivision application]; *Anthony v. Snyder* (2004) 116 Cal.App.4th 643 [when breach of contract claim overlaps with or concerns acts by city

council subject to challenge under Map Act, shorter statute of limitations of Section 66499.37 applies]; see also *Honchariw v. County of Stanislaus* (2020) 51 Cal.App.5th 243 [claim challenging county's interpretation of condition of subdivision approval accrues at time of interpretation]; but see *Legacy Group v. City of Wasco* (2003) 106 Cal.App.4th 1305 [suit on numerous grounds, including breach of development agreement, was not subject to Section 66499.37, but was subject to statute of limitations applicable to contract claims].)

Plaintiff again cites *Schmier v. City of Berkeley* (2022) 76 Cal.App.5th 549, and *Honchariw v. County of Stanislaus* (2020) 51 Cal.App.5th 243, for the proposition "that the 90-day statute of limitations does not begin to accrue until the government agency 'disagrees with plaintiff's interpretation of a condition of approval' (*Schmier, supra*, at 556) and 'until it is clear what interpretation the agency has adopted and that the interpretation is the agency's final position' such that further negotiations would be futile." (*See Opp.* 6:13-18.)

As previously discussed, *Honchariw* involves a challenge to the interpretation of conditions of approval. In *Schmier*, the Court of Appeal held that the 90-day statute of limitations did not apply where plaintiff did not contest the imposition of conditions of approval, but rather the dispute was over the meaning of language in lien agreements executed as a condition of approval. (*See Schmier, supra*, 76 Cal.App.5th 549 at pp. 555-556.)

Here, in contrast, Plaintiff alleges the City breached the SIA on several discrete dates between June 2, 2017 and October 31, 2022, when it required Plaintiff to reconstruct curb ramps "using different specifications . . . than initially required by the City." (FAC ¶¶17-18.) The City further alleges that Plaintiff breached the SIA by "failing to respond to HOVNANIAN's ADA Certification discussed in Paragraph 39, *supra*, and by failing to respond to HOVNANIAN's request for approval of the means of compliance (e.g. grinding and overlay); by failing to abide

by the terms of the SIA by either not approving work performed under its inspection and guidance, or failing to relieve HOVNANIAN of minor deviations within the CITY'S scope of authority; and failing to approve works of improvement that substantially comply with the issued and approved plans, specifications and Conditions of Approval". (FAC ¶¶62). These allegations are distinct from the facts of *Honchariw* and *Schmier*. This is not a case challenging the interpretation of conditions of approval or contesting the meaning of language of lien agreements executed as a condition of approval. Plaintiff is challenging the actions and non-action of the City.

The 90-day Statute of Limitation under SMA applies in this case. At the latest, the 90-day period began to run on July 20, 2023, when the City rejected the Plaintiff's government claim. Therefore, Plaintiff had until October 18, 2023, to file and service the Summons and Complaint. The Complaint was filed January 18, 2024, and not service until March 27, 2024. There are no amendments Plaintiff could make that would salvage the FAC from the Statute of Limitations.

Exhaustion of Administrative Remedies

Before bringing any action to challenge a decision under the Map Act, a party must first exhaust all available administrative remedies. (See, e.g., *Mola Dev. Corp. v. City of Seal Beach* (1997) 57 Cal.App.4th 405.) The City argues Plaintiff failed to exhaust its administrative remedies under the Chino Municipal Code. (See Dem. 16-18.) However, the argument fails because it is based on a Municipal Code section omitted from the City's judicially noticed Exhibit A.

The City's Exhibit A is Chapter 19.05, which the City argues governs final map approval. (See Dem. 16:6.) The City argues "the appeals process" is laid out in section 19.01.110"

(See Dem. 16:14-22.) That appears accurate. (See RJN Exh. A at § 19.05.240 [“The appeals process for the decision of the director of community development and/or city engineer shall be as described in Section 19.01.110 of this title.”].) However, Exhibit A does not include Section 19.01.110. As the Court can only consider the pleadings and judicially noticeable facts, and because the City failed to request judicial notice of municipal code section governing administrative appeals (or provide a copy of the same), its “failure to exhaust” argument fails.

Declaratory Relief

For declaratory relief to be appropriate, there must be an “actual controversy relating to the legal rights and duties of the respective parties, “not an abstract or academic dispute. (CCP §1060, Connerly v. Schwarzenegger (07) 146 Cal. App. 4th 739). Given the ruling to sustain the demurrer, there is no actual controversy between the parties. As such, the demurrer to the Third and Fourth Causes of Action are sustained.

RULING

1. Defendant’s Request for Judicial Notice is **GRANTED**.
2. Defendant’s Objections to Declarations of Steve Scherbarth and Kathleen E. Finnerty are **SUSTAINED**.
3. Defendant’s Demurrer on the ground that Plaintiff’s Complaint is subject to the 90-day statute of limitations set forth in Government Code Section 66499.37 is **SUSTAINED WITHOUT LEAVE TO AMEND**.
4. Defendant’s Demurrer on the ground that Plaintiff failed to exhaust its administrative remedies is **OVERRULED**.
5. Considering the Court ruling on the Demurrer, Defendant’s Motion to Strike is **Moot**.

IT IS SO ORDERED:

Dated: March 6, 2025



CARLOS M. CABRERA
Judge of the Superior Court



**SUPERIOR COURT OF CALIFORNIA,
COUNTY OF SAN BERNARDINO**

San Bernardino District
247 West 3rd St
San Bernardino CA 92415
www.sb-court.org
909-708-8678

K. Hovnanian's Sonata At The Preserve, Llc
-v -
City Of Chino Et Al

IMPORTANT CORRESPONDENCE

Case Number

CIVSB2403234

Aleshire & Wynder, Llp
1 Park Plaza Suite 1000
Irvine CA 92614

From the above entitled court, enclosed you will find:

Minute Order and Ruling dated 03/06/25

CERTIFICATE OF SERVICE

I am a Deputy Clerk of the Superior Court for the County of San Bernardino at the above listed address. I am not a party to this action and on the date and place shown below, I served a copy of the above listed notice:

- Enclosed in a sealed envelope mailed to the interested party addressed above for collection and mailing this date, following standard Court practices.
- Enclosed in a sealed envelope, first class postage prepaid in the U.S. mail at the location shown above, mailed to the interested party and addressed as shown above or as shown on the attached listing.
- A copy of this notice was given to the filing party at the counter.
- A copy of this notice was placed in the bin located at this office and identified as the location for the above law firm's collection of file stamped documents.

Date of Mailing: 3/6/2025

I declare under penalty of perjury that the foregoing is true and correct. Executed on 3/6/2025 at San Bernardino.

By: Jennifer Medina



SUPERIOR COURT OF CALIFORNIA
 County of San Bernardino
 San Bernardino District - Civil Division
 247 West Third Street
 San Bernardino, CA 92415-0210

RETURN
 SERVICE
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BY-SM 22514



EXHIBIT C

Land Development Punchlist

- a) In consideration of the Developer's addressing of the deficiencies outlined in the Punchlist following this page, the City shall have full responsibility to maintain, correct, remediate or otherwise manage and own all improvements associated with the subdivision improvements associated with the parcels, and shall defend, indemnify and hold Developer harmless from any and all Claims arising therefrom.
- b) As a part of this Agreement, City agrees to release Developer's faithful performance bond and labor and materials bonds as outlined in **Exhibit D** without right of modification at a later date upon approval of the Developer's improvements, including completion by Developer to the City's reasonable satisfaction of the attached Punchlist items; provided that nothing herein shall authorize the release of the required warranty bond, which shall remain in place for the statutory one (1) year period from the date of acceptance of the improvements by the City.

[Punchlist follows this page]

EUNICE M. ULLOA
Mayor



KAREN C. COMSTOCK
CHRISTOPHER FLORES
MARC LUCIO
Council Members

CURTIS BURTON
Mayor Pro Tem

DR. LINDA REICH
City Manager

CITY of CHINO

LAND DEVELOPMENT PUNCHLIST

DATE:	11/7/25	
TO:	PROJECT: TR 18778	
	DEVELOPER: K. Hovnanian Homes	
	400 Exchange, Suite 200	
	Irvine, CA 92602	
	PROJECT LOCATION: South side of Botany between Rincon Meadows and Mill Creek (Freshwater Ln, Partridge Ln, Retreat Ct, Crane Ct, Solitude Ave, Botany St, and Meridian St.)	
FROM:	PROJECT ENGINEER/INSPECTOR:	Pakozdi/Cruz
SUBJECT:	PROJECT WALKTHROUGH NOTES AS OF: 4/29/25	

THIS LIST OF DEFICIENCIES MUST BE ADDRESSED PRIOR TO ACCEPTANCE OF PUBLIC IMPROVEMENTS.

A. ITEMS NOT YET IN CONFORMANCE WITH PERMIT, PLANS, STANDARDS AND/OR SPECIFICATIONS:

1. Set all survey monuments.
2. Submit centerline ties per City Standard Drawing No. 900 for review and approval.
3. Submit red-lined "Record Drawings" ("As-Builts) for review and approval.
4. Submit AutoCAD format of plans (once "As-Built" plans have been verified and completed).
5. Submit *List of Public Improvements* constructed (Form attached).
6. Submit final compaction report records for the construction of public improvements.
7. Submit sewer system CCTV videos and reports.
8. Install 1-inch air vacuum assembly at Crane Ct per the approved plans and City of Chino Standard Drawing No. 435B.
9. Construct signing and striping as per the approved plan SP-622.
10. Implement the improvement recommendations outlined in the September 2025 Pavement Investigation Report prepared by LaBelle Marvin, except that the road slurry application shall consist of crack sealing followed by the placement of either Type II REAS or Type II RPMS.
11. Remove and replace cobblestones at intersections per City of Chino Standard No. 275.

B. REPAIRS AND CLEAN-UP REQUIRED:

1. Remove all USA markouts associated with pending work identified on this Punchlist.
2. Install water meter coupling and A34 adaptor and stamp a 3-inch "W" in the curb face at service location (park meter).
3. Adjust to grade all sewer and storm drain manholes.



4. Clean water valve cans and adjust to grade all water valves covers.
5. Stencil a 3-inch-high black numbers on each pole, 5 feet above cap surface facing the street per the approved plans and City of Chino Standards.
6. Paint all fire hydrants and blow off per City of Chino Standard Drawing No. 445A.
7. Final inspection of storm drain manholes and catch basins and sewer manholes
8. Final inspection of streetlights pull boxes
9. Final inspection of the streetlights pedestal
10. Final inspection of air and vacuum valve assembly
11. Paint all water valve covers with (2) coats of vista No. 999 metal primer and (2) coats of blue Dupont traffic paint no. 7001 or approved equal per City Standard No. 450 (note #1).
12. Paint red curb as marked on the field.
13. Safety Step to confirm if truncated dome wear at the following locations is due to age or poor installation. Replace if due to workmanship:
 - Freshwater and Meridian (NEC-SEC-SWC)
 - Botany and Crane (SWC)
 - Botany and Retreat (SWC)
14. Replace broken/cracked sidewalk panels at the following locations if damage was the result of construction activities:
 - 16148 Freshwater
 - 16197 Retreat (Botany Side)
 - 16224 Crane
 - 7786 Botany
 - 7735 Botany
15. Backfill and restore landscape/irrigation:
 - Freshwater and Meridian (SWC)
 - Botany and Crane (NWC-SWC-SEC)
 - 16209 Crane
 - Botany and Retreat (SEC)
 - Botany south side east of Retreat
 - Meridian and Partridge (SWC)
16. Attach tracing wire to the fire hydrants bottom flange.

cg Attachments
cc: Project Manager
 Public Works Inspector
 Assistant City Engineer

EXHIBIT D

Sample Form of Bond Release and Exoneration Letter

DATE

Steve Scherbarth
K. HOVNANIAN'S SONATA AT THE PRESERVE, LLC
1260 Corona Pointe Court, Suite 301
Corona, CA 92879

Subject: Final Acceptance of Subdivision Improvements
Tract No. 18778
Bond No. 106530200

To Whom It May Concern:

All of the public improvements constructed in accordance with Conditions of Approval for Tract No. 18778, were deemed complete and accepted by the City Council of the City of Chino as of DATE.

The disposition of the improvement security is authorized as follows:

1. Faithful Performance Bond No. 106530200 in the amount of \$842,000 to K. Hovnanian's Sonata at the Preserve, LLC, by Travelers Casualty and Surety Company of America, as surety, for PL15-0100 Site Approval to guarantee the construction of the improvements per PL15-0100 Site Approval is hereby released and any interest of the City of Chino therein is terminated.
2. Labor and Material Bond No. 106530200 in the amount of \$421,100 to K. Hovnanian's Sonata at the Preserve, LLC by Travelers Casualty and Surety Company of America, as surety, for PL15-0100 Site Approval to guarantee payment to material suppliers and others employed in the construction of the improvements per PL15-0100 is hereby released and any interest of the City of Chino therein is terminated.
3. Warranty Bond No. 106530200M in the amount of \$84,200 issued to K. Hovnanian's Sonata at the Preserve, LLC by Travelers Casualty and Surety Company of America, as surety, for PL15-0100 Site Approval is now in full force and effect. This bond is to warranty the improvements to be free of any defects, damage, or deterioration due to defective materials or substandard workmanship. This warranty bond shall remain on file with the City for a minimum of one (1) year from the acceptance date.

The City will assume maintenance responsibility for the following improvements as of the acceptance date:

- Curbs and gutters
- Sidewalks
- Street Pavement
- Domestic Water Lateral(s)
- Sewer Lateral(s)
- Storm Drain Catch Basins

- Streetlights
- Traffic Signing and Striping

If you have any questions regarding this matter, please contact me at 909-334-3417.

Sincerely,

City Engineer, P.E.

cc: Travelers Casualty and Surety Company of America
One Tower Square, Hartford, CT 06183