

City of Garden Grove

INTER-DEPARTMENT MEMORANDUM

To:	Matthew J. Fertal	From:	William E. Murray
Dept:	City Manager	Dept:	Public Works
Subject:	FINAL TRACT MAP NO. TR 17432 AND SUBDIVISION AGREEMENT WITH CITY VENTURES HOMEBUILDING, LLC FOR PROPERTY LOCATED AT EUCLID STREET AND HAZARD AVENUE, GARDEN GROVE	Date:	October 23, 2012

OBJECTIVE

To receive City Council approval of Final Tract Map No. TR 17432 and the Subdivision Agreement with City Ventures Homebuilding, LLC, for property located at the northwest corner of Euclid Street and Hazard Avenue, Garden Grove.

BACKGROUND

On March 1, 2012, the applicant, City Ventures Homebuilding, LLC, received Planning Commission approval of a Negative Declaration, Site Plan No. SP-467-12, and Tentative Tract Map No. TT-17432 under Planning Commission Resolution No. 5761-12; and approval of a Negative Declaration, Planned Unit Development PUD No. 127-12, and Development Agreement No. DA-184-12 under Planning Commission Resolution No. 5760-12. Copies of Planning Resolution Nos. 5760-12 and 5761-12 are attached.

DISCUSSION

The subject map is a subdivision of 56 numbered lots and 5 lettered lots located on the west side of Euclid Street and north of Hazard Avenue. The applicant is proposing to develop a 6.34- gross acre site with two lots to serve as common area for landscaping purposes, three lots to serve as common area for private streets and utilities and to construct a 56 unit, detached single family residential development designed on individual lots. Street dedications have been granted on Hazard Avenue. A blanket easement for a domestic water system and appurtenances has also been dedicated. The vehicular access rights to Euclid Street and Hazard Avenue along with subsurface water rights also have been released and relinquished except at access locations approved by the City.

The subdivision agreement includes bonds for the improvement of street, sewer, water, drainage, related onsite improvements, and survey monumentation to guarantee the construction of these improvements for above development.

Staff has reviewed all documentation relating to this subdivision regarding City Ordinances and the Subdivision Map Act, and finds this map to be in compliance.

FINANCIAL IMPACT

There is no financial impact to the City by this action.

RECOMMENDATION

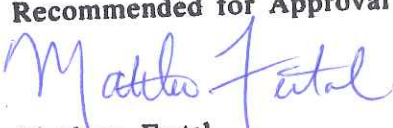
It is recommended that City Council:

- Approve Final Tract Map No. TR 17432 and the Subdivision Agreement and also accept the Subdivision Improvement Bonds.
- Authorize the City Manager to execute the Agreement on behalf of the City and make minor modifications as appropriate thereto.


WILLIAM E. MURRAY
Public Works Director/City Engineer

By: Greg A. Brown 
Sr. Project Manager

- Attachment 1: Planning Commission Resolution Nos. 5760-12 and 5761-12
Attachment 2: Tract Map No. TR 17432 and Location Map
Attachment 3: Subdivision Agreement
Attachment 4: Subdivision Improvement Bonds

Recommended for Approval

Matthew Fertal
City Manager

RESOLUTION NO. 5760-12

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GARDEN GROVE RECOMMENDING ADOPTION OF A MITIGATED NEGATIVE DECLARATION AND MITIGATION MONITORING PROGRAM AND RECOMMENDING APPROVAL OF PLANNED UNIT DEVELOPMENT NO. PUD-127-12, AND DEVELOPMENT AGREEMENT NO. DA-184-12.

BE IT RESOLVED that the Planning Commission of the City of Garden Grove, in regular session assembled on March 1, 2012, does hereby recommend adoption of a Mitigated Negative Declaration and Mitigation Monitoring Program and recommends approval of Planned Unit Development No. PUD-127-12 and Development Agreement No. DA-184-12 for land located at the northwest corner of Euclid Street and Hazard Avenue, at 10901 Hazard Avenue, Assessor's Parcel No. 099-181-09.

BE IT FURTHER RESOLVED that the Planning Commission has considered the proposed Mitigated Negative Declaration and Mitigation Monitoring Program together with comments received during the public review process. The record of proceedings on which the Planning Commission's decision is based is located at the City of Garden Grove, 11222 Acacia Parkway, Garden Grove, California. The custodian of record of proceedings is the Director of Community Development. The Planning Commission finds on the basis of the whole record before it, including the initial study and comments received, that there is no substantial evidence that the project will have a significant effect on the environment. Therefore, the Planning Commission recommends City Council adopt the Mitigated Negative Declaration and Mitigation Monitoring Program for this project.

BE IT FURTHER RESOLVED in the matter of Planned Unit Development No. PUD-127-12 and Development Agreement No. DA-184-12, the Planning Commission of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by City Ventures.
2. The applicant requests approval of a Zone Change from the Planned Unit Development No. PUD-104-81 to PUD-127-12 to allow the development of single-family residential small-lot subdivision; a Site Plan approval in order to construct 56 single-family homes with associated site improvements that include a private road and passive and active common useable open space areas; and a Tentative Tract Map to subdivide the property into 56 separate lots. A Development Agreement (DA-184-12) is also proposed.
3. Pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et. seq., and the CEQA guidelines, 14 California Code of Regulations Sec. 15000 et. seq., an initial study was prepared and it has been

determined that the proposed project qualifies for a Mitigated Negative Declaration because the proposed project with the proposed mitigation measures cannot, or will not, have a significant effect on the environment. A Mitigation Monitoring Program has been prepared and is attached to the Mitigated Negative Declaration listing the mitigation measures to be monitored during project implementation. The Mitigated Negative Declaration was prepared and circulated in accordance with CEQA and CEQA's implementing guidelines.

4. The property has a General Plan Land Use designation of Industrial/Residential Mixed Use 1 and is currently zoned Planned Unit Development No. PUD-104-81. The 5.97-acre site currently consists of a single-family home, a strawberry stand, and land area that is being used to produce strawberries.
5. Existing land use, zoning, and General Plan designation of property in the vicinity of the subject property have been reviewed.
6. Report submitted by City staff was reviewed.
7. Pursuant to a legal notice, a public hearing was held on March 1, 2012, and all interested persons were given an opportunity to be heard.
8. The Planning Commission gave due and careful consideration to the matter during its meeting of March 1, 2012 and considered all oral and written testimony presented regarding the project, the initial study, and the Mitigated Negative Declaration.

BE IT FURTHER RESOLVED, FOUND AND DETERMINED that the facts and reasons supporting the conclusion of the Planning Commission, as required under Municipal Code Sections 9.12.020 and 9.24.030, are as follows:

FACTS:

The site is 5.97 acres in area, and currently consists of a single-family home, a strawberry stand, and vacant property that is being used to produce strawberries.

The site has a General Plan Land Use designation of Industrial/Residential Mixed Use 1 and is zoned R-1 (Single-Family Residential).

The minimum site requirement for a Planned Unit Development Residential zoning is one (1) acre. The proposed site area is 5.97 acres.

The Planned Unit Development would facilitate the development of the site with 56 single-family residential units.

The application for the Planned Unit Development and the Development Agreement is being processed in conjunction with Site Plan No. SP-467-12 and Tentative Tract Map No. TT-17432.

The developer is authorized to enter into a Development Agreement in compliance with Government Code Section 65864.

FINDINGS AND REASONS:

Planned Unit Development:

1. The location of the buildings, architectural design, and proposed use are compatible with the character of existing residential development in the vicinity, and the project will be well-integrated into its setting.

The project is designed to be an attractive, modern small-lot, single-family residential community that is within the allowable density for the General Plan Land Use Designation. The proposed development includes both passive and active open space along with private rear yard areas for the individual property owners. The main entry into the development is from Hazard Avenue and includes decorative paving, enhanced landscaping, and fencing. The new development will improve the site and is in keeping with well-designed modern residences. The property is surrounded by single-family residential development to the south and west, multiple-family residential to the east, and industrial development to the north. The design of the project provides a community of single-family homes on the site that will improve the appearance of the neighborhood.

2. The plan will produce a stable and desirable environment and will not cause undue traffic congestion on surrounding streets.

The design of the project complies with the spirit and intent of the Garden Grove Municipal Code for residential development. The City's Traffic Engineering Division has reviewed the plan and all appropriate conditions of approval and mitigation measures have been incorporated to minimize any adverse impacts on surrounding streets.

3. Provision is made for both public and private open spaces.

The project has been designed in accordance with City Code provisions for providing an adequate amount of public and private open spaces as required by the City's Small-Lot Subdivision Ordinance. The site provides both passive and active open space/recreation areas for the prospective residents.

4. Provision is made for the protection and maintenance of private areas reserved for common use.

Through the conditions of approval for the project, all necessary agreements for the protection and maintenance of private areas reserved for common use will be in place prior to the start of construction and will be required to be adhered to for the life of the project.

5. The quality of the project achieved through the proposed Planned Unit Development zoning is greater than could be achieved under the current zoning.

The site is 5.97-acres in size. The project was designed to create a residential community with a combination of both active and passive open space areas, landscaped streets, and guest parking areas on the site. The PUD zoning allows the project to be designed as an integrated community on a network of streets and driveways. The project meets City Code standards for parking, vehicle access and circulation, and landscaping. The PUD zoning allows the project to have an overall quality that is greater than the current zoning as it allows a more integrated design of single-family buildings. The design creates a sense of neighborhood with sidewalks, tree-lined streets, and shared open space amenities.

INCORPORATION OF FACTS AND FINDINGS SET FORTH IN THE STAFF REPORT

In addition to the foregoing, the Planning Commission incorporates herein by this reference, the facts and findings set forth in the staff report.

BE IT FURTHER RESOLVED that the Planning Commission does conclude:

1. The Planned Unit Development and Development Agreement possess characteristics that would indicate justification of the request in accordance with Municipal Code Section 9.24.030 (Planned Unit Development) and with Government Code Section 65864 et. seq, provisions for Development Agreements.
2. The implementation provisions for Planned Unit Development No. PUD-127-12 are found under Planning Commission Resolution No. 5761-12 for Site Plan No. SP-467-12 and Tentative Tract Map No. TT-17432.

RESOLUTION NO. 5761-12

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GARDEN GROVE ADOPTING A MITIGATED NEGATIVE DECLARATION AND APPROVING SITE PLAN NO. SP-467-12 AND TENTATIVE TRACT MAP NO. TT-17432.

BE IT RESOLVED that the Planning Commission of the City of Garden Grove, in regular session assembled on March 1, 2012, does hereby adopt a Mitigated Negative Declaration and Mitigation Monitoring Program and approves Site Plan No. SP-467-12 and Tentative Tract Map No. TT-17432, for land located at the northwest corner of Euclid Street and Hazard Avenue, at 10901 Hazard Avenue, Assessor's Parcel No. 099-181-09.

BE IT FURTHER RESOLVED that the Planning Commission has considered the proposed Mitigated Negative Declaration and Mitigation Monitoring Program together with comments received during the public review process. The record of proceedings on which the Planning Commission's decision is based is located at the City of Garden Grove, 11222 Acacia Parkway, Garden Grove, California. The custodian of record of proceedings is the Director of Community Development. The Planning Commission finds on the basis of the whole record before it, including the initial study and comments received, that there is no substantial evidence that the project will have a significant effect on the environment. Therefore, the Planning Commission adopts a Mitigated Negative Declaration and Mitigation Monitoring Program for this project.

BE IT FURTHER RESOLVED in the matter of Site Plan No. SP-467-12 and Tentative Tract Map No. TT-17432, the Planning Commission of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by City Ventures.
2. The applicant requests approval of a Zone Change from the Planned Unit Development No. PUD-104-81 to PUD-127-12 to allow the development of single-family residential small-lot subdivision; a Site Plan approval in order to construct 56 single-family homes with associated site improvements that include a private road and passive and active common useable open space areas; and a Tentative Tract Map to subdivide the property into 56 separate lots. A Development Agreement (DA-184-12) is also proposed.
3. Pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et. seq., and the CEQA guidelines, 14 California Code of Regulations Sec. 15000 et. seq., an initial study was prepared and it has been determined that the proposed project qualifies for a Mitigated Negative Declaration because the proposed project with the proposed mitigation measures cannot, or will not, have a significant effect on the environment. A Mitigation Monitoring Program has been prepared and is attached to the Mitigated Negative Declaration listing the mitigation measures to be monitored

during project implementation. The Mitigated Negative Declaration was prepared and circulated in accordance with CEQA and CEQA's implementing guidelines.

4. The property has a General Plan Land Use designation of Industrial/Residential Mixed Use 1 and is currently zoned Planned Unit Development No. PUD-104-81. The 5.97-acre site currently consists of a single-family home, a strawberry stand, and land area that is being used to produce strawberries.
5. Existing land use, zoning, and General Plan designation of property in the vicinity of the subject property have been reviewed.
6. Report submitted by City staff was reviewed.
7. Pursuant to a legal notice, a public hearing was held on March 1, 2012, and all interested persons were given an opportunity to be heard.
8. The Planning Commission gave due and careful consideration to the matter during its meeting of March 1, 2012 and considered all oral and written testimony presented regarding the project, the initial study, and the Mitigated Negative Declaration.

BE IT FURTHER RESOLVED, FOUND AND DETERMINED that the facts and reasons supporting the conclusion of the Planning Commission, as required under Municipal Code Sections 9.12.020 and 9.24.030, are as follows:

FACTS:

The site is 5.97 acres in area, and currently consists of a single-family home, a strawberry stand, and vacant property that is being used to produce strawberries.

The site has a General Plan Land Use designation of Industrial/Residential Mixed Use 1 and is zoned R-1 (Single-Family Residential).

The minimum site requirement for a Planned Unit Development Residential zoning is one (1) acre. The proposed site area is 5.97 acres.

The Planned Unit Development would facilitate the development of the site with 56 single-family residential units.

The application for Site Plan No. SP-467-12 and Tentative Tract Map No. TT-17432 is being processed in conjunction with Planned Unit Development No. PUD-127-12 and Development Agreement No. DA-184-12.

FINDINGS AND REASONS:

Site Plan:

1. The Site Plan complies with the spirit and intent of the provisions, conditions and requirements of Title 9 and the General Plan.

The project complies with the Industrial/Residential Mixed Use 1 and the proposed PUD zoning for the property. The building facades, site design, parking, and landscaping are consistent with the spirit and intent of the requirements of the Municipal Code.

2. The project will not adversely affect essential on-site facilities such as off-street parking, loading and unloading areas, traffic circulation, and points of vehicular and pedestrian access.

The drive aisles and maneuvering areas are adequate for vehicle access. Sufficient parking is provided, and adequate pedestrian access is provided within the project.

3. The project will not adversely affect essential public facilities such as streets and alleys, utilities and drainage channels.

The existing streets, utilities and drainage facilities within the area are adequate to accommodate the project. The on-site circulation and parking are sufficient for the existing and proposed development.

4. The project will not adversely impact the Public Works Department's ability to perform its required function.

The project has been reviewed by the Public Works Department, which has required various on- and off-site improvements, including sidewalks, driveways, and grading improvements. Issues raised by the project have been addressed in the project design and the conditions of approval.

5. The project is compatible with the physical, functional and visual quality of the neighboring uses and desirable neighborhood characteristics.

The project has been designed for building appearance, building placement, landscaping, and other amenities to attain an attractive environment.

Tentative Tract Map:

1. The Tentative Tract Map for the proposed 56 single-family residential dwelling units is consistent with the Garden Grove General Plan, which encourages land

subdivision in order to facilitate new development. The site is adequate in size and shape to accommodate the proposed future development of the site.

2. The design and improvements of the proposed subdivision is consistent with the zoning, Title 9 of the Garden Grove Municipal Code, and the General Plan provisions for location, proximity to similar uses, lot width, and overall depth required for a residential Planned Unit Development and the City's Small-Lot Subdivision Ordinance.
3. The site is physically suitable for the proposed development and complies with the spirit and intent of a Residential Planned Unit Development and Title 9 of the City's Municipal Code.
4. The project will not have a significant adverse effect on the environment; therefore, the City of Garden Grove hereby adopts a Mitigated Negative Declaration of Environmental Impact and Mitigation Monitoring Program pursuant to the California Environmental Quality Act.
5. The design of the 56-unit single-family residential subdivision, and the proposed improvements, are not likely to cause public health problems. The conditions of approval for on and off-site improvements will safeguard the public health.
6. The design of the 56-unit single-family residential dwelling small-lot subdivision, and the proposed improvements, will not conflict with easements of record or easements established by court judgment acquired by the public-at-large for access through or use of property within the subdivision; if such easements exist, then alternate easements for access or for use will be provided and these will be substantially equivalent to the ones previously acquired by the public.
7. The design and improvements of the 56-unit single-family residential small-lot subdivision are suitable for the existing site improvements and the subdivision can be developed in compliance with the applicable zoning regulations.
8. The design and improvement of the proposed subdivision are suitable for the residential project proposed and the subdivision can be developed in compliance with the applicable zoning regulations.
9. The design of the subdivision, to the extent feasible, does have allowance for future passive or natural heating and cooling opportunities.
10. The design, density, and configuration of the subdivision strikes a balance between the effect of the subdivision on the housing needs of the region and of public service needs, and that the character of the subdivision is compatible with the design of existing structures and lot sizes in the general area.

INCORPORATION OF FACTS AND FINDINGS SET FORTH IN THE STAFF REPORT

In addition to the foregoing, the Planning Commission incorporates herein by this reference, the facts and findings set forth in the staff report.

BE IT FURTHER RESOLVED that the Planning Commission does conclude:

1. The Site Plan and Tentative Tract Map do possess characteristics that would indicate justification of the request in accordance with Municipal Code Sections 9.24.030 (Site Plan) and 9.32.010 (Subdivisions).
2. In order to fulfill the purpose and intent of the Municipal Code, and, thereby, promote the health, safety, and general welfare, the following Conditions of Approval, attached as "Exhibit A", shall apply to Site Plan No. SP-467-12, and Tentative Tract Map No. TT-17432.
3. Approval of this Site Plan and Tentative Tract Map shall be contingent upon the approval of Planned Unit Development No. PUD-127-12 by the Garden Grove City Council.

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OCT 09 2012

P.W. ENGINEERING

SUBDIVISION IMPROVEMENT AGREEMENT

SUBDIVIDER: CITY VENTURES HOMEBUILDING, LLC

TRACT MAP NO. 17432

ATTACHMENT #3

THIS AGREEMENT is made this ____ day of 2012 by the CITY OF GARDEN GROVE, a municipal corporation ("CITY"), and City Ventures Homebuilding, LLC, a Delaware Limited Liability Company ("SUBDIVIDER"). CITY and SUBDIVIDER are sometime referred to herein individually as the "Party" or collectively as the "Parties."

RECITALS:

The following recitals are a substantive part of this Agreement:

1. SUBDIVIDER has obtained initial City approval of a subdivision map for Tentative Tract Map No. 17432 ("Project"), subject to certain conditions of approval for the development of the Project ("Conditions of Approval").
2. As a condition precedent to the approval of the Final Tract Map by CITY, SUBDIVIDER is required to construct, install and/or offer for dedication to CITY certain streets, highways, easements, infrastructure improvements and/or parcels of land intended for public use.
3. SUBDIVIDER, by the Final Tract Map, has offered for dedication to CITY certain streets, easements, property, and infrastructure improvements.
4. CITY desires to accept the dedications of such streets, easements, property, and other improvements as shown on the Final Tract Map, and certain other improvements described in this Agreement.
5. SUBDIVIDER has delivered to CITY and CITY has approved plans and specifications and related documents for certain "Improvements" (as hereinafter defined) which are required to be constructed and installed in order to accommodate the development of the Project.
6. SUBDIVIDER has requested approval of the Final Tract Map prior to completion of all of the Improvements required by CITY.
7. To assure CITY that SUBDIVIDER will complete construction and installation of all required Improvements, the Parties have entered into this Agreement.
8. SUBDIVIDER's agreement to construct and install the Improvements pursuant to this Agreement and its offer of dedication of the streets, easements, and other improvements, as shown on the Final Tract Map, are a material consideration to CITY in approving the Final Tract Map and permitting development of the Project to proceed.
9. This Agreement is entered into in accordance with the Subdivision Map Act (Government Code sections 66410 et seq.) and the ordinances, rules, regulations, and determinations of the CITY.

AGREEMENT

NOW THEREFORE, based on the foregoing Recitals, which are incorporated herein by reference, and in consideration of the CITY's approving the Final Tract Map and permitting development of the Project to proceed, CITY's acceptance of the streets, easement, and other improvements offered for dedication by SUBDIVIDER, and the mutual promises contained herein, the Parties mutually agree as follows:

1. **Improvements.** SUBDIVIDER, at his or her sole expense, agrees to construct and install, as applicable, the street, sidewalks, drainage, domestic water, sanitary sewer, and other improvements (herein sometimes collectively referred to as the "Improvements") required to be constructed or agreed to be constructed as a condition precedent to the approval of the Final Parcel Map and acceptance of such streets and easements, as expressly shown on (1) the Improvement Lists attached hereto at Exhibit "A" and Exhibit "B" and incorporated herein, and/or (2) the approved Project Improvement Plans on file with CITY and/or subsequently approved or revised by CITY and SUBDIVIDER (the "Improvement Plans"). The estimated construction cost for the Improvements is \$1,497,114.00.

2. **Security.** To secure the faithful performance of each improvement required under this Agreement and to ensure full payment to all persons furnishing or supplying labor or materials for each improvement required, SUBDIVIDER shall provide CITY, prior to the execution of this Agreement by CITY, with the following bonds:

Improvement	Type of Bond	Amount
100% of total estimate for Off-Site Improvements and On-Site Grading & Drainage Improvements as shown on Grading and Site Improvement Plans, as described on the approved Project Improvement Plans on file with the CITY	Faithful Performance	\$1,497,114.00
100% total estimate for Survey Monument Bond for setting required survey monuments and filing all documentation and records as described and required by the Final Tract Map on file with the CITY	Monument Bond	\$6,500
50% of total estimate for Off-Site Improvements and On-Site Grading & Drainage Improvements as shown on Grading and Site Improvement Plans, as described on the approved Project Improvement Plans on file with the CITY	Labor & Material	\$748,557.00

The bonds shall be executed on CITY forms by a surety authorized to do business in the State of California and shall be subject to approval by the City Attorney.

3. **Time for Completion.** SUBDIVIDER shall complete construction and installation of the improvements within 365 days, or such later time as approved by the CITY in writing. Monuments shall be set within the required time stated on the approved Final Tract Map.
4. **CITY Inspection and Acceptance.** The City Engineer or his or her duly authorized representative, upon request of SUBDIVIDER, shall inspect the improvements herein agreed to be constructed or installed by SUBDIVIDER, and, if determined to be in accordance with the applicable CITY standards, as set forth in the Garden Grove Municipal Code, Conditions of Approval and Improvement Plans, the Final Tract Map, shall recommend the acceptance of such improvements and survey monuments by the CITY.
5. **Changes or Alterations.** SUBDIVIDER shall perform any changes or alterations in the construction and installation of the improvements required by CITY, to the extent such changes or alterations are needed to cause the improvements to comply with the applicable CITY standards, as set forth in the Garden Grove Municipal Code, Conditions of Approval and Improvement Plans.
6. **Guarantee.** SUBDIVIDER shall guarantee such improvements for a period of one (1) year following the completion by SUBDIVIDER and acceptance by CITY against any defective work or labor done, or defective materials furnished, in the performance of work pursuant to this Agreement.
7. **Insurance Requirements.**
 - 7.1 **COMMENCEMENT OF WORK.** SUBDIVIDER/CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY/AGENCY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY/AGENCY of any material change, cancellation, or termination at least thirty (30) days in advance.
 - 7.2 **Workers' Compensation Insurance.** For the duration of this Agreement, CONTRACTOR/SUBDIVIDER and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
 - 7.3 **Insurance Amounts.** SUBDIVIDER/CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
 - A. Commercial general liability in the amount of \$1,000,000 per occurrence; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to CITY/AGENCY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY/AGENCY.
 - B. Automobile liability in the amount of \$1,000,000 per occurrence; Insurance companies must be **acceptable to CITY/AGENCY** and have a Best's guide Rating of A-, Class VII or better as approved by the CITY/AGENCY.

An Additional Insured Endorsement of the policy under section 7.3 (A) shall designate CITY/AGENCY, its officers, officials, employees, agents, and volunteers as additional insured's for liability arising out of work or operations performed by or on behalf of the SUBDIVIDER/CONTRACTOR. SUBDIVIDER/CONTRACTOR shall provide to CITY/AGENCY proof of insurance and endorsement forms that conform to CITY's/AGENCY's requirements, as approved by the CITY/AGENCY.

An Additional Insured Endorsement of the policy under section 7.3 (B) shall designate CITY/AGENCY, its officers, officials, employees, agents, and volunteers as additional insured's for automobiles owned, leased, hired, or borrowed by the SUBDIVIDER/CONTRACTOR. SUBDIVIDER/CONTRACTOR shall provide to CITY/AGENCY proof of insurance and endorsement forms that conform to CITY's/AGENCY's requirements, as approved by the CITY/AGENCY.

For any claims related to this Agreement, SUBDIVIDER/CONTRACTOR's insurance coverage shall be primary insurance as respects to CITY/AGENCY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY/AGENCY, its officers, officials, employees, agents, or volunteers shall be excess of the SUBDIVIDER's/CONTRACTOR's insurance and shall not contribute with it.

If SUBDIVIDER/CONTRACTOR is not constructing or installing the required improvements itself, SUBDIVIDER/CONTRACTOR's insurance obligation pursuant to this subsection 7.3 may be satisfied from each of SUBDIVIDER's contractors and each of their subcontractors, as appropriate, at the time of application for any permit from the CITY related to the construction and/or installation of the improvements under this Agreement.

8. **Default.**

- 8.1 **Remedies Not Exclusive.** In any case where this Agreement provides a specific remedy to CITY for a default by SUBDIVIDER hereunder, such remedy shall be in addition to, and not exclusive of, CITY's right to pursue any other administrative, legal, or equitable remedy to which it may be entitled.
- 8.2 **CITY Right to Perform Work.** In the event SUBDIVIDER fails to perform any obligations under this Agreement, SUBDIVIDER hereby authorizes CITY to perform such obligations twenty (20) days after mailing written Notice of Default to SUBDIVIDER at the address given below, and agrees to pay the entire cost of such performance by CITY, unless SUBDIVIDER cures such default in such twenty (20) day period, or such additional time as CITY deems reasonable in its sole discretion.
- 8.3 **Costs and Attorney's Fees.** In the event SUBDIVIDER fails to perform any obligations under this Agreement, SUBDIVIDER agrees to pay all costs and expenses reasonably incurred by CITY in securing performance of such obligations, including costs of suit and reasonable attorney's fees. In the event of any dispute arising out of SUBDIVIDER's performance of its obligations under this Agreement or under any of the Security Instruments referenced herein, the prevailing party in such action, in addition to any other relief which may be granted, shall be entitled to recover its reasonable attorney's fees and costs. Such attorney's fees and cost shall include fees and costs on any appeal, and in addition a party entitled to

attorney's fees and costs shall be entitled to all other reasonable costs incurred in investigating such action, taking depositions and discovery, retaining expert witnesses, and all other necessary and related costs with respect to the litigation. All such fees and costs shall be deemed to have accrued on commencement of the action and shall be enforceable whether or not the action is prosecuted to judgment.

9. **Non-Liability of Officials and Employees of CITY.** No member, official or employee of CITY shall be personally liable to SUBDIVIDER, or any successor in interest, in the event of any default or breach by CITY, or for any amount which may become due from CITY or its successor, or any obligation under the terms of this Agreement.

10. **Labor.**

- 10.1 **Labor Standards.** SUBDIVIDER shall be responsible for causing all contractors and subcontractors constructing or installing any of the Improvements to comply with all applicable federal and state labor standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. CITY makes no warranty or representation concerning whether any of the Improvements required to be constructed and/or installed pursuant to this Agreement constitute public works subject to the prevailing wage requirements.

- 10.2 **Non-Discrimination.** SUBDIVIDER covenants and agrees that there shall be no discrimination against or segregation of any person, group, or employee due to race, color, creed, religion, sex, marital status, age, handicap, national origin or ancestry, in any action or activity undertaken pursuant to this Agreement.

- 10.3 **Licensed Contractors.** SUBDIVIDER shall cause all of the Improvements to be constructed and/or installed by contractors and subcontractors with valid California Contractors' licenses for the type of work being performed.

- 11 **Change of SUBDIVIDER.** If SUBDIVIDER ceases to have legal interest in the Project, then a notice to that effect shall be filed with CITY. The notice shall include the name and address of the new subdivider. SUBDIVIDER shall require as a condition of the transfer of the legal interest in the Project, that the new subdivider shall (1) submit new bonds in accordance with this Agreement (at which time the original bonds shall be released); (2) submit to CITY a certified copy of the recorded deed referencing the transfer of the legal interest; and (iii) require that, upon transfer, the successor subdivider undertake all of the obligations under this Agreement in lieu and in place of SUBDIVIDER. Thereafter, SUBDIVIDER shall have no further obligations to CITY under this Agreement except for any liability, obligations, acts or omissions incurred prior to such transfer.

- 12 **General Provisions.** It is mutually agreed as follows:

- 12.1 **Assignment or Delegation.** Neither CITY nor SUBDIVIDER shall assign this Agreement without the consent of the other. SUBDIVIDER shall not delegate its obligations under this Agreement to another.

- 12.2 **Independent Contractor.** It is understood and agreed that, in connection with the performance of SUBDIVIDER's obligations under this Agreement, SUBDIVIDER, its

employees, agents, contractors, and any subcontractors acting on behalf of SUBDIVIDER shall act and be independent contractors and shall not be agents or employees of the CITY, and as independent contractors, shall obtain no rights to reitement benefits, or other benefits which accrue to CITY employees, and SUBDIVIDER, on behalf of itself, its employees, agents, contractors, and any subcontractors acting on behalf of SUBDIVIDER, hereby expressly waives any claim it may have to any such rights.

- 12.3 **Compliance with Law.** SUBDIVIDER shall comply with, and require all those acting on SUBDIVIDER's behalf to comply with, all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
- 12.4 **Conflict of Interest and Reporting.** SUBDIVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
- 12.5 **Notices.** All notices shall be personally delivered or mailed, postage prepaid, to the below-listed address, or to such other address as may be designated by written notice. These addresses shall be used for delivery of service of process.
- A. If to SUBDIVIDER:
City Ventures Homebuilding, LLC
1900 Quail Street
Newport Beach, CA 92660
- B. If to CITY:
City of Garden Grove
11222 Acacia Parkway
Garden Grove, California 92842
- 12.6 **Licenses, Permits, Fees, and Assessments.** At its sole cost and expense, SUBDIVIDER shall obtain such license, permits, and approvals as may be required by law for the performance of SUBDIVIDER's obligations under this Agreement. SUBDIVIDER shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the performance of the obligations required under this Agreement.
- 12.7 **Time of Essence.** Time is of the essence in the performance of this Agreement.
- 12.8 **Heirs, Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties, including all successors and assigns to SUBDIVIDER's right, title, and interest in the property covered by the Project and any portion thereof.
- 12.9 **Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by so executing this Agreement the parties hereto are formally bound to the provisions of this Agreement.

- 12.10 **Modification**. This Agreement constitutes the entire agreement between the parties. This Agreement may be modified only by subsequent mutual written agreement executed by CITY and SUBDIVIDER.
- 12.11 **Waiver**. All waivers of the provisions of this Agreement must be in writing by the appropriate authorities of the CITY and SUBDIVIDER. SUBDIVIDER agrees that waiver by CITY of any one or more of the conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement.
- 12.12 **California Law**. This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced pursuant to this Agreement shall be initiated in the central or main branch of the Orange County Superior Court.
- 12.13 **Interpretation**. This Agreement shall be interpreted as though prepared by both parties.
- 12.14 **Preservation of Agreement**. Should any paragraph, clause, provision or word of this Agreement be found invalid or unenforceable, such decision shall affect only the paragraph, clause, provision or word construed and interpreted, and all remaining provisions shall remain valid and enforceable.
- 13 **Mutual Agreement**. The parties hereto do mutually covenant and agree to the full and faithful performance of their respective obligations under this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

“CITY”

CITY OF GARDEN GROVE

Date: _____

BY: _____
City Manager

ATTEST:

“SUBDIVIDER”

CITY VENTURES HOMEBUILDING, LLC

City Clerk

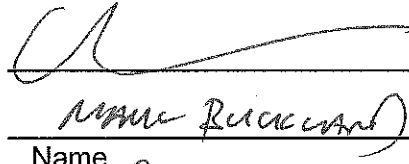
Date: _____

By: City Ventures Homebuilding, LLC, a Delaware limited liability company

Its: General Partner

Date: _____

BY: _____



Name

CEO

Title

Date: _____

BY: _____

Name

Title

APPROVED AS TO FORM:

Garden Grove City Attorney

Date: _____

If SUBDIVIDER is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

INSTRUCTIONS: If SUBDIVIDER is a corporation or limited liability company, the Agreement must be executed in the corporate/LLC name and signed by the President or a Vice-President and the Secretary or Assistant Secretary. If SUBDIVIDER is a limited liability company with designated centralized management (i.e., those that specifically designate in their articles of organization that they will be managed by a manager or managers), the Agreement must be executed in the LLC's name and signed by at least two managers (or by one manager in the case of an LLC whose articles of organization state that it is managed by only one manager). If SUBDIVIDER is a partnership, it must be signed by all general partners. If SUBDIVIDER is an individual doing business under a fictitious name, it must be signed by all persons having an interest in the business, and the fictitious name must be included.

Bond No. 0603625
Premium: Included in cost of Performance bond.

COPY
RECEIVED
OCT 04 2012
P.W. ENGINEERING

ATTACHMENT #A

SUBDIVISION IMPROVEMENT BOND
LABOR AND MATERIAL

NOTICE: TO WHOM IT MAY CONCERN: That we, City Ventures Homebuilding, LLC, as Principal, and International Fidelity Insurance Company as Surety, are held and firmly bound unto the City of Garden Grove, (CITY) in the sum of Seven Hundred Forty-eight Thousand Five Hundred Fifty-Seven Dollars (\$748,557), lawful money of the United States, for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally.

That the Surety's office is located at 233 Wilshire Blvd., Suite 820 Santa Monica, CA 90401 telephone no. (310) 395-7887; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone no. are as follows:

License No.: 0F15767
Address: 19800 MacArthur Blvd., Suite 1250, Irvine, CA 92612
Telephone No.: (949) 252-4425

That the following clause must be completed if, in fact, a non-resident agent for the Surety is a party to the transaction:

Name of non-resident agent: _____
Non-resident agent's office address: _____
Telephone No.: _____

THE CONDITION OF THIS OBLIGATION IS SUCH, that:

WHEREAS, the Principal has entered into a Subdivision Agreement, dated the _____ day of _____, 2012, with the CITY OF GARDEN GROVE to install or complete an improvement consisting of public street, water, sewer, drainage and related onsite and offsite improvements shown on all the approved improvement plans on file with the CITY, as part of Tract No. 17432.

NOW THEREFORE, if the Principal, its heirs, executors, administrators, successors, or assignees, or subcontractors shall fail to pay for any materials, provisions, provender, or other supplies or teams, implements, or machinery used in, upon, for, or about, the performance of the improvement in accordance with the Subdivision Agreement, or for any work or labor thereon of any kind, or for amounts due under State law with respect to work or labor, and provided the claimant shall have complied with the provisions of the Code, the Surety or Sureties will pay for same in the amount not exceeding the sum specified in this bond; otherwise, the above obligation shall be void. In case suit is brought upon this bond, the Surety will pay reasonable attorneys fees

Further, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder, shall in any way affect its obligation on this bond; and it does hereby waive notice of any change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder.

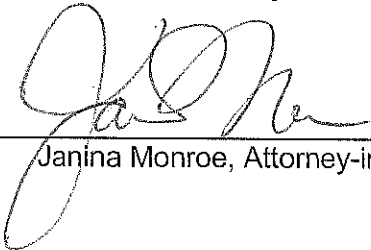
Subdivision Improvement Bond
Labor and Material

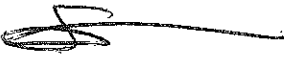
This bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Civil Code 3181 et seq., so as to give a right of action to them or their assignees in any suit brought upon this bond.

Executed this 3rd day of October, 2012.

By: International Fidelity Insurance Company
Surety

City Ventures Homebuilding, LLC
Principal

By: 
Janina Monroe, Attorney-in-Fact

By: 
SCOTT HOMAN, CFO

By: _____
California Resident Agent

By: _____
Non-resident Agent - Attorney-in-Fact

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2012, before me, a Notary Public in and for said County and State, personally appeared _____, known to me to be the Attorney-in-Fact of the _____, of _____ (Corporation) _____ (City) _____ (State), and acknowledged that it executed the attached bond to the

City of Garden Grove as such Attorney-in-Fact and as the free act and deed of the corporation, and that the bond was executed on behalf of the corporation by authority of its Board of Directors.

WITNESS my hand and Official Seal.

(Acknowledgment by Non-Resident Agent as Attorney-in-Fact must be attached.)

Notary Public in and for said County and State.

My Commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

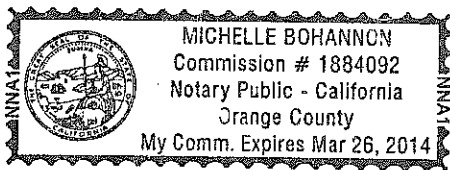
State of California

County of Orange

On 10/4/12 before me, Michelle Bohannon - Notary Public

personally appeared Scott Homan

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: Michelle Bohannon

OPTIONAL

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

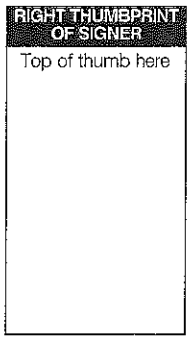
Description of Attached Document: Subdivision Improvement Bond # 0603625 Labor + Material
Document Date: N/A Number of Pages: 2

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Scott Homan

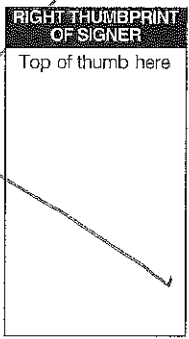
- Corporate Officer - Title(s): CFO
Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer Is Representing:

Signer's Name:

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



Signer Is Representing:

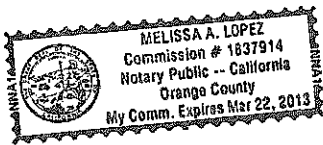
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On OCT 03 2012 before me, Melissa A. Lopez, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Janina Monroe
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 Melissa Lopez
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

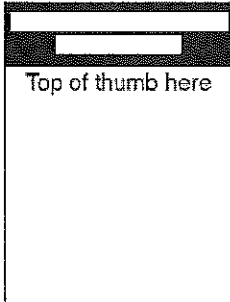
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Janina Monroe

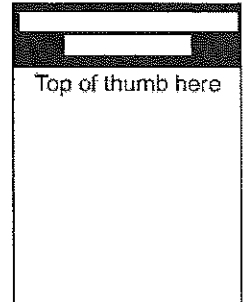
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

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



Signer Is Representing: _____

POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

TIMOTHY J. NOONAN, JANINA MONROE, PAUL BOUCHER, MICHELLE HAASE, JEREMY YEUNG

Los Angeles, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given;

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March, 27, 2014

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of

OCT 03 2012

Assistant Secretary

RECEIVED



COPY

OCT 04 2012

P.W. ENGINEERING

Bond No. 0603625

Premium: \$22,457.00

SUBDIVISION IMPROVEMENT BOND

FAITHFUL PERFORMANCE ATTACHMENT #

NOTICE: TO WHOM IT MAY CONCERN: That we, City Ventures Homebuilding, LLC, as Principal, and International Fidelity Insurance Company, as Surety, are held and firmly bound unto the City of Garden Grove, (CITY) in the sum of One Million Four Hundred Ninety-Seven Thousand One Hundred and Fourteen Dollars (\$1,497,114.00), lawful money of the United States, for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally.

That the Surety's office is located at 233 Wilshire Blvd., Suite 820 Santa Monica, CA 90401 telephone no. (310)395-7887; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone no. are as follows:

License No.: 0F15767
Address: 19800 MacArthur Blvd., Suite 1250, Irvine, CA 92612
Telephone No.: (949) 252-4425

That the following clause must be completed if, in fact, a non-resident agent for the Surety is a party to the transaction:

Name of non-resident agent: _____
Non-resident agent's office address: _____
Telephone No.: _____

THE CONDITION OF THIS OBLIGATION IS SUCH, that:

WHEREAS, the Principal has entered into a Subdivision Agreement, dated the _____ day of _____, 2012, with the CITY OF GARDEN GROVE to install or complete an improvement consisting of public street, water, sewer, drainage and related onsite and offsite improvements shown on all the approved improvement plans on file with the CITY as part of Tract No. 17432.

NOW THEREFORE, if the Principal shall well and truly perform, or cause to be performed, each and all of the requirements and obligations of the Subdivision Agreement related to the improvements to be performed by the Principal, as in the Subdivision Agreement, then this bond shall be null and void; otherwise, it shall remain in full force and effect. In the event that suit is instituted to recover on this bond, the Surety will pay reasonable attorneys' fees.

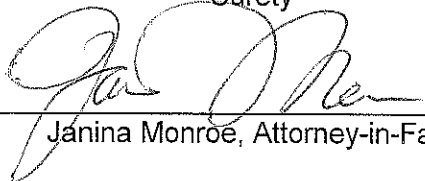
Further, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder, shall in any way affect its obligation on this bond; and it does hereby waive notice of any change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder.


Subdivision Improvement Bond
Faithful Performance

Executed this 3rd day of October, 2012.

By: International Fidelity Insurance Company
Surety

City Ventures Homebuilding, LLC
Principal

By: 
Janina Monroe, Attorney-in-Fact

By: 
SCOTT HOMAN, CFO

By: _____
California Resident Agent

By: _____
Non-resident Agent - Attorney-in-Fact

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 2012, before me, a Notary Public in and for said County and State, personally appeared _____, known to me to be the Attorney-in-Fact of the _____, of _____ (Corporation) _____ (City) _____ (State), and acknowledged that it executed the attached bond to the

City of Garden Grove as such Attorney-in-Fact and as the free act and deed of the corporation, and that the bond was executed on behalf of the corporation by authority of its Board of Directors.

WITNESS my hand and Official Seal.

(Acknowledgment by Non-Resident Agent as Attorney-in-Fact must be attached.)

Notary Public in and for said County and State.
My Commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

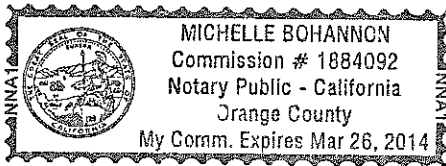
State of California

County of Orange

On 10/4/12 before me, Michelle Bohannon - Notary Public

personally appeared Scott Homan

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: Michelle Bohannon

OPTIONAL

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

Description of Attached Document Title or Type of Document: Subdivision Improvement Bond Bond # 0603625 Document Date: N/A Faithful Performance Number of Pages: 2

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Scott Homan

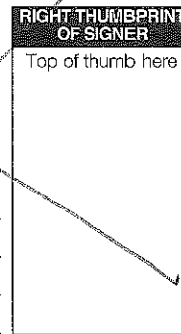
- Corporate Officer - Title(s): CFO
Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer Is Representing:

Signer's Name:

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



Signer Is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On OCT 03 2012 before me, Melissa A. Lopez, Notary Public
Date Here Insert Name and Title of the Officer

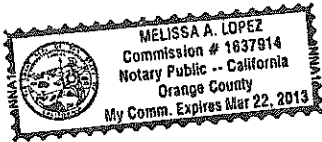
personally appeared Janina Monroe
Name(s) of Signer(s)

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 Melissa Lopez
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

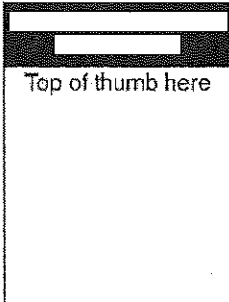
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Janina Monroe

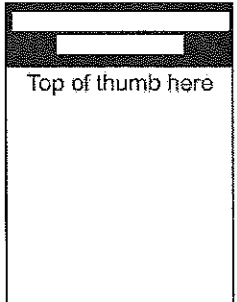
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

Signer's Name: _____

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



Signer Is Representing:

RECEIVED

OCT 04 2012

ATTACHMENT #

P.W. ENGINEERING

Bond No. 0603626

Premium: \$100.00



COPY

SUBDIVISION MONUMENT BOND

FAITHFUL PERFORMANCE

NOTICE: TO WHOM IT MAY CONCERN: That we, CITY VENTURES HOMEBUILDING, LLC., a Delaware Limited Liability Company, as Principal, and International Fidelity Insurance Company, as Surety, are held and firmly bound unto the City of Garden Grove, California ("CITY") in the sum of Six thousand, five hundred Dollars (\$6,500.00), lawful money of the United States, for the payment of which we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally.

That the Surety's office is located at 233 Wilshire Blvd., Suite 820 Santa Monica, CA 90401 telephone no. (310) 395-7887; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone no. are as follows:

License No.: 0F15767
Address: 19800 MacArthur Blvd., Suite 1250, Irvine, CA 92612
Telephone No.: (949) 252-4425

That the following clause must be completed if, in fact, a non-resident agent for the Surety is a party to the transaction:

Name of non-resident agent: _____
Non-resident agent's office address: _____
Telephone No.: _____

THE CONDITION OF THIS OBLIGATION IS SUCH, that:

WHEREAS, the Principal has entered into a Subdivision Agreement, dated the _____ day of _____, 2012, with the CITY OF GARDEN GROVE to install or complete an improvement consisting of SURVEY MONUMENTATIONS, as part of Tract No. 17432.

NOW, THEREFORE, if the Principal shall well and truly perform, or cause to be performed, each and all of the requirements and obligations of the Subdivision Agreement related to the improvements to be performed by the Principal, as in the Subdivision Agreement, then this bond shall be null and void; otherwise, it shall remain in full force and effect. In the event that suit is instituted to recover on this bond, the surety will pay reasonable attorneys' fees.

Further, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder, shall in any way affect its obligation on this bond; and

it does hereby waive notice of any change, extension of time, alteration, or modification of the Subdivision Agreement, or of work to be performed thereunder.


Executed this 3rd day of October, 2012.

City Ventures Homebuilding, LLC
Principal



By: _____
Its: SCOTT HOMAN, CFO

International Fidelity Insurance Company

Surety
By:  _____
Janina Monroe, Attorney-in-Fact

By: _____
California Resident Agent

By: _____
Non-resident Agent - Attorney-in-Fact

By: _____
Non-resident Agent - Attorney-in-Fact

By: _____

Its: _____

STATE OF CALIFORNIA)
)
COUNTY OF _____) ss.

On this _____ day of _____, 2012, before me, a Notary Public in and for said County and State, personally appeared _____ known to me to be the Attorney-in-Fact of the _____, of _____ (Corporation) _____ (City) _____ (State), and acknowledged that it executed the attached

bond to the City of Garden Grove as such Attorney-in-Fact and as the free act and deed of the corporation, and that the bond was executed on behalf of the corporation by authority of its Board of directors.

WITNESS my hand and official seal.

(Acknowledgment by Non-resident Agent as Attorney-in-Fact must be attached.)

Notary Public in and for said County and State.
My commission expires: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

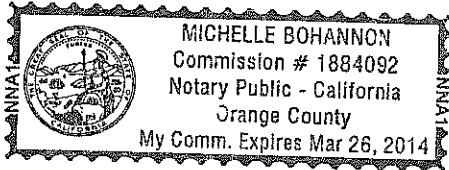
State of California

County of Orange

On 10/4/12 before me, Michelle Bohannon - Notary Public

personally appeared Scott Homan

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: Michelle Bohannon

OPTIONAL

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

Description of Attached Document: Subdivision Monument Bond Bund # 0603626
Document Date: N/A Faithful Performance Number of Pages: 2

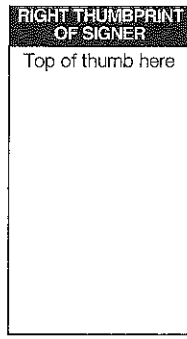
Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Scott Homan Signer's Name:

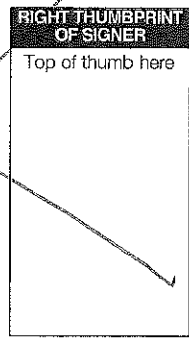
Corporate Officer - Title(s): CFO

- Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer Is Representing:

- Individual
Partner - Limited General
Attorney in Fact
Trustee
Guardian or Conservator
Other:



Signer Is Representing:

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange }

On OCT 03 2012 before me, Melissa A. Lopez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Janina Monroe
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 Melissa Lopez
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

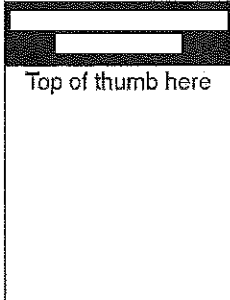
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Janina Monroe

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

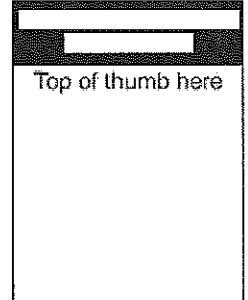
Signer Is Representing:



Signer's Name: _____

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

Signer Is Representing:



POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

TIMOTHY J. NOONAN, JANINA MONROE, PAUL BOUCHER, MICHELLE HAASE, JEREMY YEUNG

Los Angeles, CA.

its true and lawful attorney(s) in fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

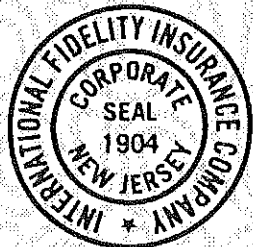
This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



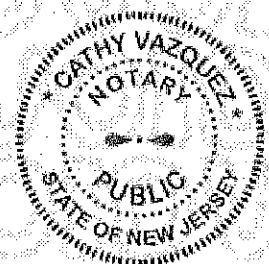
IN TESTIMONY WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

Secretary

On this 16th day of October, 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of the INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March, 27, 2014

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of _____

OCT 03 2012

Assistant Secretary