

Recording requested by
and when recorded return to:

CITY OF TEMECULA
Attention: Randi Johl, Director of
Legislative Affairs, City Clerk
41000 Main Street
Temecula, California 92590

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Assessor's Parcel No. 965-400-001 [X] Portion

Documentary Transfer Tax \$0.00

This Instrument is for the benefit of the City of Temecula and is exempt from Recording Fees (Govt. Code § 27383), Filing Fees (Govt. Code § 6103), and Documentary Transfer Tax (Rev & Tax Code § 11922).

**GRANT OF PERMANENT EASEMENT FOR STORM
DRAINAGE PURPOSES, MAINTENANCE AND ACCESS
EASEMENT AGREEMENT**

This Grant of Permanent Easement for Storm Drainage, Maintenance and Access Easement Agreement ("PME Agreement") is entered into by and between STAGE & PORTOLA, LLC, a California limited liability company ("Grantor"), and the CITY OF TEMECULA, a municipal corporation ("City"). Grantor and the City are referred to below collectively as the "Parties". The PME Agreement is effective on the date it is fully executed by the Parties ("Effective Date").

RECITALS

WHEREAS, Grantor is the record fee owner of the real property commonly known as the Savala Property, located in the City of Temecula, County of Riverside, State of California, which is identified as Riverside County Tax Assessor's Parcel Number 965-400-001 and legally described on Schedule 1 attached hereto and incorporated herein by this reference ("Grantor's Property").

WHEREAS, the City seeks to construct certain public street, storm drainage, and related improvements in connection with the public infrastructure project commonly referred to in the City's documents as AD 159 – Butterfield Stage Road Storm Drain – Line A Stage 2 Improvements ("Line A Stage 2 Improvements").

WHEREAS, pursuant to PC Resolution No. 2024-13, the Planning Commission of the City of Temecula approved Planning Application No. PA14-0087, Tentative Tract Map (TTM 36483) for the Creation of 164 Single Family Residential Lots and Nine (9) Open Space Lots on 42.64 Acres

for Planning Area 4 Within the Paloma Del Sol Specific Plan and Making a Finding of Exemption from the California Environmental Quality Act Under Public Resources Code Section 21166 and Government Code Section 65457 (APNs: 949-400-001, -002) (“Development Project”).

WHEREAS, pursuant to Condition 89 of the final conditions of approval for the Development Project, Taylor Morrison of California LLC, a California limited liability company (“Taylor Morrison”) is required to obtain a storm drain easement on Grantor’s Property for the benefit of the City and its successors and assigns in connection with the construction of certain storm drain improvements on the Property in connection with the construction of the Storm Drainage Improvements. The improvements that will be constructed in said storm drain easement include, but are not limited to, the construction of storm drainage inlets and related improvements (“Storm Drainage Improvements”) to tie in to the Line A Stage 2 Improvements.

WHEREAS, Taylor Morrison and Grantor negotiated the consideration Grantor shall receive for its grant of the storm drain easement for the benefit of the City and its successors and assigns in connection with the Line A Stage 2 Improvements.

WHEREAS, Grantor desires to Grant to the City and City desires to receive from the City a permanent easement for storm drainage, maintenance and access on Grantor’s Property for the construction of the Storm Drainage Improvements described below.

NOW THEREFORE, for good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor and the City agree as follows:

1. Grant of Permanent Storm Drain Easement. Grantor hereby grants to the City an approximately 13,190 square foot perpetual, non- exclusive permanent easement for storm drainage purposes, maintenance and access (“Storm Drain Easement” or “PME Easement”) over, upon, under and across a portion of Grantor’s Property to access, construct, operate and maintain, at the City’s sole cost and expense, the Storm Drainage Improvements within the area of the Storm Drain Easement legally described on EXHIBIT A, “Legal Description Permanent Maintenance and Access Easement” and depicted on EXHIBIT B, “Depiction of Permanent Maintenance Easement – APN 965-400-001, Savala Property” (“Storm Drain Easement Area”). EXHIBIT A and EXHIBIT B are attached to this PME Agreement and are incorporated herein by this reference.

2. Transfer of City Interest in the PME Easement. Grantor agrees and acknowledges that City intends to transfer City’s interest in the PME Easement to the Riverside County Flood Control and Water Conservation District (“Riverside County Flood Control District”) after the construction of the Storm Drainage Improvements is completed.

3. Maintenance Manager Obligations. The City shall act as “Maintenance Manager” under this PME Agreement. As Maintenance Manager, the City shall have the right to retain one or more third-party contractors to carry out the duties of Maintenance Manager as well as the obligations of the City under this PME Agreement; provided, however, the City shall not be relieved of its obligations as Maintenance Manager and/or any of its obligations under this PME Agreement as a result thereof, and the City will bear the cost of any such third-party contractor(s) retained by the City for purposes of this PME Agreement (collectively, the “Contractor”). Except for entry that is

required for emergency purposes, City shall provide to Grantor not less than ten (10) prior calendar days written notice of each Contractor the City retains for purposes of this PME Agreement, which notice shall include the applicable contact information for such Contractor.

a. After the rights herein granted are transferred by the City to the Riverside County Flood Control District, there will be no notice obligations to Grantor in connection with Riverside County Flood Control District's exercise of the maintenance obligations established in Section 4 within the Storm Drain Easement Area.

4. City Obligations.

a. Applicable with all laws, rules and obligations, the City shall operate, maintain, repair, restore, replace and make necessary improvements to the Storm Drainage Improvements constructed in the Storm Drain Easement Area. Such maintenance and repair shall include, without limitation, the following:

- (i) maintenance of the Storm Drainage Improvements located within the Storm Drain Easement Area in a clean and safe condition, including the repairing of such area when necessary with material of like kind and quality to the material originally installed therein, or such substitute therefor as shall in all respects be of like kind and quality, appearance and durability; and the removal of weeds, debris and waste materials; and
- (ii) the construction of such additional capital improvements to the Storm Drain Easement Area and repair and replacement of such additional capital improvements as may be necessary or appropriate from time to time in connection with the Storm Drainage Improvements.

b. The City shall operate and maintain the Storm Drain Easement Area in accordance with the plans for the Storm Drainage Improvements and tie into the Line A Stage 2 Improvements, including specified slope ratios, and prevention of erosion or sliding problems, and to facilitate the orderly discharge of water through Project drainage systems and facilities.

5. No Structures or Materials on Storm Drain Easement. No structure, planting or other material shall be placed or permitted to remain by Grantor, City and/or their respective successors or assigns, or other activities undertaken by Grantor, City and/or their respective successors or assigns on any area within said Storm Drain Easement Area which might create erosion or sliding problems or interfere with established or existing natural drainage systems or facilities.

6. Insurance.

a. During Construction of Storm Drainage Improvements. Prior to entry on the Storm Drain Easement Area for construction of the Storm Drainage Improvements, the City will cause its Contractor engaged for said improvements to procure and maintain policies of general commercial liability and umbrella/excess liability insurance naming Grantor (and successor owners of Grantor's Property) and City as additional named insured covering any and all claims, demands, and causes of action against Grantor and City, Temecula Community Services District, Successor

Agency to the Temecula Redevelopment Agency, Temecula Housing Authority and their officers, officials, employees and volunteers arising out of or pertaining to the entry on the Storm Drain Easement Area for the construction of the Storm Drainage Improvements pursuant to this PME Agreement as well as any and all actions and omissions of the Contractor while on the Storm Drain Easement Area. Such insurance against claims for injuries to persons or damages to the Property which may arise from or in connection with the performance of the work by the Contractor, its agents, representatives, employees or subcontractors in connection with the construction of the Storm Drainage Improvements in connection with the Project pursuant to this PME Agreement will be maintained in force during the construction of the Storm Drainage Improvements. Said insurance by Contractor will have the minimum coverage requirement set forth at EXHIBIT C hereto (“the Minimum Insurance Requirements”).

b. During Entry of Storm Drain Easement Area for Maintenance and Repair. If City engages a contractor to complete repairs and/or maintenance of the Storm Drainage Improvements constructed in the Storm Drain Easement Area, the City will require any such contractor to procure and maintain policies of general commercial liability and umbrella/excess liability insurance, which coverage, at a minimum will be equal to the Minimum Insurance Requirements, however, the City may increase (but not reduce) the coverage with the standard insurance coverage that City requires at the time said repair and maintenance work is approved. The City will require that any such contractor name the Grantor as additional insured under the foregoing policies.

c. Verification of Coverage. The City shall furnish Grantor with endorsements or copies of insurance policies verifying said coverage required by Section 6. This obligation, however, will no longer be in effect upon the transfer of the PME Easement by City to Riverside County Flood Control District.

d. No Entry by City without Insurance. In no event shall the City enter on the Storm Drain Easement Area unless it obtains the Minimum Insurance Requirements which names Grantor as additional insured. This obligation, however, will no longer be in effect upon the transfer of the PME Easement by City to Riverside County Flood Control District.

e. Riverside County Flood Control District Maintenance Obligations and Self-Insurance. After the PME Easement is transferred to Riverside County Flood Control District by the City, Riverside County Flood Control District will assume all responsibilities for the facilities constructed in the Storm Drain Easement Area. Riverside County Flood Control District will cause its staff to complete any construction, repair and maintenance of said Storm Drainage Improvements. The Riverside County Flood Control District is self-insured and will not retain outside entities or contractors to complete any such construction, repair or maintenance work. Grantor has no obligation and/or liability for the improvements constructed in the Storm Drain Easement Area pursuant to this PME Easement, maintenance of said improvements or any personal injury, death or property damage that may be caused by the construction, operation, use, maintenance or existence of said improvements.

7. No Liens. The City agrees to keep the Storm Drain Easement Area free of any liens including, without limitation, liens by contractors, subcontractors, or suppliers, engineers, architects,

surveyors, or others that may have lien rights for work, arising out of the City's use of said Storm Drain Easement Area in connection with the construction and maintenance of the Storm Drainage Improvements in connection with the Project. If any such lien is filed on Grantor's Property in connection with the City's use of said Easement Area in connection with the Storm Drainage Improvements, the City will, at its sole cost and expense, have the lien released and discharged of record in a matter satisfactory to the Grantor within thirty (30) calendar days of receiving notice of the lien. If the City fails to remove the lien within such thirty (30) day period, Grantor will have the right to remove the lien, and City, upon demand, will reimburse the Grantor for all costs and expenses, including without limitation reasonable attorneys' fees incurred by Grantor in connection with such removal.

8. Indemnification. The City shall indemnify, protect, hold harmless and defend Grantor (and successor owners of Grantor's Property) from and against all liabilities, obligations, liens, claims, actual damages, out-of-pocket costs, demands, fines, penalties, actual losses and out-of-pocket expenses, including reasonable attorneys' fees and court costs (collectively, "Liabilities"), but only to the extent such Liabilities result from: (a) any liens or claims by persons providing materials, labor or services in connection with the work performed by or at the request of the City or any of its employees, agents, contractors, subcontractors, materials suppliers, consultants, affiliates or representatives, or the City's successors and assigns (collectively, the "City Parties"); (b) any personal injury, death or property damage in connection with the construction, operation, use, maintenance or existence of the Storm Drainage Improvements or the entry onto Grantor's Property generally or the Storm Drain Easement Area specifically, by any of the City Parties pursuant to this PME Agreement; (c) any violation of laws, rules or regulations applicable to the work by any of the City Parties; and/or (d) the use, storage, deposit or release by any of the City Parties of any hazardous materials on, under, about or within said Grantor's Property generally or the Storm Drain Easement Area specifically in connection with the work by any of the City Parties in connection with the PME Agreement and/or (e) any breach by City of any other term, covenant or obligation under this PME Agreement. The foregoing indemnity obligations shall survive the termination of this PME Agreement.

9. Default and Cure. In the event of a material default or failure of performance by a party hereunder, the party alleging the default or failure of performance will provide notice to the other party regarding said default or failure of performance and request that said party cure such default or non-performance within thirty (30) days following written notice (Written Notice of Default). If the other party fails to take any steps to cure said alleged default within sixty (60) days, the non-defaulting party shall send a notice to the other party requesting a meeting to attempt to resolve any such alleged default or failure of performance. If the Parties fail to reach a resolution on the issues relating to that alleged default or failure of performance within ninety (90) days of the date of the Written Notice of Default, the non-defaulting party will be entitled to pursue all remedies available at law and in equity, including, without limitation, the remedies of specific performance and injunctive relief. In the event of a financial default or failure of such financial performance by a party hereunder, the party alleging the financial default or failure of financial performance will provide notice to the other party regarding said financial default or failure of financial performance and request that said party cure such default or non-performance within thirty (30) days following written notice (Written Notice of Financial Default). If the other party fails to take any steps to cure said alleged financial default within thirty (30) days of the Written Notice of Financial Default, the

non-defaulting party shall send a notice to the other party requesting a meeting to attempt to resolve any such alleged financial default or failure of financial performance. If the Parties fail to reach a resolution on the issues relating to that alleged financial default or failure of performance within sixty (60) days of the date of the Written Notice of Financial Default, the non-defaulting party will be entitled to pursue all remedies available at law and in equity, including, without limitation, the remedies of specific performance and injunctive relief.

10. Notices. All notices and demands will be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery. Notices will be considered given upon the earlier of (a) personal delivery, (b) two (2) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, or (c) one (1) business day following deposit with an overnight carrier service. The Parties will address such notices as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party will thereafter be given as demanded in that notice:

City: City of Temecula
41000 Main Street
Temecula, California 92590
Attention: Aaron Adams, City Manager
Aaron.Adams@TemeculaCA.gov

Copy to: Richards, Watson & Gershon
350 South Grand Avenue, 37th Floor
Los Angeles, California 90071
Attention: Peter M. Thorson, City Attorney
Email: pthorson@rwglaw.com

Grantor: Stage & Portola, LLC
16402 Construction Circle
East Irvine, CA 92606
Attention: Kelley Dyer and Erin Oskorus
Email: kelly@savala.com and erinoskorus@savala.com
Tel: 949-552-1859

Copy to: Brown & Streza LLP
40 Pacifica, Suite 1500
Irvine, CA 92618
Attention: Vincent J. Le Pore III, Esq.
Email: v.lepore@brownandstreza.com
Tel: 949-453-2900

11. Covenant Running with the Land. This PME Easement is a covenant running with the land and will bind successors and assigns of Grantor and the City, with the exception of Section 3, Section 6.c. and Section 6.d. set forth above that will not apply to the Riverside County Flood Control District upon the transfer of the City's interest in the PME Easement to the Riverside County Flood Control District.

12. Successors and Assigns. The covenants, terms, conditions, and restrictions of this PME Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective personal representatives, heirs, successors, and assigns and shall constitute a servitude running in perpetuity with the Storm Drain Easement Area.

13. Miscellaneous Provisions.

a. Any amendments to this PME Agreement must be in writing and duly executed by both Grantor and the City or its successors and assigns.

b. This PME Agreement will be construed and interpreted under, and governed and enforced according to, the internal laws of the State of California applicable to contracts made and to be performed in the state.

c. This PME Agreement contains the entire agreement between the Grantor and the City regarding the Storm Drain Easement. Simultaneously with the entering into of this PME Agreement, Grantor and the City are entering into a separate Grant of Temporary Construction Easement regarding the use and possession by the City of certain adjacent portions of Grantor's Property to facilitate the construction of the Storm Drainage Improvements, which will have no force, effect or application to Riverside County Flood Control District.

d. Except as otherwise provided herein, the provisions of this PME Agreement will be binding on and inure to the benefit of the Parties hereto and their respective heirs, successors and assigns.

e. This PME Agreement may be executed simultaneously in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

f. Each party has reviewed this PME Agreement and each has had the opportunity to have its respective counsel and real estate advisors review and revise this PME Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this PME Agreement or any amendments or exhibits thereto.

g. If any part, term or provision of this PME Agreement is held by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining provisions will not be affected, and the rights and obligations of each party will be construed and enforced as if this PME Agreement did not contain the particular part, term or provision held to be invalid.

h. Attorneys' Fees. In any action or in any other efforts to enforce this PME Agreement, the prevailing party shall be entitled to recover actual attorneys' fees and all other costs and expenses, including expert witness expenses, in addition to any other available remedy. In addition to the fees and costs recoverable under the preceding sentence, the Parties agree that the prevailing party shall be entitled to recover actual attorneys' fees, expenses and costs incurred in connection with the enforcement of a judgment arising from such action.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Grantor and the City have entered into this PME Agreement as of the date set forth below.

**STAGE & PORTOLA , LLC,
a California limited liability company**

Dated: 4.8.26

By: 
Erin Oskorus, Manager

**CITY OF TEMECULA,
a municipal corporation**

Dated: _____

By: _____
Aaron Adams, City Manager

ATTEST:

By: _____
Randi Johl,
Director of Legislative Affairs/City Clerk

APPROVED AS TO FORM:

By: _____
Peter M. Thorson, City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

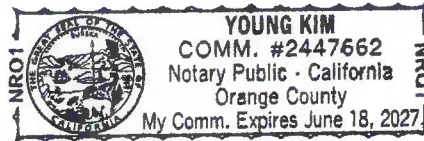
STATE OF CALIFORNIA)
) ss.
COUNTY OF Orange)

On April 08th, 2026, before me, Young Kim, Notary Public, personally appeared Erin Oskams, 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: Young Kim



(Seal)

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____, 20__, before me, _____, Notary Public, personally appeared _____, 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: _____

(Seal)

SCHEDULE 1

LEGAL DESCRIPTION OF GRANTOR'S PROPERTY

The Real Property referred to herein below is situated in the City of Temecula, County of Riverside, State of California, and is described as follows:

PARCEL 1 OF PARCEL MAP NO. 6428, IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGES 70, 71, 72 AND 73 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF RIVERSIDE COUNTY.

For conveyancing purposes only: APN 965-400-001

EXHIBIT A

**LEGAL DESCRIPTION OF PERMANENT EASEMENT FOR STORM
DRAINAGE IMPROVEMENTS, MAINTENANCE AND ACCESS
EASEMENT**

That portion of land, in the City of Temecula, County of Riverside, State of California, being a portion of Parcel 1 of Parcel Map No. 6428, as shown by map on file in Book 20, Pages 70 through 73, inclusive, of Parcel Maps in the Office of the County Recorder of said Riverside County, being described as follows:

COMMENCING at the southwest corner of said Parcel 1, said point lying on the centerline of Butterfield Stage Road;

Thence along the southerly line of said Parcel 1 North 72°05'29" East 55.22 feet to a point on the easterly right-of way line of said Butterfield Stage Road, said point being the **TRUE POINT OF BEGINNING**;

Thence continuing along said southerly line of Parcel 1 North 72°05'29" East 112.50 feet;

Thence leaving said southerly line of Parcel 1 North 22°56'23" West 26.28 feet;

Thence North 49°02'51" East 41.93 feet;

Thence North 22°56'23" West 36.53 feet;

Thence South 85°03'52" West 121.44 feet;

Thence South 67°03'37" West 36.45 feet to a point on said easterly right-of way line of Butterfield Stage Road;

Thence along said easterly right-of way line South 22°56'30" East 103.45 feet to the **TRUE POINT OF BEGINNING**.

Containing: 13,190 Square feet, or 0.3 Acres, more or less.

EXHIBIT B

DEPICTION OF PERMANENT EASEMENT FOR STORM DRAINAGE IMPROVEMENTS, MAINTENANCE AND ACCESS EASEMENT

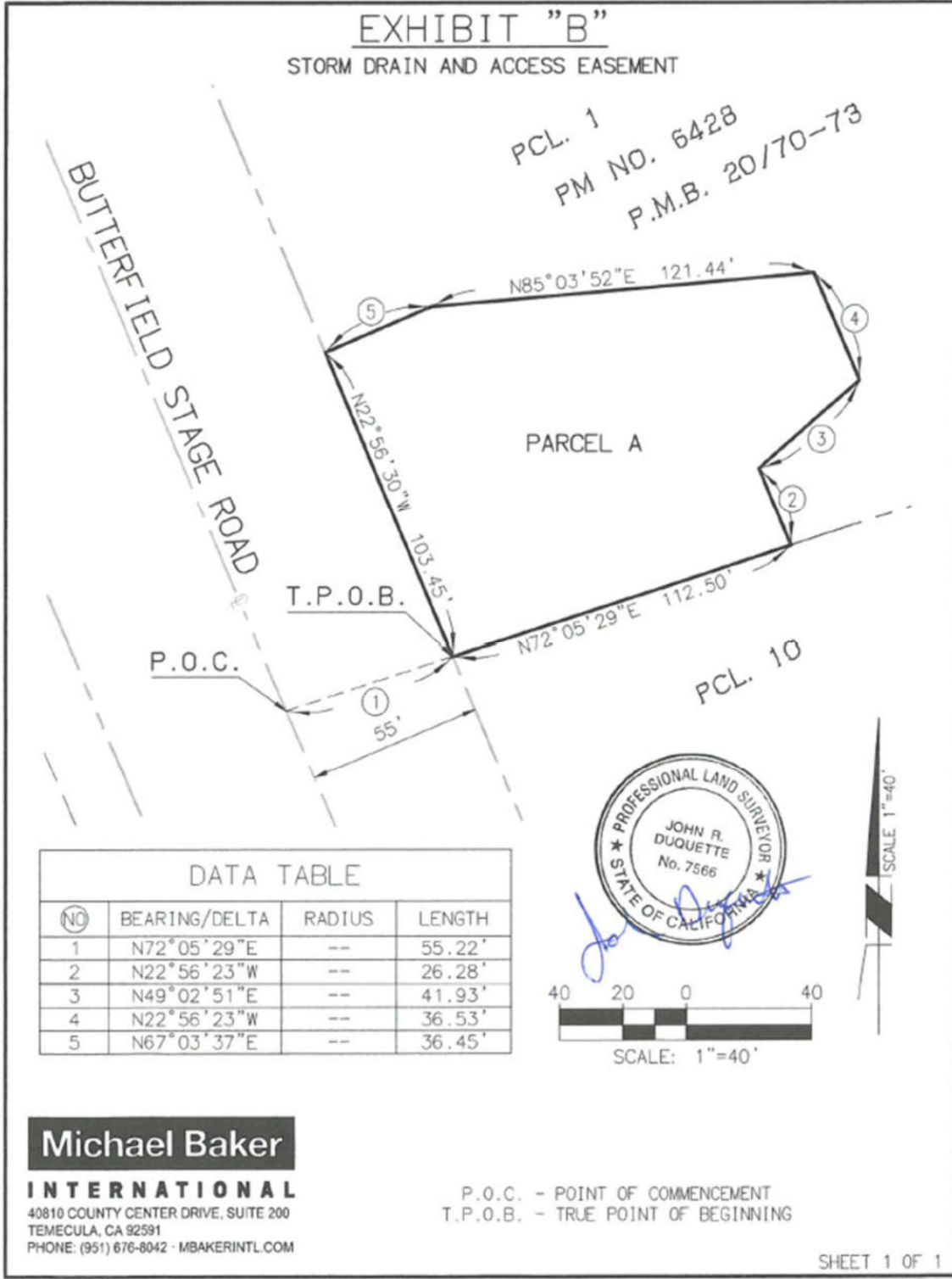


EXHIBIT C

MINIMUM INSURANCE REQUIREMENTS THE CITY WILL REQUIRE FOR ANY CONTRACTOR COMPLETING CONSTRUCTION, REPAIRING AND/OR MAINTAINING THE STORM DRAINAGE IMPROVEMENTS

1. INSURANCE REQUIREMENTS

(a) Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons and/or damages to property, which may arise from or in connection with the performance of the work hereunder and the results of work by the Contractor, its agents, representatives, employees, or subcontractors.

(b) Minimum Scope of Insurance. Coverage shall be at least as broad as the following:

1) Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operation, property damage, bodily injury, and personal & advertising with limits no less than Two Million (\$2,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Symbol 1), or if Contractor has no owned autos, covering hired, (Symbol 8) and non-owned autos (Symbol 9), with limits no less than Two Million (\$2,000,000) per accident for bodily injury, including death, of one or more persons, property damage and personal injury.

3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One million (\$1,000,000) per accident for bodily injury or disease. In accordance with the provisions of Labor Code Section 3700, every contractor will be required to secure the payment of compensation to its employees. Pursuant to Labor Code Section 1861, Contractor must submit to City the following certification before beginning any work on the Improvements:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

By executing this Agreement, Contractor is submitting the certification required above.

The policy must contain a waiver of subrogation in favor of the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers and Grantor.

4) Umbrella/Excess Liability limits must be at least \$3,000,000 each occurrence with terms and conditions at least as broad as the underlying Commercial General Liability, Business Auto Liability, and Employers' Liability policies. Umbrella/Excess Liability coverage must include as additional insureds all entities that are additional insureds on the underlying insurance. Umbrella/Excess Liability coverage for such additional insureds shall apply as primary and non-contributory.

(c) Professional Liability (Errors and Omissions): One million (\$1,000,000) per occurrence and in aggregate. Professional Liability Insurance shall be written on a policy form providing professional liability for the Contractor's profession.

(d) Pollution Liability: With limits of not less than One Million Dollars (\$1,000,000) per occurrence and a Two Million (\$2,000,000) aggregate for bodily injury, personal injury, and property damage.

(e) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared and approved by the Risk Manager.

(f) Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

1) The City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers, and Grantor are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor's products and completed operations of the Contractor; premises owned, occupied or used by the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor Insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). The coverage shall contain no special limitations on the scope of protection afforded to the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees or volunteers, or Grantor.

2) For any claims related to this project, the Contractor insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers, and Grantor. Any insurance or self-insurance maintained by the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees or volunteers, or Grantor shall be excess of the Contractor's insurance and shall not contribute with it. This also applies to any Excess or Umbrella liability policies.

3) The Contractor may use Umbrella or Excess Policies to provide the limits as required in this agreement. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability Insurance.

4) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect the indemnification provided to the City of Temecula, the Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers, or Grantor.

5) The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6) If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City and Grantor require and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

7) If insurance coverage is canceled or, reduced in coverage or in limits the Contractor shall within two (2) business days of notice from insurer phone, fax, and/or notify the City via certified mail, return receipt requested of the changes to or cancellation of the policy.

8) **Waiver of Subrogation:** The insurance policy will require that the Contractor waive, and each policy of insurance shall be endorsed to waive all rights against the City, Temecula Community Services District, Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, and volunteers and Grantor and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the insurance requirements stated herein.

9) The limits of liability specified herein may be provided by any combination of primary and umbrella/excess liability insurance policies. Umbrella/excess liability coverage shall include automobile liability, general liability and employer's liability and be on a following-form basis.

10) Unless otherwise approved by City, if any part of the Services and Tasks is subcontracted, the Minimum Insurance Requirements must be provided by, or on behalf of, all subcontractors even if city has approved lesser insurance requirements for Contractor, and all subcontractors must agree in writing to be bound by the provisions of this section.

(g) Acceptability of Insurers. Insurance required above, except for workers' compensation insurance, must be placed with insurers with a current A.M. Best rating of A:VII or better, unless otherwise acceptable to the City. Self-insurance shall not be considered to comply with these insurance requirements.

(h) Verification of Coverage. Contractor shall furnish the City and Grantor with original certificates and amendatory endorsements, or copies of the applicable policy language affecting coverage required by this clause. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City and Grantor before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

(i) Special Risks or Circumstances. The City reserves the right to increase (but not reduce) these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.