

COUNTY OF KERN

Date: August 10, 2026

TO: RECORDER

FROM: CLERK OF THE BOARD

Enclosed are the following documents for Tract/Parcel Map No.: **Tract Map 7394 Phase 3 & 4**

XX Plat of Tract

XX Owner's Certificate (**Parcel Maps Only**)

XX Clerk's Certificate

XX Tax Collector's Certificate

XX Assessor's Tax Estimate (January 1 through October 31)

XX Subdivision Guarantee

Supervisory District Number: 4

Recording fee in the amount of \$ has been posted to your accounts receivable

OR

XX Recording fee included in the amount of \$235.00 (Clerk of the Board Receipt 359984)

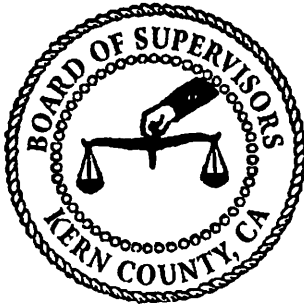
Recorder Initial for Receipt of Recording Fee JP.
(Indicate reason if different than Clerk of the Board receipt listed above)

By:

Michelle Frayn
Deputy Clerk

CERTIFICATE - TO COUNTY RECORDER

TRACT/PARCEL MAP NUMBER: Tract Map 7394 Phase 3 & 4 hereby certify pursuant to Government Code Section 66464 that the Subdivider has filed the certificates and security required by Sections 66492 and 66493 of the Government Code.



NANCY ANDERSON
County Administrator Officer
Clerk of the Board

By: Michelle Hansen
Deputy Clerk



COUNTY OF KERN
STATE OF CALIFORNIA

RECEIPT No. A- 359984

REFERENCE No. _____ DATE RECEIVED 8/10 20 26

RECEIVED FROM Wiley D. Hughes Surveying, Inc.

AMOUNT Two Hundred Thirty-Five and 00/100 DOLLARS \$ 235.00

ON ACCOUNT OF Tract Map 734 Phase 3+1 Transmitted to Recorder
check # 61866 Recording Fee

AMT. OF-ACC. \$		HOW PAID	CASH ☐	DEPARTMENT - Clerk of the Board
AMT. PAID \$	<u>235 00</u>		CHECK ☒	LOCATION
BALANCE DUE \$			M.O. ☐	BY <u>[Signature]</u>

61486

WILEY D. HUGHES SURVEYING, INC.

(661) 834-1482
PO BOX 43133
BAKERSFIELD, CA 93384

MISSION BANK
LET OUR EXPERIENCE WORK FOR YOU
BAKERSFIELD, CA

90-4279/1222
08/06/2026

PAY TO THE
ORDER OF

Kern County

\$ **235.00

Two hundred thirty-five and 00/100*****

DOLLARS 6

Kern County
2700 "M" Street Suite 203
Bakersfield, CA 93301



MEMO

Wiley D. Hughes

MP

⑈061486⑈⑈⑈122242791⑈

001 0020014⑈

08/06/2026

Kern County

Tract 7494 - Phase 3 & 4 - recording Fees

61486

235.00

Mission Bank 0014

235.00

**PAY TO THE ORDER OF
THE TREASURER OF KERN COUNTY
FOR DEPOSIT ONLY**

☐ CHECK HERE **CLERK OF THE BOARD** NOTE DEPOSIT
KERN COUNTY, CALIFORNIA
DATE _____

DO NOT WRITE, STAMP, OR SIGN BELOW THIS LINE
YOUR DEPOSIT WILL BE DEPOSITED IN THE

The Board of Supervisors of Kern County, California, has received from the Treasurer of Kern County, California, the following statement of the funds deposited in the County Treasury for the month of _____, 19____.

Security Deposit	Revenue of the County of Kern
Maintenance	At Security Deposit
County of Security Deposit	County of Security Deposit
Security Deposit	County of Security Deposit

RECEIVED BY THE CLERK OF THE BOARD OF SUPERVISORS OF KERN COUNTY, CALIFORNIA, ON _____, 19____.

CLERK OF THE BOARD OF SUPERVISORS OF KERN COUNTY, CALIFORNIA



Jordan Kaufman
Treasurer and Tax Collector

Chase Nunneley
Assistant Treasurer and Tax Collector

TAX COLLECTOR'S CERTIFICATE

Certificate Number: **26-034**

I hereby certify that according to the records of my office, all county taxes and special assessments collected as taxes shown to be currently due on the land included in TRACT 7394 PH 3&4 or PARCEL MAP more fully described below, have been paid:

Description:

CODE AREA 008-018, ATN#060-090-36-00-0 TRACT MAP NO. 7394 - PHASES 3 & 4 BEING A SUBDIVISION OF THE DESIGNATED REMAINDER OF TRACT MAP NO. 7394 - PHASE 2, RECORDED FEBRUARY 3, 2026, IN MAP BOOK 69, AT PAGES 1 THROUGH 4, IN THE OFFICE OF THE KERN COUNTY RECORDER. ALSO BEING A PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 26 SOUTH, RANGE 25 EAST, M.D.B.&M, IN THE INCORPORATED AREA OF THE CITY OF MCFARLAND, COUNTY OF KERN, STATE OF CALIFORNIA.

PHASE 3	7.50 ACRES
PHASE 4	8.14 ACRES
TOTAL	15.64 ACRES



As provided by Section 162 of the Revenue and Taxation Code, a Fee of \$1.00 is charged for preparing this Document.

Supervisory District # 4

Date: April 20, 2026

Received from: LEORA LLC

Jordan Kaufman
Treasurer and Tax Collector
Kern County State of California

By: Vanessa Shepherd
VANESSA SHEPHERD

☒ VALID ONLY IF MAP RECORDED PRIOR TO: November 2, 2026

☒ SECURITY POSTED WITH TAX COLLECTOR April 17, 2026

Received By: Vanessa Shepherd
VANESSA SHEPHERD



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

PROPERTY TAX ESTIMATE

TRACT: 7394 PH 3&4

FISCAL YEAR: 2026-2027

PARCEL MAP:

Assessor Parcel Number	Valuation	Tax Amount
060-090-36-00-0 (PTN 15.64)	268,960	\$3,200.00
Fiscal Year: 2026- 2027		\$3,200.00

I hereby certify that the taxes (and special assessments collected as taxes) on the above-referenced parcels are subject to a lien for the fiscal year and in the estimated amount indicated above. Said taxes (and special assessments) are not yet due and payable. If the taxes levied for the above fiscal year are more than the estimated amount collected, the additional amount is due and payable by the first installment due date to avoid penalties.

Sincerely,
Jordan Kaufman,
Treasurer and Tax Collector

Deputy: VANESSA SHEPHERD

Date: April 08, 2026

Vanessa Shepherd

By: VANESSA SHEPHERD
Taxpayer Services Representative

CONDITION OF TITLE

Guarantee Number:

Issued By:



CHICAGO TITLE INSURANCE COMPANY

FWKN-TO26000555

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, AND THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE,

CHICAGO TITLE INSURANCE COMPANY
a corporation, herein called the Company

GUARANTEES

the Assured named in Schedule A of this Guarantee

against loss or damage not exceeding the Amount of Liability stated in Schedule A sustained by the Assured by reason of any incorrectness in the Assurances set forth in Schedule A.

Chicago Title Company
7475 N. Palm Avenue, Ste 107
Fresno, CA 93711

Countersigned By:

Tasha Thompson
Authorized Officer or Agent



Chicago Title Insurance Company

By:

Michael J. Nolan, President

Attest:

Marjorie Nemzura, Secretary

ISSUING OFFICE:

Title Officer: Misty Elliott
Chicago Title Company
7475 N. Palm Avenue, Ste 107
Fresno, CA 93711
Phone: 661-410-4700 Fax: 661-410-4660
Main Phone: (661)410-4700
Email: MElliott@ctt.com

SCHEDULE A

Amount of Liability	Fee	Title Officer
\$5,000.00	\$750.00	Misty Elliott

Date of Guarantee: July 30, 2026 at 07:30 AM

1. Name of Assured: LeOra, LLC

2. The estate or interest in the Land which is covered by this Guarantee is:

A Fee

3. The Land referred to in this Guarantee is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

4. ASSURANCES:

According to the Public Records as of the Date of Guarantee,

a. Title to the estate or interest in the Land is vested in:

LeOra, LLC, a California Limited Liability Company

b. Title to the estate or interest is subject to defects, liens or encumbrances shown in Schedule B which are not necessarily shown in the order of their priority.

END OF SCHEDULE A

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 060-090-36

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MC FARLAND, COUNTY OF KERN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Remanider Lot, of Tract Map No. 7394 - Phase 2, in the City of McFarland, County of Kern State of California, according to the Map thereof recorded February 3, 2026, in Book 69 Page 1 of Maps.

SCHEDULE B**1. REAL ESTATE TAXES:**

- a. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2026-2027.
- b. Property taxes, including any personal property taxes and any assessments collected with taxes are as follows:

Code Area:	008-018
Tax Identification No.:	060-090-32-00
Fiscal Year:	2025-2026
1st Installment:	\$11,046.65 Paid
2nd Installment:	\$11,046.65 Paid
Exemption:	\$0.00
Land:	\$1,527,960.00
Improvements:	\$45,900.00
Personal Property:	\$0.00

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment:	South San Joaquin Water
Amount:	\$3,566.72

Affects: The herein described Land and other land.

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment:	Community Facilities District No 2017-1
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Reference is hereby made to the record for the particulars therein.

The lien of the assessment shown below, which assessment is or will be collected with, and included in, the property taxes shown above.

Assessment:	Community Facilities District no 2017-2
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Reference is hereby made to the record for the particulars therein.

- c. The lien of supplemental or escaped assessments of property taxes, if any, made pursuant to the provisions of Chapter 3.5 (commencing with Section 75) or Part 2, Chapter 3, Articles 3 and 4, respectively, of the Revenue and Taxation Code of the State of California as a result of the transfer of title to the vestee named in Schedule A or as a result of changes in ownership or new construction occurring prior to Date of Policy.
- d. Taxes and assessments levied by the South San Joaquin Water.

Assessments levied by said District are payable with and in like manner as the County Taxes of the County of Kern.

2. THE FOLLOWING DEFECTS, LIENS AND ENCUMBRANCES (WHICH ARE NOT NECESSARILY SHOWN IN THEIR ORDER OF PRIORITY) AGAINST THE INTEREST:

SCHEDULE B

(continued)

- a. An Easement for the Purpose Shown below and Rights Incidental Thereto as Set Forth in a Document

Granted to: San Joaquin Light and Power Company
Purpose: Pole and wirelines
Recorded: August 18, 1915 in Book 37 Page 404, of Agreements

the Exact Location and Extent of Said Easement is Not Disclosed of Record.

- b. Easement(s) for the purpose(s) shown below and rights incidental thereto as set forth in a document:

In favor of: The United States of America
Purpose: Water lines
Recording Date: September 2, 1952
Recording No.: in Book 1978 Page 275, of Official Records

The Exact Location and Extent of Said Easement is Not Disclosed of Record.

- c. Matters contained in that certain document

Entitled: Development Agreement
Dated: October 21, 2021
Executed by: City of McFarland and LeOra, LLC
Recording Date: November 3, 2021
Recording No.: 221207446, of Official Records

Reference is hereby made to said document for full particulars.

An agreement to modify the terms and provisions of the said document, as therein provided

Executed by: City of McFarland and LeOra LLC
Recording Date: December 15, 2021
Recording No.: 221234945, of Official Records

- d. Matters contained in that certain document

Entitled: Memorandum of Option
Dated: October 15, 2021
Executed by: Arthur T. McIntosh, III and Donna Kay McIntosh as Trustees of the McIntosh Family Trust dated January 12, 2000,; Christine Coffin; and Wendel Nicolaus, as Trustee of the Middleridge 2008 Trust, u/a/d January 3, 2008, ; and LeOra, LLC
Recording Date: November 22, 2021
Recording No.: 221218800, of Official Records

Reference is hereby made to said document for full particulars.

SCHEDULE B

(continued)

- e. Matters contained in that certain document

Entitled: Subdivision Improvement Agreement
Dated: January 20, 2026
Executed by: Leora, LLC and the City of Mc Farland
Recording Date: February 3, 2026
Recording No.: 226012396, of Official Records

Reference is hereby made to said document for full particulars.

- f. Notice: Please be aware that due to the conflict between federal and state laws concerning the cultivation, distribution, manufacture or sale of marijuana, the Company is not able to close or insure any transaction involving Land that is associated with these activities.
- g. This Guarantee is not a commitment or any indication the Company is willing to insure any future purchaser or lender. The Company may have additional exceptions and/or requirements that appear in an offer of insurance and any final policy of title insurance and the Company reserves the right to decline to insure any future purchaser or lender for any reason it may see fit to do so.

3. **THE FOLLOWING MATTERS ARE DISCLOSED BY NAME ONLY AND THE COMPANY, WITHOUT ADDITIONAL INFORMATION, IS UNABLE TO DETERMINE WHETHER ANY OR ALL OF THESE MATTERS ARE DEFECTS, LIENS OR ENCUMBRANCES AGAINST THE INTEREST:**

- a. NONE

END OF SCHEDULE B

EXCLUSIONS FROM COVERAGE

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

- (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the Land.
- (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or (2) that result in no loss to the Assured.
- (c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.
- (d) The identity of any party shown or referred to in any of the schedules of this Guarantee.
- (e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.
- (f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.
- (g) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

GUARANTEE CONDITIONS**1. DEFINITION OF TERMS**

The following terms when used in the Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in Schedule A, or on a supplemental writing executed by the Company.
- (b) "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "Public Records": those records established under California statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
- (f) "Amount of Liability": the Amount of Liability as stated in Schedule A.

2. NOTICE OF CLAIM TO BE GIVEN BY ASSURED

The Assured shall notify the Company promptly in writing in case knowledge shall come to the Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

3. NO DUTY TO DEFEND OR PROSECUTE

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

4. COMPANY'S OPTION TO DEFEND OR PROSECUTE ACTIONS; DUTY OF ASSURED TO COOPERATE

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4 (b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.
- (b) If the Company elects to exercise its options as stated in Paragraph 4 (a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
- (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Assured for this purpose. Whenever requested by the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

(continued)

5. PROOF OF LOSS OR DAMAGE

- (a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
- (b) In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this Guarantee, the Company shall have the following additional options:

- (a) To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
- (b) To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
- (c) To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligations to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

7. LIMITATION OF LIABILITY

- (a) This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of this Guarantee.
- (b) If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien, or encumbrance or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (c) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
- (d) The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.

8. REDUCTION OF LIABILITY OR TERMINATION OF LIABILITY

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

9. PAYMENT OF LOSS

- (a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

10. SUBROGATION UPON PAYMENT OR SETTLEMENT

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

(continued)

11. ARBITRATION

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability is Two Million And No/100 Dollars (\$2,000,000) or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of Two Million And No/100 Dollars (\$2,000,000) shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

12. LIABILITY LIMITED TO THIS GUARANTEE; GUARANTEE ENTIRE CONTRACT

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

13. SEVERABILITY

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

14. CHOICE OF LAW; FORUM

- (a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

15. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at:

Chicago Title Insurance Company
P.O. Box 45023
Jacksonville, FL 32232-5023
Attn: Claims Department

END OF CONDITIONS

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of McFarland
Attn: Community Development Director
401 W Kern Avenue
McFarland, CA 93250

NO FEE REQUIRED PURSUANT TO:
Government Code Sections 6103 and 27383

[Space above this line for Recorder's Use Only]

SUBDIVISION IMPROVEMENT AGREEMENT

SUBDIVISION REFERENCE DATA

FINAL TRACT MAP NO. 7394 Phase 3 & 4 ("Final Map" herein)

BASED ON VESTING TENTATIVE TRACT MAP NO. 7394

NAME OR TRACT NUMBER
OF SUBDIVISION:

TRACT 7394

("Subdivision" herein)

LEGAL DESCRIPTION OF
PROPERTY:

See Exhibit A — Legal Description of Property (the
"Property" herein) located at 060-090-32

NAME AND ADDRESS OF
SUBDIVIDER:

Leora, LLC
6501 Fruitvale Avenue
Bakersfield CA 93308

CITY COUNCIL RESOLUTION
OF APPROVAL NO.:

Resolution No. 2025-159("Resolution of Approval"
herein)

IMPROVEMENT PLANS:

Tract 7394 Grading Plan
Tract 7394 Sewer / Storm Drain Plans
Tract 7394 Street Improvements Plans
Tract 7394 Water Plans

(hereinafter "Improvement Plans," which include all
Subdivision specifications.)

IMPROVEMENTS:

See Exhibit B — Schedule of Improvements and Section
1.A below

ESTIMATED TOTAL COSTS OF IMPROVEMENTS: PERFORMANCE \$ _____
PAYMENT \$ _____
WARRANTY \$ _____
(hereinafter "Estimated Total Costs")

FORM OF IMPROVEMENT SECURITY: ☒ Surety Bonds
☐ Deposit of Money
☐ Other: _____

NAME AND ADDRESS OF SURETY: _____

SURETY BOND NUMBERS: _____

EFFECTIVE DATE OF AGREEMENT: _____

COMPLETION PERIOD: All Improvements of Subdivision shall be completed within one year from the Effective Date of the Agreement (hereinafter, "Completion Period").

THIS SUBDIVISION IMPROVEMENT AGREEMENT ("Agreement") is made and entered into by and between the City of McFarland, a California municipal corporation (the "City"), and the Subdivider whose name and address is set forth above in the Subdivision Reference Data.

RECITALS

A. Subdivider has presented to the City for approval and recordation the Final Map for Phase 3 & 4 of the Subdivision, as identified above in the Subdivision Reference Data, of a proposed subdivision pursuant to the Subdivision Map Act of the State of California and the City's ordinances and regulations relating to the filing, approval and recordation of subdivision maps (collectively referred to herein as the "Subdivision Laws").

B. A vesting tentative tract map of the Subdivision was previously approved by the City, subject to the Subdivision Laws and to the City's standard requirements and conditions of approval contained in the City Council's Resolution of Approval, a copy of which is on file in the Office of the City Clerk and which is incorporated herein by this reference.

C. In connection with approval of Tract 7394, the City also approved the Development Agreement, dated September 16th, 2021 by and between the City and Subdivider, recorded on November 3, 2021 as Document No. 221207446 in the Official Records of the County of Kern ("Development Agreement").

D. The Subdivision Laws establish, as a condition precedent to the approval of a Final Map, that the Subdivider comply with the City Council's Resolution of Approval and either (i) complete, in compliance with City standards, all of the Improvements and land development work required by the Subdivision Laws and the City Council's Resolution of Approval; or (ii) enter into a secured agreement with the City to complete the Improvements and land development work within a period of time specified by the City.

E. In consideration of approval of the Final Map for the Subdivision by the City Council, the Subdivider desires to enter into this Agreement whereby the Subdivider promises to install and complete, at its sole expense, all public and private improvement work required by the City for the proposed Subdivision. The Subdivider has secured this Agreement by improvement security required by the Subdivision Laws and approved by the City, as set forth herein.

F. Improvement Plans, as designated above in the Subdivision Reference Data, for the construction, installation and completion of the improvements identified in Exhibit B hereto, have been prepared by the Subdivider, approved by the Director of Public Works or his/her designee (the "Director"), and are on file in the office of the Director. Said Improvement Plans are incorporated herein by this reference.

NOW, THEREFORE, in consideration of the approval and recordation by the City Council of the Final Map of the Subdivision, the Subdivider and the City agree as follows:

1. SUBDIVIDER'S OBLIGATION TO CONSTRUCT IMPROVEMENTS

A. Subdivider shall, at its sole cost and expense, and in compliance with the provisions of the Subdivision Laws, the Improvement Plans, all Conditions of the Resolution of Approval, the Development Agreement, and all applicable City standards and fees, and in a good and workmanlike fashion, furnish, construct, install and guarantee and warranty (as set forth in Section 5 of this Agreement) the Improvements generally described in Exhibit B and more specifically described in the tentative map and in the City Council's Resolution of Approval relating thereto (collectively, the "Improvements").

B. To the extent necessary to construct the Improvements, as determined by the Director, the Subdivider shall acquire and dedicate, or pay the cost of acquisition by the City of, all rights-of-way, easements and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances. The Subdivider's obligations with regard to the acquisition by the City of off-site rights-of-way, easements and other interests in real property, if any, shall be subject to a separate agreement between the Subdivider and the City.

C. Subject to any time extensions granted in accordance with Section 6 of this Agreement, the Subdivider shall complete all Improvements within the Completion Period specified in the Subdivision Reference Data.

D. If the Improvements to be constructed by Subdivider include monumentation, such monumentation shall be installed not later than thirty (30) days after the City's acceptance of all other Improvements pursuant to Section 4 of this Agreement. As used herein, "monumentation" shall mean the setting of survey monuments and tie points in accordance with the Subdivision Laws, and the delivery to the Director of tie notes for said points.

E. Subdivider shall, at its sole expense, replace or repair all public improvements, public property, public utility facilities, and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement or any work related to the Subdivision. Any such replacement or repair shall be subject to the approval of the Director.

F. In addition to, and separate from, the indemnity obligations contained in Section 9 of this Agreement, and without limiting the City's remedies under general construction defect law, Subdivider shall be responsible for the care, repair and maintenance of the Improvements, and shall bear all risks of loss or damage to the Improvements, until the expiration of the required one-year guarantee and warranty period as specified herein. Neither the City, nor its officers, officials, employees, agents or volunteers, shall have any liability for any accident, loss or damage to the Improvements prior to their completion and acceptance by the City.

G. In addition to and separate from: (i) the indemnity obligations contained in Section 9 of this Agreement; (ii) the care, repair and maintenance obligations contained in Subsection F of Section 1 of this Agreement; and (iii) the warranty and guarantee provisions of Section 5 of this Agreement, the Subdivider shall repair and correct any defect in the construction of the rolled curb and gutters installed in the Subdivision for a period of two (2) years after the City's acceptance of said improvements, provided the City provides notice to the Subdivider of the

existence of the defect within that time period, and the defect is caused directly or indirectly by the design, construction, functionality, installation, assembly or workmanship of the Subdivider.

H. The Subdivider shall, at its sole expense, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices, and pay all taxes required by law. Additionally, the Subdivider shall pay all fees and costs required by the City's ordinance or resolution per the terms of the Development Agreement, including but not limited to, building permit fees, final map filing fee, final map plan check fees, final map monumentation fees, grading permit fees, plan check and review fees, encroachment permit fees, and inspection fees.

I. Not less than fifteen (15) days prior to commencement of work on the Improvements, the Subdivider shall give written notice to the Director of the date fixed for such commencement of work so that the Director shall have adequate time to schedule all necessary inspections.

J. Subdivider shall provide the City with final Record Drawings of all plans developed for the Subdivision, showing all changes and as built conditions as specified in the Resolution of Approval prior to the acceptance of Improvements and release of bonds or other security.

2. SOILS TESTING AND REPORT

A. In the event the Director determines that soil testing is required for the Improvements, the Subdivider shall employ and pay for a Soils Engineer acceptable to the Director of the City and the Soils Engineer shall perform materials testing, construction control testing, interpretation of test results, and design for the Improvements in accordance with the requirements set forth in Improvement Plans, and to the extent applicable, the APWA Standard Plans for Public Works Construction (Southern California Chapter) (popularly known as, and hereinafter, the "Greenbook"), as approved by City.

B. The Soils Engineer shall provide the City the reports containing the results of the testing, the interpretation of the results and the Improvement design done in connection with the Improvement Plans and this Agreement. With the last report filed, the Soils Engineer shall include a certificate that the testing, interpretation, and design have been done properly in accordance with the applicable provisions of the Greenbook, as approved by the City, and good engineering practices. All reports and the certificates shall be mailed or delivered to the City.

C. The street portion of the Improvements shall be constructed in accordance with the pavement design, and any modification thereto, that is approved by the Director.

3. SPECIFICATIONS FOR IMPROVEMENTS

Subdivider shall construct, at Subdivider's own expense, all of the Improvements in compliance with the drawings, plans and specifications set forth below, which drawings, plans and specifications are incorporated herein by this reference and made a part of this Agreement as though set forth at length herein: Improvement Plans, as designated above in the Subdivision Reference Data, on file in the office of the Director.

Consistent with the offers of dedication shown on the Final Map, Subdivider irrevocably offers the public Improvements within City right of way and property, to City for public use.

4. INSPECTION OF WORK AND FINAL ACCEPTANCE

A. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by the Director and other City personnel and inspection consultants.

B. Upon completion of the work on all of the Improvements specified in Exhibit B, the Subdivider may request, in the form of a written letter, a final inspection by the Director. Within twenty (20) days of receipt of the written letter request, the Director shall inspect the Improvements and provide written notice to Subdivider of the list of items which have been found to be incomplete and the list of items which have been found to be complete. If the Director determines that all of the Improvements have been completed in accordance with this Agreement and in compliance with the Improvement Plans and all applicable City standards, then the Director shall certify that determination in a report to the City Council. If the Improvements that are completed are to be dedicated to or owned by the City, the Director's certification shall be submitted to the City Council for final acceptance by the City, unless such power to accept has been delegated by the City Council to the Director or some other official of the City, in which case the final acceptance shall be subject to the approval of that specified official. If the Improvements that are completed are to be dedicated to or owned by a public entity other than the City, the Subdivider's written request shall be submitted to the applicable public entity or other owner, for final acceptance. Subdivider shall bear all costs of inspection and certification for completeness in accordance with the City's formally adopted fees and rates.

C. Acceptance of all of public Improvements by the City Council (or other specified official) shall be made upon recommendation and certification of the Director following inspection of said public Improvements pursuant to Subsection B above. The City Council (or other specified official) shall act upon the Director's recommendation that such public Improvements have been completed within thirty (30) days following certification by the Director. A Notice of Completion ("NOC") shall be recorded immediately after the City Council has accepted the Improvements as complete. Acceptance by the City Council (or other specified official) of the Improvements, or by the governing body of the entity that is to accept dedication or ownership of all or part of the Improvements, shall not constitute a waiver by the City or such other public entity of any defects in the Improvements.

5. GUARANTEE AND WARRANTY OF THE IMPROVEMENTS

A. Subject only to Section 1.G, within the one-year period commencing on the date the NOC is recorded if any Improvements or part of any Improvements furnished, installed or constructed by the Subdivider, any of the materials comprising the Improvements, or any of the work performed under this Agreement, fails to comply with any requirements of this Agreement, or the Subdivision Laws, or the Improvement Plans, the Subdivider shall, without delay and without cost to the City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. This guarantee and warranty on behalf of the Subdivider shall

be separate from and in addition to the Improvement Security defined and described in Section 7A(3) of this Agreement.

B. Should the Subdivider fail or refuse to act promptly or in accordance with Subsection A above, or should the exigencies of the situation require repair, replacement, or reconstruction to be undertaken before the Subdivider can be notified and can perform the necessary work, then the City may, in its discretion, make the necessary repairs or replacements or perform the necessary reconstruction. The City shall provide a bill to the Subdivider of the total costs of such repair, replacement, or reconstruction, and the Subdivider shall immediately reimburse the City for those total costs. If the Subdivider does not immediately pay the total costs incurred, the City may opt to tender on the Subdivider's Improvement Securities as defined in Subsection 7A, and/or take any other lawful actions to recover any nonpayment or deficiency.

6. TIME EXTENSIONS

A. Upon a showing by the Subdivider of good cause, the duration of the Completion Period for any or all of the Improvements may be extended by the Director. As used herein, "good cause" may include, without limitation: delay resulting from acts of God or force majeure, strikes, boycotts or similar job actions by employees or labor organizations which prevent the conduct of the work; findings made by a governmental entity that the site of a particular Improvement is of archeological significance; actions or failure to act by the native American monitors(s); and the order of any court or the City.

B. A time extension may be granted without notice to any surety or sureties of the Subdivider and shall not affect the validity of this Agreement nor release the surety or sureties on any bond given as an Improvement Security pursuant to this Agreement.

C. As a condition of any time extension provided for herein, the Director may require the Subdivider to furnish new or modified Improvement Security guaranteeing performance of this Agreement, as extended, in an increased amount as necessary to compensate for any projected increase in the Estimated Total Costs, as determined by the Director.

7. IMPROVEMENT SECURITY

A. Prior to the City's execution of this Agreement, the Subdivider shall provide as security to the City the following (collectively, "Improvement Securities" and individually, an "Improvement Security"):

1. For Performance: Performance Security in an amount equal to one hundred percent (100%) of the Estimated Total Costs, as set forth in the Subdivision Reference Data. With this Performance Security, the Subdivider assures faithful performance under this Agreement, as demonstrated by the City's acceptance, in accordance with the Resolution of Approval and Improvement Plans.

2. For Payment: Payment Security in an amount equal to one hundred percent (100%) of the Estimated Total Costs, as set forth in the Subdivision Reference Data. With this Payment Security, the Subdivider guarantees payment to all contractors, subcontractors, laborers,

material suppliers, and other persons employed in the performance of the agreement and referred to in Part 6 (commencing with Section 8000) of Division 4 of the California Civil Code.

3. For Warranty: Warranty Security in an amount equal to one hundred percent (100%) of the Estimated Total Costs, as set forth in the Subdivision Reference Data, must be provided before final completion and the acceptance of any category of Improvements by the City. With this Warranty Security, the Subdivider guarantees the Improvements for one (1) year after the completion and acceptance of the last of such Improvements, against any defective workmanship or materials or any unsatisfactory performance, pursuant to Section 5 hereof.

A. Each Improvement Security shall be a bond issued by a California admitted surety insurer or insurers having a Best rating of A or AA in substantially the form set forth in Exhibit C, attached to this Agreement and incorporated by this reference, and shall be subject to the approval and acceptance by the City Attorney and the City Council. If, in the opinion of the City, any surety or sureties thereon (i) become insolvent or liquidated, or any bond cannot be tendered upon for the full penal sum For any reason; (ii) the surety's bond rating is downgraded; (iii) the surety declares bankruptcy; or (iv) the surety is no longer deemed to be an admitted surety in California by the California Department of Insurance, the Subdivider shall renew or replace any such surety bond with a valid surety bond from a solvent surety or sureties in the amount of the full penal sum within thirty (30) days after receiving from City written demand therefor.

B. Each Improvement Security shall be kept on file with the City Clerk. If a surety bond is replaced by another approved bond, the Subdivider shall submit the replacement bond to the City Clerk, and upon acceptance by the City Attorney, the replacement Improvement Security shall be deemed to have been made a part of and incorporated into this Agreement. Upon approval by the City Attorney of a replacement bond, the former Improvement Security shall be released.

C. The Subdivider shall automatically increase the amount of each Improvement Security by an amount equal to ten percent (10 %) of the deposited security every year, subject to the provision that the Director may at any time determine that a greater increase in the amount of the Improvement Security is necessary due to a greater increase in the cost of construction of the Improvements or any of them. In such event, the Subdivider shall provide the additional Improvement Security within thirty (30) days after receiving demand and justification therefor.

D. Modifications of the Improvement Plans and the Improvements, not exceeding ten percent (10%) of the original Estimated Total Costs, shall not relieve or release any Improvement Security furnished by Subdivider pursuant to this Agreement. If any such modifications exceed ten percent (10%) of the Estimated Total Costs, Subdivider shall furnish additional Improvement Securities for performance, payment, and guarantee as required by Subsection A above, for one hundred percent (100%) of the revised Estimated Total Cost of the Improvements. Alternatively, the Subdivider may provide official notice from the surety company that it acknowledges receipt of the modified Improvement Plans and that the existing bonds have been amended to reflect the new penal sum, which shall be in the amount of the revised Estimated Total Costs, and that the existing bonds shall therefore apply to warrant the Project as revised.

E. All Improvements shall be completed within the Completion Period listed in the Subdivision Reference Data. Subject to any time extensions granted in accordance with Section

6 herein, if the Subdivider has not completed the Improvements within this specified time, the Subdivider shall be in default.

F. Alternatively, in the event of a default by the Subdivider pursuant to Section 12, and after written notice to Subdivider and reasonable opportunity to cure, the City, at its sole option, shall have the right, without limiting any other rights and remedies available to the City at law or in equity, to draw upon or utilize any or' all Improvement Securities furnished herewith to construct and install the Improvements itself.

8. REDUCTION OR RELEASE OF IMPROVEMENT SECURITY

A. Performance Security shall be released in full upon the occurrence of both of the following:

1. All "Public Improvements" (Improvements that are to be owned or dedicated to the City or other public entity as distinguished from those owned by individual property owners or a private community association) shall be first completed, certified completed by the Director and then accepted as complete by the City Council.

2. All private Improvements (Improvements that are to be owned by individual property owners or a private community association and not dedicated or owned by the City or other public entity) shall be first completed and then certified as complete by the Director.

B. Partial releases or reductions in the Subdivider's Performance Security may be authorized prior to the City's acceptance of all Improvements required hereunder, as follows:

At the time that the Subdivider believes that the obligation to perform the work for which security was required is complete, the Subdivider may notify the City in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the Director shall review and comment or approve the completion of the required work within 45 days. If the Director does not agree that all work has been completed in accordance with the plans and specifications for the improvements, the Director shall supply a list of all remaining work to be completed within this 45-day period.

Within 45 days of receipt of the list of remaining work from the Director, the Subdivider may then provide cost estimates for all remaining work for review and approval by the Director. Upon receipt of the cost estimates, the Director shall then have 45 days to review, comment, and approve, modify, or disapprove those cost estimates. The City shall not be required to engage in this process of partial release more than once between the start of work and completion and acceptance of all work; however, nothing in this section prohibits the City from allowing for a partial release as the Director otherwise deems appropriate.

If the Director approves the cost estimate, the Director shall release all Performance Security except for security in an amount up to two hundred percent (200%) of the cost estimate of the remaining work. The process allowing for a partial release of Performance Security shall occur when the cost estimate of the remaining work does not exceed 20 percent of the total original Performance Security unless the Director allows for a release at an earlier time. Substitute bonds or other security may be used as a replacement for the Performance Security, subject to the

approval of the Director. If substitute bonds or other security is used as a replacement for the Performance Security released, the release shall not be effective unless and until the Director receives and approves that form of replacement security. A reduction in the Performance Security, authorized under this section, is not, and shall not be deemed to be, an acceptance by the City of the completed improvements, and the risk of loss or damage to the improvements and the obligation to maintain the improvements shall remain the sole responsibility of the Subdivider until all required Public Improvements have been accepted by the City and all other required improvements have been fully completed in accordance with the plans and specifications for the Improvements.

The Subdivider shall complete the works of improvement until all items are accepted by the City.

Upon the completion of the work on all of the Improvements specified in Exhibit B, the Subdivider, or his or her assigns, shall request in writing a final inspection in accordance with Subsection 4B, and within thirty (30) days of the Director's certification that the project is complete, the release of any remaining performance security shall be placed upon the agenda of the City Council for approval of the release of any remaining performance security.

C. Payment Security shall, after passage of the time within which claims of lien are required to be recorded pursuant to Part 6 (commencing with Section 8000) of Division 4 of the California Civil Code and after acceptance of the work, be reduced to an amount equal to the total claimed by all claimants for whom claims of lien have been recorded and notice thereof given in writing to the City Council, and if no claims have been recorded, the security shall be released in full.

D. The partial release provisions of this Section 8 shall not apply to any required guarantee and warranty period required by Section 66499.9 of the California Government Code for the guarantee or warranty nor to the amount of the Warranty Security deemed necessary by the City for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees. Security furnished to guarantee and warrant the Improvements against any defective work or labor done or defective materials furnished, shall be released within sixty (60) days after the completion of the one-year period following completion and acceptance of all Improvements.

E. If Subdivider's obligations relating to any Improvements are subject to the approval of another governmental agency, the City shall not release the improvement Performance Security therefor until the obligations are performed to the satisfaction of such other governmental agency. Such agency shall have two (2) months after the Subdivider's performance of the obligation to register its satisfaction or dissatisfaction. If at the end of that period it has not registered its satisfaction or dissatisfaction, it shall be conclusively deemed that the Subdivider's performance of the obligation was done to its satisfaction, and such Improvement Security shall be promptly released.

F. In the event the time periods for action by the City or other governmental agency specified in this Section conflict with a shorter or longer time period for such actions as provided in California Government Code Section 66499.7 or 66499.8, the time periods in Government Code Section 66499.7 and 66499.8 shall control.

9. INDEMNIFICATION OF CITY BY SUBDIVIDER

A. Neither the City, nor its officers, officials, employees, agents and volunteers (collectively, "City Personnel"), shall be liable or responsible for any accident, injury, loss or damage to either property or person attributable to or arising out of the construction, functionality, installation, assembly or improper maintenance, including, without limitation, the use of defective or inferior methods, materials, workmanship, or design (collectively, "Subdivider's Faults"), of the Improvements by Subdivider, its officers, employees, contractors, subcontractors and agents, except as limited by California Civil Code, Section 2782 or to the extent caused by the City's negligence or willful misconduct. Subdivider shall indemnify, hold harmless and defend the City and City Personnel from and against any and all losses, claims, costs, expenses, liabilities, damages, actions, causes of action and judgments, including attorneys' fees, arising directly or indirectly out of or attributable to Subdivider's Faults, including Subdivider's acts or failure to act.

B. Subdivider's obligations under this Section 9 are not conditioned or dependent upon whether the City, or City Personnel, prepared, supplied or reviewed any Improvement Plans in connection with the Subdivision or the Improvements, or has insurance or other indemnification covering any of these matters.

C. Subdivider's obligation to indemnify, hold harmless and defend the City and City Personnel shall extend to injuries to persons and damages to or alleged taking of property resulting from the Subdivider's Faults, including without limitation, design or construction of the Subdivision, and the Improvements required herein, and shall likewise extend to claims asserted by adjacent property owners based upon the diversion of waters caused by the Subdivider's design or construction of Improvements. The Subdivider's indemnity obligations hereunder shall remain in effect for one (1) year following acceptance of the respective Improvement(s) by the City Council.

D. Subdivider shall pay and satisfy any judgment, award or decree that may be rendered against City and City Personnel to the extent of the indemnity provided above, in any such suit, action, or other legal proceeding, provided the City gives the Subdivider prompt written notice of such claim.

E. Subdivider's obligation to indemnify shall not be restricted to Insurance proceeds, if any, received by the City and City Personnel.

F. Subdivider, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the City and City Personnel to the extent of the indemnity above provided.

10. INSURANCE

A. The following coverages shall be obtained and maintained by Subdivider on behalf of City and in accordance with the requirements set forth herein. If Subdivider performs construction activities through a general contractor, some or all of these insurance requirements for the period of construction may be satisfied by the general contractor's insurance coverages. In such case, Subdivider shall maintain during this same construction period, and after the

construction period, the coverages shown below as “Insurance After Construction.” In addition, Subdivider may elect to obtain, for all or any portion of the Project, an “Owner-Controlled Wrap Up” insurance policy in satisfaction of the insurance requirements for general contractors and subcontractors provided it satisfies all of the insurance requirements below for general contractors and subcontractors. Throughout these specifications, the word “Subdivider” refers to the Party responsible to provide the coverages as specified and, depending on context, may refer either to Subdivider or to a separate General Contractor. Subdivider may satisfy insurance requirements contained herein by Subdivider’s master insurance policies covering other operations and locations.

B. Insurance During Construction. Subdivider shall obtain and maintain the following insurance during construction of the Improvements. Insurance requirements may be met through insurance provided by Subdivider’s General Contractor:

1. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on Insurance Services Offices (“ISO”) ISO-CGL Form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than one million dollars (\$1,000,000) per occurrence for all coverages and two million dollars (\$2,000,000) general aggregate. City and City Personnel shall be added as additional insureds using ISO Form CG 20 10 11 85, or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to “ongoing operations” or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any City Personnel. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors’ limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage.

2. Umbrella Liability Insurance. Umbrella Liability Insurance (or, at Subdivider’s election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. There shall be no cross liability exclusion and no contractor’s limitation endorsement. Policy limits shall be not less than five million dollars (\$5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. The Named Insured (Subdivider or General Contractor as appropriate) may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits and complies with all other requirements listed here.

3. Business Auto Coverage. Business Auto Coverage shall be written on ISO Business Auto Coverage Form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars per accident. This policy shall be scheduled as underlying insurance to the umbrella policy required above for a total limit of no less than five million dollars (\$5,000,000) each accident.

4. Workers' Compensation/Employer's Liability. Workers' Compensation/Employer's Liability shall provide workers' compensation statutory benefits as required by law. Employer's liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease. Employer's liability coverage shall be scheduled under the umbrella or excess liability policy described above. This policy shall be endorsed to waive any right of subrogation with respect to City, its officers, employees or agents.

5. Builder's Risk Insurance. Builder's Risk Insurance covering all real and personal property for "all risks" of loss or "comprehensive perils" coverage including but not limited to the perils of earth movement, including earthquake (if required by Subdivider's lender or if available at commercially reasonable rates) and flood for all Improvements.

C. Insurance After Construction. Upon completion of construction of the Improvements, and for the required guarantee and warranty period (unless such longer period of time is specified herein), Subdivider at Subdivider's expense shall obtain and maintain or cause to be maintained the following insurance:

1. Commercial Property Insurance. Commercial Property Insurance covering the Improvements. Coverage shall be at least as broad as the ISO broad causes of loss form CP 10 20, and reasonably approved of in writing by the City. Coverage shall be sufficient to insure 100% of the replacement value and there shall be no coinsurance provisions. The policy shall include an inflation guard endorsement, contents coverage, coverage for personal property of others, ordinance or law and increased cost of construction coverage. Subdivider also agrees to provide builder's all-risk insurance using an inland marine form during the period of any major alteration or improvement, using the broadest form available. This requirement may be satisfied through a combination Builders' Risk and Property Insurance master policy at Subdivider's option.

The insurance coverage for the peril of earthquake required for this project is subject to availability on the open market at commercially reasonable premium cost, as determined by mutual agreement between Subdivider and City. If such earthquake insurance coverage should, after diligent effort be Subdivider, be unobtainable at such mutually determined commercially reasonable premium cost, then Subdivider shall obtain the maximum insurance reasonably obtainable at commercially reasonable premium cost (if any) and give notice to City of the extent of Subdivider's inability to obtain, in full, the required insurance, and in such event, Subdivider's obligation to procure and maintain such insurance as unobtainable shall be excused. Subdivider and City agree that a premium cost of earthquake insurance coverage of up to 100% of the premium cost paid by Subdivider for such coverage on the Effective Date (to be adjusted over time based on the Consumer Price Index,) shall constitute a commercially reasonable premium cost. Non-availability at commercially reasonable premium cost must be documented by a letter from Subdivider's insurance broker or agent indicating a good faith effort to place the required insurance and showing, at a minimum, the names of the insurance carriers and the declinations or quotations received from each.

2. Commercial General Liability Insurance. Commercial General Liability Insurance (primary) shall be provided on ISO-CGL form No. CG 00 01 or equivalent coverage, including provisions for defense of additional insureds. Policy limits shall be no less than one million dollars (\$1,000,000) per occurrence for all coverages and two million dollars general

aggregate. City and City Personnel shall be added as additional insureds using ISO Form CG 20 10 11 85, or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City, not limiting coverage for the additional insured to “ongoing operations” or in any way excluding coverage for completed operations. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to City or any City Personnel.

3. **Umbrella Liability Insurance.** Umbrella Liability Insurance (or, at Subdivider’s election, Excess Liability Insurance) (over primary) shall apply to bodily injury/property damage, personal injury/advertising injury, at a minimum. Coverage shall be at least as broad as any underlying coverage. Coverage shall be provided on a “pay on behalf” basis. There shall be no cross liability exclusion. Policy limits shall be not less than five million dollars (\$5,000,000) per occurrence and in the aggregate, including any limits required in the underlying policies. The policy shall have a starting date no later than and an ending date no earlier than those of the underlying coverages. Subdivider may determine the layering of primary and excess liability insurance provided that if such layering differs from that described here, the actual coverage program meets the minimum total required limits.

4. **Workers Compensation Insurance.** Workers’ Compensation/Employer’s Liability shall provide workers’ compensation statutory benefits as required by law. Employer’s liability limits shall be no less than one million dollars (\$1,000,000) per accident or disease. Employer’s liability coverage shall be scheduled under any umbrella or excess liability policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects City, its employees or agents.

5. **Business Auto Coverage.** Business Auto Coverage for vehicles owned, operated or maintained in any way connected with the project, shall be written on ISO Business Auto Coverage form CA 00 01 or the equivalent, including symbol (1) (any Auto). If Subdivider (or Contractor) does not own any vehicles, this requirement may be satisfied by a non-owned vehicle endorsement to the general and umbrella liability policies. Limits shall be no less than one million dollars (\$1,000,000) per accident. This policy shall be scheduled as underlying insurance to the umbrella or excess liability policy required above for a total limit of no less than five million dollars (\$5,000,000) each accident.

D. **Provisions Pertaining to Insurance Provided by Subdivider.**

All insurance coverage and limits provided pursuant to this Agreement shall apply to the full extent of the policies involved, available or applicable. Nothing contained in this Agreement or any other agreement relating to City or its operations limits the application of such insurance coverage.

Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only and is not intended by any Party to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

All general or auto liability insurance coverage provided pursuant to this Agreement, or any other agreements pertaining to the performance of this Agreement, shall not prohibit Subdivider, and Subdivider's employees, or agents, from waiving the right of subrogation prior to a loss. Subdivider waives its right of subrogation against City.

None of the policies required herein shall be in compliance with these requirements if they include any limiting endorsement that has not been first submitted to City and approved in writing by the City.

Unless otherwise approved by City, Subdivider's insurance and insurance provided by any contractor or subcontractor relating to the construction of the Improvements shall be written by insurers authorized to do business in the State of California and with a minimum "Best's" Insurance Guide rating of at least "A-:VII." Self-insurance will not comply with these insurance specifications unless expressly approved in writing by the City.

In the event any policy of insurance required under this Agreement does not comply with these requirements and Subdivider does not cure the non-compliance within thirty (30) days after written notice from City (or Subdivider does not provide reasonable evidence of such cure within such period), or if the insurance is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Subdivider.

Subdivider agrees to provide evidence of the insurance required herein, satisfactory to City, consisting of certificate(s) of insurance evidencing all of the coverages required and an additional insured endorsement to Subdivider's general liability policies using ISO Form CG 20 10 11 85 or other revision of the CG 20 10 form if available from the insurer and reasonably acceptable to the City. Certificate(s) are to reflect that the insurer will provide 30 days notice of any cancellation of coverage and policies are to have a "cancellation endorsement" to the same effect. Subdivider agrees to provide complete copies of all required insurance policies, including without limitation, any endorsements modifying coverage in any way, upon request from City.

Subdivider shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such evidence shall be in the form of a certificate of insurance.

Any actual or alleged failure on the part of City or any other additional insured under these requirements to obtain proof of insurance required under this Agreement in no way waives any right or remedy of City or any additional insured, in this or any other regard.

Subdivider agrees to require all subcontractors or other parties (but not including a general contractor) hired for this project to construct the Improvements to purchase and maintain insurance for general liability (minimum limit \$1,000,000 per occurrence), automobile liability (\$1,000,000 per accident) and workers' compensation (statutory benefits). The requirement for general liability may be satisfied by Subdivider through the procurement of CIP policies covering some or all of the subcontractors. Prior to the issuance of the Certificate of Completion for each Phase, Subdivider shall, upon request by City, provide the City with copies of all insurance policies, certificates and endorsements related to such Phase.

Subdivider agrees to monitor and review all coverage required by this Section and assumes all responsibility for ensuring that such coverage is provided as required here. Subdivider agrees to obtain certificates evidencing such coverage. Subdivider agrees that upon request, all certificates of insurance obtained in compliance with this Section will be submitted to City for review upon request by City. Failure of City to request copies of such documents will not impose any liability on City, or its employees.

Subdivider agrees to require that no contract used by any general contractor or subcontractor in connection with construction of the Improvements, or contracts Subdivider enters into on behalf of City, will reserve the right to charge back to City the cost of insurance required by this Agreement.

Where appropriate (such as in the case of automobile insurance coverages), coverage will not be limited to the specific location designated as the Property.

Subdivider agrees to provide notice to City of any claim or loss against Subdivider that includes City as a defendant promptly after Subdivider receives written notice or obtains knowledge thereof. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City. City agrees to provide similar notice to Subdivider of any such claims it is notified of respecting the Property.

Subdivider agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and that there will be no cross liability exclusions that preclude coverage for suits between Subdivider and City or between City and any other insured or Named Insured under the policy, or between City and any Party associated with City or its employees.

If Subdivider or any contractor or subcontractor is a Limited Liability Company, general liability coverage must apply so that the Limited Liability Company and its Managers, Members, Affiliates, and their employees are insureds.

Subdivider shall require General Contractor to maintain commercial general liability, and if necessary, commercial umbrella liability insurance with a limit of not less than five million dollars (\$5,000,000) for each occurrence, until the warranty period specified in this Agreement expires.

Subdivider agrees to obtain and provide to City evidence of professional liability coverage for Architects, Engineers or other design professionals working on the Improvements. The limit of liability required is subject to City approval, but in no event to be less than \$1 million per claim and in the aggregate, and Subdivider shall use reasonable efforts to require and cause such professionals to maintain such coverage with respect to each occurrence for at least three years following substantial completion of the work and, in the event Subdivider is unable to do so, Subdivider shall promptly inform the City of the scope of such efforts and the reasons that it was unable to do so. If Subdivider requests that the City approve a lower limit for any particular design professional Subdivider seeks to employ on the Improvements, City will evaluate each such request based on City's perception of liability exposure associated with the work that would be performed by that design professional.

To the extent a particular coverage or policy form or specification is not reasonably available from Subdivider's insurer or would result in an additional premium that is extraordinary or unreasonably

disproportionate to the premium for the policy as a whole, then Subdivider shall provide substantially similar coverage reasonably acceptable to City for which the cost is not extraordinary or unreasonably disproportionate.

11. OWNERSHIP OF THE IMPROVEMENTS

A. Ownership of all or any category of the Improvements constructed and installed by the Subdivider pursuant to this Agreement and shown on the Map to be dedicated to the public shall vest, as applicable, in the City (or other specified governmental agency) upon acceptance of said Improvements by the City Council (or other specified governmental agency). The acceptance of the Improvements shall either be shown by a certificate on the Final Map or by subsequent resolution accepting the Improvements adopted by the City Council pursuant to Government Code Section 66477.2 and recorded with the County Recorder.

B. The Subdivider shall at all times prior to the acceptance of the Improvements by the City, give good and adequate warning to the public of each and every dangerous and defective condition caused by the construction of the Improvements and shall take all steps necessary to protect the public from such dangerous or defective conditions. The Subdivider agrees and understands that until acceptance of the Improvements by the City, each Improvement that is offered for dedication shall be under the charge of the Subdivider, and the Subdivider may close all or a portion of any street or area whenever necessary to protect the public during the construction of the Improvements.

12. DEFAULT AND BREACH BY THE SUBDIVIDER AND REMEDIES OF THE CITY

A. Upon the occurrence of any of the following events, the Subdivider shall be deemed to be in default under this Agreement:

1. Subject to any time extensions granted in accordance with Section 6 of this Agreement, failure to complete construction and installation of the Improvements or any of them by the Completion Date;

2. Failure to promptly correct or cure any defect in the Improvements or any of them (other than a City Directive) during the guarantee and warranty period required by Subsection 5(A) of this Agreement, or failure to commence correction or cure of any such defect or failure to diligently prosecute same to completion, in each instance following written notice that such defect exists;

3. Subject to any time extensions granted in accordance with Section 6 of this Agreement, failure to perform substantial work on the Improvements or on any of them, after commencement of work on same, for a period of thirty (30) days after written notice thereof from the City;

4. Insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, whether voluntary or involuntary, and such is not cured or discharged within a period of thirty (30) days;

5. Commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance by the Subdivider in lieu or in avoidance of foreclosure, within thirty (30) days after written notice thereof from the City; or

6. Failure to perform any other obligations in accordance with the terms and provisions of this Agreement within the time period specified in the Agreement for the performance of that obligation, or if no time is specified, within thirty (30) days after written notice thereof from the City.

B. The City reserves to itself all remedies available to it at law or in equity for any breach of the Subdivider's obligations under this Agreement. After written notice to the Subdivider of alleged default and failure by the Subdivider to promptly commence the cure of any alleged default and diligently prosecute such cure to completion, the City shall have the right, without limitation of other rights or remedies, to tender against, draw upon or utilize any or all Improvement Securities furnished hereunder to complete the Improvements, or request said surety take over and complete the Improvements, or otherwise mitigate the City's damages in the event of the Subdivider's default.

C. The Subdivider acknowledges that the Estimated Total Costs and Improvement Security amounts set forth herein may not reflect the actual cost of construction or installation of the Improvements, and, consequently, the City's damages for Subdivider's default shall be measured by the actual cost of completing the required Improvements. If the damages incurred by the City in taking over and completing the Improvements exceeds the principal amount of the improvement security, then the Subdivider shall reimburse the City in the amount of such excess damages.

D. Following the written notice of alleged default and failure by the Subdivider to promptly commence the cure of any alleged default and to diligently prosecute such cure to completion, the City may, without liability for so doing, take possession of, and utilize in completing the Improvements, such materials, appliances, plant and other property belonging to the Subdivider as may be on the site of the work and necessary for the performance of the work. The Subdivider hereby consents to such entry by the City and its representatives, including employees, agents, and contractors, upon any real property in the Subdivision owned by the Subdivider or by any assignee of this Agreement, in the event the City elects to maintain or complete the work on the Improvements following the Subdivider's default.

E. The Subdivider acknowledges and agrees that, upon approval of the Final Map for the Subdivision, the City will confer substantial rights upon the Subdivider, including the right to sell, lease or finance lots within the Subdivision, and that such approval constitutes the final act necessary to permit the division of land within the Subdivision. As a result, the City will be damaged to the extent of the cost of construction or installation of the Improvements upon Subdivider's failure to perform its obligations under this Agreement, which failure is not promptly remedied by sureties or by the Subdivider.

F. The City's failure to take an enforcement action with respect to a default, or to declare a default or breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of the Subdivider.

G. If any legal action or other proceeding, including action for declaratory relief, is brought for the enforcement of this Agreement or because of an alleged dispute, breach, default or misrepresentation in connection with this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, experts' fees, and other costs, in addition to any other relief to which the party may be entitled. If City sues to compel Subdivider's performance of this Agreement, or to recover damages or costs incurred in completing or maintaining the work on the Improvements, Subdivider agrees to pay all attorneys' fees and other costs and expenses of litigation incurred by the City in connection therewith, even if Subdivider subsequently resumes and completes the work.

13. RELATIONSHIP OF THE PARTIES

Neither the Subdivider, nor any of the Subdivider's contractors, subcontractors, employees or agents, are or shall be deemed to be, agents of the City in connection with the performance of the Subdivider's obligations under this Agreement. The Subdivider shall not, at any time or in any manner, represent or allow representation by its contractors, subcontractors, employees or agents that any of them are contractors, subcontractors, employees or agents of the City.

14. ASSIGNMENT

A. Subdivider shall not assign this Agreement, or any portion thereof without the prior written consent of the City. Any attempted or purported assignment in violation of this Subsection A shall be null and void and shall have no force or effect.

B. The sale or other disposition of the Subdivision shall not relieve the Subdivider of its obligations hereunder. If the Subdivider intends to sell the entire Subdivision to any other person or entity, the Subdivider may request a novation of this Agreement and a substitution of Improvement Securities. Upon the City's approval of the novation and substitution of Improvement Securities, the Subdivider may request a release or reduction of the Improvement Securities furnished pursuant to this Agreement.

15. NOTICES

All notices required or provided for in this Agreement shall be in writing and delivered in person or be given by certified United States Mail, return receipt requested, or by nationally recognized overnight courier, addressed as follows:

If to the City: City of McFarland
Attn: City Manager
401 W Kern Avenue
McFarland, CA 93250

With a copy to: Nathan M. Hodges, City Attorney
nathan@hodges-lawgroup.com

If to the Subdivider: To the address set forth above in the Subdivision Reference Data, or to such other address as may subsequently be designated in written notice to the City.

Notice shall be effective on the date that it is delivered in person, or, if sent by certified mail, shall be deemed effective on the date of delivery or attempted delivery shown on the return receipt, and notices given by overnight courier shall be deemed effective one (1) business day following delivery to the overnight courier. Any party may change its address for the service of notice by giving written notice of such change to the other party, as specified herein.

16. ENTIRE AGREEMENT

This Agreement, along with the Resolution of Approval and Development Agreement approved previously by the City, constitutes a single, integrated written contract, expresses the entire agreement of the parties with respect to its subject matter, supersedes all negotiations, prior discussions and preliminary agreements. All modifications, amendments, or waivers of any terms of this Agreement shall be in writing and signed by the duly authorized representatives of the parties. In the case of the City, the duly authorized representative, unless otherwise specified herein, shall be the Director.

17. SEVERABILITY

The provisions of this Agreement are severable. If any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect.

18. INCORPORATION OF SUBDIVISION REFERENCE DATA AND RECITALS

The Subdivision Reference Data, the Recitals, and Exhibits A, B, and C are attached hereto and incorporated into this Agreement.

19. GOVERNING LAW; VENUE

This Agreement shall be governed by the domestic laws of the State of California, without regard to its laws regarding choice of applicable law. Venue for any action relating to this Agreement shall be in the Kern County Superior Court.

20. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

21. LIENS

Subdivider represents and warrants that Subdivider owns the Property, and that there are no encumbrances on the Property that would prohibit or interfere with this Agreement or the rights granted to City hereunder, and that there are no monetary liens (except for property taxes and assessments not yet delinquent) affecting the Property.

22. EFFECTIVE DATE OF THE AGREEMENT

This Agreement shall be and become effective as of the date that it is executed by a duly authorized officer or employee of the City, it being the intention of the parties that the Subdivider shall first execute this Agreement and thereafter submit it to the City. The City shall insert the effective date in the Subdivision Reference Data in all counterparts of this Agreement and shall transmit a fully executed counterpart to the Subdivider.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the dates set forth below their respective signatures.

LEORA, LLC "SUBDIVIDER"

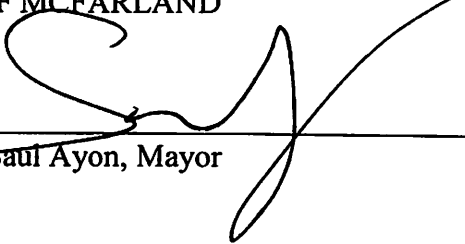
By: 

Its: managing member

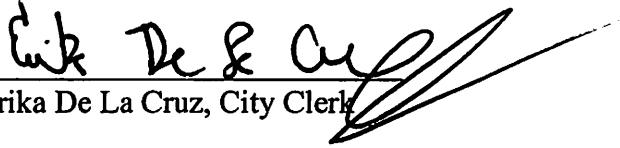
Date: 6/29/26

"CITY"

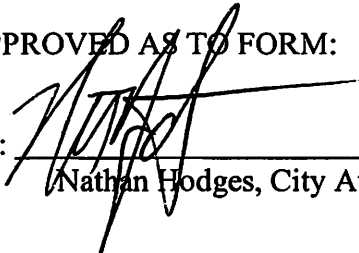
CITY OF MCFARLAND

By: 
Saul Ayon, Mayor

ATTEST:

By: 
Erika De La Cruz, City Clerk

APPROVED AS TO FORM:

By: 
Nathan Hodges, 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

County of Kern

On June 29, 2026 before me, Claudia Sandoval, Notary Public
(insert name and title of the officer)

personally appeared Michael F. Hain, Jr.,
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)

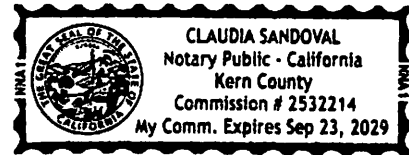


EXHIBIT A

LEGAL DESCRIPTION

The land described herein is situated in the State of California, County of Kern, City of McFarland, described as follows:

Being a subdivision of a portion of Parcel 2 of Parcel Map No. 12412, recorded August 10, 2021, in Parcel Map Book 62, at Pages 81 thru 83, in the office of the Kern County Recorder. Also being a portion of the North Half of the Southeast Quarter of Section 14, Township 26 South, Range 25 East, M.D.B.&M in the City of McFarland, County of Kern, State of California.

APN: 060-090-32-00-0

EXHIBIT B
SCHEDULE OF IMPROVEMENTS FOR
FINAL TRACT MAP NO. 24-00

**CATEGORIES
OF
IMPROVEMENTS**

	Sewer	Drainage	Water	Street	Grading	Total
	Condition #69	Condition #70	Condition #71	Condition #66- 68		
Estimated Total Cost	\$26101.50	\$3,536.00	\$22,528.50	\$73,306.10	\$3,957.30	\$129,429
Performance Security	\$26101.50	\$3,536.00	\$22,528.50	\$73,306.10	\$3,957.30	\$129,429
Payment Security	\$26101.50	\$3,536.00	\$22,528.50	\$73,306.10	\$3,957.30	\$129,429
Warranty Security	\$26101.50	\$3,536.00	\$22,528.50	\$73,306.10	\$3,957.30	\$129,429

EXHIBIT C

Form of Improvement Securities
Surety Bond

**SUBDIVISION IMPROVEMENTS
PERFORMANCE BOND**

BOND NO. 101721613
\$ 5,048.00 **premium is for**
a term of One (1) **year(s)**
Annually Renewable Bond

KNOW ALL MEN BY THESE PRESENTS:

That we, Leora, LLC, as Principal,
and Merchants Bonding Company (Mutual), a corporation organized and doing business
under and by virtue of the laws of the State of Iowa and duly licensed
to conduct a general surety business in the State of California as Surety, are held and firmly bound unto the
City of McFarland as Obligee, in the penal sum of
Three Hundred Eighty-Eight Thousand, Two Hundred Eighty-Eight Dollars and 00/100
(\$ 388,288.00) Dollars, for which payment, well and truly to be made, we bind ourselves, our heirs, successors, executors
and administrators, jointly and severally firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT:

Whereas the Obligee and Principal have entered into an agreement whereby Principal agrees to install and complete certain
designated public improvements, which agreement, identified as Tract 7394, Phase 3 & 4
is hereby referred to and made a part hereof; and

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

Now therefore, the condition of this obligation is such that is the above bounden principal, his or its heirs, executors,
administrators, successor or assigns, shall in all things stand to and abide by, well and truly keep and perform the covenants,
conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be
kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning,
and shall indemnify and save harmless obligee, its officers, agents and employees, as therein stipulated, then this obligation shall
become null and void; otherwise it shall be and remain in full force and effect.

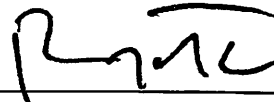
As a part of the obligation secured hereby and in addition to the penal sum specified therefor, there shall be included costs
and reasonable expenses and fees, including reasonable attorney's fees, incurred by Obligee in successfully enforcing such
obligation, all to be taxed as costs and included in any judgement rendered.

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

In witness whereof, this instrument has been duly executed by the principal and surety above named, on May 27, 2026

PRINCIPAL: Leora, LLC

SURETY: Merchants Bonding Company (Mutual)



Ryan Tash, Attorney-in-Fact

ACKNOWLEDGMENT

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

State of California
County of Sacramento

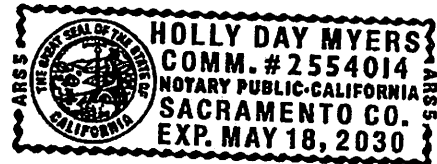
On 5/27/26 before me, Holly Day Myers, Notary Public
(insert name and title of the officer)

personally appeared Ryan Tash,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature [Signature] (Seal)



MERCHANTS

BONDING COMPANY™

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, and MERCHANTS NATIONAL INDEMNITY COMPANY, an assumed name of Merchants National Bonding, Inc., (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Katherine DuPont; Ryan Tash; Shannon Tash; Susan Fournier

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the By-Laws adopted by the Board of Directors of the Companies.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority 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, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

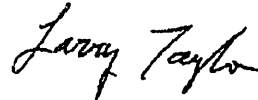
In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner - Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 27th day of April, 2026.

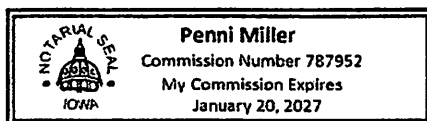


MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
MERCHANTS NATIONAL INDEMNITY COMPANY

By 

STATE OF IOWA
COUNTY OF DALLAS ss.

On this 27th day of April, 2026, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL), MERCHANTS NATIONAL BONDING, INC., and MERCHANTS NATIONAL INDEMNITY COMPANY; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



(Expiration of notary's commission
does not invalidate this instrument)


Notary Public

I, Elisabeth Sandersfeld, Secretary of MERCHANTS BONDING COMPANY (MUTUAL), MERCHANTS NATIONAL BONDING, INC., and MERCHANTS NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 27th day of May, 2026.




Secretary

**SUBDIVISION
LABOR AND MATERIAL BOND**

Annually Renewable Bond
BOND NO. 101721613
Premium Included In Performance Bond
PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

That we, Leora, LLC, as Principal,
and Merchants Bonding Company (Mutual), a corporation organized and doing business
under and by virtue of the laws of the State of Iowa, and duly licensed
to conduct a general surety business in the State of California as Surety, are held and firmly bound unto the
City of McFarland as Obligee in the penal sum of
Three Hundred Eighty-Eight Thousand, Two Hundred Eighty-Eight Dollars and 00/100 (\$ 388,288.00) DOLLARS,
for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally firmly by these
presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT:

Whereas, the above-named Principal, has entered into an agreement which is made a part of this bond, with the
City of McFarland State of California as Obligee, for the designated public
improvements in the subdivision identified as Tract 7394, Phase 3 & 4
as required by the Government Code of California.

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

Now, therefore, said principal and the undersigned, as surety, are held firmly bound unto the
City of McFarland and all contractors, subcontractors, laborers, materialmen and other persons
employed in the performance of the aforesaid agreement and referred to in the aforesaid Code of Civil Procedure for material furnished or labor
thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay
the same in an amount not exceeding the penal sum hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition
to the penal sum thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by
City of McFarland in successfully enforcing such obligation, to be awarded and fixed by the court,
and to be taxed as costs and to be included in the judgement therein rendered.

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

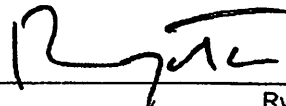
Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain
in full force and effect.

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

In witness whereof this instrument has been duly executed by the principal and surety above named, on May 27, 2026

PRINCIPAL: Leora, LLC

SURETY: Merchants Bonding Company (Mutual)



Ryan Tash, Attorney-in-Fact

ACKNOWLEDGMENT

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

State of California
County of Sacramento)

On 5/27/26 before me, Holly Day Myers, Notary Public
(insert name and title of the officer)

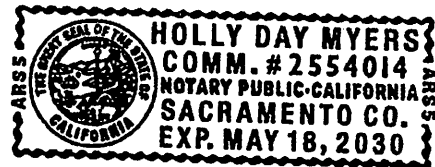
personally appeared Ryan Tash,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s)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



MERCHANTS

BONDING COMPANY™

POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa, and MERCHANTS NATIONAL INDEMNITY COMPANY, an assumed name of Merchants National Bonding, Inc., (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

Katherine DuPont; Ryan Tash; Shannon Tash; Susan Fournier

their true and lawful Attorney(s)-in-Fact, to sign its name as surety(ies) and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the By-Laws adopted by the Board of Directors of the Companies.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority 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, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner - Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 27th day of April, 2026.



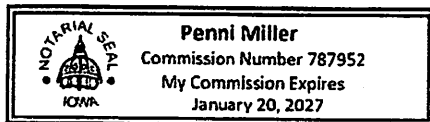
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.
MERCHANTS NATIONAL INDEMNITY COMPANY

By

Larry Taylor

STATE OF IOWA
COUNTY OF DALLAS ss.

On this 27th day of April, 2026, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of MERCHANTS BONDING COMPANY (MUTUAL), MERCHANTS NATIONAL BONDING, INC., and MERCHANTS NATIONAL INDEMNITY COMPANY; and that the seals affixed to the foregoing instrument are the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



(Expiration of notary's commission
does not invalidate this instrument)

Penni Miller

Notary Public

I, Elisabeth Sandersfeld, Secretary of MERCHANTS BONDING COMPANY (MUTUAL), MERCHANTS NATIONAL BONDING, INC., and MERCHANTS NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 27th day of May, 2026.



Elisabeth Sandersfeld

Secretary

ENGINEERS ESTIMATE
TRACT NO 7394 Phases 3 & 4

Date: 4/17/2026

By: TCB

No. of Lots 82
 Acreage: 15.64 Acres

Item #	Item Description	Qty	Unit	Unit \$	Item \$	% COMPLETE	REMAINDER
Grading							
1.	Grading Streets	4,397	cy	9.00	39,573	90%	\$3,957.30
Sewer Improvements							
2.	4" Sewer Line (Laterals)	2,172	lf	30.00	65,160	90%	\$6,516.00
3.	8" Sewer Line	3,119	lf	55.00	171,545	90%	\$17,154.50
4.	Standard Cleanout	1	ea	910.00	910	90%	\$91.00
5.	Standard Manhole	9	ea	2,600.00	23,400	90%	\$2,340.00
	Subtotal				\$261,015		\$26,101.50
Storm Drain Improvements							
6.	18" Storm Drain Pipe	178	lf	120.00	21,360	90%	\$2,136.00
7.	Type "A" Catch Basin	2	ea	5,000.00	10,000	90%	\$1,000.00
8.	Standard Manhole	1	lf	4,000.00	4,000	90%	\$400.00
	Subtotal				\$35,360		\$3,536.00
Water Improvements							
9.	8" C900 Waterline	3,011	lf	35.00	105,385	90%	\$10,538.50
10.	8" Gate Valve	12	ea	1,050.00	12,600	90%	\$1,260.00
11.	Hydrant Assembly	7	ea	4,000.00	28,000	90%	\$2,800.00
12.	Tie-in	5	ea	1,100.00	5,500	90%	\$550.00
13.	1" Water Services	82	ea	900.00	73,800	90%	\$7,380.00
	Subtotal				\$225,285		\$22,528.50
Street Improvements							
14.	AC Paving (2.5" Asphalt)	1,781	tons	65.00	115,765	90%	\$11,576.50
15.	AG Base (8" Class 2)	2,798	cy	70.00	195,860	90%	\$19,586.00
17.	6" Curb & Gutter	640	lf	25.00	16,000	90%	\$1,600.00
18.	Rolled Curb	4,652	lf	25.00	116,300	90%	\$11,630.00
19.	4" Thick Sidewalk	17,426	sf	6.00	104,556	90%	\$10,455.60
20.	Driveways	9,020	sf	9.00	81,180	90%	\$8,118.00
21.	Handicap Ramps	8	ea	2,500.00	20,000	90%	\$2,000.00
22.	Street Lights - Mast Arm	13	ea	6,000.00	78,000	90%	\$7,800.00
23.	Street Name Signs	8	ea	300.00	2,400	90%	\$240.00
24.	Monument Encasements	4	ea	750.00	3,000	90%	\$300.00
	Subtotal				\$733,061		\$73,306.10
				Total	\$1,294,294		\$129,429
				20% Contingency	\$258,859		

Total Estimate	\$1,553,153
Work Completed	\$1,164,865
Work Remaining	\$388,288

