



RE: PW2025-0205-PW2025-0210 - TR 31462-23 & TR 31462-26 Bond Replacements - New Submittals

From Jesse Aaron Mudd <JAMudd@drhorton.com>

Date Mon 7/14/2025 2:52 PM

To Richard Godsey <rgodsey@beaumontca.gov>

 2 attachments (218 KB)

COR(N)_Fairway_Canyon_PA_18A_22B_-_OOE 26.pdf; COR(N)_Fairway_Canyon_PA_18A_22B_-_OOE 27.pdf;

Hi Richard,

Attached is a partial disclosure from our agreement with Meritage homes stating that we need to replace their bonds and post our new bonds. It is under 6.6. When we purchased the property from Meritage, this was one of the conditions that was in place to make sure we take over all work pertaining to the project.

In regard to the completion of the work, we are nearing completion by the end of the year, so the bonds should be released by early next year at the latest. We have our last home closing at the end of August.

Thank you,



Jesse Mudd
Forward Planner

D.R. HORTON

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From: Richard Godsey <rgodsey@beaumontca.gov>

Sent: Monday, July 14, 2025 11:49 AM

To: Jesse Aaron Mudd <JAMudd@drhorton.com>; Rudy R Provoost <RRProvoost@drhorton.com>

Subject: Re: PW2025-0205-PW2025-0210 - TR 31462-23 & TR 31462-26 Bond Replacements - New Submittals

[External]

Good morning gentlemen,

Relating to the subject bond exonerations, my superiors are requesting the literature/documentation for why the bond replacements are necessary. Would either of you be able to provide some sort of agreement or other similar document expressing D.R. Horton's take over of the associated tracts/improvements. And, something to show the status of the improvements as they stand to be covered by these new bonds?

These are anticipated to go to Council tomorrow so please supply the background material/information sometime today. Apologies for the late notice.

(“DRE”) to Buyer for all or any portion of the Property, pursuant to an application for issuance of a Final Subdivision Public Report submitted by Buyer to the DRE as required by the Subdivided Lands Act (California Business and Professions Code Section 11000 and following). Buyer hereby agrees to reasonably cooperate with Seller (and Developer) in connection with the preparation and recording of such annexation. Accordingly, Buyer agrees to execute and deliver such documents in a timely manner, as may be reasonably requested, so as to cause the Property to be subject to the Master Dec. With respect to any parcel or area within the Property that is intended to be designated as landscaping or common use area to be maintained by the Master Association, Buyer hereby agrees to promptly convey in fee title or by easement such parcel or area to the Master Association, for no consideration, in compliance with the phasing schedule for the Property most recently submitted to the DRE as part of Buyer’s application for the issuance of a Subdivision Public Report by the DRE.

6.4.3 At the time Seller acquired the Property from the Developer, Developer executed and caused to be recorded a Designation of Neighborhood Builder in favor of Seller. Pursuant to Section 6 thereof, such instrument is binding upon and inures to the benefit of Seller’s successors and assigns (other than purchasers of individual lots).

6.5 Sub-Association. Buyer acknowledges that the Property may also be annexed into a Declaration of Covenants, Conditions, Restrictions and Reservation of Easements prepared by Seller with respect to the Property and certain other real property acquired by Seller in the Overall Project with the primary purpose of providing for the maintenance of certain slope areas and other common improvements that will not be maintained by the City or pursuant to the Master Dec, which Declaration shall be subject to Buyer’s reasonable approval, which shall not be withheld, conditioned, or delayed unless such Declaration imposes restrictions or requirements pertaining to housing product to be constructed on the Lots over and above those set forth in the Master Dec or imposes obligations or liabilities on Buyer or its homebuyers over and above those set forth in the Master Dec, other than assessments for the costs and operations of the sub-association along with the other residential lots in such sub-association for the maintenance of the slope areas and other common improvements that will solely serve the members of the sub-association. Such annexation shall occur at the same time that the Property is annexed into the Master Dec and the same obligations shall apply with respect thereto.

6.6 Seller Assurances. In connection with the Project, Seller may have provided or may yet provide certain bonds, letters of credit, and/or other financial assurances in favor of the City or other applicable Governmental Authorities (collectively, “Seller Assurances”), including, without limitation, with respect to certain warranty obligations pertaining to infrastructure improvements made in connection with the Project. Buyer shall indemnify, defend, and hold Seller harmless for, from, and against any Claims against any of the Seller Assurances to the extent arising from, related to or caused in whole or in part by or alleged to arise from, be related to or be caused in whole or in part by any activities or actions of any Buyer Party. In addition, within sixty (60) days following the Closing therefor, Buyer shall deliver to the City and any other applicable Governmental Authority, replacement assurances and all other documentation required by the City relating solely to improvements constructed upon or within the plats for the 18A Tract or the 22B Tract, as applicable (collectively, the “Property Improvements”) in order for the City to replace any Seller Assurances that have been provided by Seller relating solely to the Property Improvements, and shall thereafter use diligent, good faith efforts, at no additional cost or expense to Buyer, to cause

the City to accept such replacement assurances provided by Buyer and release the corresponding Seller Assurances; however, Buyer makes no assurance that the City will release or exonerate any of the Seller Assurances. Notwithstanding the foregoing, Buyer will have no obligation to deliver replacement assurances for any Landscape Bond provided by Seller with respect to any common area landscaping (or with respect to any of the Post-Closing Work), and Buyer will have no responsibility for such landscaping or bonding.

6.7 22B Dry Utilities Completion and Escrow. Buyer acknowledges that the dry utilities to be installed by Buyer in the 22B Tract (the “22B Drys”) have been designed in coordination with the applicable Governmental Authorities to also connect to other property of Seller within the Project and, as a result, Buyer shall use good faith efforts to cause the construction and installation of the 22B Drys to be completed in compliance with all applicable laws and regulations on or before April 1, 2023 (the “22B Drys Deadline”). As reflected on Exhibit “B-2”, the estimated cost for the 22B Drys is Two Hundred Thirty-Four Thousand Four Hundred Seventy-Seven Dollars (\$234,477) (the “22B Drys Completion Amount”). At the 22B Closing, and in addition to the Purchase Price and all other amounts payable by Buyer pursuant to this Agreement, Buyer shall deliver to Escrow Agent an amount equal to the 22B Drys Completion Amount (the “22B Escrow Funds”), which Escrow Agent shall place in an interest bearing account for disbursement in accordance with the balance of this Section 6.7.

6.7.1 Buyer may draw upon the 22B Escrow Funds from time to time (but no more often than once each calendar month) to pay bills and invoices incurred by Buyer in completing the 22B Drys upon delivery of a draw Request to Seller and Escrow Agent (the “22B Draw Request”) that: (i) sets forth the amounts incurred and (ii) includes copies of receipts, cancelled checks, remittance advices or other such evidence of the costs incurred by Buyer, conditional lien waiver(s) and release(s) from each contractor and subcontractor performing the work for which payment has been requested, such lien waiver(s) to be conditioned only upon payment of a specific sum (which amounts, in the aggregate, must be equal to or less than the amount of the requested payment), and unconditional lien waivers from each contractor and subcontractor that was paid in connection with the immediately previous 22B Draw Request, if any. Promptly following a 22B Draw Request, Escrow Agent shall deliver out of the 22B Escrow Funds the funds requested in such 22B Draw Request.

6.7.2 If the 22B Drys are not completed by the 22B Drys Deadline, then Seller may, at any time thereafter and as its sole and exclusive remedy, elect to assume responsibility for the completion of the 22B Drys by providing written notice to Buyer and Escrow Agent of such election. If Seller makes such election, Buyer shall have no further responsibility for the completion of the 22B Drys (nor the right to submit 22B Draw Requests therefor) and Seller may submit 22B Draw Requests with respect to the 22B Escrow Funds to Buyer and Escrow Agent in accordance with the terms and conditions provided above; provided that if the actual costs of the 22B Drys exceed the 22B Escrow Funds, then Buyer shall be responsible for such deficiency and shall pay the same within ten (10) Business Days following receipt of a 22B Draw Request showing such deficiency; provided, however, to the extent any such deficiency exceeds the 22B Escrow Funds by an amount larger than ten (10) percent (10%), Buyer shall have the right to contest its responsibility for such payment and the parties shall work together in good faith to determine the reasonable cost of such deficiency. Upon receipt of written confirmation from the applicable Governmental Authorities that all of the 22B Drys have been completed, and after any amounts to