

[CSI LETTERHEAD]

_____, 20__

VIA E-MAIL AND FEDERAL EXPRESS

San Bernardino County
Real Estate Services Department
385 North Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415
Attention: Brandon Ocasio
brandon.ocasio@res.sbcounty.gov

**RE: CONFIRMATION LETTER REGARDING MAINTENANCE OF
PRIVATE SEWER FACILITIES**

Dear Mr. Ocasio:

California Steel Industries, Inc., a Delaware corporation (“**CSI**”), owns certain real property in an unincorporated area of the County of San Bernardino, State of California, more particularly described in Exhibit “A” attached hereto (the “**CSI Property**”).

Speedway SBC Development, LLC, a Delaware limited liability company (“**Speedway**”), owns certain real property in an unincorporated area of the County of San Bernardino, State of California, more particularly described in Exhibit “B” attached hereto (the “**Speedway Property**”), which is adjacent to the CSI Property.

The Speedway Property currently uses an existing sewer system (the “**Existing Sewer System**”), which is located partially on the Speedway Property and partially on the CSI Property. Speedway maintains that portion of the Existing Sewer System located on the Speedway Property, and CSI maintains that portion of the Existing Sewer System located on the CSI Property. The Speedway Property, the CSI Property and the Existing Sewer System are shown on the site plan attached hereto as Exhibit “C” (the “**Site Plan**”).

In connection with Speedway’s redevelopment of the Speedway Property, Speedway and San Bernardino County, a political subdivision of the State of California (“**County**”), entered into: (1) that certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 1) dated June 11, 2024; (2) that certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 2) dated June 11, 2024; (3) that certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 3) dated June 11, 2024; (4) that certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 4) dated June 11, 2024; (5) that

certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 5) dated June 11, 2024; and (6) that certain Agreement for Construction and Maintenance of Improvements, Project: Sewer Improvements – Parcel Map No. 20478 (Improvement Area: 7) dated June 11, 2024 (collectively, the “**Improvement Agreements**”). Under the Improvement Agreements, Speedway must construct, among other improvements, those certain sewer improvements (“**Sewer Improvements**”) shown in the Street Improvement Plans for Parcel Map No. 20478 approved by the San Bernardino County Land Use Services Department on April 2, 2024 (the “**Sewer Improvement Plans**”).

The Speedway Property is located within Community Facilities District No. 2025-1 (Commerce Center II). Upon completion, the Sewer Improvements will be maintained by the County as managed by its Department of Public Works – Special Districts.

Speedway has requested that the County accept that portion of the Sewer Improvements located within the area designated as “Phase 1” on the Site Plan (the “**Phase 1 Sewer Improvements**”) before Speedway completes the entirety of the Sewer Improvements and while the Phase 1 Sewer Improvements are still connected to the Existing Sewer System. County is willing to do the same provided CSI confirms certain items for the County.

Towards that end, CSI hereby confirms and agrees as follows:

- (1) **Maintenance & Repair**. CSI shall, at its sole cost, shall maintain in good condition and repair that portion of the Existing Sewer System located on the CSI Property, so long as the Phase 1 Sewer Improvements are connected to the Existing Sewer System, and ensure the system remains fully operational and functional. This includes performing all necessary inspections, repairs, maintenance, and operational activities to preserve the sewer systems operation, function, and effectiveness.
- (2) **Self-Help Rights**. While the Phase 1 Sewer Improvements are connected to the Existing Sewer System, if CSI fails to maintain and repair that portion of the Existing Sewer System located on the CSI Property in good condition, and such failure affects the Phase 1 Sewer Improvements being maintained by the County, the County may provide CSI with written notice (“**Notice of Need Repair**”) of maintenance or repair work that needs to be performed to a portion of the Existing Sewer System located on the CSI Property (“**Repair Work**”). If CSI fails to complete the Repair Work within thirty (30) days (or, if the Repair Work cannot reasonably be completed in thirty (30) days, if CSI fails to commence the Repair Work within thirty (30) days and thereafter diligently pursue the same to completion), the County shall have the right, upon an additional five (5) days’ prior written notice to CSI, to enter upon the CSI Property to perform the Repair Work (at CSI’s sole cost). Notwithstanding the foregoing, in the event of an emergency (*i.e.*, imminent harm to persons or property), the County shall have the right to immediately enter upon the CSI Property to perform the Repair Work, and the County shall provide CSI written notice thereof as soon as reasonably practicable.

- (3) Term. The term of this Agreement (“Term”) shall commence on the date executed by all parties and shall expire on the date that the County accepts the entirety of the Sewer Improvements.
- (4) Insurance. CSI shall maintain the following insurance coverage throughout the contract term:
- Workers’ Compensation/Employers Liability – CSI shall maintain Workers’ Compensation insurance or a state-approved self-insurance program meeting all California Labor Code requirements, including Employer’s Liability coverage of \$250,000 for all personnel, including volunteers. If CSI has no employees, it may certify this to the County, and the Workers’ Compensation requirement may be waived by the County’s Director of Risk Management. Non-profit corporations must cover volunteers under Workers’ Compensation.
 - Commercial General Liability – CSI shall maintain General Liability insurance covering all operations, with a minimum combined single limit of \$1,000,000 per occurrence and a \$2,000,000 general aggregate limit. Coverage shall include:
 - (a) Premises operations and mobile equipment
 - (b) Products and completed operations
 - (c) Broad form property damage (including completed operations)
 - (d) Explosion, collapse, and underground hazards
 - (e) Personal injury
 - (f) Contractual liability
 - Automobile Liability – CSI shall maintain primary auto liability coverage on an ISO Business Auto policy for all owned, hired, and non-owned vehicles, with a minimum combined single limit of \$1,000,000 per occurrence for bodily injury and property damage. If CSI transports non-employee passengers, coverage shall be increased to \$2,000,000. If CSI owns no vehicles, a non-owned auto endorsement to the General Liability policy is acceptable.
 - Umbrella Liability Insurance – CSI may use an umbrella or excess policy to meet required coverage limits. The umbrella policy shall cover bodily injury, property damage, personal injury, and advertising injury, and must include a “dropdown” provision for any uncovered primary liability. It shall also apply to automobile liability.
 - Additional Insured – All policies, except for the Workers’ Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the

performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

- **Waiver of Subrogation Rights** – CSI shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit CSI and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. CSI hereby waives all rights of subrogation against the County.
- **Policies Primary and Non-Contributory** – All policies required herein are to be primary and noncontributory with any insurance or self-insurance programs carried or administered by the County.
- **Severability of Interests** – CSI agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between CSI and the County or between the County and any other insured or additional insured under the policy.

- (5) **Governing Law and Venue.** The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the Parties hereunder, shall be interpreted and construed pursuant to and in accordance with the laws of the State of California. The Parties agree that the venue of any action or claim brought by any party to this Agreement will be the Superior Court of California, San Bernardino County, San Bernardino District.
- (6) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto, and they shall not rely upon any statement, promise or representation not herein expressed, and this Agreement once executed and delivered shall not be modified or altered in any respect except by a writing executed and delivered in the same manner as required by this document.
- (7) **Notices.** All notices required or permitted hereunder shall be in writing and delivered to the addresses set forth below, by one of the following methods: (a) hand delivery, whereby delivery is deemed to have occurred at the time of delivery; (b) a nationally recognized overnight courier company, whereby delivery is deemed to have occurred the business day following deposit with the courier; (c) registered United States mail, signature required and postage-prepaid, whereby delivery is deemed to have occurred on the third business day following deposit with the United States Postal Service; or (d) by e-mail, whereby delivery is deemed to have occurred when sent:

If to CSI: California Steel Industries, Inc.
1 California Steel Way
Fontana, CA 92335
Attention: Scott Starr
E-mail: Scott.Starr@nucor.com

If to County: San Bernardino County
Real Estate Services Department
385 North Arrowhead Avenue, 3rd Floor
San Bernardino, CA 92415
Attention: Brandon Ocasio
E-mail: brandon.ocasio@res.sbcounty.gov

This letter agreement (“**Agreement**”) shall be governed by and construed in accordance with the laws of the State of California. Each party will have the right of specific performance in connection with any breach of this Agreement.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same instrument. Furthermore, this Agreement may be executed and delivered by facsimile, DocuSign, AdobeSign or other electronic transmission (including, without limitation, signatures transmitted by e-mail in .pdf format). The parties intend that faxed and electronic signatures constitute original signatures and that a faxed or electronic copy or counterparts of this Agreement containing the signature (original, faxed or electronic) of a party is binding upon that party. The parties intend to be bound by such electronic signatures and waive any defenses to the enforcement of the terms of this Agreement based upon the use of such electronic signatures.

Please confirm your agreement with the above by executing below.

Sincerely,

“CSI”

CALIFORNIA STEEL INDUSTRIES, INC.,
a Delaware corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGED AND AGREED TO BY:

“COUNTY”

SAN BERNARDINO COUNTY,
a political subdivision of the State of California

By: _____

Name: Dawn Rowe

Title: Chair

Date: _____

APPROVED AS TO FORM:

TOM BUNTON

County Counsel

By: _____

Name: Aaron Gest

Title: Deputy County Counsel

Date: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF CSI PROPERTY

The land referred to herein below is situated in an unincorporated area of the County of San Bernardino, State of California, and is described as follows:

PARCEL NO. A: (APNs 0234-021-11-0-000, 0238-031-07-0-000 and 0231-121-05-0-000)

PARCEL 2 OF PARCEL MAP NO. 8682, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 89 OF PARCEL MAPS, PAGES 37 THROUGH 43, INCLUSIVE, RECORDS OF SAID COUNTY.

PARCEL NO. B: (APNs 0231-121-03-0-000 and 0231-121-04-0-000)

PARCEL 1 AND PARCEL 2 OF PARCEL MAP NO. 9818, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 104 OF PARCEL MAPS, PAGES 88 TO 91, INCLUSIVE, RECORDS OF SAID COUNTY.

PARCEL NO. C:

THE FOLLOWING EASEMENTS WHICH WERE RESERVED IN THAT CERTAIN GRANT DEED, DATED AUGUST 17, 1984, WHEREIN GRANTOR IS THE GRANTOR AND CALIFORNIA STEEL INDUSTRIES, INC. IS THE GRANTEE, WHICH GRANT DEED WAS RECORDED IN THE RECORDS OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, ON AUGUST 20, 1984, INSTRUMENT NO. 84-197915, OFFICIAL RECORDS, BUT ONLY TO THE EXTENT NECESSARY TO SERVE THE BUILDINGS WHICH ARE PRESENTLY LOCATED ON PARCEL 1 AND PARCEL 2 OF PARCEL MAP NO. 9818, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND UP TO 700,000 SQUARE FEET OF ADDITIONAL BUILDINGS ON SUCH PARCELS.

(A) THE EASEMENT DESCRIBED IN SUBPARAGRAPH B.3(C) OF EXHIBIT "A" OF SUCH GRANT DEED;

(B) THE EASEMENTS DESCRIBED IN SUBPARAGRAPH B.3(D) OF EXHIBIT "A" OF SUCH GRANT DEED;

PARCEL NO. D:

A NONEXCLUSIVE EASEMENT FOR DRAINAGE AND INCIDENTAL PURPOSES AS CONTAINED AND DEFINED IN QUITCLAIM AND

AGREEMENT FOR SPECIFIC DESCRIPTION AND LOCATION OF EASEMENT, RECORDED MAY 24, 1990, INSTRUMENT NO. 90-204640, OFFICIAL RECORDS.

PARCEL NO. E:

A NONEXCLUSIVE EASEMENT, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, FOR THE USE OF ALL SANITARY SEWER, DOMESTIC WATER AND ELECTRICAL TRANSMISSION FACILITIES WHICH (A) NOW EXIST ON THE FOLLOWING DESCRIBED REAL PROPERTY AND (B) WHICH SERVE THE REAL PROPERTY DESCRIBED IN PARCEL NO. B ABOVE.

THE FOLLOWING REAL PROPERTY IS AFFECTED BY THE AFOREMENTIONED EASEMENT:

PARCEL 1 AND PARCEL 3 OF PARCEL MAP NO. 8682, AS RECORDED IN PARCEL MAP BOOK NO. 89, PAGES 37 TO 43, INCLUSIVE, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

THE AFOREMENTIONED EASEMENT IS APPURTENANT TO THE REAL PROPERTY DESCRIBED IN PARCEL NO. B ABOVE.

(End of Legal Description)

EXHIBIT “B”

LEGAL DESCRIPTION OF THE SPEEDWAY PROPERTY

The land referred to herein below is situated in an unincorporated area of the County of San Bernardino, State of California, and is described as follows:

PARCELS 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 AND 25 AND LETTERED LOTS A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z, AA, BB, CC, DD, EE, FF, GG, HH, II, JJ, KK AND LL, OF PARCEL MAP NO. 20478, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 263, PAGES 53 THROUGH 73, INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APNs: 0231-011-17-0-000 (Parcel 1)
 0231-011-18-0-000 (Parcel 2)
 0231-011-19-0-000 (Parcel 3)
 0231-011-20-0-000 (Parcel 4)
 0231-011-21-0-000 (Parcel 5)
 0231-121-06-0-000 (Parcel 10)
 0231-121-07-0-000 (Parcel 11)
 0231-011-24-0-000 (Parcel 12)
 0231-011-25-0-000 (Parcel 13)
 0231-011-26-0-000 (Parcel 14)
 0231-111-22-0-000 (Parcel 15)
 0231-291-03-0-000 (Parcel 16)
 0231-291-04-0-000 (Parcel 17)
 0231-011-27-0-000 (Parcel 18)
 0231-011-28-0-000 (Parcel 19)
 0231-011-29-0-000 (Parcel 20)
 0231-291-05-0-000 (Parcel 21)
 0231-291-06-0-000 (Parcel 22)
 0231-291-07-0-000 (Parcel 23)
 0231-291-09-0-000 (Parcel 25)
 0231-291-11-0-000 (Lot A)
 0231-121-08-0-000 (Lot B)

(End of Legal Description)

EXHIBIT “C”

SITE PLAN