

**SUPPLEMENTAL
COMMUNICATION**

**Meeting Date: 1/20/2026
Agenda Item No. 21 (26-015)**

COMPLETION BOND

Bond No. 101581917

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS, City of Huntington Beach (hereafter referred to as "City") has, by written Lease Agreement dated, October 1, 2024, entered into an Agreement with Surf City Partners, LLC

(hereafter referred to as "Principal") for completion of the work described as follows:

Construction of a new Restaurant located at 21 Main Street and renovations and additions to the Restroom/ Storage Building located at 22 Main Street, the "Improvements", as outlined in Section 5, Exhibit "E" of the Lease Agreement.

WHEREAS, said Lease Agreement, and all documents referenced therein (hereinafter collectively "Agreement"), are incorporated herein by this reference made a part hereof as though set forth herein in full; and

Said Principal is required under the terms of Section 5 of the Agreement to furnish a bond guaranteeing the prompt, full and faithful completion of the building construction, by a duly admitted surety insurer under the laws of the State of California (hereinafter referred to as "Surety"); and

Surety is certified and listed in the U.S. Department of the Treasury Circular 570, and has provided proof of sufficient bonding limitations as shown in said circular to provide bonds in the amount required by said Contract; and

Surety has provided financial strength ratings from reputable companies, such as from AM. Best, Moody's, or Standard & Poor's, to validate that Surety has positive ratings of being secure or stable; and

Surety is registered and listed with the California Department of Insurance,

NOW, THEREFORE, we, the undersigned, as Principal, and

Merchants Bonding Company (Mutual)

P.O. Box 14498, Des Moines, IA 50306-3498

(Surety's Name and Address)

as Surety, are held and firmly bound unto City in the penal sum of One Million Three Hundred Thousand Dollars, (\$1,300,000), this amount being not less than one hundred percent of the price set forth in Section 5 of the Agreement, in lawful money of the United States, for the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the Principal shall promptly, fully and faithfully perform each and all of the obligations and things to be done and performed by the Principal in strict accordance with the terms of the Agreement as said Agreement may be altered, amended or modified from time to time; and if the Principal shall indemnify and save harmless City and all of City's officers, agents and employees (hereinafter collectively referred to as "Obligees") from any and all losses, liability and damages, claims, judgments, stop notices, fees and costs of every description, whether imposed by law or in equity, which may be incurred by the Obligees by reason of the failure or default on the part of the Principal in the performance of any or all construction-related obligations under the Agreement, including but not limited to Section 5 thereof, and all exhibits, amendments, permit conditions, approvals, and modifications incorporated therein; and if in the event of default by the Principal, the City shall have the right, but not the obligation, to declare the Principal in default and to require the Surety to promptly perform or cause to be performed the remaining work, or to reimburse the City for all reasonable costs incurred to complete or correct the Improvements, up to the penal sum of this Bond, then this obligation shall be void; otherwise it shall remain in full force and effect.

Surety stipulates and agrees, for value received, that no adjustment of the time or cost in the Agreement or any alteration, change, deletion, addition or other modification to the Agreement, or the work to be performed thereunder, shall in any way affect, limit, restrict, impair or release the obligations of the Surety under this Bond. thereunder, and agrees to any increase to the scope or cost of the Improvements shall require a written bond rider or amendment executed by the Surety and approved by the City. No such modification shall reduce or impair the obligations of the Surety unless expressly approved in writing by the City. Surety expressly waives any defenses based on notice, extensions of time, changes in scope, amendments to the Agreement, or alterations to the work, except as expressly approved in writing by the City.

Surety also waives the provisions of Civil Code §§ 2845 and 2849.

The obligations of this Bond shall survive final building inspection and occupancy and shall remain in full force and effect until the City provides written confirmation of final completion and acceptance of the Improvements, including satisfaction of all permit conditions, punch-list items, and Lease requirements, and the expiration of any applicable cure period.

IN WITNESS WHEREOF, each party represents and warrants that this instrument has been duly executed by Principal and Surety, on the date set forth below, that the name of each corporate party being affixed hereto is such party's proper legal name and that the individuals signing this instrument have been duly authorized pursuant to the authority of its governing body. Surety, by execution of this bond, waives any defense which Surety has or may have by reason of any failure of the Principal to execute or properly execute this bond.

Dated: January 13, 2026

ATTEST

[Corporate Seal]

Surf City Partners, LLC

By: *[Signature]* 1/13/26

Jeffery J. Bergsma, Managing Member

By: *[Signature]* 1/15/26

Keith B. Bohr, Managing Member

ATTEST

[Corporate Seal]

[Signature]
Mark Sweigart, Surety Witness



(Attach Attorney-in-Fact Certificate)

Merchants National Indemnity Company

(Surety Name)

By: *[Signature]*

Name: Sarah C. Brown, Attorney-in-Fact

(Signature of Attorney-in-Fact for Surety)

(515) 558-8764

(Area Code & Telephone Number for Surety)

APPROVED AS TO FORM

By: *[Signature]*

MICHAEL J. VIGLIOTTA

CITY ATTORNEY

CITY OF HUNTINGTON BEACH

NOTES: This bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

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 Orange

On 1/15/2020 before me, Mykel Durr, Notary Public
Date Name and Title of Notary

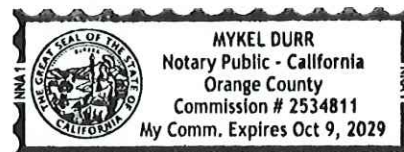
personally appeared Jeffery J. Bergsma
Name and or Names of Signer(s)

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

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

Witness my hand and official seal.

Signature _____
Notary Public Signature



Place Notary Public Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document Completion Bond

Document Date 1/5/2020 Number of Pages:

Signer's Name: _____

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

Signer is representing _____

**RIGHT THUMBPRINT
OF SKNER**
Top of thumb

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

Signer is representing _____

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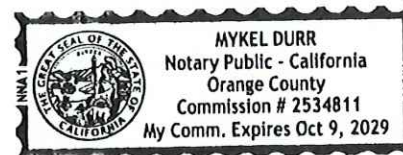
personally appeared Keith B. Bohr
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 - ☐ Guardian or Conservator
 - ☒ Attorney-in-Fact
 - ☐ Trustee
 - ☐ Other: _____
- Signer is representing _____



- ☐ Individual
 - ☐ Corporate Officer – Title(s): _____
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Bond No. 101581917

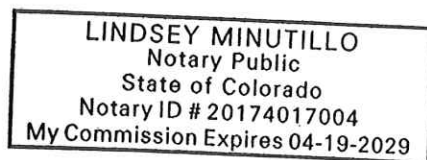
ACKNOWLEDGEMENT OF SURETY

State of Colorado
County of Arapahoe SS.

On this 13th day of January, 2026, before me, a Notary Public, personally appeared Sarah C. Brown known to me to be the Attorney-in-Fact of Merchants National Indemnity Company, the corporation that is described in and that executed the attached instrument, and acknowledged to me that such corporation executed the same, and that she is Attorney-in-Fact of the corporation described in and which executed the foregoing instruction; that she knew the seal of the corporation; and that the seal affixed to said instrument was such corporate seal; that it was so affixed by order of the Board of Directors of said corporation and that she signed her name thereto by like order.


Signature of Notary Public – Lindsey Minutillo

My Commission Expires: April 19, 2029
(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,

Alissa Cahalan; Anne Crowner; Ashlea McCaughey; Austin Muehlschlegel; Ben Williams; Brian J Oestreich; Brian M Deimerly; Cameron M Burt; Colby D White; Connor Oberg; Craig E Hansen; Dione R Young; Donald E Appleby; Douglas Muth; Ginger Hoke; Grace Rasmussen; Graydon Dotson; Greg Krier; Jamie Gifford; Jay D Freiermuth; Jenni Marino; Jessie Allen; Joe Tiernan; John Cord; Joseph Cardinal; Joshua R Loftis; Kate Zanders; Keeton Welch; Kristine M Becks; Lindsey Minutillo; Mark R DeWitt; Mark Sweigart; Melinda C Blodgett; Michelle Morrison; Michelle R Gruis; Nathan Weaver; Nicole Stillings; R C Bowman; Ryan Olivia E Lundy; Sandra M Engstrum; Sara Huston; Sarah C Brown; Seth Rooker; Taylor Fogle; Ted Jorgensen; Tim McCulloh; Todd Bengford; Zach Fuller

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 6th day of January, 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 6th day of January, 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 13th day of January, 2026.



Elisabeth Sandersfeld

Secretary