

**CITY OF WATSONVILLE
IMPROVEMENT AGREEMENT FOR TRACT NUMBER 1607,
HILLCREST, STAGE 1, IMPROVEMENTS
WITH DEVELOPER**

THIS IMPROVEMENT AGREEMENT (“Agreement”), is made and entered as of _____, 2022, by and between the **CITY OF WATSONVILLE**, a municipal corporation, herein called **"City,"** and **LANDCO HILLCREST, LLC**, a California limited liability company, herein called **"Developer."**

RECITALS

WHEREAS, Developer has filed with the City certain improvement plans for Stage One of the **Hillcrest Subdivision** herein called **"Project,"** which improvement plans are designated **"Stage 1 Improvement Plans For Hillcrest 511 Ohlone Parkway Watsonville, California 95076"**, APNs **018-372-14 and 018-381-01**, prepared by RAMSEY CIVIL ENGINEERING INC, dated May 10, 2022 and revised November 3, 2022 (the **"Stage One Improvement Plans"**); and

WHEREAS, on August 28, 2018, the City Council of the City of Watsonville approved the development of Tract 1607 located in the City of Watsonville, consisting of the construction of 150 dwelling units on individual parcels on a 13± acre site located at 511 Ohlone Parkway, Watsonville, California (APNs 018-372-14 & 018-381-01);

WHEREAS, on July 6, 2021, the City Council of the City of Watsonville adopted Resolution No. 210-21 (CM) approving a First Amended Tentative Map for Tract No. 1607, Resolution No. 211-21 (CM) approving a Major Modification to the Special Use Permit with Design Review & Specific Development Plan for Application No. PP2017-116, and Resolution No. 212-21 (CM) approving Addendum No. 2 to the Previously Certified Final EIR (PP2016-199), (together, **"Project Approvals"**), reducing the number of dwelling units from 150 to 144, to allow for the construction of Project subject to Developer complying with certain conditions set forth therein; and

WHEREAS, on April 26, 2022, the City Council of the City of Watsonville approved a development agreement to allow for the construction of Project to be completed in 5 phases extending to 2026;

WHEREAS, certain work and improvements required by Title 13 of the Watsonville Municipal Code have not been completed, to wit: the work and improvements required as conditions for approval of this Project, including, street improvements, utilities, and site landscaping improvements (including common use areas and other site features) (the **"Stage One Improvements"**) all to be built or completed in accordance with **Stage One Improvement Plans** on file with, and approved by the City Engineer; and

WHEREAS, the approval of the **Stage One Improvement Plans** and the Project final map are conditioned upon the execution by Developer of this Agreement; and

WHEREAS, Developer hereby proposes to enter into this Agreement with City, by the terms of which Agreement Developer agrees to have the **Stage One Improvements** described above completed on or before ONE (1) year from the date of execution of this Agreement. Developer may apply to the City Engineer for an extension for reasonable cause.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants of the parties hereto, it is agreed as follows:

1. CONSTRUCTION OF IMPROVEMENTS. Developer shall do all necessary work and construct the **Stage One Improvements**, and complete such work and improvements in accordance with the provisions of the conditions of the **Project Approvals**. All **Stage One Improvements** shall be completed on or before one year from the date of the execution of this Agreement unless a written extension has been granted by the City.

2. PERFORMANCE OF WORK: PLANS AND SPECIFICATIONS. Developer shall construct, install and furnish at Developer's expense, in a good and workmanlike manner, all **Stage One Improvements** according to City improvement standards, to fulfill all requirements of Title 13 of the Watsonville Municipal Code, and all requirements of the soils engineer. All such improvements must be completed within one (1) year from the date of this Agreement. Developer shall do all work and furnish all materials necessary to complete the **Stage One Improvement Plans** and specifications on file as required by City improvements standards and with any changes required or ordered by the City which are necessary or required to complete the work. All work and improvements shall be completed under the direction of and subject to the satisfaction of the City Engineer.

3. EROSION CONTROL. Developer will take all necessary actions during the course of construction to prevent erosion damage to adjacent properties during inclement weather. It is understood and agreed that in the event of failure on the part of Developer to prevent erosion, City may do the work on an emergency basis and back-charge the Developer for the actual expenses incurred, or, if necessary, proceed against the Faithful Performance Security to cover City's expenses.

4. PAYMENT OF DEVELOPMENT FEES AND CHARGES. Bonds, deposits or other financial guarantees listed in Numbers five through seven of this Agreement are required and must be deposited with the City fourteen (14) days prior to the City Council meeting at which this Agreement will be heard.

5. FAITHFUL PERFORMANCE AND LABOR AND MATERIALS SECURITIES.

(A) **FAITHFUL PERFORMANCE GUARANTEE.** Developer shall submit with this Agreement a Faithful Performance Bond issued by a bonding company with a Standard and Poor's rating of AAA, in the amount of THREE MILLION EIGHT HUNDRED FIFTEEN THOUSAND FOUR HUNDRED FIVE AND 63/100 DOLLARS (\$3,815,405.63) which is 100% of the total estimated cost of the **Stage One Improvements** calculated as follows:

Improvement Cost -	\$3,815,405.63
Bond Amount – 100%	\$3,815,405.63

-AND-

(B) **LABOR AND MATERIALS (PAYMENT) GUARANTEE.** A Labor and Materials (Payment) Bond issued by a bonding company with a Standard and Poor's rating of AAA, in the amount of THREE MILLION EIGHT HUNDRED FIFTEEN THOUSAND FOUR HUNDRED FIVE AND 63/100 DOLLARS (\$3,815,405.63), which is 100% of the total estimated cost of the **Stage One Improvements** calculated as follows:

Improvement Cost -	\$3,815,405.63
Bond Amount – 100%	\$3,815,405.63

Performance and labor and materials bonds shall be released upon acceptance of such improvements by City Council.

6. DEFECTIVE MATERIALS AND WORKMANSHIP (WARRANTY) BOND.

Developer shall submit with this Agreement a bond issued by a bonding company with a Standard and Poor's rating of AAA, in the amount of THREE HUNDRED EIGHTY ONE THOUSAND FIVE HUNDRED FORTY AND 56/100 DOLLARS (\$381,540.56) which is ten percent (10%) of the contract amount to secure the improvements for a period of one (1) year following completion and acceptance by the City Council against any defective work or labor done, or materials furnished.

Improvement Cost -	\$3,815,405.63
Fund Amount - 10%	\$ 381,540.56

NO OTHER IMPROVEMENT SECURITY SHALL BE ACCEPTABLE. The security shall provide that within a period of one (1) year after final acceptance of the work performed under this Agreement any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement fails to fulfill any of the requirements of the specifications referred to herein, Developer shall without delay and without any cost to City, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. The city is hereby authorized to make such repairs if within ten (10) days after the mailing of notice in writing to Developer or its agent, Developer shall neglect to make or undertake with due diligence the aforesaid repairs, replacements or reconstruction; provided, however, that in case of an emergency where in the opinion of the City delay would cause serious loss or damage, repairs may be made without notice being sent to Developer and Developer shall pay the costs thereof.

7. MONUMENT DEPOSIT. Developer shall provide a bond issued by a bonding company with a Standard and Poor's rating of AAA to guarantee completion of subdivision survey and monumentation of the lot and boundaries in the amount of SIXTEEN THOUSAND AND 00/100 DOLLARS (\$16,000) which is ONE HUNDRED PERCENT (100%) of the developers engineering and land surveyor's contract amount to secure performance, or a letter from Developer's engineer or land surveyor confirming that the land surveyor has been paid for setting all required monuments for the subdivision and will establish all monumentation as required upon request from the Developer or the city.

Land surveyors estimate:	\$16,000
Bond amount:	\$16,000

NO OTHER IMPROVEMENT SECURITY SHALL BE ACCEPTABLE. Monuments shall be set in place and be of such kind and quality as may be required by the City Engineer. Refund of all or part of the deposit shall be conditioned upon satisfactory compliance with City requirements which includes receipt by the City of a letter from the Developer's engineer and or land surveyor confirming the monuments have been placed and the engineer or land surveyor has been paid for setting of the monuments.

8. CLEAN UP DEPOSIT (FUND TO CLEAR PUBLIC STREETS). Developer shall deposit in the amount of THIRTY EIGHT THOUSAND ONE HUNDRED FIFTY FOUR AND 05/100 Dollars (\$38,154.05) to the City, which is one percent (1%) of the contract amount to secure clean-up work. No other form of security will be accepted for this deposit.

Improvement Cost -	\$ 3,815,405.63
Deposit amount - 1%	\$ 38,154.05

NO OTHER IMPROVEMENT SECURITY SHALL BE ACCEPTABLE. The security shall provide that it shall be the duty of the Developer, or its contractors and agents, to maintain all public streets in and about the Project free and clear of all debris, dirt, mud or other construction material during the course of construction. The existence of any such debris, dirt, mud or other construction material is hereby declared and acknowledged to be a public nuisance. The city is hereby authorized to use such cash sums if within three (3) days after the mailing of notice in writing to Developer or its contractors or agents, the Developer or its contractors or agents fail to clear or remove such debris, dirt or other construction material from the public streets as directed by the City Engineer; provided, however, that in case of an emergency where, in the opinion of City, delay may cause serious injury to the public interest, City may clear and remove such material without notice to Developer, utilizing the funds described herein. The remaining deposit as herein provided shall be refunded to Developer upon acceptance of the improvements by the City Council.

9. HOLD HARMLESS. Developer shall defend, indemnify and hold City, its elective and appointive boards, commissions, officers, agents and employees, harmless from any liability or damage or claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Developer or Developer's contractors, subcontractors, agents or employees' operations under this Agreement, whether such operations are by Developer or by any of Developer's contractors, or by any one or more persons directly or indirectly employed by or acting as agent for Developer or any of Developer's contractors or subcontractors. Developer shall defend City and its elective and appointive boards, commissions, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations; provided as follows:

- (A) That City does not and shall not waive any rights against Developer which it may have by reason of the hold harmless agreement, because of the acceptance by City or the deposit with City by Developer, or any of the insurance policies described herein.
- (B) That the hold harmless agreement by Developer shall apply to all damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in Number 9 of this Agreement, regardless of whether or not the City has prepared, supplied or approved plans and/or specifications for the project, or regardless of

whether or not such insurance policies shall have been determined to be applicable to any such damages or claims for damage.

10. INSURANCE. Prior to issuance of an On/Off Site Permit for the work described within this Improvement Agreement, Developer and any contractor doing work shall provide Certificates of Insurance and Endorsements as satisfactory evidence of the insurance required, and evidence that each carrier is required to give City at least thirty (30) days prior notice of cancellation or reduction in coverage of any policy during the effective period of this Agreement, and any extension thereto. All insurance certificates are to be originals, showing policy numbers, expiration dates, and local underwriters' name and address. No binders, riders, or carbon copies will be accepted.

REDUCED, CANCELED, OR EXPIRED INSURANCE. Policies reduced, canceled or expired without written approval of City shall be immediately reinstated in the amounts required, by this Agreement as of the date of reduction or cancellation. Failure to comply with this requirement may result in the termination by the City of all work on the Project. All policies shall remain in force for sixty (60) days after the City accepts the project as complete. Developer and any contractor shall not perform work under this Agreement unless they have provided all insurance required under this paragraph in satisfactory form, nor shall they allow any contractor or subcontractors unless all insurance required of the contractor or subcontractor to perform work on contracts is in full force and effect.

INSURANCE REQUIREMENTS.

(A) **PUBLIC LIABILITY & PROPERTY DAMAGE INSURANCE.** Developer and any contractor shall take out and maintain during the life of this Agreement such Public Liability and Property Damage Insurance, by an insurer acceptable to the City, that shall name and insure City, its elective and appointive boards, commissions, officers, agents and employees, Developer and any contractor or subcontractor performing work covered by this Agreement from claims for damage for personal injury, including death, as well as from claims for property damage which may arise from Developer's or any contractors' or subcontractors' operations hereunder, whether such operations are by Developer or any contractor or subcontractor, and the amounts of such insurance shall be as follows:

(A.1.) **COMMERCIAL GENERAL LIABILITY INSURANCE.** Developer and any contractor shall provide bodily injury liability limits of not less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each person and Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each accident or occurrence, and property damage liability limits of not less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) for claims which may arise from the operations of the Developer in the performance of the work hereunder provided, OR combined single limits of Five Hundred Thousand and no/100 Dollars (\$500,000.00) therefore. This insurance must include coverage for contractual liability assumed by the Developer pursuant to Section 9 of this Agreement. Said policy shall contain a standard form of cross liability endorsement policy, that insures the City, its elective and appointive boards, commissions, officers, agents and employees, Developer, and any contractor or subcontractor performing work covered by this Agreement.

(A.2.) **AUTOMOBILE LIABILITY INSURANCE.** For all vehicles used in the performance of this Agreement, Developer and any contractor shall provide bodily injury liability limits of not less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each person and Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each accident or occurrence, and property damage liability limits of not less than Five Hundred Thousand and no/100 Dollars (\$500,000.00) for each accident or occurrence which may arise from the operations of the Developer in performing the work provided for herein, OR combined single limits of Five Hundred Thousand and no/100 Dollars (\$500,000.00) therefore. Said policy shall contain a standard form of cross liability endorsement policy, that insures the City, its elective and appointive boards, commissions, officers, agents and employees, Developer, and any contractor or subcontractor performing work covered by this Agreement.

(B) **WORKER'S COMPENSATION INSURANCE.** Developer and any contractor shall maintain Worker's Compensation Insurance during the life of this Agreement, with an insurance company licensed to provide such insurance in California for all employees employed by either at the site of improvement, and in case any work is sublet, they shall require any contractor or subcontractor similarly to provide Worker's Compensation Insurance for all contractors' or subcontractors' employees. In case any class of employees engaged in work under this Agreement at the site of the project is not protected under any Worker's Compensation Law, Developer and any contractor shall provide and shall cause each subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer and any contractor hereby indemnify City for any damages resulting to it from failure of either Developer or any contractor or subcontractor to take out or maintain such insurance.

11. BOND REQUIREMENTS. Developer shall submit bonds with this Agreement as satisfactory evidence of the bonds required, and evidence that each carrier is required to give City at least thirty (30) days prior notice of cancellation or reduction in coverage of any bond during the effective period of this Agreement, and any extension thereto. All bonds are to be originals, showing policy numbers, expiration dates, and local underwriter's name and address. No binders, riders, or carbon copies will be accepted.

12. WORK HOURS. Working hours will only be between 7:00 a.m. and 7:00 p.m. Monday through Friday. The Developer shall submit a written request to the City Engineer, in advance, for authorization to work on weekends and/or holidays. The cost of the inspector's overtime salary plus twenty (20) percent shall be paid for by the Developer, prior to acceptance of the Project.

13. DUST CONTROL. Contractor shall control the dust resulting from the construction of this Project regardless of whether it is the result of contractor's operation or caused by public traffic only.

14. VIDEO INSPECTION OF STORM DRAINS. Upon completion of storm drains and written notification by the City Engineer, the Developer shall deliver to the City a video recording of all the storm drains to the City's satisfaction and provide a DVD disk to the City. This cost shall be borne by Developer.

15. AS-BUILT PLANS. The applicant's contractor shall maintain one set of full size, approved plans and mark thereon any deviations from plan dimensions, elevations or orientations. Marked plans shall be updated weekly and shall be available to the City for review when requested. Revisions to the plans shall be done in black ink. They shall be clouded and a delta or a note placed next to the clouding that indicates that the change was done as the plans were being "as-built." As-built plans shall be maintained for all approved improvement plans, including but not limited to, grading, retaining wall, drainage, utility, roadway, landscape and irrigation plans.

Any differences in elevations of gravity pipe inverts at manholes, inlets, drainage swales and detention facilities from the elevations shown on the plans shall be recorded on the as-built plans.

Upon completion of the landscape and irrigation improvements that shall be owned and maintained by the City, the applicant's landscape and irrigation contractors shall meet with City staff to develop accurate as-built plans.

Prior to final acceptance of the project by the City, the applicant shall provide the City with a copy of the marked plans for review. After the City has approved the marked plans, the applicant shall submit a reproducible copy to the City. The plans shall be on vellum or mylar and each sheet shall be identified by an "as-built" or "record drawing" stamp.

15.1. COMPLIANCE WITH LAWS AND REGULATIONS. Developer shall obey all laws in performing its obligations under this Agreement.

(A) In the design and construction of all improvements set forth in the Improvement plans, the Developer shall comply fully with all applicable disabled-accessibility laws, regulations, and guidelines under local, state, and federal law, including but not limited to, regulations and guidelines promulgated under the Americans with Disabilities Act ("ADA"), Federal Fair Housing Act and California Building Standards Disability Access Guidelines (Title 24 of the California Code of Regulations). Where an apparent conflict exists between applicable regulations, guidelines, and/or portions of this Agreement, the more restrictive requirement shall control so as to provide better access.

(B) Developer shall defend, indemnify and hold the City of Watsonville harmless for all claims, damages, or injuries asserted against the City of Watsonville, its elected officials, employees, and agents related to any assertions related to whether this project fails to comply with any such law.

16. LOCATION OF STORAGE AND CONSTRUCTION YARD. Developer shall locate any construction yard for the storage of equipment, vehicles, supplies, and materials, or the preparation or fabrication thereof, to be used in connection with the installation of improvements for the Project or the construction of buildings therein, in such manner so as to cause a minimum of inconvenience to persons living in the area immediately adjacent to the Project, and to obtain the approval of the City Engineer to the proposed location of the yard. Immediately upon completion of the final building to be constructed in the Project, or unit thereof to which this Agreement refers, Developer shall cease using the construction yard and shall remove therefrom all supplies, materials, equipment or vehicles being stored or kept thereon; Developer further shall not use the construction yard for construction of buildings in any other project or unit of a project to which this Agreement refers. The city may extend the time within which supplies, materials, equipment or vehicles may be stored or kept therein if City shall determine that the granting of such extension will not be detrimental to the public welfare. No extension will be made except on

the basis of a written application made by Developer, stating fully the grounds and facts relied upon for such extension. No storage of materials shall be permitted on any public right of way.

17. INCORPORATION OF USE PERMIT AND TENTATIVE MAP PERMIT CONDITIONS. Pursuant to the provisions of Resolution No. 211-21 (CM) approving the Major Modification to the Special Use Permit with Design Review & Specific Development Plan, and Resolution No. 210-21 approving a First Amended Tentative Map, the Developer affirms that the conditions and restrictions set forth in said resolutions shall be applicable to this Agreement and by such reference the conditions and restrictions are incorporated herein, and shall be placed on the plans submitted for all building permit applications.

18. PERFORMANCE BY CITY. It is understood that should Developer fail to construct any or all of the improvements as herein provided, the City may construct or cause to construct such improvements not completed under this Agreement. The City may draw against any of the securities mentioned herein for payment of any labor and/or materials expended to fulfill this Agreement.

19. PERMITS; COMPLIANCE WITH LAW. Developer shall, at Developer's expense, obtain all necessary permits and licenses for the construction of such improvements, give all necessary notices, and pay all fees and taxes required by law.

(A) After City Council approval of this Improvement Agreement and prior to starting construction, Developer's contractor shall obtain an On/Offsite Permit for the proposed improvements. Contractor shall provide an insurance certificate meeting the requirements of the insurance coverages described in this Agreement.

20. PRECONSTRUCTION MEETING. Prior to starting construction of the improvements described in this Agreement, Developer shall hold a preconstruction meeting at the Community Development Department. Developer shall schedule the meeting. Participants shall include the Developer, the Owner, the General Contractor, the Project Engineer, the Soils Engineer and representatives of any Testing Agencies involved with the project.

21. INSPECTION BY CITY. Developer shall at all times maintain proper facilities and provide safe access for inspection by City, to all parts of the work and to shops wherein the work is in preparation. All improvements are subject to inspection by City, and provisions shall be made therefore for a period of twelve (12) months after acceptance by City.

22. DEVELOPER NOT AGENT OF CITY. Neither Developer nor any of Developer's agents or contractors are or shall be considered to be agents of City in connection with the performance of Developer's obligation under this Agreement.

23. NOTICE OF BREACH AND DEFAULT. If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extensions thereof, or fails to obtain completion of the work within such time, or if the Developer should be adjudged as bankrupt, or Developer shall make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency or if Developer or any of Developer's contractors, subcontractors, agents or employees should violate any of the provisions of this Agreement, Public Works and Utilities Director, City Engineer or the City Council may serve written notice upon

Developer and Developer's surety of breach of this Agreement of any portion thereof, and default of Developer.

24. BREACH OF AGREEMENT: PERFORMANCE BY SURETY OR CITY. In the event of any such notice, Developer's performance surety shall have the duty to take over and complete the work in the improvement herein specified; provided, however, that if the surety, within five (5) days of the serving upon it of such notice of breach, does not give City written notice of its intention to take over the performance of the contract, and does not commence performance thereof within (5) days after notice to City of such elections, City may take over the work and prosecute the same to completion, by contract or by any other method the City may deem necessary, for the account and at the expense of Developer, and Developer's surety shall be liable to City for any excess cost of damages occasioned City thereby; in such events City, without liability for so doing may take possession of and utilize in completing the work such materials, appliances, plants and other property belonging to the Developer as may be on the site of the work necessary therefore.

25. BREACH OF AGREEMENT: LEGAL EXPENSES TO CITY. In the event a court action or arbitration is filed to enforce the terms of this Agreement, or to obtain relief by way of damages arising from default in the performance thereof, the prevailing party shall be awarded reasonable attorneys' fees and the cost of expert witnesses' as additional damages.

26. BINDING ON SUCCESSORS AND ASSIGNS. This Agreement shall run with the land and be binding upon the successors and assignees of each of the parties. Developer shall inform potential buyers of the obligations on successors and assignees created by this paragraph. Developer shall provide copies of this executed Agreement to those potential buyers. Developer is advised that the sale of all or part of the lands of the underlying Project does not automatically transfer from the Developer of the land the security obligations of this Agreement. Those security obligations attach to Developer until all obligations of Developer under this Agreement are fulfilled or transferred by substitution of a replacement agreement and replacement securities acceptable to the City.

27. NOTICES. All notices herein required shall be in writing and delivered in person or sent by registered mail, postage prepaid. Notices required to be given to City shall be addressed as follows:

City Clerk
City of Watsonville
275 Main Street, 4th floor
Watsonville, CA 95076

Notices required to be given to the Developer shall be addressed as follows:

LANDCO HILLCREST, LLC
Twenty Park Road
Burlingame, California 94010
Attn: Mark Lester

28. WAIVERS. Any waiver by City or Developer of any breach of any provision of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or any other provision hereof. Failure on the part of City or Developer to require exact, full and complete compliance with any of the provisions of this Agreement shall not be construed as in any manner changing the terms hereof or estopping City or Developer from enforcing this Agreement.

29. SEVERABILITY. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

30. JURISDICTION AND VENUE. This Agreement is to be construed in accordance with the laws of the State of California. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in Santa Cruz County, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

31. NO THIRD PARTY BENEFICIARIES. This Agreement is made and entered into for the sole protection and benefit of the parties hereto. No other person or entity shall have any right of action based upon the provisions of this Agreement. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement

32. FINAL EXPRESSION. This Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be amended or modified only upon the written consent of the parties hereto.

33. WRITING. No alternation or variation of the terms of this Agreement shall be valid unless made in writing and signed by both parties and no oral understanding or agreement not incorporated herein shall be binding on either party hereto.

34. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

35. ATTACHMENTS HERETO. The following checked items are either attached hereto or made a part hereof by reference:

- List of Development Fees and Charges (Attachment A)
- Engineer's Estimate (Attachment B)

Please note: Certificate of Insurance and Insurance Endorsements (Shall be provided per "Section 10. Insurance" of this Improvement Agreement.)

SIGNATURES FOLLOW ON PAGE 11

IN WITNESS WHEREOF, the parties have hereto executed this Public Improvement Agreement on the day and year first herein above written:

ATTEST:

CITY OF WATSONVILLE
A Municipal Corporation

City Clerk

City Manager

APPROVED AS TO FORM:

DEVELOPER

City Attorney

LANDCO HILLCREST, LLC
a California limited liability company

By: _____

Its: _____

**City of Watsonville – 275 Main Street, 4th Floor – Watsonville CA 95076
FEE SHEET – IMPROVEMENT AGREEMENT – ATTACHMENT A**

Developer’s name: LANDCO Hillcrest, LLC
 Address: Twenty Park Road
 Burlingame, CA 94010
 Project Location: 511 Ohlone Parkway
 Watsonville CA 95076
 Project Name: Hillcrest Stage No. 1

CHECKLIST OF ITEMS REQUIRED

- √ Two signed copies of Agreement
- Improvement plan originals
- √ Four sets of improvement plans
- √ Final Map original
- √ Final Map reduced to 8-1/2” x 11”
- Street grant deeds
- Easement deeds
- √ Faithful Performance bond
- √ Labor & Material bond
- √ Defective Materials & Workmanship (Warranty) bond
- √ Monument deposit
- √ Clean-up deposit
- √ Certificate of Insurance
- √ Insurance Endorsements

FEE SCHEDULE

The following estimated costs and fees for the above project are subject to plans reviewed or discussed. Estimated costs cannot be construed as binding on the City. Any change in plans will effect these costs and fees. Please verify estimated costs at the time you are ready for Agreement acceptance. The City Revenue Account is in parenthesis.

A. Engineering Services (5203) =	\$ 64,313.00
B. Inspection (5206)	\$ 29,225.00
C. Permit Fees (5211)	\$ 777.00
D. Soil Testing	\$ --
E. Grading/Erosion Control	\$ --
F. Payback Agreements	--
Sub Total Fees (A-F)	\$ 94,315.00
G. Impact Fees*	\$574,048.79
H. Water Fees & charges*	\$107,578.36
Sub Total (Fees G & H*)	\$681,627.15
TOTAL FEES	\$775,942.15

Note: All bonds and certificates to be originals, showing policy numbers, expiration dates, and local underwriter’s name and address. No binders, riders, or carbon copies will be accepted.

*Note: Impact Fees and Water Fees and Charges shall be payable with building permits.

ALL CERTIFICATES OF INSURANCE TO HAVE A 30-DAY NOTICE OF CANCELLATION.

Prepared by: David Caneer
 Updated: 11/15/22

Please make check payable to City of Watsonville.

Property Owner: LANDCO HILLCREST, LLC
 Address: Twenty Park Road
 Burlingame, California 94010
 Phone #: (650) 638-0900
 APN: 018-372-14 & 018-381-01
 Type of Project: Stage 1 Improvements for a Residential Subdivision
 Number of Units: 27 Lots

Project Name: Hillcrest Stage No. 1

<u>Item</u>	<u>Amount Due</u>	<u>Item</u>	<u>Amount Due</u>
A. Engineering Services (Plan Check)	\$ 64,313.00	Public Facilities Impact Fee (5362) =	\$ 24,181.60
Improvement plan & CC&R's check =	\$ 41,471.00	Fire Impact Fee (5361) =	\$ 29,430.00
Drainage Study review =	\$ 1,050.00	Watsonville Public Art Program Allocation Fee =	\$ 75,000.00
MWELo review =	\$ 140.00	Affordable Housing Impact Fee (5304) =	\$ N/A
Structural review =	\$ 1,150.00	Sewer Connection Fee (5364) =	\$ 59,681.07
Addressing fee =	\$ 350.00	Groundwater Impact Fee (5312) =	\$ 41,173.11
Final Map review fees =	\$ 3,110.00	H. Water Fees & Charges*	\$107,578.36
Final Map recordation =	\$ 356.00	Water Connection (5313)	\$ 79,978.36
Subdivision Agreement Preparation =	\$ 10,461.00	Meter Fees (5266)	<u>\$ 27,600.00</u>
Map Processing =	\$ 6,225.00	Total due	\$775,942.15
		Previously paid	\$ --
		Balance due	\$775,942.15
B. Inspection			
Inspection fee (5206) =	\$ 29,225.00		
C. Encroachment Permit Fees	\$ 777.00		
D. Soils Testing	\$ (1)		
E. Grading/Erosion Control	\$ (2)		
F. Payback Agreements	None		
G. Impact Fees*	\$574,048.79		
Impervious surface =	\$ 41,350.00		
Storm drain (5365) =	\$ 18,923.01		
Underground in lieu fee (5284)=	\$ N/A		
City Wide Traffic Impact Fee (5360) =	\$ 59,130.00		
Community Centers and Recreation Facilities Impact Fees =	\$ 15,795.00		
Park Improvement Impact Fee =	\$114,831.00		
Park Land Impact Fee =	\$ 94,554.00		

*NOTE: Impact fees for Affordable Housing, Fire, Groundwater, Recreation and Parks, Traffic and Public Facilities shall be payable with building permits. Sewer and water connection and water construction fees shall be payable with building permits.

(1) Soil testing paid by applicant per the Engineer Special Inspection and Testing Agreement.

(2) Included with Engineering Services.

Attachment B - Engineer's Estimate

****Opinion of Probable Cost****
 Off-Site

Job Number: 20-021
 Job Name: Hillcrest Subdivision - Stage 1

Estimate Date: 4-Nov-22
 By: DMR

SITE PREPARATION & GRADING	Quantity		Unit Cost	Item Total	Contingency
<u>Contractor Mobilization</u>					
Mobilization (Included in offsite)	1	LS	\$ 15,000.00	\$ 15,000.00	√
Temporary Facilities & Utilities (Included in offsite)	1	LS	\$ 7,500.00	\$ 7,500.00	√
Traffic Control (Included in offsite)	1	LS	\$ 15,000.00	\$ 15,000.00	√
Contractor Mobilization Subtotal				\$ 37,500.00	
<u>Demolition/Removal (included in offsite)</u>					
Pavement -Asphalt, 3" (inc. Sawcut)	250	SF	\$ 5.00	\$ 1,250.00	√
Curb & Gutter	58	LF	\$ 10.00	\$ 580.00	√
Concrete (Driveway & Sidewalk)	0	SF	\$ 5.00	\$ -	√
Temporary Erosion Control (included in remediation)	1	LS	\$ 5,000.00	\$ 5,000.00	√
Fence	100	LF	\$ 3.00	\$ 300.00	√
Sound Wall	65	LF	\$ 5.00	\$ 325.00	√
Concrete V-Ditch	64	LF	\$ 8.00	\$ 512.00	√
Retaining Wall	0	LF	\$ 5.00	\$ -	√
Demolition/Removal Subtotal				\$ 7,967.00	
<u>Grading</u>					
Grading- included im rough grading & Remediation	0	CY	\$ 25.00	\$ -	√
Rough Grading Subtotal				\$ -	
SITE PREPARATION & GRADING Subtotal :				\$ 45,467.00	
Contingencies:					
SITE PREPARATION & GRADING Total :				\$ 45,467.00	
SANITARY SEWERS	Quantity		Unit Cost	Item Total	Contingency
<u>Laterals</u>					
6" SDR-26 PVC	0	LF	80.00	\$ -	√
Mains Subtotal				\$ -	
<u>Miscellaneous</u>					
Cleanouts	0	EA	500.00	\$ -	√
Mains Subtotal				\$ -	
SANITARY SEWERS Subtotal :				\$ -	
Contingencies:				\$ -	
SANITARY SEWERS Total :				\$ -	
WATER DISTRIBUTION	Quantity		Unit Cost	Item Total	Contingency
<u>Miscellaneous</u>					
Meter Box	0	EA	\$ 250.00	\$ -	√
Water Service 8" C900 Main	185	LF	\$ 45.00	\$ 8,325.00	√
Miscellaneous Subtotal				\$ 8,325.00	
<u>Special Assemblies</u>					
Hot Tap Connecton	1	EA	\$ 5,000.00	\$ 5,000.00	√
Gate Valve	3	EA	\$ 1,000.00	\$ 3,000.00	√
Special Assemblies Subtotal				\$ 8,000.00	
WATER DISTRIBUTION Subtotal :				\$ 16,325.00	
Contingencies:				\$ -	
WATER DISTRIBUTION Total :				\$ 16,325.00	

STORM DRAINAGE	Quantity	Unit Cost	Item Total	Contingency
<u>Main Lines and Structures</u>				
12" RCP	55 LF	\$ 150.00	\$ 8,250.00	√
Stanard Manholes	1 EA	\$ 5,000.00	\$ 5,000.00	√
4x4 Filterra Unit (curb inlet)	2 EA	\$ 12,000.00	\$ 24,000.00	√
Junction Box	1 EA	\$ 3,000.00	\$ 3,000.00	√
Main Lines Subtotal			\$ 40,250.00	
			STORM DRAINAGE Subtotal: \$	40,250.00
			Contingencies: \$	-
			STORM DRAINAGE Total: \$	40,250.00

UTILITY RELOCATIONS	Quantity	Unit Cost	Item Total	Contingency
<u>Underground Electric & Traffic</u>				
Joint Trench (Ohlone and Loma Vista)	765 LF	\$ 150.00	\$ 114,750.00	√
Electric and Gas Connections	1 LS	\$ 10,000.00	\$ 10,000.00	√
Subtotal			\$ 124,750.00	
			UTILITY RELOCATION Subtotal: \$	124,750.00
			Contingencies: \$	-
			UTILITY RELOCATION Total: \$	124,750.00

ROADWAY/SITE IMPROVEMENTS	Quantity	Unit Cost	Item Total	Contingency
<u>Pavements/ Site Improvements</u>				
6" PCC Curb and Gutter	345 LF	\$ 100.00	\$ 34,500.00	√
Curb Ramp	1 EA	\$ 4,500.00	\$ 4,500.00	√
PCC Sidewalk	800 SF	\$ 30.00	\$ 24,000.00	√
Asphalt (5"AC)	7,697 SF	\$ 12.00	\$ 92,364.00	√
12" Class II AB @ 95% R.C.	285 CY	\$ 40.00	\$ 11,400.00	√
Retaining Wall "B"	148 LF	\$ 400.00	\$ 59,200.00	√
New & Replace/relocate impacted signage and striping	1 LS	\$ 7,500.00	\$ 7,500.00	√
Pavements Subtotal			\$ 233,464.00	
			ROADWAY/STREET IMPROVEMENTS Subtotal: \$	233,464.00
			Contingencies: \$	-
			ROADWAY/STREET IMPROVEMENTS Total: \$	233,464.00

***MAJOR CATEGORY TOTALS (Does not include Contingency Costs) ***

Site Preparation and Grading	\$ 45,467.00
Sanitary Sewers	\$ -
Water Distribution	\$ 16,325.00
Storm Drainage	\$ 40,250.00
Electrical	\$ 124,750.00
Roadway/Street Improvements	\$ 233,464.00

TOTAL COST WITHOUT CONTINGENCIES \$ 460,256.00

***SUMMARY (Including Contingency Costs) ***

TOTAL COST SUBJECT TO CONTINGENCY	\$ 460,256.00
OVERHEAD: 5%	\$ 23,012.80
PROFIT: 5%	\$ 23,012.80
CONTINGENCIES: 15%	\$ 69,038.40
TOTAL ESTIMATED CONSTRUCTION COST:	\$ 575,320.00

NOTES

Since Ramsey Civil Engineering, Inc., has no control over the cost of labor, materials, or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, our opinions of probable project cost or construction cost provided herein are to be made on the basis of our experience and qualifications and represent our best judgment as design professionals familiar with the construction industry, but Ramsey Civil Engineering, Inc., cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by the firm

****Opinion of Probable Cost****

On-Site

Job Number: 20-021
 Job Name: Hillcrest Subdivision- Stage 1

Estimate Date: 4-Nov-22
 By: DMR

SITE PREPARATION & GRADING	Quantity		Unit Cost	Item Total	Contingency
<u>Contractor Mobilization</u>					
Mobilization (Included in offsite)	0	LS	\$ 10,000.00	\$ -	√
Temporary Facilities & Utilities (Included in offsite)	0	LS	\$ 7,500.00	\$ -	√
Traffic Control (Included in offsite)	0	LS	\$ 10,000.00	\$ -	√
Contractor Mobilization Subtotal				\$ -	
<u>Grading (R&RG = Remediation & Rough Grading)</u>					
Strippings (Completed as part of R&RG Plan)	0	CY	\$ 24.00	\$ -	√
Mass Grading (Completed as part of R&RG Plan)	0	CY	\$ 25.00	\$ -	√
Erosion Prevention & Sediment Control	1	LS	\$ 20,000.00	\$ 20,000.00	√
Fine Grading	1	LS	\$ 20,000.00	\$ 20,000.00	√
Re-grade Existing Basin	2	EA	\$ 6,000.00	\$ 12,000.00	√
Rough Grading Subtotal				\$ 52,000.00	
<i>SITE PREPARATION & GRADING Subtotal :</i>				\$ 52,000.00	
<i>Contingencies:</i>				--	
SITE PREPARATION & GRADING Total :				\$ 52,000.00	
SANITARY SEWERS	Quantity		Unit Cost	Item Total	Contingency
<u>Pipes</u>					
8" SDR-26 PVC Sewer Main	1700	LF	100.00	\$ 170,000.00	√
4" SDR-26 PVC	1240	LF	60.00	\$ 74,400.00	√
Mains Subtotal				\$ 244,400.00	
<u>Miscellaneous</u>					
Manholes (Standard) w/ frame and cover	6	EA	5,000.00	\$ 30,000.00	√
Manholes (Deep (+12')) w/ frame and cover	6	EA	8,000.00	\$ 48,000.00	√
Cleanouts	33	EA	1,000.00	\$ 33,000.00	√
Miscellaneous Subtotal				\$ 111,000.00	
<i>SANITARY SEWERS Subtotal :</i>				\$ 355,400.00	
<i>Contingencies:</i>				\$ -	
SANITARY SEWERS Total :				\$ 355,400.00	
WATER DISTRIBUTION	Quantity		Unit Cost	Item Total	Contingency
<u>Pipes</u>					
8" C900 Water Main	1611	LF	\$ 100.00	\$ 161,100.00	√
Water Laterals (Meter to units)	900	LF	\$ 50.00	\$ 45,000.00	√
Pipes Subtotal				\$ 206,100.00	
<u>Miscellaneous</u>					
Meters & Assemblies	28	EA	\$ 1,500.00	\$ 42,000.00	√
Irrigation Backflow Device	1	EA	\$ 1,200.00	\$ 1,200.00	√
Fire Hydrant	1	EA	\$ 5,000.00	\$ 5,000.00	√
Air-Release Valve	3	EA	\$ 3,000.00	\$ 9,000.00	√
Blow-off Assembly	2	EA	\$ 3,000.00	\$ 6,000.00	√
Miscellaneous Subtotal				\$ 63,200.00	
<i>WATER DISTRIBUTION Subtotal :</i>				\$ 269,300.00	
<i>Contingencies:</i>				\$ -	
WATER DISTRIBUTION Total :				\$ 269,300.00	

STORM DRAINAGE	Quantity	Unit Cost	Item Total	Contingency
<u>Main Lines and Structures</u>				
3" PVC (Thru-Curb Drains)	100	LF \$ 40.00	\$ 4,000.00	√
6" HDPE	452	LF \$ 45.00	\$ 20,340.00	√
8" HDPE	263	LF \$ 50.00	\$ 13,150.00	√
10" HDPE	31	LF \$ 55.00	\$ 1,705.00	√
12" HDPE	375	LF \$ 60.00	\$ 22,500.00	√
18" HDPE	590	LF \$ 125.00	\$ 73,750.00	√
24" RCP	174	LF \$ 125.00	\$ 21,750.00	√
72" CMP	396	LF \$ 400.00	\$ 158,400.00	√
Main Lines Subtotal			\$ 315,595.00	
<u>Miscellaneous</u>				
Standard Manhole	5	EA \$ 5,000.00	\$ 25,000.00	√
Deep Manhole (+6')	4	EA \$ 6,500.00	\$ 26,000.00	√
Manway Riser (SCM-1 & 2)	4	EA \$ 1,500.00	\$ 6,000.00	√
12" NDS Drain inlet	19	EA \$ 750.00	\$ 14,250.00	√
4x4 Filterra Unit	3	EA \$ 10,000.00	\$ 30,000.00	√
4x4.5 Filterra Unit	2	EA \$ 11,500.00	\$ 23,000.00	√
6x6 Filterra Unit	4	EA \$ 13,000.00	\$ 52,000.00	√
Christy V12 drain inlet	10	EA \$ 2,500.00	\$ 25,000.00	√
Low-Lying Landscaped Area	2	EA \$ 500.00	\$ 1,000.00	√
Concrete Flared End Section	2	EA \$ 1,200.00	\$ 2,400.00	√
Outfall Apron/ Sonotube Willows	2	EA \$ 5,000.00	\$ 10,000.00	√
Miscellaneous Subtotal			\$ 214,650.00	
<i>STORM DRAINAGE Subtotal:</i>				\$ 530,245.00
<i>Contingencies:</i>				\$ -
STORM DRAINAGE Total:				\$ 530,245.00
UTILITY RELOCATIONS	Quantity	Unit Cost	Item Total	Contingency
<u>Underground Electric & Traffic</u>				
PG&E Application	1	EA \$ 2,500.00	\$ 2,500.00	√
Joint Trench	1275	LF \$ 150.00	\$ 191,250.00	√
Unit Services	27	EA \$ 500.00	\$ 13,500.00	√
Street Lights	10	EA \$ 10,000.00	\$ 100,000.00	√
Pull Boxes	4	EA \$ 500.00	\$ 2,000.00	√
Transformers	4	EA \$ 10,000.00	\$ 40,000.00	√
Subtotal			\$ 349,250.00	
<i>UTILITY RELOCATION Subtotal:</i>				\$ 349,250.00
<i>Contingencies:</i>				\$ -
UTILITY RELOCATION Total:				\$ 349,250.00
ROADWAY/SITE IMPROVEMENTS	Quantity	Unit Cost	Item Total	Contingency
<u>Pavements</u>				
6" PCC Vertical Curb	775	LF \$ 60.00	\$ 46,500.00	√
Asphalt (3" AC section/10" AB)	31163	SF \$ 8.00	\$ 249,304.00	√
Concrete Driveway (6" PCC/ 6" CLASS II AB)	4044	SF \$ 50.00	\$ 202,200.00	√
Concrete Valley Gutter	1245	SF \$ 40.00	\$ 49,800.00	√
Curb Ramp	4	EA \$ 4,500.00	\$ 18,000.00	√
DG Pathway	1081	SF \$ 5.00	\$ 5,405.00	√
Emergency Access Gate	1	EA \$ 5,000.00	\$ 5,000.00	√
Gravel Roadway Section (12" Class II AB)	318	SF \$ 5.00	\$ 1,590.00	√
Paint Striping	798	LF \$ 2.00	\$ 1,596.00	√
PCC Sidewalk	6190	SF \$ 30.00	\$ 185,700.00	√
Rolled Curb & Gutter	1094	LF \$ 80.00	\$ 87,520.00	√
Signs (Street, Parking, Stop)	14	EA \$ 45.00	\$ 630.00	√
Pavements Subtotal			\$ 853,245.00	
<u>Site Improvements & Landscaping</u>				
6' High board on fencing	425	LF \$ 45.00	\$ 19,125.00	√
6' Bench to be selected	1	EA \$ 1,400.00	\$ 1,400.00	√
Fitness Stations	5	EA \$ 6,500.00	\$ 32,500.00	√
Irrigation Controller	1	EA \$ 3,000.00	\$ 3,000.00	√
Soil Click Sensors	1	EA \$ 400.00	\$ 400.00	√
Rain Sensors	1	EA \$ 75.00	\$ 75.00	√
Ball Valves	1	EA \$ 75.00	\$ 75.00	√
Mainline Irrigation Pipe	980	LF \$ 6.50	\$ 6,370.00	√
Lateral Irrigation Pipe	180	LF \$ 4.25	\$ 765.00	√
Sleeves	700	LF \$ 4.25	\$ 2,975.00	√
Quick Coupler Valves	7	EA \$ 300.00	\$ 2,100.00	√
Drip Valve/ Regulator/ Filter Assembly	15	EA \$ 135.00	\$ 2,025.00	√
Remote Control Valve (lawn)	1	EA \$ 150.00	\$ 150.00	√
Pop-up Sprinkler Heads	8	EA \$ 8.75	\$ 70.00	√
Drip Emitters	1418	EA \$ 0.75	\$ 1,063.50	√
Valve Boxes (RCV+QC+Ball Valve)	23	EA \$ 225.00	\$ 5,175.00	√

Drip Tubing	3000	LF	\$	1.25	\$	3,750.00	√
Wire	240	LF	\$	0.50	\$	120.00	√
Soil Prep (for Landscaping)	24163	SF	\$	1.00	\$	24,163.00	√
Lawn	284	SF	\$	2.75	\$	781.00	√
15 Gallon Trees	56	EA	\$	280.00	\$	15,680.00	√
15 Gallon Shrubs	17	EA	\$	60.00	\$	1,020.00	√
5 Gallon Shrubs	446	EA	\$	60.00	\$	26,760.00	√
1 Gallon Shrubs	122	EA	\$	28.00	\$	3,416.00	√
Mulch	251	CY	\$	70.00	\$	17,570.00	√
Retaining Curb	242	LF	\$	50.00	\$	12,100.00	√
Site Improvements & Landscaping Subtotal					\$	182,628.50	

ROADWAY/SITE IMPROVEMENTS Subtotal: \$ 1,035,873.50

Contingencies: \$ -

ROADWAY/STREET IMPROVEMENTS Total: \$ 1,035,873.50

*****MAJOR CATEGORY TOTALS (Does not include Contingency Costs) *****

Site Preparation and Grading	\$	52,000.00
Sanitary Sewers	\$	355,400.00
Water Distribution	\$	269,300.00
Storm Drainage	\$	530,245.00
Electrical	\$	349,250.00
Roadway/Site Improvements & Landscaping	\$	1,035,873.50

TOTAL COST WITHOUT CONTINGENCIES \$ 2,592,068.50

*****SUMMARY (Including Contingency Costs) *****

TOTAL COST SUBJECT TO CONTINGENCY	\$	2,592,068.50
OVERHEAD: 5%	\$	129,603.43
PROFIT: 5%	\$	129,603.43
CONTINGENCIES: 15%	\$	388,810.28
TOTAL ESTIMATED CONSTRUCTION COST:	\$	3,240,085.63

NOTES

Since Ramsey Civil Engineering, Inc., has no control over the cost of labor, materials, or equipment, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, our opinions of probable project cost or construction cost provided herein are to be made on the basis of our experience and qualifications and represent our best judgment as design professionals familiar with the construction industry, but Ramsey Civil Engineering, Inc., cannot and does not guarantee that proposals, bids, or the construction cost will not vary from opinions of probable cost prepared by the firm