

**CITY OF WATSONVILLE  
IMPROVEMENT AGREEMENT FOR TRACT NUMBER 1607,  
HILLCREST, STAGES 2 THROUGH 5**

**THIS IMPROVEMENT AGREEMENT (“Agreement”)**, is made and entered as of \_\_\_\_\_, 2025, 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**, 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 an approximately 13 acre site located at 511 Ohlone Parkway, Watsonville, California (APN 018-372-14 and 018-381-01 (hereinafter called the “**Project**”));

**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;

**WHEREAS**, on April 26, 2022, the City Council of the City of Watsonville adopted Ordinance No 1431-22 (CM) approving a development agreement (“**Development Agreement**”) to allow for the construction of Project to be completed in five stages (“**Stages**”) extending to 2026;

**WHEREAS**, on December 5, 2023, the City Council adopted Resolution No. 241-22 (CM) approving a Public and On-Site Improvement Agreement between the City and Developer and Council Resolution No. 242-22 (CM) approving the Final Subdivision Map for Hillcrest Subdivision Stage 1, Tract 1607 to develop 27 lots (“**Stage 1 Improvement Agreement**”);

**WHEREAS**, the Final Map for Stage 1 (“Tract no. 1607, Hillcrest Stage No. 1”) created lots 84-90 and 94-113 in accordance with the Phasing/Staging Map in Exhibit I to the Development Agreement and was recorded in the Official Records of the County on December 16, 2022 (Serial No. 2022-0033188).

**WHEREAS**, Developer now desires to obtain final map approval for the remainder of the Project (Stages 2-5) for a ten acre portion of the site (APN 018-372-58) (“**Final Map**”), but still intends to stage the release of the residential units;

**WHEREAS**, the Development Agreement, among other things, requires Developer to complete certain public and on-site improvements (as described in Sections 7 and 8 of the Development Agreement) no later than the conclusion of each stage as specified in Exhibit D of the Development Agreement, which is attached hereto as Attachment C and incorporated herein by this reference;

**WHEREAS**, all Stage 1 improvements as specified in Attachment C (Items 1-6) are governed by the **Development Agreement** and the **Stage 1 Improvement Agreement**, and are therefore not discussed in this Agreement.

**WHEREAS**, in order for the City to approve the accelerated **Final Map**, Developer must agree to accelerate the completion of certain improvements necessary for the health and safety of Project residents and the community, all as described in Stage 2 through Stage 5 (Items 6-24) of Attachment C (the **"Improvements"**);

**WHEREAS**, the **Improvements** include the construction of a roundabout and associated pedestrian crossing features at the intersection of Ohlone Parkway and Loma Vista Avenue (the **"Ohlone/Loma Vista Roundabout"**);

**WHEREAS**, Developer has filed with the City certain improvement plans for the Improvements, designated as the Stage Two Improvement Plans For Hillcrest 511 Ohlone Parkway Watsonville, California 95076, APN 018-372-58, prepared by RAMSEY CIVIL ENGINEERING INC, dated March 24, 2025 (the **"Improvement Plans"**);

**WHEREAS**, City has provided Developer with the "Improvement Plans Ohlone Parkway Roundabouts," prepared by Bowman & Williams Consulting Civil Engineers and Land Surveyors, dated February 2, 2024 (**"Roundabout Improvement Plans"**) for the construction of the Ohlone/Loma Vista Roundabout (note that while the Roundabout Improvement Plans describe roundabouts at Ohlone Parkway and Lighthouse Avenue and Ohlone Parkway at Loma Vista Drive, Developer is only required to construct the **Ohlone/Loma Vista Roundabout**); and

**WHEREAS**, the approval of the Final Map is conditioned upon the execution by Developer of this Agreement.

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

1. **PERFORMANCE OF WORK: PLANS AND SPECIFICATIONS.** Developer shall construct, install and furnish at Developer's expense, in a good and workmanlike manner, all **Improvements** according to City improvement standards, and to fulfill all requirements of Title 13 of the Watsonville Municipal Code and the Development Agreement, and all requirements of the soils engineer. Developer shall do all work and furnish all materials necessary to complete the **Improvement Plans and Roundabout 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.
2. **TIMING.** Developer shall do all necessary work to construct and complete the **Improvements**, in accordance with the provisions of the conditions of the Project Approvals, the Development Agreement and this Agreement. All **Improvements** shall be completed to the City's satisfaction by the following milestones:

DA Exhibit D Item #	Improvement Descriptions	Completion Milestone
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6	Storm water requirements	Prior to the issuance of any occupancy permit for Stage 2
7, 12	Nature Trail (Portion Bordering Slough + Remediation Encasement Area)	Prior to the issuance of any occupancy permit for Stage 2
8	Adult Gathering & Bocci Ball Venue (Common Area – C)	Prior to the issuance of any occupancy permit for Stage 2
17	Provide Open Space Exceeding Proportionate Area for Each Phase	Prior to the issuance of any occupancy permit for Stage 2
18	Tree-Lined Streets	Prior to the issuance of any occupancy permit for Stage 2
19	Slough Buffer With 50 Foot Setback	Prior to the issuance of any occupancy permit for Stage 2
9	Errington Road Constructed As Entry Street	Prior to the issuance of any occupancy permit for Stage 3
10	Ohlone/Loma Vista Roundabout	Prior to the issuance of any occupancy permit for Stage 3
11	Community Event Venue & Active Play Area	Prior to the issuance of any occupancy permit for Stage 3
13	Community Garden & Family Venue (Common Area – B)	Prior to the issuance of any occupancy permit for Stage 4
15	Bird Overlook/Common Area “A” ([Common] Area Lot 2 Per Tentative Map)	Prior to the issuance of any occupancy permit for Stage 5

All remaining **Improvements** shall be completed as described in the **Development Agreement** and Attachment C.

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 Securities to cover City's expenses to conduct the work.

4. **PAYMENT OF DEVELOPMENT FEES AND CHARGES.** Processing Fees in Attachment A, attached hereto and incorporated herein by this reference, shall be paid by Developer consistent with the timing provided in Section 3.2 of the Development Agreement. Consistent with Section 3.1 of the Development Agreement, Processing Fees shall not be increased more often than every third (3<sup>rd</sup>) year of the anniversary of the effective date of the Development Agreement. The Processing Fees shall be adjusted, if appropriate, at the time of building permit issuance.

5. **FAITHFUL PERFORMANCE AND LABOR AND MATERIALS SECURITIES.** The securities described in this Section have been calculated based on the estimated Improvement Costs described in the Engineer's Estimate attached hereto as Attachment B and incorporated herein by this reference.

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 ELEVEN MILLION ONE HUNDRED TWENTY-FIVE THOUSAND SIX HUNDRED FIFTY-EIGHT AND 71/100 DOLLARS (\$11,125,658.71) which is 100% of the total estimated cost of the Stage Two Improvements calculated as follows:

Improvement Cost	\$ 11,125,658.71
Bond Amount – 100%	\$ 11,125,658.71

-AND-

B. **LABOR AND MATERIALS (PAYMENT) GUARANTEE.** Developer shall submit with this Agreement a Labor and Materials (Payment) Bond issued by a bonding company with a Standard and Poor's rating of AAA, in the amount of ELEVEN MILLION ONE HUNDRED TWENTY-FIVE THOUSAND SIX HUNDRED FIFTY-EIGHT AND 71/100 DOLLARS (\$ 11,125,658.71), which is 100% of the total estimated cost of the Stage Two Improvements calculated as follows:

Improvement Cost -	\$ 11,125,658.71
Bond Amount – 100%	\$ 11,125,658.71

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

In lieu of such performance bond and labor and material bond specified in this Paragraph 5, Developer may submit to the City a set aside letter from its construction lender, in form and content acceptable to the City, which set aside letter provides that the construction lender has set aside adequate funds in no less than the estimated amount of the Bond Amounts set forth above, and also providing for the draw down of said funds by City to complete the **Improvements** should Developer fail to meet its obligations under this Agreement.

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 ONE MILLION ONE HUNDRED TWELVE THOUSAND FIVE HUNDRED FIVE AND 87/100 DOLLARS (\$1,112,565.87) 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 -	\$ 11,125,658.71
Fund Amount - 10%	\$ 1,112,565.87

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 submit with this Agreement 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 SIXTY-NINE THOUSAND AND 00/100 DOLLARS (\$69,000) which is ONE HUNDRED PERCENT (100%) of the developer's engineering and land surveyor's estimated 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:	\$69,000
Bond amount:	\$69,000

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 submit with this Agreement a deposit in the amount of ONE HUNDRED ELEVEN THOUSAND TWO HUNDRED FIFTY-SIX AND 59/100 Dollars (\$111,256.59) 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 -	\$ 11,125,658.71
Deposit amount - 1%	\$ 111,256.59

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.



**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.

(A.3) **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 applicants' 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.

16. **COMPLIANCE WITH LAWS AND REGULATIONS.** Developer shall obey all laws in performing its obligations under this Section, including:

(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.

17. **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 there from 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.
18. **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.
19. **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, including any set aside letter, for payment of any labor and/or materials expended to fulfill this Agreement.
20. **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. 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.
21. **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.
22. **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.

23. **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.
24. **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, the Public Works and Utilities Director, City Engineer or the City Council may declare a default and serve a written demand upon Developer and Developer's surety or lender(s) of breach of this Agreement or any portion thereof, and default of Developer (the "**Declaration and Demand**").
25. **BREACH OF AGREEMENT: PERFORMANCE BY SURETY OR CITY OR DRAW RIGHT.**
- (A) If the Performance Guarantee required in Section 5 is in the form of a bond, receipt by Developer's performance surety of any such Declaration and Demand as set forth in Section 24 shall obligate the surety to take over and complete the Improvements 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.
- (B) If the Performance Guarantee required in Section 5 is in the form of a set aside letter(s) from Developer's lender(s), receipt by Developer's lender(s) of any such Declaration and Demand as set forth in Section 24 shall constitute an activation of the City's right to receive disbursement (the "**Draw Right**") from Developer's lender(s) of any set-aside funds. Developer's lender shall have the obligation to disburse to City any set aside funds within five (5) days of receipt of such declaration and demand.

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.

26. **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.
27. **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.

28. **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, 4<sup>th</sup> 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

29. **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.
30. **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.
31. **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.
32. **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
33. **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.
34. **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.

35. **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.

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

  X   Processing Fees and Charges (Attachment A)  
  X   Engineer's Estimate (Attachment B)  
  X   Development Agreement Exhibit D

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

**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: \_\_\_\_\_

*Land W. [Signature]*  
*Managing Member*

Its: \_\_\_\_\_

*LANDCO Hillcrest LP, LLC*  
*Managing Member*



**ATTACHMENT A**  
**PROCESSING FEES – IMPROVEMENT AGREEMENT**

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. 2

**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)	= \$ 83,607.00
B. Inspection (5206)	\$ 47,190.00
C. Permit Fees (5211)	\$ 841.00
D. Soil Testing	\$ --
E. Grading/Erosion Control	\$ --
F. Payback Agreements	--
<b>Sub Total Fees (A-F)</b>	<b>\$ 131,638.00</b>
G. Impact Fees*	\$2,465,353.05
H. Water Fees & charges*	\$500,109.48
<b>Sub Total (Fees G &amp; H*)</b>	<b>\$2,965,462.53</b>
<b>TOTAL FEES</b>	<b>\$3,097,100.53</b>

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: 018-372-18  
Type of Project: Stage 2 Improvements for a  
Residential Subdivision  
Number of Units: 117 Lots

**CHECKLIST OF ITEMS REQUIRED**

- √ Two signed copies of Agreement
- √ Improvement plan originals (digital copy)
- √ Improvement plan (full size printed copy)
- √ Final Map original
- √ Final Map original (digital copy)
- √ Final Map (full size printed copy)
- √ 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

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: Murray Fontes  
Updated: 04/03/25

<u>Item</u>	<u>Amount Due</u>
<b>A. Engineering Services (Plan Check)</b>	<b>\$ 83,607.00</b>
Improvement plan & CC&R's check =	\$ 55,139.00
Drainage Study review =	\$ 1,136.00
MWELo review =	\$ 151.00
Structural review =	\$ 1,244.00
Addressing fee =	\$ 363.00
Final Map review fees =	\$ 13,713.00
Final Map recordation =	\$ 385.00
Subdivision Agreement Preparation =	\$ 7,846.00
Map Processing =	\$ 3,630.00
<b>B. Inspection</b>	
Inspection fee (5206) =	<b>\$ 47,190.00</b>
<b>C. Encroachment Permit Fees</b>	<b>\$ 841.00</b>
<b>D. Soils Testing</b>	<b>\$ (1)</b>
<b>E. Grading/Erosion Control</b>	<b>\$ (2)</b>
<b>F. Payback Agreements</b>	<b>None</b>
<b>G. Impact Fees*</b>	<b>\$ 2,465,353.05</b>
Impervious surface =	\$ 86,945.65
Storm drain (5365) =	\$ 92,867.02
Underground in lieu fee (5284)=	\$ N/A
City Wide Traffic Impact Fee (5360) =	\$ 282,030.00
Community Centers and Recreation Facilities Impact Fees =	\$ 85,644.00
Park Improvement Impact Fee =	\$612,972.00
Park Land Impact Fee =	\$512.109.00

<u>Item</u>	<u>Amount Due</u>
Public Facilities Impact Fee (5362) =	\$107,146.00
Fire Impact Fee (5361) =	\$137,943.00
Watsonville Public Art Program Allocation Fee =	\$ 75,000.00
Affordable Housing Impact Fee (5304) =	\$ N/A
Sewer Connection Fee (5364) =	\$279,720.09
Groundwater Impact Fee (5312) =	\$192,976.29
<b>H. Water Fees &amp; Charges*</b>	<b>\$107,578.36</b>
Water Connection (5313)	\$361,464.48
Meter Fees (5266)	<u>\$138,645.00</u>
	\$500,109.48
<b>Total due</b>	<b>\$3,097.100.53</b>
Previously paid	\$ --
<b>Balance due</b>	<b>\$3,097.100.53</b>

\*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.



\*\*\*\*Opinion of Probable Cost\*\*\*\*  
On-Site

Job Number: 20-021

Job Name: Hillcrest Subdivision- Stage 2

Estimate Date: 10-Feb-25  
By: DMR

***SITE PREPARATION & GRADING***	Quantity		Unit Cost	Item Total	Contingency
<u>Contractor Mobilization</u>					
Mobilization	1	LS	\$ 15,000.00	\$ 15,000.00	√
Temporary Facilities & Utilities	1	LS	\$ 7,500.00	\$ 7,500.00	√
Traffic Control	1	LS	\$ 10,000.00	\$ 10,000.00	√
<b>Contractor Mobilization Subtotal</b>				<b>\$ 32,500.00</b>	
<u>Grading (R&amp;RG = Remediation &amp; Rough Grading)</u>					
Strippings-Area= 29,176 sf (Phase 2 Remediation-top 6")	540	CY	\$ 25.00	\$ 13,500.00	√
Mass Grading-Area= 29,176 sf (Phase 2 Remediation- 18" soil removal below strippings)	1621	CY	\$ 50.00	\$ 81,050.00	√
Soil Remediation - Clean Fill import (12"+/- under trail 24"+/- outside trail (1.15 compaction factor applied), includes fabric	1822	CY	\$ 65.00	\$ 118,430.00	√
Perimeter Lot Rough Grading	1	LS	\$ 50,000.00	\$ 50,000.00	√
Erosion Prevention & Sediment Control	1	LS	\$ 20,000.00	\$ 20,000.00	√
Fine Grading	1	LS	\$ 20,000.00	\$ 20,000.00	√
<b>Rough Grading Subtotal</b>				<b>\$ 302,980.00</b>	
SITE PREPARATION & GRADING Subtotal :				\$ 335,480.00	
Contingencies:				-	
<b>SITE PREPARATION &amp; GRADING Total :</b>				<b>\$ 335,480.00</b>	
***SANITARY SEWERS***	Quantity		Unit Cost	Item Total	Contingency
<u>Pipes</u>					
8" SDR-26 PVC Sewer Main	1030	LF	\$ 100.00	\$ 103,000.00	√
4" SDR-26 PVC	1488	LF	\$ 60.00	\$ 89,280.00	√
<b>Mains Subtotal</b>				<b>\$ 192,280.00</b>	
<u>Miscellaneous</u>					
Manholes (Standard) w/ frame and cover	5	EA	\$ 5,000.00	\$ 25,000.00	√
Cleanouts	98	EA	\$ 1,000.00	\$ 98,000.00	√
<b>Miscellaneous Subtotal</b>				<b>\$ 123,000.00</b>	
SANITARY SEWERS Subtotal :				\$ 315,280.00	
Contingencies:				\$ -	
<b>SANITARY SEWERS Total :</b>				<b>\$ 315,280.00</b>	
***WATER DISTRIBUTION***	Quantity		Unit Cost	Item Total	Contingency
<u>Pipes</u>					
8" C900 Water Main	1290	LF	\$ 100.00	\$ 129,000.00	√
Water Laterals (Meter to units)	1731	LF	\$ 50.00	\$ 86,550.00	√
6" Fire Water	30	LF	\$ 75.00	\$ 2,250.00	√
<b>Pipes Subtotal</b>				<b>\$ 217,800.00</b>	
<u>Miscellaneous</u>					
Meters & Assemblies	94	EA	\$ 1,500.00	\$ 141,000.00	√
Fire Hydrant Assembly	2	EA	\$ 5,000.00	\$ 10,000.00	√
Gate Valves	9	EA	\$ 1,200.00	\$ 10,800.00	√
Air-Release Valve	1	EA	\$ 3,000.00	\$ 3,000.00	√
<b>Miscellaneous Subtotal</b>				<b>\$ 164,800.00</b>	
WATER DISTRIBUTION Subtotal :				\$ 382,600.00	
Contingencies:				\$ -	
<b>WATER DISTRIBUTION Total :</b>				<b>\$ 382,600.00</b>	

***STORM DRAINAGE***		Quantity	Unit Cost	Item Total	Contingency
<u>Main Lines and Structures</u>					
4" HDPE	26	LF	\$ 40.00	\$ 1,040.00	✓
6" HDPE	2766	LF	\$ 45.00	\$ 124,470.00	✓
8" HDPE	1457	LF	\$ 50.00	\$ 72,850.00	✓
10" HDPE	126	LF	\$ 55.00	\$ 6,930.00	✓
3" DIP	70	LF	\$ 16.00	\$ 1,120.00	✓
6" DIP	291	LF	\$ 27.00	\$ 7,857.00	✓
8" DIP	59	LF	\$ 31.00	\$ 1,829.00	✓
4" PERF	87	LF	\$ 40.00	\$ 3,480.00	✓
4" x 12" Box Culvert	10	LF	\$ 100.00	\$ 1,000.00	✓
Main Lines Subtotal				\$ 220,576.00	
<u>Miscellaneous</u>					
Standard Manhole	2	EA	\$ 5,000.00	\$ 10,000.00	✓
Storm Drain COTG	17	EA	\$ 1,000.00	\$ 17,000.00	✓
Curb Inlet	4	EA	\$ 3,500.00	\$ 14,000.00	✓
12" Catch Basin	64	EA	\$ 2,500.00	\$ 160,000.00	✓
18" Catch Basin	6	EA	\$ 3,000.00	\$ 18,000.00	✓
24" Catch Basin	8	EA	\$ 4,000.00	\$ 32,000.00	✓
12" Junction Box (standard)	8	EA	\$ 3,750.00	\$ 30,000.00	✓
18" Junction Box	2	EA	\$ 4,000.00	\$ 8,000.00	✓
24" Junction Box	5	EA	\$ 4,250.00	\$ 21,250.00	✓
12" OCS (JB1212)	6	EA	\$ 4,500.00	\$ 27,000.00	✓
4x4 Filterra Unit	4	EA	\$ 10,000.00	\$ 40,000.00	✓
4x6 Filterra Unit	1	EA	\$ 12,000.00	\$ 12,000.00	✓
6x6 Filterra Unit	4	EA	\$ 13,000.00	\$ 52,000.00	✓
8x6 Filterra Unit	1	EA	\$ 15,000.00	\$ 15,000.00	✓
Miscellaneous Subtotal				\$ 456,250.00	
STORM DRAINAGE Subtotal :				\$ 676,826.00	
Contingencies :				\$ -	
STORM DRAINAGE Total :				\$ 676,826.00	
***ELECTRICAL***		Quantity	Unit Cost	Item Total	Contingency
<u>Underground Electric</u>					
PG&E Application	1	EA	\$ 2,500.00	\$ 2,500.00	✓
Joint Trench	2034	LF	\$ 150.00	\$ 305,100.00	✓
Unit Services	117	EA	\$ 500.00	\$ 58,500.00	✓
Street Lights	20	EA	\$ 10,000.00	\$ 200,000.00	✓
Service Boxes	60	EA	\$ 600.00	\$ 36,000.00	✓
Transformers	7	EA	\$ 10,000.00	\$ 70,000.00	✓
Subtotal				\$ 672,100.00	
ELECTRICAL Subtotal:				\$ 672,100.00	
Contingencies:				\$ -	
ELECTRICAL Total:				\$ 672,100.00	
***ROADWAY/SITE IMPROVEMENTS***		Quantity	Unit Cost	Item Total	Contingency
<u>Pavements</u>					
6" PCC Vertical Curb (includes vertical curbs with deepened section)	402	LF	\$ 50.00	\$ 20,100.00	✓
6" PCC & Gutter	923	LF	\$ 75.00	\$ 69,225.00	✓
Rolled Curb & Gutter	800	LF	\$ 75.00	\$ 60,000.00	✓
Flush Curb	1290	LF	\$ 60.00	\$ 77,400.00	✓
Concrete Valley Gutter	3030	SF	\$ 40.00	\$ 121,200.00	✓
Asphalt (3" AC section/10" AB)	29836	SF	\$ 8.00	\$ 238,688.00	✓
PCC Sidewalk (inc. walkways, patios and Steps)	15596	SF	\$ 30.00	\$ 467,880.00	✓
Concrete Vehicular (6" PCC/ 6" CLASS II AB) - (Includes concrete cap over remediation pit)	28204	SF	\$ 50.00	\$ 1,410,200.00	✓
Stamped Concrete Vehicular (6" PCC/ 6" CLASS II AB)	919	SF	\$ 75.00	\$ 68,925.00	✓
Curb Ramp (including Truncated Domes)	4	EA	\$ 4,500.00	\$ 18,000.00	✓
DG Pathway	5277	SF	\$ 5.00	\$ 26,385.00	✓
Truegrid pavers w/12" deep 3/4" gravel rock (Nature Trail)	15561	SF	\$ 12.00	\$ 186,732.00	✓
Paint Striping	730	LF	\$ 2.00	\$ 1,460.00	✓
Pavement markers (blue dot)	2	EA	\$ 100.00	\$ 200.00	✓
Pavement markings	1	LS	\$ 5,250.00	\$ 5,250.00	✓
Signs (Street, Parking, Stop, Mail delivery)	21	EA	\$ 45.00	\$ 945.00	✓
Pavements Subtotal				\$ 2,772,590.00	



Site Improvements & Landscaping

Retaining Wall 'C'	284	LF	\$	400.00	\$	113,600.00	✓
Retaining Wall 'D'	171	LF	\$	400.00	\$	68,400.00	✓
Retaining Wall 'E'	412	LF	\$	400.00	\$	164,800.00	✓
Retaining Wall 'F' (switchback wall)	339	LF	\$	400.00	\$	135,600.00	✓
Retaining Wall 'G'	1056	LF	\$	400.00	\$	422,400.00	✓
Landscape Irrigation (total)	1	LS	\$	191,307.00	\$	191,307.00	✓
Landscape Plantings (total)	1	LS	\$	213,849.00	\$	213,849.00	✓
Recreational Areas (total)	1	LS	\$	542,839.00	\$	542,839.00	✓
Regraded perimeter trail	1161	LF	\$	75.00	\$	87,075.00	✓
Cobble Swales and Discharge Pads	135	CY	\$	150.00	\$	20,250.00	✓
Landscape Walls (av. height ~ 2')	333	LF	\$	50.00	\$	16,650.00	✓
Nature Trail Wall (av. height ~ 2')	51	LF	\$	50.00	\$	2,550.00	✓
Split Rail Fence (along nature trail)	1450	LF	\$	25.00	\$	36,250.00	✓
Drain Rock (Deepened trench)	584	CY	\$	25.00	\$	14,600.00	✓
30 Mil Impermeable Liner (Deepened trench & Trail)	16084	SF	\$	5.00	\$	80,420.00	✓
<b>Site Improvements &amp; Landscaping Subtotal</b>					<b>\$</b>	<b>2,110,590.00</b>	

ROADWAY/SITE IMPROVEMENTS Subtotal: \$ 4,883,180.00

Contingencies: \$ -

**ROADWAY/STREET IMPROVEMENTS Total: \$ 4,883,180.00**

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

Site Preparation and Grading	\$	335,480.00
Sanitary Sewers	\$	315,280.00
Water Distribution	\$	382,600.00
Storm Drainage	\$	676,826.00
Electrical	\$	672,100.00
Roadway/Site Improvements & Landscaping	\$	4,883,180.00

**TOTAL COST WITHOUT CONTINGENCIES \$ 7,265,466.00**

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

TOTAL COST SUBJECT TO CONTINGENCY		\$	7,265,466.00
OVERHEAD: 5%		\$	363,273.30
PROFIT: 3.5%		\$	254,291.31
CONTINGENCIES: 10%		\$	726,546.60
<b>TOTAL ESTIMATED CONSTRUCTION COST:</b>		<b>\$</b>	<b>8,609,577.21</b>

**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\*\*\*\*  
Off-Site -Errington Rd

Job Number: 20-021  
Job Name: Hillcrest Subdivision - Stage 2

Estimate Date: 10-Feb-25  
By: DMR

***SITE PREPARATION & GRADING***	Quantity	Unit Cost	Item Total	Contingency
<u>Contractor Mobilization</u>				
Mobilization (Included in onsite )	0 LS	\$ 15,000.00	\$ -	√
Temporary Facilities & Utilities (Included in onsite)	0 LS	\$ 7,500.00	\$ -	√
Traffic Control	1 LS	\$ 5,000.00	\$ 5,000.00	√
<b>Contractor Mobilization Subtotal</b>			<b>\$ 5,000.00</b>	
<u>Demolition/Removal (included in offsite)</u>				
Pavement -Asphalt, 3" (inc. Sawcut)	52 SF	\$ 10.00	\$ 520.00	√
<b>Demolition/Removal Subtotal</b>			<b>\$ 520.00</b>	
<u>Grading</u>				
Strippings-Area= 11,855 sf (Phase 2 Remediation-top 6")	220 CY	\$ 25.00	\$ 5,500.00	√
Mass Grading-Area= 11,855 sf (Phase 2 Remediation- 18" soil removal below strippings)	659 CY	\$ 50.00	\$ 32,950.00	√
Soil Remediation - Clean Fill import (6,730sf w/1.15 compaction factor applied), Includes fabric	573 CY	\$ 65.00	\$ 37,245.00	√
Soil Remediation - RipRap Keyway (5,125 sf)	1560 CY	\$ 80.00	\$ 124,800.00	√
Grading- (Errington Road Rough Grading)-assumes 1.5' section	372 CY	\$ 25.00	\$ 9,300.00	√
<b>Rough Grading Subtotal</b>			<b>\$ 209,795.00</b>	
SITE PREPARATION & GRADING Subtotal :			\$ 215,315.00	
Contingencies:				
<b>SITE PREPARATION &amp; GRADING Total :</b>			<b>\$ 215,315.00</b>	
***SANITARY SEWERS***	Quantity	Unit Cost	Item Total	Contingency
<u>Laterals</u>				
6" SDR-26 PVC	0 LF	80.00	\$ -	√
<b>Mains Subtotal</b>			<b>\$ -</b>	
<u>Miscellaneous</u>				
Cleanouts	0 EA	500.00	\$ -	√
<b>Mains Subtotal</b>			<b>\$ -</b>	
SANITARY SEWERS Subtotal :			\$ -	
Contingencies:			\$ -	
<b>SANITARY SEWERS Total :</b>			<b>\$ -</b>	
***WATER DISTRIBUTION***	Quantity	Unit Cost	Item Total	Contingency
<u>Miscellaneous</u>				
Meter Box	0 EA	\$ 250.00	\$ -	√
Water Service 8" C900 Main	0 LF	\$ 45.00	\$ -	√
<b>Miscellaneous Subtotal</b>			<b>\$ -</b>	
<u>Special Assemblies</u>				
Hot Tap Connecton	0 EA	\$ 5,000.00	\$ -	√
Gate Valve	0 EA	\$ 1,000.00	\$ -	√
<b>Special Assemblies Subtotal</b>			<b>\$ -</b>	
WATER DISTRIBUTION Subtotal :			\$ -	
Contingencies:			\$ -	
<b>WATER DISTRIBUTION Total :</b>			<b>\$ -</b>	



***STORM DRAINAGE***		Quantity	Unit Cost	Item Total	Contingency
<u>Main Lines and Structures</u>					
6" perf subdrain	23	LF	\$ 45.00	\$ 1,035.00	√
6" HDPE	7	EA	\$ 45.00	\$ 315.00	√
4x4 Filterra Unit (curb inlet)	0	EA	\$ 12,000.00	\$ -	√
Junction Box	1	EA	\$ 3,000.00	\$ 3,000.00	√
<b>Main Lines Subtotal</b>				<b>\$ 4,350.00</b>	
STORM DRAINAGE Subtotal:				\$ 4,350.00	
Contingencies:				\$ -	
<b>STORM DRAINAGE Total:</b>				<b>\$ 4,350.00</b>	
***UTILITY RELOCATIONS***		Quantity	Unit Cost	Item Total	Contingency
<u>Underground Electric &amp; Traffic</u>					
Joint Trench (Ohlone and Loma Vista)	0	LF	\$ 150.00	\$ -	√
Electric and Gas Connections	0	LS	\$ 10,000.00	\$ -	√
<b>Subtotal</b>				<b>\$ -</b>	
UTILITY RELOCATION Subtotal:				\$ -	
Contingencies:				\$ -	
<b>UTILITY RELOCATION Total:</b>				<b>\$ -</b>	
***ROADWAY/SITE IMPROVEMENTS***		Quantity	Unit Cost	Item Total	Contingency
<u>Pavements/ Site Improvements</u>					
6" PCC Curb and Gutter	60	LF	\$ 100.00	\$ 6,000.00	√
6" PCC Vertical Curb	60	LF	\$ 85.00	\$ 5,100.00	
Asphalt (3"AC)	0	SF	\$ 12.00	\$ -	√
10" Class II AB @ 95% R.C.	0	CY	\$ 70.00	\$ -	√
Truegrid with 12" Deep 3/4" crushed drainrock(permeable paving	6609	SF	\$ 12.00	\$ 79,308.00	√
<b>Pavements Subtotal</b>				<b>\$ 90,408.00</b>	
ROADWAY/STREET IMPROVEMENTS Subtotal:				\$ 90,408.00	
Contingencies:				\$ -	
<b>ROADWAY/STREET IMPROVEMENTS Total:</b>				<b>\$ 90,408.00</b>	
***MAJOR CATEGORY TOTALS (Does not include Contingency Costs) ***					
Site Preparation and Grading				\$ 215,315.00	
Sanitary Sewers				\$ -	
Water Distribution				\$ -	
Storm Drainage				\$ 4,350.00	
Electrical				\$ -	
Roadway/Street Improvements				\$ 90,408.00	
<b>TOTAL COST WITHOUT CONTINGENCIES</b>				<b>\$ 310,073.00</b>	
***SUMMARY (Including Contingency Costs) ***					
TOTAL COST SUBJECT TO CONTINGENCY				\$ 310,073.00	
OVERHEAD: 5%				\$ 15,503.65	
PROFIT: 5%				\$ 15,503.65	
CONTINGENCIES: 15%				\$ 46,510.95	
<b>TOTAL ESTIMATED CONSTRUCTION COST:</b>				<b>\$ 387,591.25</b>	

NOTES

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# BOWMAN & WILLIAMS

CONSULTING CIVIL ENGINEERS & LAND SURVEYORS

ESTABLISHED IN 1908, A CALIFORNIA CORPORATION SINCE 1974

3949 RESEARCH PARK COURT, SUITE 100 • SOQUEL, CA 95073

PHONE (831) 426-3560 FAX (831) 426-9182 www.bowmanandwilliams.com

ATTACHMENT B

## ENGINEER'S ESTIMATE OF CONSTRUCTION COST

BOWMAN AND WILLIAMS FILE No. 28503.01

CLIENT: LONE OAK WATSONVILLE, LLC

DATE: DECEMBER 2023

### ROUNDBOUT AT OHLONE PARKWAY & LIGHTHOUSE AVENUE

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENSION
1	MOBOLIZATION	LS	1	\$ 50,000.00	\$ 50,000.00
2	DEMOLITION AND OFFHAUL	LS	1	\$ 70,000.00	\$ 70,000.00
3	EXPORT MATERIAL OFFHAUL	CY	3291	\$ 30.00	\$ 98,730.00
4	ROUGH GRADING	CY	3291	\$ 15.00	\$ 49,365.00
5	ASPHALT CONCRETE 2" OVERLAY	TON	29	\$ 350.00	\$ 10,150.00
6	ASPHALT CONCRETE	TON	727	\$ 350.00	\$ 254,450.00
7	CALTRANS CLASS 2 AGGREGATE BASEROCK	CY	958	\$ 100.00	\$ 95,800.00
8	CALTRANS CLASS 2 AGGREGATE SUB-BASEROCK	CY	947	\$ 100.00	\$ 94,700.00
9	RECOMPACTED SUBGRADE	CY	616	\$ 50.00	\$ 30,800.00
10	CONCRETE SIDEWALK	SF	7363	\$ 15.00	\$ 110,445.00
11	CONCRETE BICYCLE RAMP (COLORED)	SF	488	\$ 16.00	\$ 7,808.00
12	CONCRETE RE-INFORCED (BUS STOP)	CY	35	\$ 360.00	\$ 12,600.00
13	CONCRETE RE-INFORCED (TRAFFIC CIRCLE)	CY	36	\$ 360.00	\$ 12,960.00
14	CONCRETE STANDARD 6" VERTICAL CURB	LF	313	\$ 55.00	\$ 17,215.00
15	CONCRETE 4" VERTICAL CURB	LF	313	\$ 55.00	\$ 17,215.00
16	CONCRETE CURB & GUTTER DEEPENED	LF	602	\$ 100.00	\$ 60,200.00
17	CONCRETE CURB & GUTTER DEEPENED (BASINS)	LF	268	\$ 120.00	\$ 32,160.00
18	CONCRETE MOUNTABLE CURB (TRAFFIC CIRCLE)	LF	154	\$ 80.00	\$ 12,320.00
19	CONCRETE STANDARD CURB (MEDIANS)	LF	520	\$ 55.00	\$ 28,600.00
20	CONCRETE STANDARD CURB (TRAFFIC CIRCLE)	LF	87	\$ 55.00	\$ 4,785.00
21	CONCRETE VALLEY GUTTER	LF	104	\$ 80.00	\$ 8,320.00
22	CONCRETE 24" WIDE SWALE	LF	126	\$ 40.00	\$ 5,040.00
23	CONCRETE DEEPENED EDGE (SIDEWALK)	LF	96	\$ 40.00	\$ 3,840.00
24	TRUNCATED DOMES	SF	412	\$ 50.00	\$ 20,600.00
25	FLOGARD MODEL FGP-2436FG08	EA	3	\$ 10,000.00	\$ 30,000.00
26	OUTLET CONTROL STRUCTURE	EA	4	\$ 7,000.00	\$ 28,000.00
27	JUNCTION BOX WITH FLAP GATE	EA	2	\$ 6,000.00	\$ 12,000.00
28	OVER FLOW CATCH BASIN	EA	4	\$ 7,000.00	\$ 28,000.00
29	STORM DRAIN MANHOLE	EA	3	\$ 10,000.00	\$ 30,000.00
30	STORM DRAIN 4" PERFORATED PIPE	LF	322	\$ 100.00	\$ 32,200.00
31	STORM DRAIN 8"	LF	205	\$ 215.00	\$ 44,075.00
32	STORM DRAIN 12"	LF	65	\$ 260.00	\$ 16,900.00
33	STORM DRAIN 15"	LF	86	\$ 300.00	\$ 25,800.00
34	STORM DRAIN 18"	LF	69	\$ 320.00	\$ 22,080.00





# BOWMAN & WILLIAMS

CONSULTING CIVIL ENGINEERS & LAND SURVEYORS

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ATTACHMENT B

## ENGINEER'S ESTIMATE OF CONSTRUCTION COST

BOWMAN AND WILLIAMS FILE No. 28503.01

CLIENT: LONE OAK WATSONVILLE, LLC

DATE: DECEMBER 2023

### ROUNDBOUT AT OHLONE PARKWAY & LIGHTHOUSE AVENUE

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENSION
35	STORM DRAIN CLEANOUT	EA	1	\$ 500.00	\$ 500.00
36	ADJUST EX MANHOLE TO GRADE	EA	2	\$ 2,000.00	\$ 4,000.00
37	RETROFIT MANHOLE TO OFFSET CONE	EA	1	\$ 3,000.00	\$ 3,000.00
38	ADJUST EX CATCH BASIN GRATE TO GRADE	EA	1	\$ 1,000.00	\$ 1,000.00
39	ADJUST WATER VALVES TO GRADE	EA	3	\$ 500.00	\$ 1,500.00
40	BIORETENTION SOIL MIX	CY	144	\$ 20.00	\$ 2,880.00
41	CALTRANS CLASS 2 PERMEABLE	CY	72	\$ 47.00	\$ 3,384.00
42	30 MIL LINER	SF	942	\$ 5.00	\$ 4,710.00
43	MUTCD SIGN R1-2	EA	4	\$ 110.00	\$ 440.00
44	MUTCD SIGN R1-5	EA	5	\$ 80.00	\$ 400.00
45	MUTCD SIGN R1-6	EA	2	\$ 90.00	\$ 180.00
46	MUTCD SIGN R4-7C	EA	1	\$ 100.00	\$ 100.00
47	MUTCD SIGN R5-2	EA	4	\$ 150.00	\$ 600.00
48	MUTCD SIGN R5-4	EA	4	\$ 110.00	\$ 440.00
49	MUTCD SIGN R6-4A	EA	4	\$ 160.00	\$ 640.00
50	MUTCD SIGN R6-5P	EA	4	\$ 130.00	\$ 520.00
51	MUTCD SIGN R10-25	EA	8	\$ 70.00	\$ 560.00
52	MUTCD SIGN W2-6	EA	4	\$ 130.00	\$ 520.00
53	MUTCD SIGN W11-15	EA	8	\$ 130.00	\$ 1,040.00
54	MUTCD SIGN W13-1P	EA	1	\$ 80.00	\$ 80.00
55	MUTCD SIGN W16-7P	EA	8	\$ 80.00	\$ 640.00
56	RRFB SYSTEM PER CROSSING	EA	4	\$ 22,000.00	\$ 88,000.00
57	CALTRANS STRIPING DETAIL 22	LF	15	\$ 10.00	\$ 150.00
58	CALTRANS STRIPING DETAIL 24	LF	715	\$ 7.00	\$ 5,005.00
59	CALTRANS STRIPING DETAIL 38A	LF	86	\$ 7.00	\$ 602.00
60	CALTRANS STRIPING DETAIL A24C	SF	14	\$ 10.00	\$ 140.00
61	CALTRANS STRIPING DETAIL A24F	SF	600	\$ 15.00	\$ 9,000.00
62	ENTRANCE LINE STRIPING	SF	75	\$ 10.00	\$ 750.00
63	GREEN BICYCLE LANE STRIPING	SF	310	\$ 15.00	\$ 4,650.00
64	RAISED THERMOPLASTIC STRIPING (VIBRALINE)	LF	201	\$ 15.00	\$ 3,015.00
65	MUTCD FIG 3B-16 STRIPING	SF	48	\$ 10.00	\$ 480.00

SUBTOTAL \$ 1,466,084.00



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## ENGINEER'S ESTIMATE OF CONSTRUCTION COST

BOWMAN AND WILLIAMS FILE No. 28503.01

CLIENT: LONE OAK WATSONVILLE, LLC

DATE: DECEMBER 2023

### ROUNDAABOUT AT OHLONE PARKWAY & LOMA VISTA DRIVE

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENSION
1	MOBILIZATION	LS	1	\$ 50,000.00	\$ 50,000.00
2	DEMOLITION AND OFFHAUL	LS	1	\$ 80,000.00	\$ 80,000.00
3	EXPORT MATERIAL OFFHAUL	CY	3778	\$ 30.00	\$ 113,340.00
4	ROUGH GRADING	CY	3567	\$ 15.00	\$ 53,505.00
5	ASPHALT CONCRETE	TON	734	\$ 350.00	\$ 256,900.00
6	CALTRANS CLASS 2 AGGREGATE BASEROCK	CY	1021	\$ 100.00	\$ 102,100.00
7	CALTRANS CLASS 2 AGGREGATE SUB-BASEROCK	CY	1049	\$ 100.00	\$ 104,900.00
8	RECOMPACTED SUBGRADE	CY	621	\$ 50.00	\$ 31,050.00
9	CONCRETE SIDEWALK	SF	7756	\$ 15.00	\$ 116,340.00
10	CONCRETE BICYCLE RAMP (COLORED)	SF	552	\$ 16.00	\$ 8,832.00
11	CONCRETE RE-INFORCED (BUS STOP)	CY	82	\$ 360.00	\$ 29,520.00
12	CONCRETE RE-INFORCED (TRAFFIC CIRCLE)	CY	64	\$ 360.00	\$ 23,040.00
13	CONCRETE STANDARD 6" VERTICAL CURB	LF	482	\$ 55.00	\$ 26,510.00
14	CONCRETE CURB & GUTTER DEEPENED	LF	540	\$ 100.00	\$ 54,000.00
15	CONCRETE CURB & GUTTER DEEPENED (BASINS)	LF	316	\$ 120.00	\$ 37,920.00
16	CONCRETE MOUNTABLE CURB (TRAFFIC CIRCLE)	LF	185	\$ 80.00	\$ 14,800.00
17	CONCRETE STANDARD CURB (MEDIANS)	LF	732	\$ 55.00	\$ 40,260.00
18	CONCRETE STANDARD CURB (TRAFFIC CIRCLE)	LF	82	\$ 55.00	\$ 4,510.00
19	CONCRETE DEEPENED EDGE (SIDEWALK)	LF	30	\$ 40.00	\$ 1,200.00
20	TRUNCATED DOMES	SF	527	\$ 50.00	\$ 26,350.00
21	FLOGARD MODEL FGP-2436FG08	EA	3	\$ 10,000.00	\$ 30,000.00
22	RETROFIT EX CATCH BASIN WITH FLOGARD	EA	2	\$ 3,000.00	\$ 6,000.00
23	OUTLET CONTROL STRUCTURE	EA	5	\$ 7,000.00	\$ 35,000.00
24	MODIFY EX. CATCH BASIN	EA	1	\$ 6,000.00	\$ 6,000.00
25	OVER FLOW CATCH BASIN	EA	6	\$ 7,000.00	\$ 42,000.00
26	STORM DRAIN MANHOLE	EA	3	\$ 10,000.00	\$ 30,000.00
27	STORM DRAIN 4" PERFORATED PIPE	LF	254	\$ 100.00	\$ 25,400.00
28	STORM DRAIN 8"	LF	228	\$ 215.00	\$ 49,020.00
29	STORM DRAIN 12"	LF	148	\$ 260.00	\$ 38,480.00
30	STORM DRAIN 15"	LF	121	\$ 300.00	\$ 36,300.00
31	STORM DRAIN 24" DETENTION	LF	35	\$ 420.00	\$ 14,700.00
32	STORM DRAIN CLEANOUT	EA	1	\$ 500.00	\$ 500.00
33	ADJUST EX MANHOLE TO GRADE	EA	3	\$ 2,000.00	\$ 6,000.00
34	MODIFY EX MANHOLE	EA	2	\$ 3,000.00	\$ 6,000.00





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ATTACHMENT B

## ENGINEER'S ESTIMATE OF CONSTRUCTION COST

BOWMAN AND WILLIAMS FILE No. 28503.01

CLIENT: LONE OAK WATSONVILLE, LLC

DATE: DECEMBER 2023

### ROUNDAABOUT AT OHLONE PARKWAY & LOMA VISTA DRIVE

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT COST	EXTENSION
35	ADJUST WATER VALVES TO GRADE	EA	5	\$ 500.00	\$ 2,500.00
36	BIORETENTION SOIL MIX	CY	135	\$ 20.00	\$ 2,700.00
37	CALTRANS CLASS 2 PERMEABLE	CY	67	\$ 47.00	\$ 3,149.00
38	30 MIL LINER	SF	1260	\$ 5.00	\$ 6,300.00
39	MUTCD SIGN R1-2	EA	3	\$ 110.00	\$ 330.00
40	MUTCD SIGN R1-5	EA	4	\$ 80.00	\$ 320.00
41	MUTCD SIGN R1-6	EA	3	\$ 90.00	\$ 270.00
42	MUTCD SIGN R6-4A	EA	4	\$ 160.00	\$ 640.00
43	MUTCD SIGN R6-5P	EA	6	\$ 130.00	\$ 780.00
44	MUTCD SIGN R10-25	EA	7	\$ 70.00	\$ 490.00
45	MUTCD SIGN W2-6	EA	2	\$ 130.00	\$ 260.00
46	MUTCD SIGN W11-2	EA	1	\$ 80.00	\$ 80.00
47	MUTCD SIGN W11-15	EA	1	\$ 130.00	\$ 130.00
48	MUTCD SIGN W13-1P	EA	7	\$ 80.00	\$ 560.00
49	MUTCD SIGN W16-7P	EA	2	\$ 80.00	\$ 160.00
50	RRFB SYSTEM PER CROSSING	EA	4	\$ 22,000.00	\$ 88,000.00
51	CALTRANS STRIPING DETAIL 22	LF	14	\$ 10.00	\$ 140.00
52	CALTRANS STRIPING DETAIL 24	LF	1087	\$ 7.00	\$ 7,609.00
53	CALTRANS STRIPING DETAIL 38A	LF	86	\$ 7.00	\$ 602.00
54	CALTRANS STRIPING DETAIL A24C	SF	14	\$ 10.00	\$ 140.00
55	CALTRANS STRIPING DETAIL A24F	SF	570	\$ 15.00	\$ 8,550.00
56	ENTRANCE LINE STRIPING	SF	75	\$ 10.00	\$ 750.00
57	GREEN BICYCLE LANE STRIPING	SF	310	\$ 15.00	\$ 4,650.00
58	RAISED THERMOPLASTIC STRIPING (VIBRALINE)	LF	201	\$ 15.00	\$ 3,015.00
59	MUTCD FIG 3B-16 STRIPING	SF	48	\$ 10.00	\$ 480.00

SUBTOTAL \$ 1,583,082.00

# Watsonville Roundabouts

Project No. 230010.00

## Cost Estimate

December 11, 2023



<b>TOTAL COST</b>			<b>\$401,258</b>
<b>SUBTOTAL ROUNDABOUT 1</b>			<b>\$122,302</b>
General Conditions	10%		\$12,230
General Contractor Profit & Overhead	15%		\$18,345
Construction Contingency	10%		\$12,230
Bonds and Insurance	2%		\$2,446
<b>SUBTOTAL ROUNDABOUT 2</b>			<b>\$170,587</b>
General Conditions	10%		\$17,059
General Contractor Profit & Overhead	15%		\$25,588
Construction Contingency	10%		\$17,059
Bonds and Insurance	2%		\$3,412

### WATSONVILLE ROUNDABOUT 1

SPEC #	ITEM DESCRIPTION	QTY	UNIT	UNIT PRICE	ITEM COST
<b>32 13 13</b>	<b>CONCRETE PAVING</b>				<b>\$36,250</b>
	Cobble paving	1,450	sf	\$25.00	\$36,250
<b>32 80 00</b>	<b>IRRIGATION</b>				<b>\$28,280</b>
	Irrigation	8,080	sf	\$3.50	\$28,280
<b>32 90 00</b>	<b>PLANTING</b>				<b>\$49,692</b>
	Planting areas	8,080	sf	\$5.00	\$40,400
	Mulch in planting areas	8,080	sf	\$1.15	\$9,292
<b>32 91 13</b>	<b>SOIL PREPARATION</b>				<b>\$8,080</b>
	For planting areas	8,080	sf	\$1.00	\$8,080

### WATSONVILLE ROUNDABOUT 2

SPEC #	ITEM DESCRIPTION	QTY	UNIT	UNIT PRICE	ITEM COST
<b>32 13 13</b>	<b>CONCRETE PAVING</b>				<b>\$47,750</b>
	Cobble paving	1,910	sf	\$25.00	\$47,750
<b>32 80 00</b>	<b>IRRIGATION</b>				<b>\$40,369</b>
	Irrigation	11,534	sf	\$3.50	\$40,369
<b>32 90 00</b>	<b>PLANTING</b>				<b>\$70,934</b>
	Planting areas	11,534	sf	\$5.00	\$57,670
	Mulch in planting areas	11,534	sf	\$1.15	\$13,264
<b>32 91 13</b>	<b>SOIL PREPARATION</b>				<b>\$11,534</b>
	For planting areas	11,534	sf	\$1.00	\$11,534





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ATTACHMENT B

## ENGINEER'S ESTIMATE OF CONSTRUCTION COST

BOWMAN AND WILLIAMS FILE No. 28503.01

CLIENT: LONE OAK WATSONVILLE, LLC

DATE: DECEMBER 2023

### ROUNDAABOUT SUMMARY

OHLONE PARKWAY & LIGHTHOUSE AVENUE	SUBTOTAL	\$ 1,466,084.00
OHLONE PARKWAY & LOMA VISTA DRIVE	SUBTOTAL	\$ 1,583,082.00
SUBTOTAL OF BOTH ROUNDAABOUT SITES		\$ 3,049,166.00
CONTINGENCY 15%		\$ 457,370.00
FEHR ENGINEERING ELECTRICAL ESTIMATE FOR BOTH ROUNDAABOUT SITES		
MATERIAL AND LABOR		\$ 110,000.00
OVERHEAD MARKUP 30%		\$ 33,000.00
SSA LANDSCAPE ARCHITECTS ESTIMATE FOR BOTH ROUNDAABOUT SITES		
SUBTOTAL ROUNDAABOUT 1		\$ 167,553.00
SUBTOTAL ROUNDAABOUT 2		\$ 233,705.00
TOTAL		\$ 4,050,794.00

NOTE: THIS ESTIMATE DOES NOT INCLUDE TRAFFIC CONTROL





## Public Works & Utilities Department

"Working with our community to create positive impact through service with heart."

**Watsonville**  
CALIFORNIA

### ENGINEER'S ESTIMATE OF CONSTRUCTION COSTS FOR OHLONE PARKWAY & LIGHTHOUSE DRIVE ROUNDABOUT AND OHLONE PARKWAY & LOMA VISTA DRIVE ROUNDABOUT

Prepared by Murray Fontes, City of Watsonville, 04/03/25

#### ROUNDABOUT SUMMARY

Item	Lighthouse	Loma Vista	Total
Lighthouse Construction Costs	\$1,466,084.00	\$1,583,082.00	\$3,049,166.00
Contingency (15%)	\$219,910.24	\$237,459.76	\$457,370.00
Fehr Engineering Electrical Estimate for Both Roundabout Sites - Material and Labor	\$52,889.62	\$57,110.38	\$110,000.00
Fehr Engineering Electrical Estimate for Both Roundabout Sites - Overhead markup 30%	\$15,866.89	\$17,133.11	\$33,000.00
SSA Landscape Architects Estimate for Roundabout Sites	\$167,553.00	\$233,705.00	\$401,258.00
<b>Total</b>	<b>\$1,922,303.75</b>	<b>\$2,128,490.25</b>	<b>\$4,050,794.00</b>





**Watsonville**  
CALIFORNIA

## Public Works & Utilities Department

"Working with our community to create positive impact through service with heart."

### TOTAL CONSTRUCTION COSTS

Prepared by Murray Fontes, City of Watsonville, 04/03/25

Hillcrest Offsite Improvements	\$387,591.25
Hillcrest Onsite Improvements	\$8,609,577.21
Roundabout Improvements	\$2,128,494.25
<b>Total</b>	<b>\$11,125,658.71</b>

CONSTRUCTION LOAN SERVICES II, LLC  
1019 39TH AVE SE STE 220  
PUYALLUP, WA 98374

May 5, 2025

Tamara Vides, City Manager  
City of Watsonville  
275 Main St., Suite 400 (4th Floor)  
Watsonville, CA 95076

Dear Ms. Vides:

The undersigned Construction Loan Services II, LLC ("Lender") has made a development and construction loan ("Loan") covering the costs of construction of subdivision improvements as specified in the Improvement Agreement For Tract Map Number 1607, Hillcrest Stages 2 Through 5 made between LANDCO Watsonville, LLC, a California limited liability company (hereinafter "Borrower") and the City of Watsonville ("City") dated \_\_\_\_\_, 202\_ ("Subdivision Improvement Agreement").

At the request of Borrower, Lender is making this Set Aside Letter for the benefit of the City with respect to the completion of the "Subdivision Improvements" specified under the Subdivision Improvement Agreement as such Subdivision Improvements are described on Exhibit A, attached hereto and incorporated herein by this reference.

In consideration of the acceptance of this Set-Aside Letter by the City Council of the City of Watsonville (hereinafter referred to as the "Council" or the "City"), through its designees, the undersigned Lender hereby pledges that monies to the extent of **ELEVEN MILLION ONE HUNDRED TWENTY-FIVE THOUSAND SIX HUNDRED FIFTY-EIGHT AND 71/100 DOLLARS (\$11,125,658.71)** are set aside from said Loan for the purpose of securing the performance by Borrower of the Subdivision Improvement for the construction of the Subdivision Improvements as so described in the Subdivision Improvement Agreement (the "Borrower Work") and payment therefore lien free assuring as security for faithful performance of the Borrower Work and full payment for labor and materials for such Borrower Work as required under Paragraph 5 of the Subdivision Improvement Agreement.

In the absence of the City exercising its Draw Right (as defined below) hereunder, Lender will only disburse the Set Aside Funds to the Borrower upon the City's written consent to Borrower's request for such funds, which consent may be evidenced by the Public Works Director's (or other duly authorized representative's) signature on the Borrower's draw request or certification submitted to Lender for such funds. If the City's right to draw on the Set Aside Funds to complete the Borrower Work has arisen under the Subdivision Improvement Agreement pursuant to the occurrence of a default thereunder (such right, the "Draw Right"), Lender will disburse to the City (and not Borrower) the remaining undisbursed balance, if any, of the Set Aside Funds for the City to use in diligently completing the Borrower Work and paying the costs of it. Lender will only disburse these Set Aside Funds to the City if (i) the Draw Right has arisen upon a declaration of default by the City under the SIA, and (ii) Lender receives the written demand of the City for such funds.

Lender further agrees that as work progresses on this Project, the amount set aside from the Loan shall not be reduced except to the extent disbursed to the Borrower or City to cover the cost of the Borrower Work and for no other purpose; provided, (1) that in no event will the amount set aside (prior to release of the Subdivision Improvement Agreement by the City) be less than the cost to complete construction of the improvements in accordance with the terms of the Subdivision Improvement Agreement, and (2) that said disbursements shall be disbursed subject to the terms and conditions of the loan agreement between the Lender and the Borrower governing the Loan. If there is any conflict between the disbursement procedures outlined in this Set-Aside Letter and the terms and conditions of the loan agreement between the Lender and the Borrower governing the Loan, this Set-Aside Letter shall control.



City of Watsonville

May 5, 2025

Page 2

The Set Aside Funds have been determined from an estimate prepared by Borrower. Lender is not responsible or liable for the sufficiency of the Set Aside Funds to pay for the Public Improvements, or for the quality of workmanship and materials, timeliness or sufficiency of the work performed.

Lender hereby agrees that no change, extension of time, alteration or addition to the Borrower or to the plans or specifications relating to the same, shall in any way affect the Lender's obligations under this Set-Aside Letter and Lender hereby waives notice of any such change, extension of time, alteration, or addition, on the understanding that no such change, extension of time, alteration, or addition shall increase the amount of Lender's obligation under this Set-Aside Letter.

For avoidance of doubt, the Lender's commitment of funds under this Set-Aside Letter shall not exceed the amount specified in the Subdivision Improvement Agreement, less all prior reductions authorized by the City or amounts paid to the City.

Lender represents and warrants that the individual executing this Agreement on its behalf has been duly authorized to do so and that this Set-Aside Letter constitutes a binding agreement of such party, enforceable in accordance with its terms.

Any notices pursuant to the Set-Aside Letter shall be given by certified mail, return receipt requested, to the Lender and Borrower at the addresses shown herein and to the City by copies to the addresses of this letter and to the Director of the Department of Public Works, City of Watsonville, 250 Main Street, Watsonville CA 95076.

Made, signed and dated this day of May 5, 2025

LENDER

Construction Loan Services II, LLC, a Washington limited liability company

By: \_\_\_\_\_

Curt Altig, Chairman

Address of Lender:

1019 39TH AVE SE STE 220

PUYALLUP, WA 98374

ATTACH NOTARY ACKNOWLEDGEMENT

STATE OF Washington )

COUNTY OF Pierce )

The record was acknowledged before me on May 6, 2025 by Curt Altig as Chairman of Construction Loan Services II, LLC.

Dated: 5/6/25

[SEAL]

*Kirstina Church*  
*Kirstina Church*  
KIRSTINA CHURCH  
NOTARY PUBLIC #32298  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
JUNE 23, 2026

My commission expires: 6/23/2026





**PHILADELPHIA**  
INSURANCE COMPANIES

A Member of the Tokio Marine Group

BOND NO. PB03010410676

**WARRANTY / MAINTENANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That, Landco Hillcrest LLC, as Principal and Philadelphia Indemnity Insurance Company, a corporation organized and existing under the laws of the State of Pennsylvania and authorized to transact business in the State of California (hereinafter called "Surety"), as Surety, are held and firmly bound unto City of Watsonville,

as Oblige, hereinafter called Oblige, in the amount of One Million One Hundred Twelve Thousand Five Hundred Sixty Five and 87/100 Dollars (\$1,112,565.87), for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

Whereas, the above bounden Principal has entered into a certain written contract with the above named Oblige, providing for construction of certain subdivision improvements for Hillcrest, Tract Number 1607, Stages 2 through 5; APNs 018-372-14 and 018-381-01 in the City of Watsonville State of California; and

WHEREAS, said work has been or will be completed by Principal.

NOW, THEREFORE, if said Principal shall promptly replace and repair any work proven to be defective because of faulty workmanship and/or material within a period of one (1) year from date of acceptance of the work by the Oblige, then this obligation to be void; Otherwise to remain in full force and effect.

Signed, Sealed and Dated this 6<sup>th</sup> day of May 2025.

Landco Hillcrest LLC

(Principal)

(Seal)

By: *[Signature]*

*Managing Member*  
*Landco Hillcrest LLC*  
*Managing Member*

Philadelphia Indemnity Insurance Company

(Surety)

(Seal)

By: *[Signature]*

*Sarah Campbell, 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 San Mateo

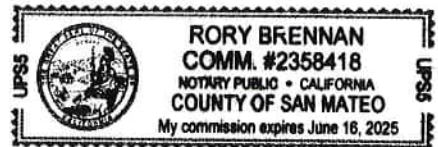
On MAY 6, 2025 before me, Rory Brennan, Notary Public  
(insert name and title of the officer)

personally appeared MARK D. LESTER,  
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 Rory Brennan (Seal)





# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

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 Los Angeles )

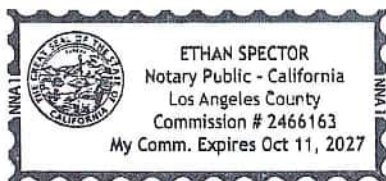
On MAY 06 2025 before me, Ethan Spector, Notary Public  
Date Here Insert Name and Title of the Officer

Personally appeared Sarah Campbell  
Name(s) 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 [Signature]  
Signature of Notary Public

Place Notary Seal Above

## OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

### Description of Attached Document

Title or Type of Document \_\_\_\_\_ Document Date \_\_\_\_\_

Number of Pages \_\_\_\_\_ Signer(s) Other Than Named Above \_\_\_\_\_

### Capacity(ies) Claimed by Signer(s)

Signer's Name \_\_\_\_\_  
☐ Corporate Officer—Title(s) \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer's Name \_\_\_\_\_  
☐ Corporate Officer—Title(s) \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer Is Representing \_\_\_\_\_ Signer Is Representing \_\_\_\_\_

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100  
Bala Cynwyd, PA 19004-0950

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint **Jennifer Ochs, Charles R. Teter III, B. Aleman, Erin Brown, D. Garcia, Simone Gerhard, Edward C. Spector, Ethan Spector, Marina Tapia, KD Wapato, Sarah Campbell, Aidan Smock, Sandra Corona, MB Neely and Chase Seyforth of Lockton Companies Inc.**, its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed **\$50,000,000**.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14<sup>th</sup> of November 2016.

**RESOLVED:**

That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

**FURTHER  
RESOLVED:**

That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEAL TO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 5<sup>TH</sup> DAY OF OCTOBER 2024.

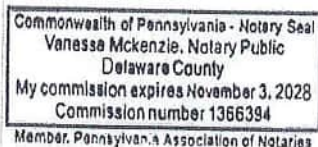


(Seal)

John Glomb, President & CEO  
Philadelphia Indemnity Insurance Company

On this 5<sup>th</sup> day of October, 2024 before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.

Notary Public:



residing at:

Linwood, PA

My commission expires:

November 3, 2028

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 5<sup>th</sup> day October 2024 are true and correct and are still in full force and effect. I do further certify that John Glomb, who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 6TH day of MAY, 2025.



Edward Sayago, Corporate Secretary  
PHILADELPHIA INDEMNITY INSURANCE COMPANY





**PHILADELPHIA**  
**INSURANCE COMPANIES**

A Member of the Tokio Marine Group

Bond No. PB03010410677

## MONUMENT BOND

Subdivision Map Act Bond Format

WHEREAS, **LANDCO HILLCREST LLC**, hereinafter designated as "Principal", desires to record a final map for the development identified as: **HILLCREST, TRACT NUMBER 1607, STAGES 2 THROUGH 5; APNs 018-372-14 AND 018-381-01**

WHEREAS, pursuant to Article 9, Chapter 1, Division 2, SUBDIVISION, of the Government Code of the State of California, the interior monuments shown on said final map need not be set at the time the map is recorded and said "Principal" wishes to have the interior monuments set after the time the map is recorded. Said "Principal" agrees to furnish a security guaranteeing the cost of setting such monuments.

NOW, THEREFORE, We, the "Principal" and **Philadelphia Indemnity Insurance Company**, as Surety, are held and firmly bound unto the **CITY OF WATSONVILLE** in the penal sum of **SIXTY NINE THOUSAND AND NO/100 Dollars (\$69,000.00)**, lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The conditions of this obligation is such that if the monuments are set, and the engineer or surveyor setting the final monuments shall have been paid, then this obligation shall become null and void. Otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the amount of deposit specified above, it is agreed that we shall pay the costs and reasonable expenses and fees, including reasonable attorney's fees, if any, incurred by the City in successfully enforcing such obligation against us, all to be taxed as costs and included in any judgment 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 of the specifications accompanying the same shall in anyway 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 6<sup>TH</sup>, 2025.

**Principal**

**Surety**

**LANDCO HILLCREST LLC**

**Philadelphia Indemnity Insurance Company**

By: 

By: 

*Managing Member*  
**LANDCO Hillcrest GP, LLC**  
*Managing Member*

**SARAH CAMPBELL, 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 San Mateo

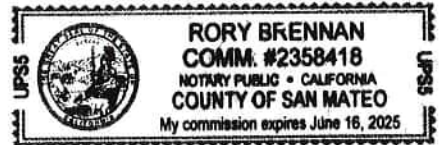
On MAY 6, 2025 before me, Rory Brennan, Notary Public  
(insert name and title of the officer)

personally appeared MARK D. LESTER,  
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 Rory Brennan (Seal)





**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**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 Los Angeles )

On MAY 06 2025 before me, Ethan Spector, Notary Public  
Date Here Insert Name and Title of the Officer

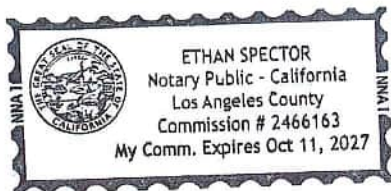
Personally appeared Sarah Campbell  
Name(s) of Signer(s)

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.

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WITNESS my hand and official seal.

Signature [Signature]  
Signature of Notary Public



*Place Notary Seal Above*

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**Description of Attached Document**

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Signer's Name \_\_\_\_\_  
☐ Corporate Officer—Title(s) \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer Is Representing \_\_\_\_\_

Signer's Name \_\_\_\_\_  
☐ Corporate Officer—Title(s) \_\_\_\_\_  
☐ Partner ☐ Limited ☐ General  
☐ Individual ☐ Attorney in Fact  
☐ Trustee ☐ Guardian or Conservator  
☐ Other \_\_\_\_\_

Signer Is Representing \_\_\_\_\_

PHILADELPHIA INDEMNITY INSURANCE COMPANY

One Bala Plaza, Suite 100  
Bala Cynwyd, PA 19004-0950

Power of Attorney

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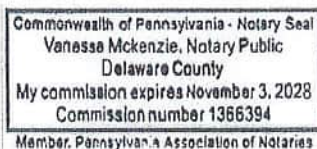


(Seal)

John Glomb, President & CEO  
Philadelphia Indemnity Insurance Company

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Notary Public:



Member, Pennsylvania Association of Notaries

residing at:

Linwood, PA

My commission expires:

November 3, 2028

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 5<sup>th</sup> day October 2024 are true and correct and are still in full force and effect. I do further certify that John Glomb, who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

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Edward Sayago, Corporate Secretary  
PHILADELPHIA INDEMNITY INSURANCE COMPANY