	Exempt from recording fee per Gov. Code 927303
Authorizing Agreement No.	(Space Above This Line for Recorder's Use Only) Exempt from recording fee per Gov. Code §27383
Attn: Kathy Flamson, City Clerk	)
Calistoga, CA 94515	)
1232 Washington Street	)
City of Calistoga	)
	)
AND WHEN RECORDED MAIL TO:	)
RECORDING REQUESTED BY	)

#### SUBDIVISION IMPROVEMENT AGREEMENT

#### SILVER ROSE SUBDIVISION

This Agreement is made and dated for convenience as of the \_\_\_\_ day of \_\_\_\_, 2016 (the "Effective Date"), by and between the City of Calistoga, a municipal corporation in the County of Napa, State of California (the "City"), and Silver Rose Property Owner, LP ("Developer" or "Subdivider").

#### **RECITALS**

- A. On \_\_\_\_\_\_, 2016, the City Council of the City of Calistoga adopted Resolution No. 2016-064 approving the Parcel Map of the Lands of Silver Rose Venture, LP, ("**Subdivision**"), subject to certain conditions of approval (the "**Conditions**").
- B. Subdivider has submitted the following plans, specifications and drawings for improvements relating to the Subdivision (the "Improvement Plans"), which Improvement Plans have been prepared by BKF, Inc., and which have been or hereafter are approved by the City Engineer:
- (i) "Civil Package Three" dated July 21, 2016, consisting of onsite grading, drainage, utilities and underground storage tank.
- (ii) "Silverado Trail Offsite Improvements for Four Seasons Resort and Residences", dated May 10, 2016, consisting of turn lane modification, new driveways, utility service, 4 foot wide Class II bike lane, and widening at Rosedale Road.
- C. The Improvement Plans include plans for certain off-site public infrastructure improvements that are to be constructed outside the boundaries of the Subdivision, including utilities and paving, as described on **Exhibit A** attached to this Agreement (the "**Public Improvements**"). The Improvement Plans also include on-site private infrastructure improvements that are to be constructed within the boundaries of the Subdivision. Some, but not all, of the on-site private infrastructure improvements are described on **Exhibit B** attached to this Agreement, and are subject to the terms of this Agreement ("**Private Improvements**"). Those components of the private infrastructure improvements that are not identified on Exhibit B are not subject to this Agreement. The Public Improvements and Private Improvements are collectively referred to herein as the "**Improvements**." The Improvement Plans have been approved by the City Engineer.

- D. The State Subdivision Map Act ("SMA") and Calistoga Municipal Code ("CMC") Chapter 16.18 require either (1) the Improvements be constructed prior to the approval of the final map, or (2) the Subdivider enter into an agreement with the City providing for the future construction and installation of the Improvements.
- E. Subdivider has applied to City for final map ("Final Map") approval without having completed the required Improvements and therefore will enter into an agreement with the City providing for the future construction and installation of the Improvements, as required by Government Code Sections 66462(a)(I) and 66499, and CMC Chapter 16.18 (the "Subdivision Ordinance").
- F. City and Subdivider desire to enter an agreement providing for the construction and installation of the Improvements in accordance with the Improvement Plans.

#### **AGREEMENT**

NOW, THEREFORE, in consideration of the faithful performance of the terms and conditions set forth in this Agreement, the parties hereto agree as follows:

- 1. <u>Purpose.</u> The purpose of this Agreement is to guarantee completion of the Improvements and to ensure satisfactory performance by Subdivider of Subdivider's obligations to satisfy the Conditions, the SMA, and the Subdivision Ordinance.
- Property Subject to Agreement. The property which is the subject of this Agreement is located in the City of Calistoga, Napa County, California, and is described in **Exhibit C** attached hereto (the "**Property**").
- 3. <u>Duty to Install Improvements.</u> Subdivider shall construct, install and complete, or cause to be constructed, installed and completed, at the Subdivider's sole cost and expense, the Improvements, in accordance with the Improvement Plans, to the reasonable satisfaction of the City Engineer and consistently with all applicable Federal, State and local laws and regulations. Subdivider shall also supply all labor and materials therefor, all in strict accordance with the terms and conditions of this Agreement. The construction, installation and completion of the Public Improvements and all labor and materials furnished in connection therewith are hereinafter referred to collectively as the "Public Improvement Work." The construction, installation and completion of the Private Improvements and all labor and materials furnished in connection therewith are hereinafter referred to collectively as the "Private Improvement Work." The Public Improvement Work and the Private Improvement Work are collectively referred to herein as the "Work."
- 4. <u>Improvements/Work/Improvement Work.</u> The Public Improvement Work is comprised of the construction and installation of all improvements shown on the Improvement Plans outside the boundaries of the Subdivision, including but not limited to roads, required utilities (gas, electric, cable, water, sewer, storm drain), and related grading, drainage and stabilization. The Private Improvement Work is comprised of the construction and installation of only those improvements shown on the Improvement Plans within the boundaries of the Subdivision that are specifically described in Exhibit A.
- 5. Completion Date. Subdivider shall complete the Work within thirty six (36) months following

- the recording of the Final Map for the Subdivision, subject to any extension of such time granted by the City Council. The Work shall be completed prior to the issuance of any occupancy permit for any unit within the Subdivision.
- 6. <u>Estimated Cost of Work.</u> The estimated total cost of the Work is Three Million Fifty Thousand Five Hundred Seventy Three Dollars (\$3,050,573), with such total cost including One Million One Hundred Twenty Four Thousand Three Hundred Forty Four Dollars (\$1,124,344) for the Public Improvement Work and One Million Nine Hundred Twenty Six Thousand Two Hundred Twenty Nine Dollars (\$1,926,229) for the Private Improvement Work.
- 7. Modifications to the Plans. Approval of this Agreement by the City does not release Subdivider of its responsibility to correct mistakes, errors or omissions in the Improvement Plans. If, at any time, in the opinion of the City Engineer, in his reasonable discretion, the Improvement Plans are deemed inadequate in any respect, Subdivider agrees to make such modifications, changes or revisions as necessary in order to complete the Work in a good and workmanlike manner in accordance with accepted design and construction standards.

## 8. Representation and Warranty: Repairs.

- A. The Subdivider represents and warrants that the Work will be completed in compliance with all federal, state and local laws, ordinances and regulations.
- B. Subdivider agrees to repair or have repaired in a timely manner at its sole cost and expense all public roads, streets, utilities or other public or private property damaged as a result of or incidental to the Work or in connection with the development of the Property, or to pay to the property owner of any damaged road, street or property the full cost of such repair. In addition, Subdivider shall use commercially reasonable efforts to obtain the written acceptance of such repair or payment from any owner whose private property was repaired by Subdivider or to whom Subdivider has paid the full cost of such repair in accordance with this Section 8 of this Agreement. The City shall be under no obligation whatsoever to accept the Public Improvement Work completed under this Agreement until such time as all such repairs have been completed or have been paid for, as determined by the City Engineer in his or her reasonable discretion, except as otherwise provided in Section 12 of this Agreement.
- C. Subdivider shall perform maintenance or repair of any defects or failures and causes thereof for one year following acceptance of the improvements.

## 9. Supervision of Work by Subdivider.

A. Prior to either the issuance of a grading permit or the performance of any of the Work, Subdivider shall submit a list of responsible professionals who will supervise the Work, at the developers expense, which shall include without limitation an Engineer of Record, a Geotechnical Consultant, a Structural Engineer, a Surveyor, and an Arborist, each of whom must be satisfactory to the City Engineer in his reasonable discretion (collectively, the "Supervising Professionals"). In the event there is a change in the identity of any of the Supervising Professionals, the Subdivider shall immediately notify the City of such change.

- B. Subdivider's Engineer of Record shall be responsible for day-to-day inspections and any special inspections required during the performance of the Work, at Subdivider's expense. Prior to the performance of any Work, the Engineer of Record shall submit a letter to the City Engineer outlining the inspection process and describing the roles and responsibilities of the individuals named as the Supervising Professionals. Subdivider shall provide the City Engineer with monthly written reports summarizing the progress on the Work. Verification of all inspections and testing shall be submitted as part of the completion of the Work as required under Section 12-B of this Agreement.
- 10. Examination of Work by City Engineer. All of the Work shall be performed to the satisfaction of the City Engineer, in his reasonable discretion. The City and its authorized agents shall, at all times during the performance of the Work, have free access to the Work and shall be allowed to examine the Work and all materials used and to be used in the Work.
- 11. City's Inspection, Administration and Testing Costs. Subdivider shall pay to City the actual cost for all reasonable and timely inspection, administration and testing services furnished by City in connection with this Agreement, including those performed by consultants under contract with the City (the "City Costs"). Prior to the issuance of any permit for the construction any Work or the disturbance of the Property, Subdivider shall deposit Five Thousand Dollars (\$5,000) ("City Costs Deposit"), which shall be drawn upon by the City to pay for the City Costs. In the event that the City Costs Deposit falls below Two Thousand Dollars (\$2,000.00), Subdivider shall deposit additional funds to restore the City Costs Deposit to an amount of not less than Two Thousand Dollars (\$2,000.00) immediately upon receipt of written notice by the City Engineer. Subdivider shall be provided access to the invoices and other evidence of the City Costs incurred, and Subdivider shall have the right to audit the same at its own expense. Any amount of the City Costs Deposit remaining after payment of all City Costs will be returned to Subdivider. City may, at its discretion, deposit the City Costs Deposit in an interest-bearing account and retain any and all interest earned.

### 12. Completion of Work.

- A. <u>Public Improvement Work.</u> After Subdivider (a) completes the Public Improvement Work in accordance with the Improvement Plans and the terms and conditions of this Agreement, and (b) repairs any road, street, utility or private or public property damaged as a result of the Public Improvement Work or pays the full cost of such repair to the owner whose property was damaged, to the reasonable satisfaction of the City Engineer, Subdivider shall provide City with a written notice of completion of the Public Improvement Work by the Subdivider's Engineer of Record, together with copies of all written acceptances.
- B. <u>Private Improvement Work.</u> After Subdivider (a) completes the Private Improvement Work in accordance with the Improvement Plans and the terms and conditions of this Agreement, and (b) repairs any road, street, utility, or private or public property damaged as a result of the Private Improvement Work or pays the full cost of such repair to the owner whose property was damaged, to the reasonable satisfaction of the City Engineer, Subdivider shall provide City with a written notice of completion of the Private Improvement Work by the Engineer of Record certifying that all of the Private Improvement Work has been constructed in accordance with the Improvement Plans and applicable standards. The Engineer of Record's certification shall be

accompanied by letters from the individuals named as the Supervising Professionals verifying that work under their respective areas of responsibility has been inspected and tested and that said work has been completed in accordance with the Improvement Plans and applicable standards.

## 13. Notice of Completion by City Engineer.

#### A. Public Improvement Work.

- i. Within thirty (30) days of receipt of Subdivider's written notification pursuant to Section 12-A above, City Engineer shall inspect the Work and repairs, and any written acceptances which Subdivider has actually received under Section 8-B above, and send Subdivider a written notice stating whether the Public Improvement Work and repairs are complete to the satisfaction of the City Engineer, in his reasonable discretion. If the Public Improvement Work and repair are, in the opinion of the City Engineer, not complete and satisfactory, the City Engineer will list the deficiencies that must be corrected to find the Work and repair complete and satisfactory. Upon satisfactory completion of the Public Improvement Work and repairs, the City Engineer will send Subdivider a written notice of satisfactory completion.
- ii. The City shall under no circumstance be obligated to complete or cause to be completed the Public Improvement Work.

#### B. Private Improvement Work.

- i. Within thirty (30) days of receipt of Subdivider's written notification pursuant to Section 12-B above, City Engineer shall review the Subdivider's Certifications, and any written acceptances which Subdivider has actually received under Section 8-B above, and send Subdivider a written notice stating whether the Private Improvement Work and repairs are complete to the satisfaction of the City Engineer, in his reasonable discretion. If the Private Improvement Work and repairs are, in the reasonable opinion of the City Engineer, not complete and satisfactory, the City Engineer will list the deficiencies that must be corrected to find the Private Improvement Work and repairs complete and satisfactory. Upon satisfactory completion of the Private Improvement Work and repairs, the City Engineer will send Subdivider a written notice of satisfactory completion.
- ii. The City shall under no circumstance be obligated to complete or cause to be completed the Private Improvement Work.
- 14. <u>Final Acceptance of Public Improvements.</u> After sending Subdivider a written notice of satisfactory completion pursuant to Section 13-A, the City Engineer will recommend acceptance of the Public Improvements to the City Council at the next regularly scheduled City Council meeting or as soon thereafter as reasonable possible. In conjunction with such recommendation, the City Engineer will recommend the acceptance of the offers of dedication shown on the final map for the Property, if any. The acceptance of the Public Improvements, offers of dedication and right-of-way and easements, if any, shall be by City Council resolution. Upon adoption of such resolution, the City Engineer shall record a notice, in a form to be approved by the City Attorney, in the Official Records of Napa County.

- 15. Ownership of Private Improvements. The City shall have no ownership interest in or to the Private Improvements (including roads and utilities) at any time, and shall have no obligation to accept them following the issuance of the notice of satisfactory completion pursuant to Section 13-B.
- 16. <u>Security.</u> Subdivider shall provide surety bonds for the Public Improvement Work and the Private Improvement Work in accordance with Government Code Section 66499 et seq. and CMC Chapter 16.18. In addition, Subdivider shall provide security guaranteeing the payment of the cost of setting monuments pursuant to Government Code Section 66496. Each surety bond must be issued by a surety company duly and regularly authorized to do general surety business in the State of California, or such other surety as may be acceptable to the City Attorney.

## A. Public Improvements.

- i. Performance Bond for the Public Improvements. Subdivider shall furnish and deliver a performance surety bond in the amount of One Million One Hundred Twenty Four Thousand Three Hundred Forty Four Dollars (\$1,124,344) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.1 and CMC Section 16.18.090 and be acceptable to the City Attorney. The bond shall be conditioned upon the faithful performance of this Agreement with respect to the Public Improvement Work and shall be released by the City upon final acceptance of the Public Improvements as described in Section 14 of this Agreement and Subdivider's delivery of the Warranty Bond described in Section 16.A.iii of this Agreement.
- ii. Labor and Materials Bond for the Public Improvements. Subdivider shall furnish and deliver a labor and materials surety bond in the amount of One Million One Hundred Twenty Four Thousand Three Hundred Forty Four Dollars (\$1,124,344) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.2 and CMC Section 16.18.090 and be acceptable to the City Attorney. The bond shall secure payment to the contractor(s) and subcontractor(s) performing the Public Improvement Work and to all persons furnishing labor, materials or equipment to them. The City shall retain the bond until both (i) the City accepts the Public Improvement Work in accordance with Section 14 above and (ii) the statute of limitations to file an action under Civil Code section 3114 et seg, has expired. After said date, the bond may be reduced by the City Engineer to an amount not less than the total amount claimed by all claimants for whom claims of lien have been recorded and notice given in writing to the City Council. The balance of the bond shall be retained until the final settlement of all such claims and obligations. If no such claims have been recorded, the bond shall be released in full by the City Engineer.
- iii. <u>Cash Security.</u> Subdivider shall furnish and deliver cash in the amount of Three Thousand Dollars (\$3,000) concurrently with the execution of this Agreement ("**Cash Security**"). The Cash Security shall secure payment for setting final survey monuments and restoring the Property should the Subdivider not complete the project. The Cash Security shall be conditioned

upon the faithful performance of this Agreement with respect to the Public Improvement Work and shall be refunded by the City upon final acceptance of the Public Improvements as described in Section 14 of this Agreement and Subdivider's delivery of the Warranty Bond described in Section 16.A.iii of this Agreement.

iv. Warranty Bond. Subdivider shall furnish and deliver a warranty bond upon acceptance of the Public Improvements and prior to release of the Performance Bond for the Public Improvements, in an amount equal to ten percent (10%) of the cost of construction of the Public Improvements. The bond shall be in a form reasonably acceptable to the City Attorney and shall guarantee and warranty the Work for a period of one (1) year following the completion and acceptance thereof against any defective work or labor done, or defective materials furnished.

#### B. Private Improvements.

- Performance Bond for the Private Improvements. Subdivider shall furnish and deliver a performance surety bond in the amount of One Million Nine Hundred Twenty Six Thousand Two Hundred Twenty Nine Dollars (\$1,926,229) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.1 and CMC Section 16.18.090 and be acceptable to the City Attorney. The bond shall be conditioned upon the faithful performance of this Agreement with respect to the Private Improvement Work. The bond shall be released by the City upon satisfactory completion of the Private Improvements as described in Section 13B of this Agreement.
- Labor and Materials Bond for the Private Improvements. Subdivider shall furnish and deliver a labor and materials surety bond in the amount of Nine Hundred Sixty Three Thousand One Hundred Fifteen Dollars (\$963,115) concurrently with the execution of this Agreement, which bond must meet the requirements of Government Code Section 66499.2 and CMC Section 16.18.090 and be acceptable to the City Attorney. The bond shall secure payment to the contractor(s) and subcontractor(s) performing the Private Improvement Work and to all persons furnishing labor, materials or equipment to them. The City shall retain the bond until both (i) the City Engineer has sent to Subdivider a written notice of satisfactory completion in accordance with Section 13-B above and (ii) the statute of limitations to file an action under Civil Code section 3114 et seq, has expired. After said date, the bond may be reduced by the City Engineer to an amount not less than the total amount claimed by all claimants for whom claims of lien have been recorded and notice given in writing to the City Council. The balance of the bond shall be retained until the final settlement of all such claims and obligations. If no such claims have been recorded, the bond shall be released in full by the City Engineer.
- 17. Warranty Period: Repair and Reconstruction. Without limiting the foregoing, Subdivider expressly warrants and guarantees all Public Improvement Work performed under this Agreement and all materials used in the Public Improvement Work for a period of one (1) year after final acceptance in accordance with Section 14 of this Agreement. If, within this one (1) year period, any Improvement or part of any Improvement installed or constructed,

or caused to be installed or constructed by Subdivider, or any of the work done under this Agreement, fails to fulfill any of the requirements of the Improvement Plans or this Agreement, Subdivider shall, without delay and without cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Public Improvement Work or Improvement to the satisfaction of the City Engineer. Should Subdivider fail to act promptly or in accordance with this requirement, or should the exigencies of the situation require repairs, replacements or reconstruction to be made before Subdivider can be notified, City may, at its option, make the necessary repairs, replacements or perform the necessary reconstruction and Subdivider shall pay to the City upon demand the actual cost of such repairs, replacements or reconstruction. Subdivider or its successor or assignee shall be fully responsible for the maintenance of the Private Improvement Work.

- 18. <u>Subdivider Not Agent of City.</u> Neither Subdivider nor Subdivider's contractors, subcontractors, agents, officers, or employees are agents or employees of City and the Subdivider's relationship to the City, if any, arising herefrom is strictly that of an independent contractor.
- 19. Indemnification. Subdivider agrees to indemnify, defend and hold City, its elective and appointed boards, commissions, officers, agents, employees and consultants, harmless from and against any and all claims, liabilities, losses, damages or injuries of any kind (collectively, "Claims") arising out of (1) Subdivider, or Subdivider's contractors', subcontractors', agents' or employees', acts, omissions, or operations under this Agreement, including, but not limited to, the performance of the Work, whether such acts, omissions, or operations are by Subdivider or any of Subdivider's contractors, subcontractors, agents or employees, and/or (2) any claim by any person or entity that this Agreement does not comply with SMA or the Subdivision Ordinance, The aforementioned indemnity shall apply regardless of whether or not City has prepared, supplied or approved plans and/or specifications for the Work or Improvements and regardless of whether any insurance required under this Agreement is applicable to any Claims, The City does not and shall not waive any of its rights under this indemnity provision because of its acceptance of the bonds or insurance required under the provisions of this Agreement. Subdivider also agrees to pay all attorney's fees that the City may incur because of any legal action or other proceeding arising from the development.
- 20. <u>Insurance.</u> Subdivider shall maintain Comprehensive Liability Insurance protecting the City from incidents as to bodily injury liability and property damage liability that may occur as a result of the Work and additional repairs. Subdivider shall provide a certificate of insurance to City before any Work commences. The insurance policy shall contain and be endorsed to contain, the following provisions:
  - A. The City, its officers, officials, employees, consultants and agents are to be covered as additional insureds as respects liability arising out of activities performed by or on behalf of Subdivider. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, consultants and agents.
  - B. The amounts of public and private liability and property damage coverage shall not be less than \$2,000,000 (Two Million Dollars) per occurrence for bodily injury, personal injury and property damage.

- C. The insurance shall be maintained in full force until the work has been completed to the satisfaction of the City Engineer.
- D. The insurance policy shall provide for 30 days' notice of cancellation to the City, The policy shall not be cancelled earlier than nor the amount of coverage be reduced earlier than 30 days after the City receives notice from the insurer of the intent of cancellation or reduction.
- E. Any failure to comply with the reporting provisions of the policy shall not affect the coverage provided to the City, its officers, officials, employees, consultants and agents.
- F. Subdivider's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, consultants and agents. Any insurance or self-insurance maintained by the City, its officers, officials, employees, consultants or agents shall be in excess of Subdivider's insurance and shall not contribute to it.
  - In the event that Subdivider's insurance is cancelled, Subdivider shall provide replacement coverage or all work must cease as of the cancellation date until replacement insurance coverage is provided.
- 21. Workers' Compensation Insurance. Subdivider shall provide, or cause to be provided, Workers' Compensation insurance as required by law, and shall cause its contractors and their subcontractors, agents and representatives to also maintain Workers' Compensation insurance as required by law. No Work shall commence until such Workers' Compensation insurance is obtained and in full force and effect. Subdivider shall provide, or cause to be provided, to the City an endorsement that the insurer waives the right of subrogation against the City, its officials, officers, employees, volunteers, and agents.
- 22. Compliance with Laws. Subdivider shall fully comply with all federal, state and local laws, ordinances and regulations in the performance of this Agreement. Subdivider shall, at its own cost and expense, obtain all necessary permits and licenses for the Work, give all necessary notices, pay all fees and taxes required by law and make any and all deposits legally required by those public and private utilities that will serve the development on the Property. Copies and/or proof of payment of said permits, licenses, notices, fee and tax payments and deposits shall be furnished to the City Engineer upon request.
- 23. <u>Encroachment Permits.</u> Subdivider shall obtain, at its sole cost and expense, any encroachment permits required by the City or other agency in order to perform the Work.
- 24. <u>Payments.</u> Subdivider agrees that it shall pay, when due, all those furnishing labor or materials in connection with the Work. Subdivider further agrees that pursuant to Government Code section 66499.7, the Labor and Materials Bonds provided by Subdivider in accordance with Section 16 of this Agreement shall not be released if any mechanics liens or stop notices are outstanding, unless said liens are released by bond in compliance with Civil Code section 3143.
- 25. <u>Utility Services</u>. Prior to municipal utility services (water and wastewater) being provided to the Subdivision, the Subdivider, HOA or other legally responsible entity shall open and maintain in good standing a utility billing account with the City. Failure to maintain said account in good standing may result in termination of services as provided for in the

Calistoga Municipal Code.

- 26. <u>Notice of Breach and Default.</u> The occurrence of any of the following constitutes a breach of this Agreement, and shall be an event of Default if not cured by Subdivider within thirty (30) days following written notice from City:
  - A. Subdivider refuses or fails to complete the Work within 36 months from recording of final map or later if deadline has been extended by City.
  - B. Subdivider assigns the Agreement without the prior written consent of City, which consent shall not unreasonably be withheld.
  - C. Subdivider is adjudged bankrupt or makes a general assignment for the benefit of creditors, or a receiver is appointed in the event of Subdivider insolvency.
  - D. Subdivider or Subdivider's contractors, subcontractors, agents or employees, fail to comply with any terms or conditions of this Agreement.
  - E. Any delay in the construction of any portion of the Work or repairs, which in the reasonable opinion of the City Engineer, endangers public safety.

In the event of a Default by Subdivider, the City may serve written notice of breach and default upon Subdivider and the financial institution holding the bonds.

- 27. Breach of Agreement: Performance by City. After giving not less than thirty (30) days written Notice to Subdivider of breach of this Agreement, unless Subdivider has cured the breach specified in the notice or has commenced and is diligently pursuing a cure for such breach, the City may proceed to complete either the Public or Private Improvement Work by contract or other method the City considers advisable, at the sole expense of Subdivider. Subdivider, immediately upon demand, shall pay the costs and charges related to the Work and any subsequent repairs. City, without liability for doing so, may take possession of and utilize in completing the Work and repairs, if any, such materials and other property belonging to Subdivider as may be on or about the Property and necessary for completion of the work. In the event of default, the financial institution holding the bonds shall be liable to City to pay the face amount of the bonds, as specified under Section 16.
- 28. Extensions. Allowed per City Municipal Code Section: 16.18.080C.
- 29. <u>Remedies.</u> City may bring legal action to compel performance of this Agreement and recover the costs of completing either the Public or Private Improvement Work and/or repairs, if any, including City's administrative and legal costs. Subdivider and City agree that if legal action is brought by City under this section of the Agreement, the prevailing party shall recover all of the costs of suit, reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator. The failure on the part of City to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that City may have hereunder.
- 30. <u>Final Drawings.</u> Upon completion of the Work and prior to final acceptance, Subdivider shall deliver to City a set of "as-built" drawings in CAD and PDF formats. These drawings shall be in a form reasonably acceptable to the City Engineer, shall be certified as being "as-built" and shall reflect the Work as actually constructed, with any and all changes

incorporated therein. Said drawings shall be signed and sealed as accurate by the Engineer of Record.

- 31. <u>Attorney Fees.</u> Should any legal action or arbitration be brought by either party because of breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to all costs of suit, reasonable attorney fees, arbitration costs and such other costs as may be determined by the court or arbitrator.
- 32. Notices. Formal written notices, demands, correspondence and communications between City and Subdivider shall be sufficiently given if: (a) personally delivered; or (b) dispatched by next day delivery by a reputable earner such as Federal Express to the offices of City and Subdivider indicated below, provided that a receipt for delivery is provided; or (c) if dispatched by first class mail, postage prepaid, to the offices of City and Subdivider indicated below. Such written notices, demands, correspondence and communications may be sent in the same manner to such persons and addresses as either party may from time-to-time designate by next day delivery or by mail as provided in this section.

<u>City:</u> City of Calistoga

1232 Washington Street Calistoga, CA 94515 Attn: City Manager

Subdivider: Silver Rose Property Owner, LP

1334-B Lincoln Ave. Calistoga, CA 94515

Notices delivered by deposit in the United States mail as provided above shall be deemed to have been served two (2) business days after the date of deposit if addressed to an address within the State of California, and three (3) business days if addressed to an address within the United States but outside the State of California.

- 33. <u>Transfers: Assignments.</u> Subdivider may assign its obligations under this Agreement to successor owner(s) of the Site with the prior written approval of the City, which approval shall not be unreasonably delayed, conditioned or withheld by the City. In connection with any such assignment, Subdivider and its assignee shall execute and deliver to City a written assignment and assumption agreement to be recorded against the Property, in a form reasonably acceptable to the City Attorney. In the event that the Subdivider intends to retain obligations under this Agreement after the transfer of the Property to a successor owner, other than an individual homeowner, the parties shall execute an agreement documenting such terms and conditions and the ongoing validity of the bonds, in a form reasonably acceptable to the City Attorney, to be recorded against the Property.
- 34. <u>Binding Upon Heirs, Successors and Assigns.</u> Subject to the terms of Section 33 regarding transfer and assignments, and Section 41 regarding running with the land, the terms, covenants and conditions of this Agreement shall be binding upon all heirs, successors and assigns of the parties hereto.
- 35. <u>Headings.</u> Section headings in this Agreement are for convenience only and are not intended to be used in interpreting or construing the terms, covenants or conditions contained in this Agreement.

- 36. <u>Severability.</u> If any provision of this Agreement is held, to any extent, invalid, the remainder of this Agreement shall not be affected, except as necessarily required by the invalid provision, and shall remain in full force and effect.
- 37. Entire Agreement. The terms and conditions of this Agreement constitutes the entire agreement between City and Subdivider with respect to the matters addressed in this Agreement. This Agreement may not be altered, amended or modified without the written consent of both parties hereto.
- 38. <u>Governing Law: Venue.</u> This Agreement shall be construed and enforced in accordance with the laws of the State of California, without reference to choice of law provisions. Any legal actions under this Agreement shall be brought only in the Superior Court of the County of Napa, State of California,
- 39. <u>Authority.</u> Each party executing this Agreement on behalf of a party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind and if such party is a partnership, corporation or trustee, that such partnership, corporation or trustee has full right and authority to enter into this Agreement and perform all of its obligations hereunder.
- 40. <u>Time is of the Essence</u>. Time is of the essence of this Agreement and of each and every term and condition hereof,
- 41. Runs With the Land: Recordation. This Agreement pertains to and shall run with the Property. Upon execution, this Agreement shall be recorded in the Official Records of Napa County. Any amendments or assignments of this Agreement shall also be recorded in the Official Records of Napa County. Notwithstanding the foregoing, purchasers of individual parcels shall not be subject to the terms of this Agreement, and the City and the Subdivider agree to sign and cause to be recorded any document reasonably required by such purchasers or title companies handling the purchase escrows to reflect such fact.
- 42. Counterparts. This Agreement may be executed in counterparts.

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Subd through their duly authorized officers:	ivider have hereunto set their hands to subscribe					
By the CITY this day of, 2016, 2016.	and by the Subdivider this day of					
CITY OF CALISTOGA a municipal corporation	SILVER ROSE PROPERTY OWNER, LP					
	GENERAL PARTNER:					
Rv.	SILVER ROSE GP LLC, a Delaware limited liability company					
By: Dylan Feik, City Manager	By: Silver Rose Venture LP, A Delaware limited partnership Its Sole Member					
ATTEST:	By: Alcion Silver Rose LLC,					
Kathy Flamson, City Clerk	a Delaware limited liability company Its General Partner					
APPROVED AS TO FORM:	By: Alcion Real Estate Partners Master Fund II, L.P., a Delaware limited partnership, its Manager					
Michelle Marchetta Kenyon, City Attorney	By: Alcion Capital Master Fund GP II, LLC A Delaware limited liability company, Its General Partner					
	Ву:					
	Name:					
	Title:					

#### CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

**CIVIL CODE § 1189** 

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity

STATE OF CALIFORNIA ) COUNTY OF NAPA )	
On, the undersigned, personally appeared	2016, before me,, and
subscribed to the within instrument and adhis/her/their authorized capacity(ies), and	actory evidence to be the person(s) whose name(s) is/are cknowledged to me that he/she/they executed the same in I that by his/her/their signature(s) on the instrument the In 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:
	SignatureSignature of Notary Public

Place Notary Seal Above

## SILVER ROSE PROPERTY OWNER, LP SUBDIVISION IMPROVEMENT AGREEMENT

## **EXHIBIT A**

Description of Public Improvements

## BKF Engineers 255 Shoreline Drive, Suite 200 Redwood City, California 94065

# PROBABLE OPINION OF CONSTRUCTION COSTS FOR FRONTAGE IMPROVEMENTS CALISTOGA

DEMOLITION					
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL COST
1	ELECTRICAL OVERHEAD AND POLE REMOVAL	1,933	LF	\$22.00	\$42,526
2	ASPHALT GRIND	3,482	SF	\$1.00	\$3,482
	DEMOLITION SUBTOTAL				

HARDSCAPE IMPROVEMENTS					
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL COST
1	3" AC / 7" AB (PAVEMENT SECTION)	13,630	SF	\$5.75	\$78,373
2	2" AC OVERLAY	43,933	SF	\$1.75	\$76,883
3	STRIPING/PAVEMENT MARKINGS/SIGNAGE	1	LS	\$5,000.00	\$5,000
HARDSCAPE SUBTOTAL					\$160,256

EROSION CONTROL AND TRAFFIC CONTROL					
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1	EROSION CONTROL	1	LS	\$8,000.00	\$8,000
2	TRAFFIC CONTROL	1	LS	\$15,000.00	\$15,000
		EROSION CONTROL SUBTOTAL			

Page 1 of 2

BKF Job No.: 20110109 Estimate Date: 08/24/16

## BKF Engineers 255 Shoreline Drive, Suite 200 Redwood City, California 94065

# PROBABLE OPINION OF CONSTRUCTION COSTS FOR FRONTAGE IMPROVEMENTS CALISTOGA

UTILITIES IMPROVEMENTS					
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	<b>TOTAL COST</b>
1	STREET LIGHT WITH BOX	1	EA	\$4,600.00	\$4,600
2	12" HDPE STORM DRAIN LINE	20	LF	\$250.00	\$5,000
3	15" HDPE STORM DRAIN LINE	79	LF	\$270.00	\$21,330
4	36" RCP STORM DRAIN LINE	244	LF	\$300.00	\$73,200
5	42" RCP STORM DRAIN LINE	200	LF	\$350.00	\$70,000
6	STORM DRAIN CATCH BASIN	2	EA	\$4,500.00	\$9,000
7	STORM DRAIN MANHOLE	2	EA	\$10,000.00	\$20,000
8	8" HDPE SANITARY SEWER LINE	283	LF	\$200.00	\$56,600
9	SANITARY SEWER MANHOLE	3	EA	\$3,000.00	\$9,000
10	6" DIP DOMESTIC WATER SERVICE LATERAL	1	EA	\$4,000.00	\$4,000
11	10" DIP DOMESTIC WATER LINE	518	LF	\$125.00	\$64,750
12	FIRE HYDRANT - INCLUDES LATERAL CONNECTION TO MAIN	1	EA	\$5,200.00	\$5,200
13	JOINT TRENCH	2,762	LF	\$200.00	\$552,400
UTILITIES SUBTOTAL				\$895,080	

CALISTOGA OFF-SITE SUBTOTAL \$1,124,344

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BKF Job No.: 20110109 Estimate Date: 08/24/16

## **EXHIBIT B**

**Description of Private Improvements** 

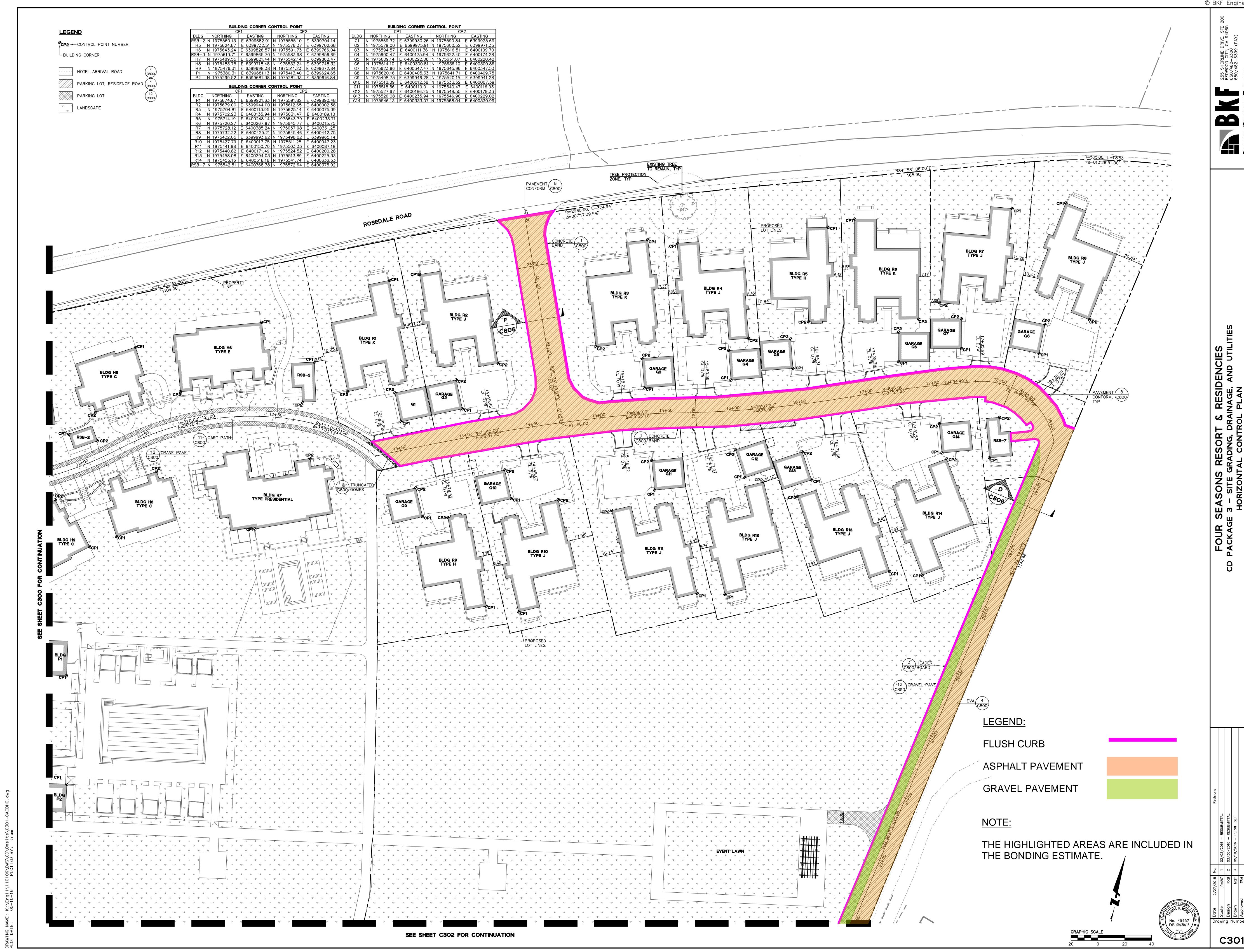
## PROBABLE OPINION OF CONSTRUCTION COSTS FOR ON-SITE IMPROVEMENTS CALISTOGA

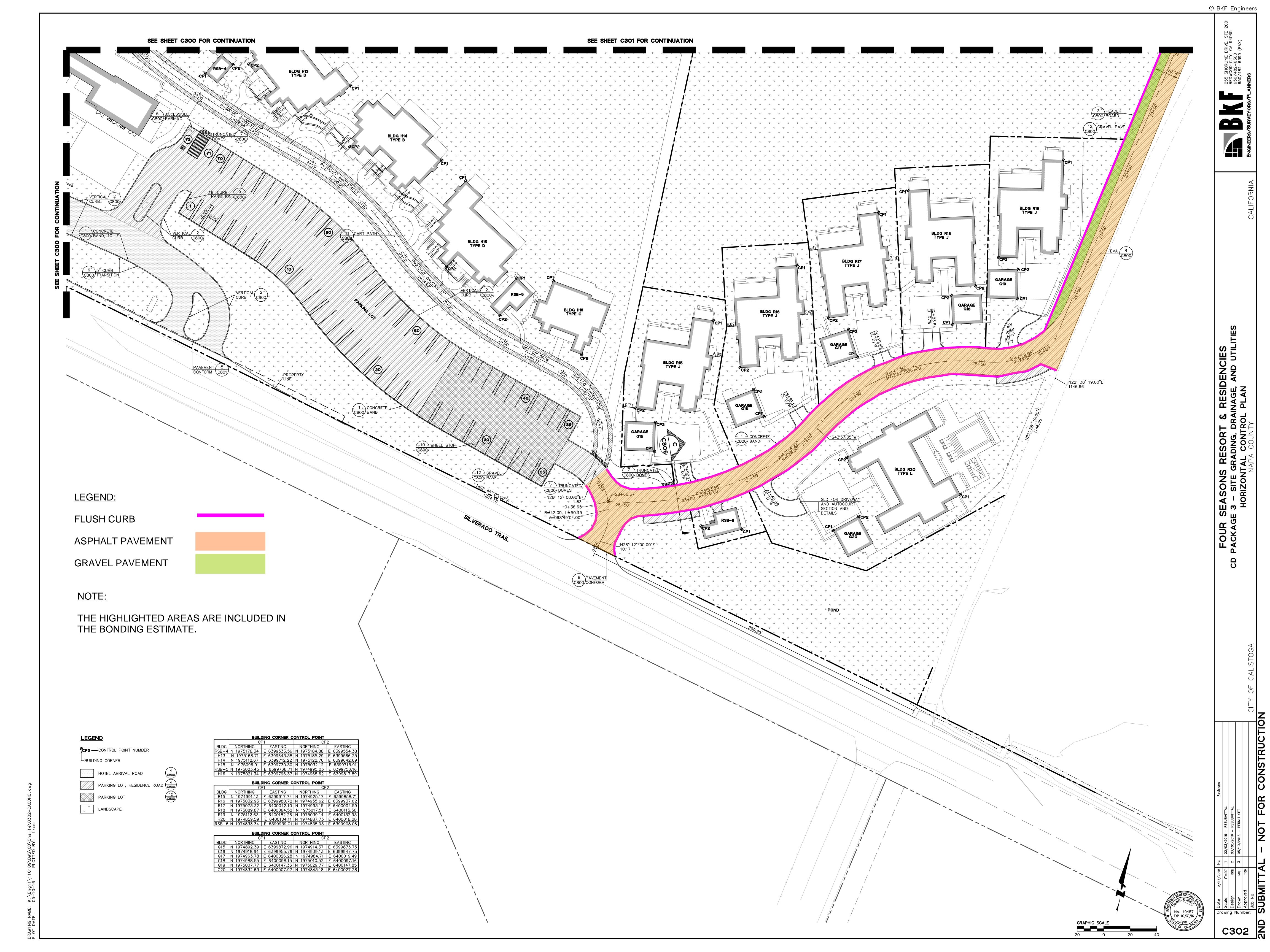
FINE C	GRADING				
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1	FINE GRADING	122,000		\$0.50	\$61,000
		FINE G	RADIN	IG SUBTOTAL	\$61,000
HARD	SCAPE IMPROVEMENTS				
ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT COST	<b>TOTAL COST</b>
1	FLUSH CURB	2,901	LF	\$15.00	\$43,515
2	3" AC / 7" AB (PAVEMENT SECTION)	32,921	SF	\$4.00	\$131,684
3	GRAVEL PAVEMENT SYSTEM	4,297	SF	\$20.00	\$85,940
			UTILIT	TY SUBTOTAL	\$261,139
<b>EROSI</b>	ON CONTROL				
ITEM		QUANTITY	UNIT	UNIT COST	TOTAL
	HYDROSEED/STABILIZATION - RESORT	13	AC	\$2,500.00	\$32,500
2	HYDROSEED/STABILIZATION - RESIDENTIAL LOTS	9	AC	\$2,500.00	\$22,500
		EROSION C	ONTRO	L SUBTOTAL	\$55,000
	IES AND LANDSCAPE IMPROVEMENTS				
ITEM		QUANTITY	UNIT		TOTAL COST
	6" HDPE STORM DRAIN	365	LF	\$100.00	\$36,500
	8" HDPE STORM DRAIN	74	LF	\$100.00	\$7,400
3	12" HDPE STORM DRAIN	10	LF	\$125.00	\$1,250
4	24" HDPE STORM DRAIN	220	LF	\$200.00	\$44,000
5	30" RCP STORM DRAIN	200	LF	\$250.00	\$50,000
6	36" RCP STORM DRAIN	416	LF	\$300.00	\$124,800
7	42" RCP STORM DRAIN	298	LF	\$350.00	\$104,300
8	STORM DRAIN CATCH BASIN 2'X2'	10	EA	\$1,000.00	\$10,000
9	STORM DRAIN CATCH BASIN 3'X3'	2	EA	\$1,000.00	\$2,000
	STORM DRAIN CATCH BASIN 5'X5'	4	EA	\$2,000.00	\$8,000
	STORM DRAIN STRUCTURE 5'X7'	2	EA	\$2,000.00	\$4,000
	STORM DRAIN BUBBLE UP STRUCTURE 2'X2'	1	EA	\$1,000.00	\$1,000
	STORM DRAIN DETENTION BASIN	1	EA	\$2,500.00	\$2,500
14	STORM DRAIN MANHOLE	4	EA	\$6,000.00	\$24,000
	4" HDPE SANITARY SEWER LATERAL	20	EA	\$1,500.00	\$30,000
	6" HDPE SANITARY SEWER	488	LF	\$180.00	\$87,840
	8" HDPE SANITARY SEWER	1,100	LF	\$200.00	\$220,000
18	SANITARY SEWER MANHOLE	10	EA	\$3,000.00	\$30,000
19	SANITARY SEWER MANHOLE WITH FLOW METER	1 0.000	EA	\$8,000.00	\$8,000
	10" DIP DOMESTIC WATER	2,300	LF	\$125.00	\$287,500
	DOMESTIC WATER LATERAL	20	EA	\$2,000.00	\$40,000
	FIRE HYDRANT ASSEMBLY - INCLUDES LATERAL CONNECTION TO MAIN	5	EA	\$5,200.00	\$26,000
23	JOINT TRENCH - INCLUDES ALLOWANCE FOR TRANSFORMERS AND JUNCTION BOXES	2,000	LF	\$200.00	\$400,000
			UIILI	TY SUBTOTAL	\$1,549,090

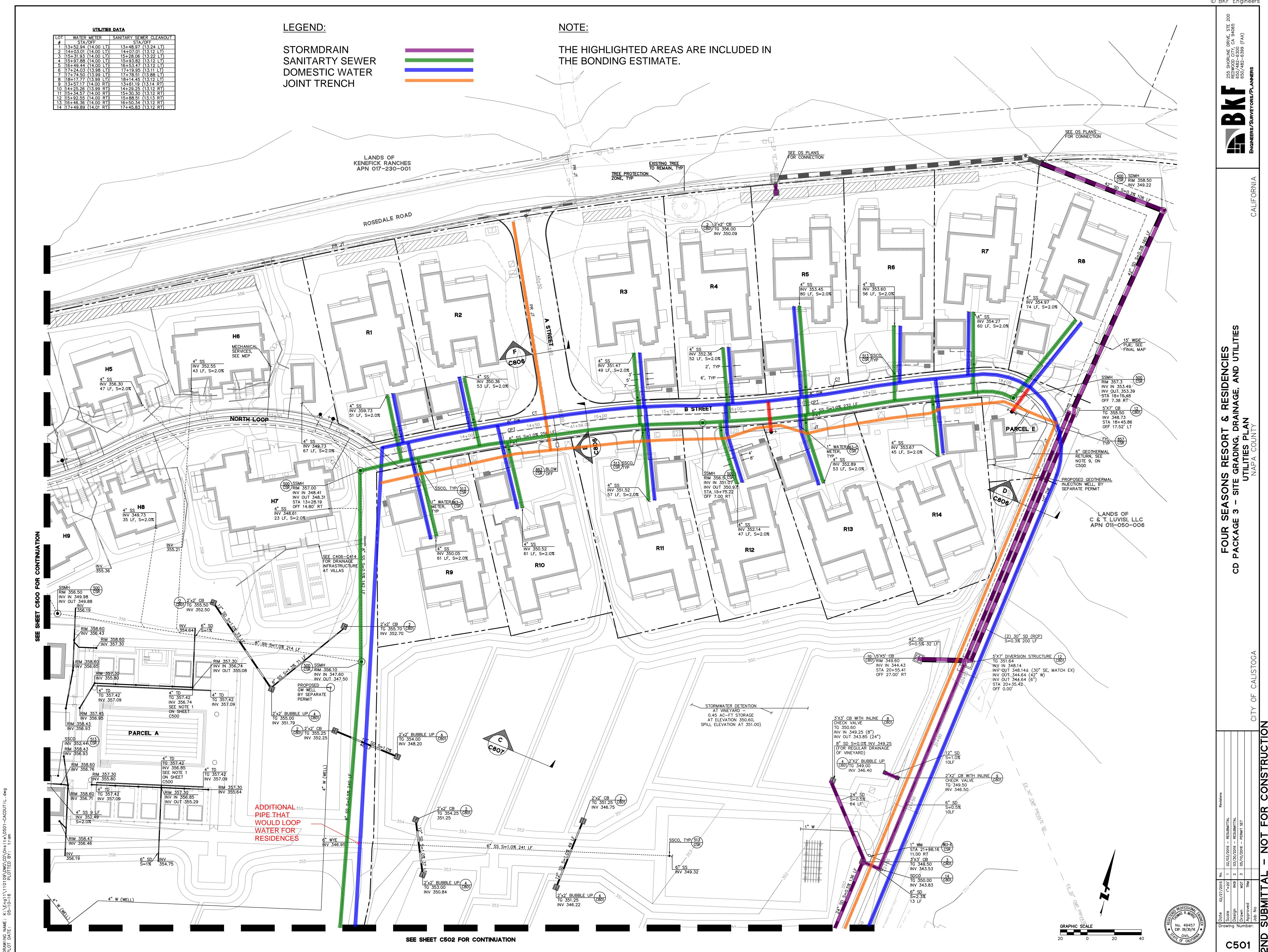
CALISTOGA ON-SITE SUBTOTAL \$1,926,229

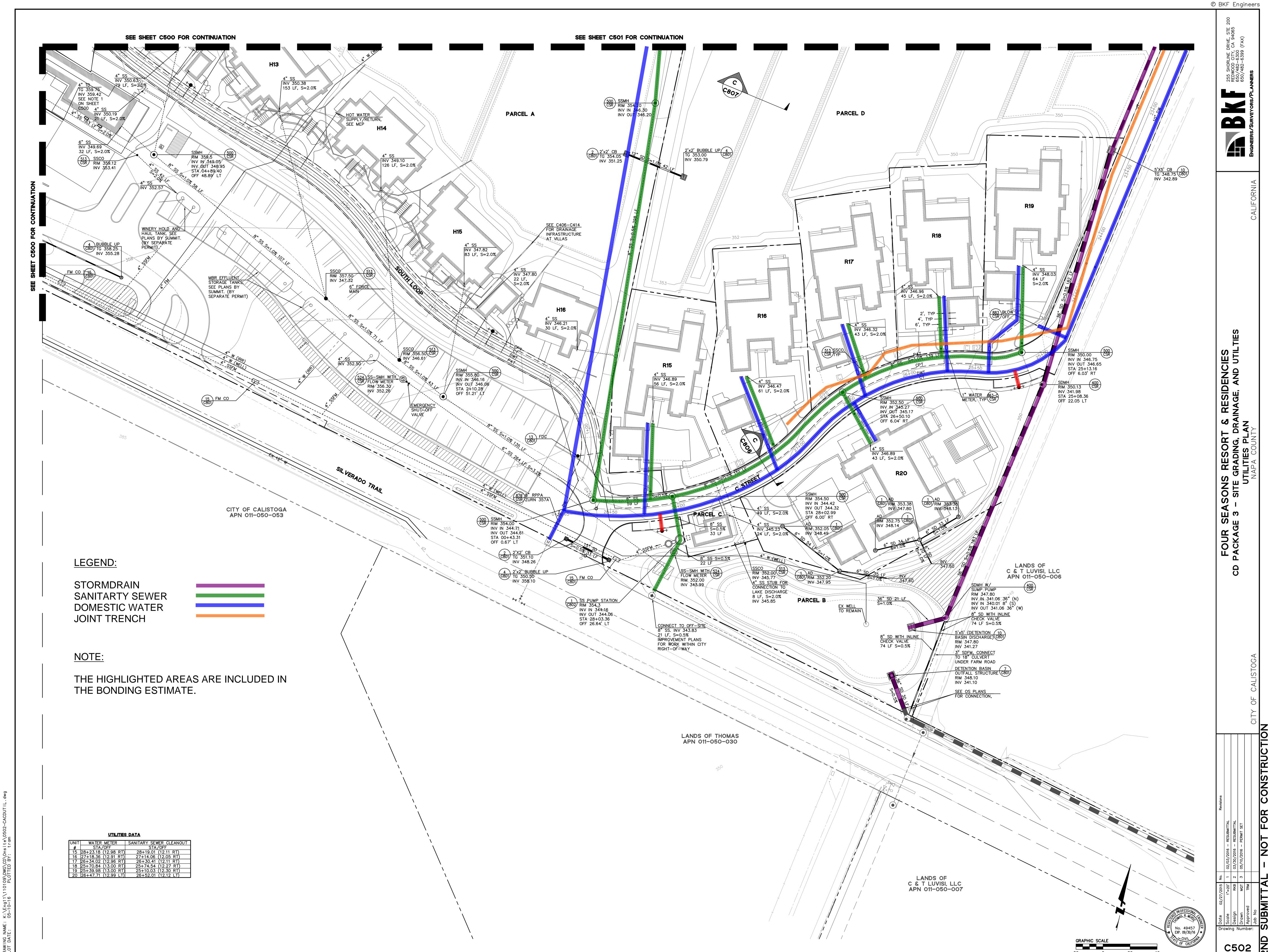
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BKF Job No.: 20110109 Estimate Date: 08/24/16









C502

#### **EXHIBIT C**

### Legal Description

#### Silver Rose Property Owner, L.P.

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

#### TRACT ONE:

Parcel 1, as shown on the map entitled, "Parcel Map of the Lands of DuMont Enterprises, a general partnership", filed June 9, 1995 in Book 21 of Parcel Maps at page(s) 46-47 in the office of the County Recorder of said Napa County.

APN 011-050-039

#### TRACT TWO:

Parcel 2, as shown on Parcel Map of the Lands of DuMont Enterprises, a General Partnership, filed June 9, 1995, in Book 21 of Parcel Maps, at pages 46 and 47, in the office of the County Recorder of said Napa County.

APN 011-050-040

#### TRACT THREE:

Parcel 2 as shown on the map entitled "Parcel Map of the Lands of Dumont Enterprises, a General Partnership" filed November 23, 1993 in Book 20 of Parcel Maps at pages 1 and 2, in the office of the County Recorder of said Napa County.

APN 011-050-036

#### TRACT FOUR:

Parcel 3, as shown on the map entitled, "Parcel Map of the Lands of Dumont Enterprises, a General Partnership" filed November 23, 1993 in Book 20 of Parcel Maps at pages 1 and 2, in the office of the County Recorder of said Napa County.

APN 011-050-037

#### TRACT FIVE:

Parcel 1 as shown on the map entitled, "Parcel Map of the Lands of Dumont Enterprises, a General Partnership" filed November 23, 1993 in Book 20 of Parcel Maps at pages 1 and 2, in the office of the County Recorder of said Napa County.

APN 011-050-035