

SUBDIVISION AGREEMENT – TRACT 3136 PHASE 1

THIS SUBDIVISION AGREEMENT – TRACT 3136 PHASE 1 (“Agreement”) is dated this _____ day of _____ 2024 by and between BULLOCK RANCH, LLC, a California limited liability company, herein referred to as "Subdivider," and the CITY OF SAN LUIS OBISPO, herein referred to as the "City."

RECITALS

REFERENCE IS HEREBY MADE to that certain proposed subdivision of real property in the City of San Luis Obispo, County of San Luis Obispo, State of California, a description of which is shown on the Final Map of Tract 3136 PHASE 1, City of San Luis Obispo, California, as approved by the City Council on the _____ day of _____, 2024.

The Subdivider desires that said Tract 3136 PHASE 1 be accepted and approved as a Final Map pursuant to the Subdivision Regulations of the City of San Luis Obispo (Title 16 of the San Luis Obispo Municipal Code), and

It is a condition of said regulations that the Subdivider agree to install the improvements set forth in this Agreement.

TERMS AND CONDITIONS:

In consideration of the foregoing, the Subdivider, or assignee, does hereby agree to construct and install the following subdivision improvements (collectively, the “Improvements”), in accordance with said subdivision regulations and the approved plans and specifications dated _____, 2024 which are on file in the office of the City Engineer, to wit:

- 1. CURB, GUTTERS AND SIDEWALKS
- 2. STREET BASE AND SURFACING

3. WATER MAINS and SEWER MAINS, including sewer laterals to the property line and water services to the curb stop.
4. LANDSCAPING
5. DRAINAGE STRUCTURES
6. STREET LIGHTS
7. ELECTRIC, GAS, TELEPHONE AND CABLE TELEVISION: In addition to the inspection and approval of such facilities by the City, each public utility shall be required to file a letter stating that the Subdivider has properly installed all facilities to be provided by him, and that the said utility is prepared to provide service to residents upon request.
8. ANY & ALL OTHER IMPROVEMENTS shown on plans or required by Resolution Number 11299 approved by the City Council on January 11, 2022 (“Project Approvals”).

All of the Improvements shall be installed per the plans and specifications referenced above and any modifications thereto approved by the City Engineer (the “Approved Plans”).

The lines and grades for all of said Improvements shall be established by the Subdivider in accordance with the Approved Plans.

The Subdivider agrees that the work of installing the Improvements shall begin within Ninety (90) days from the date of recording of the Tract 3136 PHASE 1 final map, and that the work shall be completed within Twenty-Four (24) months of said recording date, unless an extension has been granted by the City; the grant of any such extension shall not be unreasonably withheld by the City. Subdivider further agrees to annually renew the securities guaranteeing the Improvements until such time as the Improvements are complete and accepted by the City. It is further provided that if completion of said work is delayed by acts of God or labor disputes resulting in strike action, the Subdivider shall have an additional period of time equivalent to such period of delay in which to

complete such work. Any extension of time hereunder shall not operate to release the securities filed with the City pursuant to this Agreement. In this connection, the surety waives the provisions of Section 2819 of the Civil Code of the State of California.

The Subdivider does also agree to comply with the conditions of approval set forth in the Project Approvals. Subdivider has paid the necessary fees as indicated on the attached Exhibits 1 and 2.

The setting of new survey monuments or resetting of disturbed monuments shall be in accordance with Article 5, paragraph 8771 et seq., of the Professional Land Surveyors Act, Chapter 15 of the Business and Professions Code of the State of California.

The Subdivider attaches hereto, as an integral part hereof, and as security for the faithful performance of this Agreement, instrument(s) of credit or bond approved by and in favor of the City of San Luis Obispo, and conditioned upon the **faithful performance** of this Agreement. As shown in Exhibit 2, said instrument(s) of credit or bond shall be in the amount of **\$1,649,500 for the public portion of the Improvements and \$5,777,000 for the private portion of the Improvements.**

Completion of the Improvements shall be deemed to have occurred on the date which: (a) the City Engineering Division accepts the public portion of the Improvements per the Approved Plans ("Final Acceptance"); and, (b) the City Building Division approves the private portion of the Improvements per the Approved Plans ("Final Inspection"). Neither periodic nor progress inspections or approvals shall bind the City to accept the Improvements or waive any defects in the same or any breach of this Agreement.

Subdivider agrees to remedy any defects in the Improvements arising from faulty workmanship or materials or defective construction of: (a) the public portion of the Improvements occurring within twelve (12) months after Final Acceptance; and, (b) the

private portion of the Improvements occurring within twelve (12) months after Final Inspection. In accordance with Sections 66499.7 and 66499.9 of the Government Code of the State of California, upon final completion and acceptance of the work, City will release all but 10% of the improvement security, that amount being deemed sufficient to guarantee faithful performance by the Subdivider of his obligation to remedy any defects in the Improvements arising within a period of one year following the completion and acceptance thereof.

If the Subdivider fails to complete the Improvements within the prescribed time, the Subdivider agrees that City may, at its option, declare any instrument of credit or bond which has been posted by Subdivider to guarantee faithful performance, forfeited and utilize the proceeds to complete the Improvements, or City may complete said Improvements and recover the full cost and expense thereof from the Subdivider or its surety.

The Subdivider has deposited with the City a **labor and materials surety** or sureties in the amount of 50% of the above-described subdivision improvements **(\$824,750 and \$2,888,500)** in accordance with State law.

Said Subdivider shall pay an inspection fee for City to inspect the installation of said Improvements, and to verify that they have been completed in accordance with the Approved Plans.

If off-site dedication of property is necessary to facilitate the construction of the required Improvements, the Subdivider and City shall adhere to the requirements of the Project Approvals with regards to acquiring said off-site dedication.

Pursuant to Government Code Section 66474.9(b), the Subdivider shall defend, indemnify and hold harmless the City and/or its agents, officers and employees from any

claim, action or proceeding against the City and/or its agents, officers or employees to attack, set aside, void or annul, the approval by the City of this subdivision, and all actions relating thereto, including but not limited to environmental review ("Indemnified Claims").

The City shall promptly notify the Subdivider of any Indemnified Claim upon being presented with the Indemnified Claim and City shall fully cooperate in the defense against an Indemnified Claim.

It is understood and agreed by and between the Subdivider and the City hereto that this Agreement shall bind the heirs, executors, administrators, successors and assigns of the respective parties to this Agreement.

[signatures on following page]

IN WITNESS WHEREOF, this Agreement has been executed by:

SUBDIVIDER

BULLOCK RANCH, LLC,
a California limited liability company

By: _____
Barry Ephraim,
Manager

By: _____
John Young,
Manager

CITY OF SAN LUIS OBISPO

MAYOR Erica A. Stewart

ATTEST:

CITY CLERK Teresa Purrington

APPROVED AS TO FORM:

CITY ATTORNEY J. Christine Dietrick

EXHIBIT 1
TRACT 3136 PHASE 1
SUBDIVISION AGREEMENT

1. The Subdivider shall deposit a monumentation security in the amount of **\$12,400** to guarantee the installation of survey monuments in accordance with the approved map and payment for same. Said guarantee will be released once the installation of monuments has been verified and that existing monuments have not been disturbed, and upon receipt by the City of a letter from the Surveyor indicating that they have completed the work and have been paid. Subdivider shall adhere to the requirements of California Business and Professions Code Section 8771 with regards to monument preservation. The monumentation security also guarantees the replacement of any monuments that were disturbed during construction, along with filing of Records of Survey or Corner Records required by said Section 8771.
2. Park in-lieu fees (parkland Quimby fee) for the multi-family Tract 3136 Phase 1 are to be paid prior to final map recordation per this Subdivision Agreement. The Park Improvement fees are deferred to time of building permit issuance per the conditions of approval of Tract 3136.
3. The Subdivider shall pay a roadway maintenance fee to satisfy the roads maintenance requirements of the City, specifically maintenance caused by a surplus of heavy vehicles during the temporary construction activities of the project. The fee of \$15,000 was estimated and approved by the City Engineer in accordance with City Engineering Standards and guidelines.
4. The subdivider shall comply with all requirements of City Council Resolution No. 11299 and Council Resolutions related to approval of the tentative map, approving the Orcutt Area Specific Plan, and certifying the Final Environmental Impact Report. (3580/3584 BULLOCK LANE FILE #ARCH-0489-2019, SBDV-0490-2019, EID-0345-2020)

EXHIBIT 2

TRACT 3136 PHASE 1 - FEE AND BOND LIST, BULLOCK LANE

Bonds and Guarantees:					
		Amount	Form	Date Received	Bond Release Status
Faithful Performance:					
1.	OFF-SITE IMPROVEMENTS (PIPs) (FMAP-0177-2022)	\$1,649,500	Bond		Based on Engineer's estimate of probable cost, minus minor items subtracted. To be released upon Final Acceptance.
2.	ON-SITE IMPROVEMENTS (FMAP-0177-2022)	\$5,777,000	Bond		Based on Engineer's estimate of probable cost, minus % of early grading and minor other items, round to the nearest \$10,000. To be released upon Final Inspection.
3.	Monument Guarantee	\$12,400	Bond or CD		To be released upon verification that monuments have been set and surveyor has been paid.
Labor & Materials (50% of cost of each of the above improvements)					
1.	OFF-SITE IMPROVEMENTS (PIPs) (FMAP-0177-2022)	\$1,649,500 / 2 = \$ 824,750	Bond		Based on Engineer's estimate of probable cost, divided by two. To be released upon Final Acceptance and evidence that lien rights have expired.
2.	ON-SITE IMPROVEMENTS (FMAP-0177-2022)	\$5,777,000 / 2 = \$ 2,888,500	Bond		To be released upon Final Inspection and evidence that lien rights have expired.
10% Warranty		To be collected prior to release of Faithful Performance Bonds			To be released one-year after Final Acceptance or Final Inspection as applicable, if no defects, and approval of record drawings.

Fees:

		Amount	Form	Date Received	Status
1.	Map Check Fee (Paid)	\$18,562.00	Check	2022	Paid (covers original map check)
	Additional Map Check Fee (Paid)	\$11,200.00	Check	December 2023	Paid (covers Phase 1 recheck and remainder parcel check)
2.	Improvement Plan check Fees For all on-site and off-site applicable items from case FMAP-0177-2022	\$102,114.55	Check	May 2023	PAID IN FULL, MAY 2023 Based on approved construction estimates (covers Phase 1 and future Phase 2)
	Phase 1 Plan check Fees (additional fee for splitting into two phases) For all on-site and off-site applicable items from case FMAP-0177-2022	\$27,300.00	Check	December 2023	PAID IN FULL, December 2023 Based on approved construction estimates (covers Phase 1 and future Phase 2)
3.	Construction Inspection Fees For all of Phase 1 on-site and off-site applicable items from case FMAP-0177-2022, and new plan revision case FMAP-0642-2023	\$194,844.54 Revised for only Phase 1 on 1/16/24			Based on approved construction estimates. (covers Phase 1 Only)
4.	Roadway Maintenance Fee	\$15,000			To be deposited in Acct # 40050300-90346953 Streets Reconstruction and Resurfacing Master per Matt Horn (covers Phase 1 and future Phase 2)
5.	Parkland In-Lieu Fee: - OASP Parkland Reimbursement Payment (Parkland dedicated by Righetti Ranch. Bullock Ranch is benefiting property and required to make "Reimbursement Payment" under the Parkland Reimbursement Agreement between City and Righetti Ranch, L.P.)	\$422,400			\$4,400 per unit per updated Table 9 of the OASP PFFP (R-10850, 2017 Series). Phase 1 unit count is 96. Amount covers Phase 1 only. Due at time of recording subdivision map for Phase 1. Amount for Phase 2 will be due at recording of Subdivision map for Phase 2. Should total number of units change for either phase, the amount will need to be re-calculated. City shall deposit funds collected to GL String: 511.9503.47203
6.	Parkland Development Fee (Orcutt Area)	\$TBD			Pay current fees in effect based on permit application date. Due at building permit issuance. City shall deposit funds collected to GL String: 511.9504.47201

7.	Public Infrastructure Reimbursement Payment (Righetti Ranch is installing public infrastructure in greater size and capacity than required. Bullock Ranch is benefiting property and required to make “Infrastructure Reimbursement Payment” under the Infrastructure Reimbursement Agreement between City and Righetti Ranch, L.P.)	\$116,763 + 2% interest per year from the date the City accepts the Public Improvements which was 10/22/2019 (\$2335.26/ yr - OR- \$194.61/mo -OR- \$6.40/ day)			Per the Righetti Ranch Infrastructure Reimbursement Agreement, Exhibit A Amount was re-calculated September 2023 by City Financial Analyst & City Engineers. Amount covers Phase 1 and Phase 2. Should total number of units change for either phase, the amount will need to be re-calculated. Due at final map recording for Phase 1.
8.	<i>Other Impact Fees:</i>				
	Transportation Impact fees: - OASP Base TIF (vested after 7/1/2018) - OASP Add-on TIF (vested after 7/1/2018)	\$TBD \$TBD			Pay current fees in effect based on permit application date. Due at building permit issuance.
	Utility Impact fees: - Water - Wastewater	\$TBD \$TBD			Pay current fees in effect based on permit application date. Due at building permit issuance.
	Emergency Services Impact Fees: - Police - Fire	\$TBD \$TBD			Pay current fees in effect based on permit application date. Due at building permit issuance.
	Affordable Housing Requirements	See Affordable Housing Agreement			
	Planning Fees for ARCH-0489-2019	\$10,619.22			Pay prior to map recordation. Invoiced 11/21/23
	Reimbursement Agreement Fee SBDV-0490-2019	\$19,220.86			Pay prior to map recordation. Invoiced 7/25/24