# APPROVAL OF FINAL MAP, GRANT DEED AND SUBDIVISION IMPROVEMENT AGREEMENT FOR 311 LOTS IN TRACT 4017 WITHIN PHASE 1B OF CLSP 

## RECOMMENDATION: Adopt Resolution Approving Final Map for Tract 4017 within Phase 1B of CLSP, Totaling 311 Single Family Lots, a Grant Deed and a Subdivision Improvement Agreement with Lathrop Land Acquisition, LLC

## SUMMARY:

The proposed Final Map for Tract 4017 will be the first subdivision of the second neighborhood in the Central Lathrop Specific Plan (CLSP) area, known as Phase 1B, which will establish a total of 311 single-family lots. A vicinity map is included as Attachment "B".

Staff recommends that the City Council approve the proposed Final Map for Tract 4017 within Phase 1B of CLSP, totaling 311 Single-Family Lots and a Subdivision Improvement Agreement (SIA) with Lathrop Land Acquisition, LLC (Saybrook).

## BACKGROUND:

On October 5, 2006, The City of Lathrop approved a Vesting Tentative Map (VTM) for Tract 3533 to create 62 parcels on 960 acres of land. On March 20, 2007, the City approved a VTM for Tract 3647 to subdivide a portion of Tract 3533 into 1,071 parcels on 190 acres of land. On August 13, 2018, the City approved VTM 3967 to subdivide a portion of Tract 3533 into 113 parcels on 18 acres of land to replace the previously planned school location with residential lots. The land for the proposed Final Map for Tracts 4017 is within the geographic boundaries of the VTMs for Tracts 3647 and 3967.

As required by the City's subdivision ordinance, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee specific offsite and onsite improvements. The total cost of the improvements for CLSP Phase 1B is $\$ 24,091,614$, however, a large percentage of the improvements have already been constructed and therefore do not need to be guaranteed. Performance and labor \& material securities have been provided to the City with the SIA in the amount of:

| Unfinished Improvement Total: | $\$ 10,777,795$ |
| :--- | :--- |
| Performance Bond (110\% of Unfinished Improvements): | $\$ 11,855,574$ |
| Labor \& Materials Bond (50\% of Performance Bond) | $\$ 5,927,787$ |

Acceptance of the public improvements will be processed by staff at a later date and when the unfinished improvements are completed. Prior to acceptance, Saybrook will be required to provide a one (1) year warranty bond.

Saybrook requires additional recycled water storage and disposal facilities to secure sufficient sewer capacity to allocate to the 311 lots within Tract 4017. The City intends to construct and permit a recycled water river discharge within two years of this map approval and such facility will eliminate the need for the additional recycled water storage and disposal facilities. However, at this time, it is uncertain whether the City will be permitted to do so by the Regional Water Quality Control Board (RWQCB). As part of the SIA, Saybrook is required to provide a guarantee for the construction of these facilities in the amount of $\$ 4,387,449$ and provide a Grant Deed for the land with the right of reverter. If the City does indeed construct the recycled water river discharge, the guarantee and land will be returned to Saybrook. However, if the recycled water river discharge is not constructed, Saybrook will be required to construct these facilities.

Saybrook must satisfy the Escrow Instructions, included as Attachment "D", to guarantee the payment of all fees and execution of the documents related to the SIA.

## REASON FOR RECOMMENDATION:

Saybrook has nearly completed street and utility improvements within Stanford Crossing Phase 1A with some minor improvements left remaining. Saybrook has posted security with the City for the unfinished improvements including a future water tank and neighborhood park as required by the SIA. Acceptance of all public improvements will be processed by staff at a later date when the unfinished improvements are complete. At that time, Saybrook will be required to post one (1) year maintenance bonds as a warranty for the completed infrastructure.

Saybrook has fulfilled the requirements of the City's subdivision ordinance as listed below:

| Documents | Status |
| :--- | :--- | :--- |
| 1. $\quad$ Final Map ready for signature | Completed |
| 2. $\quad$ Subdivision Improvement Agreement | Completed |
| 3. $\quad$ Performance Security | Completed |
| 4. $\quad$ Labor and Materials Security | Completed |
| 5. $\quad$ Street Improvement, Landscape, Light \& Joint Trench | Completed |
| 6. $\quad$ Geotechnical Report | Completed |
| 7. $\quad$ Allocation of Water and Sewer capacity | Completed |
| 8. $\quad$ Submitted Certificate of Insurance, Tax Letter | Completed |

JANUARY 11, 2021, CITY COUNCIL REGULAR MEETING APPROVAL OF FINAL MAP, GRANT DEED AND A SIA FOR 311 LOTS IN TRACT 4017 WITHIN PHASE 1B OF CLSP

| 9. Submitted Preliminary Guarantee of Title | Completed |
| :--- | :--- | :--- |
| 10. $\quad$Grant Deed of Stage 2 Recycled Water Improvement <br> Land | Pending approval <br> with this item |
| 11. Escrow Instructions | Completed |
| Fees | Status |
| 1. $\quad$ Final Map plan check fee | Paid |
| $2 . \quad$ Improvement Plans - Plan check and inspection fees | Paid |
| $3 . \quad$ Sierra Club Settlement fee | To be paid in <br> escrow |

## BUDGET IMPACT:

There is no budget impact to the City as all costs are covered by development fees and any shortfalls in the City's maintenance and operating costs are covered by the CFDs.

## ATTACHMENTS:

A. Resolution Approving Final Map for Tract 4017 within Phase 1B of CLSP, Totaling 311 Single Family Lots, a Grant Deed and a Subdivision Improvement Agreement with Lathrop Land Acquisition, LLC
B. CLSP Phase 1B Vicinity Map
C. City of Lathrop Subdivision Improvement Agreement - CLSP Phase 1B - Tract 4017 - Lathrop Land Acquisition, LLC
D. Escrow Instructions for the Final Maps for Tract 4017
E. Grant Deed - Stage 2 Recycled Water Improvements

## APPROVALS



Brad Ta, lor
Associate Engineer


Public Works Director


Glenn Gebhardt
City Engineer


Finance \& Administrative Services Director


Salvador Navarrete
City Attorney
$12 / 17 / 2020$
Date
$\frac{12 / 17 / 2020}{\text { Date }}$

$12 / 17 / 2020$
Date
$\frac{12-17-2020}{\text { Date }}$

## $12 \cdot 21 \cdot 2020$ Date

## RESOLUTION NO. 21-

## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING FINAL MAP FOR TRACT 4017 WITHIN PHASE 1B OF CLSP, TOTALING 311 SINGLE FAMILY LOTS, A GRANT DEED AND A SUBDIVISION IMPROVEMENT AGREEMENT WITH LATHROP LAND ACQUISITION, LLC

WHEREAS, on October 5, 2006, The City of Lathrop approved a Vesting Tentative Map (VTM) for Tract 3533 to create 62 parcels on 960 acres of land. On March 20, 2007, the City approved a VTM for Tract 3647 to subdivide a portion of Tract 3533 into 1,071 parcels on 190 acres of land. On August 13, 2018, the City approved VTM 3967 to subdivide a portion of Tract 3533 into 113 parcels on 18 acres of land to replace the previously planned school location with residential lots; and

WHEREAS, the land for the proposed Final Maps for Tract 4017 is within the geographic boundaries of the VTMs for Tracts 3647 and 3967; and

WHEREAS, as required by the City's subdivision ordinance, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee specific offsite and onsite improvements; and

WHEREAS, the total cost of the improvements for CLSP Phase $1 B$ is $\$ 24,091,614$, however, a large percentage of the improvements have already been constructed and therefore do not need to be guaranteed. Performance and labor \& material securities have been provided to the City with the SIA in the amounts of; and

| Unfinished Improvement Total: | $\$ 10,777,795$ |
| :--- | :--- |
| Performance Bond (110\% of Unfinished Improvements): | $\$ 11,855,574$ |
| Labor \& Materials Bond (50\% of Performance Bond) | $\$ 5,927,787$ |

WHEREAS, acceptance of the public improvements will be prepared for Council consideration by staff at a later date when the unfinished improvements are completed. Prior to acceptance, Lathrop Land Acquisition, LLC (Saybrook) will be required to provide a one (1) year warranty bond; and

WHEREAS, Saybrook requires additional recycled water storage and disposal facilities to secure sufficient sewer capacity to allocate to the 311 lots within Tract 4017; and

WHEREAS, as part of the SIA, Saybrook is required to provide a guarantee for the construction of these facilities in the amount of $\$ 4,387,449$ and provide a Grant Deed for the land with the right of reverter. If the City does indeed construct the recycled water river discharge, the guarantee and land will be returned to Saybrook. However, if the recycled water river discharge is not permitted by the Regional Water Quality Control Board (RWQCB), Saybrook will be required to construct these facilities as detailed in the SIA; and

WHEREAS, Saybrook must satisfy the Escrow Instructions, included as Attachment "D", as attached to the January 11, 2021 staff report to guarantee the payment of all fees and execution of the documents related to the SIA.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Lathrop that approves and accepts the following actions:

1. The Final Map for Tract 4017 is hereby approved as submitted for recordation with the San Joaquin County Assessor/Recorder/County Clerk Office. The recorded executed copy will be filed with the City Clerk.
2. The City Manager, or their designee, is authorized to execute a Subdivision Improvement Agreement with Lathrop Land Acquisition, LLC and a Grant Deed in substantially the form as attached to the January 11, 2021 staff report, the file executed copy will be filed with the City Clerk.

PASSED AND ADOPTED by the City Council of the City of Lathrop this $11^{\text {th }}$ day of January 2021, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

## Sonny Dhaliwal, Mayor

## ATTEST:

APPROVED AS TO FORM:


Teresa Vargas, City Clerk
Salvador Navarrete, City Attorney


## CITY OF LATHROP

## SUBDIVISION IMPROVEMENT AGREEMENT CLSP PHASE 1B - TRACT 4017 LATHROP LAND ACQUISITION, LLC

This Subdivision Improvement Agreement ("Agreement") is made and entered into this eleventh ( $11^{\text {th }}$ ) day of January, 2021 ("Effective Date"), by and between the CITY OF LATHROP, a municipal corporation of the State of California ("CITY") and Lathrop Land Acquisition, LLC, a Delaware limited liability company ("SUBDIVIDER").

## RECITALS

A. On October 5, 2006, CITY approved Vesting Tentative Map 3533 to create 62 parcels on 960 acres of land. On March 20, 2007, CITY approved Vesting Tentative Map 3647 to subdivide a portion of Tract 3533 into 1,071 parcels on 190 acres of land. On August 13, 2018, CITY approved Vesting Tentative Map 3967 to subdivide a portion of Tract 3533 into 113 parcels on 18 acres of land to replace the previously planned school location with residential lots. All Vesting Tentative Maps referenced in Recital A are hereinafter collectively referred to as "VTMs".
B. SUBDIVIDER intends to record one Final Map for Tract 4017 within the Central Lathrop Specific Plan Phase 1B, as shown in Exhibit "A" (hereinafter "Final Map").
C. On July 1, 2020, CITY approved a request to commence at-risk grading and improvements for Central Lathrop Phase 1B (hereinafter "At-Risk Agreement"). Pursuant to the At-Risk Agreement, SUBDIVIDER agreed that all activities will commence "at-risk" because the City Council has not yet approved the neighborhood small lot Final Maps for Tracts 4017 \& 4018, which collectively make up Phase 1B.
D. SUBDIVIDER is the record owner of all land incorporated with the Final Map and is therefore responsible for compliance with all conditions of approval associated with, including,
without limitation, the construction of specified Improvements (as that term is defined below) as described more fully herein.
E. Pursuant to Division 2 of Title 7 of the Government Code of the State of California and CITY's Subdivision Regulations (City of Lathrop, Code of Ordinances, Chapter 16), SUBDIVIDER is required to make certain offers of dedication and to construct certain Improvements required under the Conditions of Approval on the VTMs (collectively, "COAs") and as identified in the approved Final Map, Improvement Plans and this Agreement. For purposes of this Agreement, the term "Improvements" shall collectively mean all public improvements required under the COAs and as expressly set forth in this Agreement that will provide services and access to lots within the Final Map and the term "Improvement Plans" shall collectively refer to the Improvement Plans approved by CITY.

## AGREEMENT

NOW, THEREFORE, in consideration of CITY'S pending (1) approval of the Final Map on January 11, 2021, and subsequent recordation; (2) receipt of the Irrevocable Offer of Dedication of land for wastewater storage and disposal as described in Paragraph 9 of this Agreement; (3) approval of Improvement Plans in accordance with the terms of this Agreement and all applicable laws and regulations, the parties hereto mutually covenant and agree as follows:

1. SUBDIVIDER shall construct or cause to be constructed at its sole cost and expense the Improvements as specified and in accordance with the provisions of this Agreement. All Improvements shall be constructed to the reasonable satisfaction and approval of the City Engineer, in an ethical and workmanlike manner in accordance with the approved Improvement

Plans and specifications, the applicable improvement standards and specifications of the CITY'S Department of Public Works, the applicable Ordinances of the City Lathrop, and the applicable provisions of the California Subdivision Map Act.
2. SUBDIVIDER shall complete, and CITY shall have accepted all Improvements by January 31,2022 , subject to any extension(s) provided for herein and as otherwise expressly provided for in this Agreement. Provided, however, that said deadline shall be extended for twenty-four (24) months upon SUBDIVIDER's request to CITY, supported by reasonable documentation that it is using commercially reasonable efforts to complete same and have said Improvements accepted by CITY.
3. The parties acknowledge and agree that SUBDIVIDER is removing any existing well sites as required in accordance with applicable laws and regulations, including those required by the County Environmental Health Department. The parties further acknowledge and agree that SUBDIVIDER is conveying any and all groundwater rights associated therewith to CITY via the Final Map.
4. SUBDIVIDER guarantees and warrants that the Improvements shall be constructed in compliance with the standards set forth in Paragraph 1 above, free from any defects in work or labor done and from any defects in materials furnished. Further, SUBDIVIDER shall repair and warranty the Improvements in good condition and in accordance with CITY specifications for one (1) year after CITY's acceptance of the Improvements. As required by this Agreement, prior to acceptance of the Improvements for any Tract, SUBDIVIDER shall deposit with the City Engineer a Warranty Bond in the amount equal to $10 \%$ of performance bond $\{($ Cost $+10 \%$ Contingency) x $10 \%$ \} for the Improvements for Tract 4017 to ensure SUBDIVIDER's repair and warranty of the Improvements in accordance with the terms of this Agreement. The Warranty Bond shall be
released at the end of the one-year guarantee period provided no claims against it are then outstanding. The Warranty Bond value is shown in Table 1 of this Agreement.
5. Because the Improvements are not entirely complete, SUBDIVIDER is required to post Performance and Labor \& Materials bonds to guarantee the unfinished Improvements associated with the Final Map as included and described in Exhibit D of this Agreement. The amount of performance security shall be equal to the unfinished Improvement cost plus a $10 \%$ contingency, as shown in Exhibit D. The corresponding labor and materials bond amount shall be $50 \%$ of the performance bond amount, as shown in Exhibit D (Performance Security x 50\%). Further, SUBDIVIDER shall also comply with CITY's insurance requirements set forth on Exhibit C attached hereto and incorporated herein. The Performance and Labor \& Materials bond values are shown in Table 1 of this Agreement.

## Table 1 - Bond Values

| Improvement Total | $\$ 24,091,614$ |
| :--- | :---: |
| Unfinished Improvement Total | $\$ 10,777,795$ |
| Performance Bond Value (110\% of Unfinished Improvement <br> Total) | $\$ 11,855,574$ |
| Labor \& Materials Bond Value (50\% of Performance Bond <br> Value) | $\$ 5,927,787$ |
| Warranty Bond Value (10\% of Improvement Total) | $\$ 2,409,161$ |

6. SUBDIVIDER shall construct or cause to be constructed at its sole cost and expense the offsite improvements required by the Assignment and Amendment of Development Agreement by and Between the City of Lathrop, Saybrook CLSP, LLC., and Lathrop Land Acquisition, LLC., approved by the Lathrop City Council on December 6, 2016, by Ordinance No. 16-370 and recorded by the San Joaquin County Recorder's Office as Doc \# 2017-007992 (Agreement hereinafter "DA", Improvements hereinafter "Offsite Improvements"). The Offsite improvements include, but are not limited to, frontage improvements on Barbara Terry Boulevard,

Stanford Crossing Drive, and Spartan Way adjacent to the Final Map and pavement rehabilitation on Barbara Terry Boulevard. SUBDIVIDER is required to post Performance and Labor \& Materials bonds to guarantee the completion of the Offsite Improvements in the amounts shown in Exhibit D.
7. SUBDIVIDER shall construct or cause to be constructed at its sole cost and expense the traffic signal at the intersection of Golden Valley Parkway and Stanford Crossing Drive prior to the issuance of certificate of occupancy of the $880^{\text {th }}$ single-family dwelling unit in the Central Lathrop Specific Plan pursuant to the TJKM Technical Memorandum dated January 13, 2020. SUBDIVIDER will deposit cash with CITY to guarantee the traffic signal improvements in the amount of $\$ 440,000$, equal to $110 \%$ of the Preliminary Cost Estimate - Stanford Crossing / Golden Valley Pkwy. The traffic signal cost estimate is shown in Exhibit F.
8. SUBDIVIDER has guaranteed the grading and frontage improvements of the Neighborhood Park as part of the guarantee included in Section 5 of this Agreement. The Neighborhood Park land is dedicated to CITY as part of this Final Map. SUBDIVIDER shall, prior to the approval of the first building permit within the Final Map area, fund, execute and obtain CITY approval for design of the Neighborhood Park. SUBDIVIDER has the option to pay or cause to be paid the CLSP Neighborhood Park Fee for all lots prior to the issuance of the first building permit within the Final Map area, or, pay or cause to be paid the CLSP Neighborhood Park Fee for each individual lot within the Final Map area at the time of individual building permit issuance. SUBDIVIDER shall, prior to issuance of the $186^{\text {th }}$ building permit within the Final Map area ( $31^{\text {st }}$ percentile), commence construction of the Neighborhood Park at the cost of the SUBDIVIDER. SUBDIVDER shall apply for and obtain an encroachment permit from CITY prior to the construction of the Neighborhood Park as CITY is the current owner of the

Neighborhood Park land. The Neighborhood Park improvements shall be guaranteed pursuant to CITY's encroachment permit requirements. SUBDIVIDER shall, prior to the issuance of the $307^{\text {th }}$ building permit within the Final Map area ( $51^{\text {st }}$ percentile), complete construction of the Neighborhood Park at the cost of the SUBDIVIDER. Pursuant to the terms of the DA, CITY may not issue building permits if SUBDIVIDER does not perform the required construction prior to the aforementioned deadlines. At the time of acceptance of the Neighborhood Park, CITY shall reimburse to SUBDIVIDER the collected Neighborhood Park Fee revenue if SUBDIVIDER paid or caused to be paid the CLSP Neighborhood Park Fee prior to the issuance of the first building permit in the Final Map area. After the time of acceptance of the Neighborhood Park, CITY shall reimburse to SUBDIVIDER the Neighborhood Park Fee revenue on a biannual basis pursuant to Lathrop Municipal Code Section 3.22.070 if SUBDIVIDER pays or cause to be paid the CLSP Neighborhood Park Fee upon individual building permit issuance within the Final Map area.
9. SUBDIVIDER shall, prior to approval of the Final Map, convey to CITY sufficient land by Grant Deed subject to a right of reverter, separate from the Final Map, to construct treated wastewater storage and disposal facilities sufficient to supply project. Further, SUBDIVIDER shall, prior to approval of the Final Map, post guarantee with CITY for the construction of the treated wastewater storage (recycled water) and disposal facilities in the amount of $\$ 4,387,449$ ( $\$ 3,988,590$ plus $10 \%$ contingency) as shown in Exhibit G. SUBDIVIDER shall pay inspection fees prior to construction of improvements. Based upon receipt of the Grant Deed and guarantee noted above, CITY intends to supply sufficient wastewater capacity to SUBDIVIDER for the allocation required in Section 12 of this agreement to facilitate the postponement or elimination of the construction of the recycled water storage and disposal facilities in anticipation of the installation of a recycled water river discharge. The aforementioned recycled water storage and
disposal facilities will be unnecessary if the construction of the recycled water river discharge is permitted and completed, therefore both CITY and SUBDIVIDER agree that deferring or eliminating immediate construction with a guarantee of future construction if necessary is appropriate. Prior to any return of dedicated land or guarantees for construction of recycled water storage and disposal facilities, SUBDIVIDER shall participate and make provisions for their fair share of the funding of the recycled water river discharge project by separate agreement.
10. SUBDIVIDER shall, prior to approval of the Final Map, assign and allocate wastewater capacity and potable water capacity to each lot within the Final Map area.
11. Neither CITY nor any of its officers, employees or agents shall be liable to SUBDIVIDER, and/or SUBDIVIDER'S agents, contractors or subcontractors for any error or omission arising out of or in connection with any work to be performed under this Agreement on property other than the parcels of the subdivision owned by SUBDIVIDER (and its successors and assigns) (the "Subdivider Property").
12. Neither CITY nor any of its officers, employees or agents shall be liable to SUBDIVIDER or to any person, entity, or organization, for any injury or damage that may result to any person or property from the subdivision of all or any part of the land covered by this Agreement.
13. SUBDIVIDER hereby agrees to, and shall hold CITY, its elective and appointive boards, commissions, officers, agents and employees (collectively, the "Indemnitees"), harmless from any liability for damage or claims which arises from SUBDIVIDER and/or SUBDIVIDER'S contractors, subcontractors, agents, lessees, or employees' operations under this Agreement, whether such operations be by SUBDIVIDER or by any of SUBDIVIDER'S contractors, subcontractors, lessees, or by any one or more persons directly or indirectly employed by, or acting
as agent for, SUBDIVIDER or any of SUBDIVIDER'S contractors or subcontractors. SUBDIVIDER shall, at its own cost and expense, defend any and all actions, suits, or legal proceedings of any type that maybe brought or instituted against CITY and the Indemnitees on any claim or demand, of any nature whatsoever, and pay or satisfy any judgment that may be rendered against CITY and the Indemnitees in any such action, suit or legal proceedings, resulting from or alleged to have resulted from SUBDIVIDER performance or non-performance of its duties and obligations under this Agreement, or from the negligent act or omission of itself, its agents, contractors, representatives, servants or employees, except in the event and to the extent said claims resulted from the gross negligence or willful misconduct of CITY and/or the Indemnitees. The promises and agreement to indemnify and hold harmless set forth in this Paragraph 17 are not conditioned or dependent on whether or not any indemnity has prepared, supplied or approved any plan or specification in connection with this work or subdivision, whether or not any such indemnity has insurance or indemnification covering any of these matters. CITY does not, and shall not, waive any rights against SUBDIVIDER which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by CITY of any deposit with CITY by SUBDIVIDER. The aforesaid hold harmless agreement by SUBDIVIDER shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this Paragraph 17, regardless of whether or not CITY has prepared, supplied or approved of, plans and/or specifications for the subdivision.
14. Neither SUBDIVIDER nor any of SUBDIVIDER'S agents, contractors, lessees or subcontractors are, or shall be, considered to be agents of CITY in connection with the performance of SUBDIVIDER'S obligations under this Agreement. Neither CITY nor any of CITY's agents, contractors, lessees or subcontractors are, or shall be, considered to be agents of

SUBDIVIDER in connection with the performance of any work contemplated under this Agreement. SUBDIVIDER shall not assign this Agreement without the prior written consent of CITY, which such consent shall not be unreasonably delayed, conditioned or denied, except that this Agreement may be assigned to any purchaser or transferee of an interest in all or a part of the SUBDIVIDER Property without the need for CITY consent. If such consent is given, or not required, the terms of this Agreement shall apply to and bind the heirs, successors, executors, administrators and assignees of SUBDIVIDER, and any heirs, successors, executors, administrators and assignees of SUBDIVIDER shall be jointly and severally liable hereunder unless SUBDIVIDER and its assignee have executed an Assignment and Assumption Agreement in which case SUBDIVIDER shall be released from all of its obligations hereunder so assigned to the assignee. Notwithstanding anything to the contrary in the foregoing, SUBDIVIDER shall be permitted to assign its rights and obligations under this Agreement to any "Affiliate", which is defined to mean an entity or person that is directly or indirectly Controlling, Controlled by, or under common Control of SUBDIVIDER. The term "Control" as used herein, shall mean the power to direct the day-to-day management of SUBDIVIDER, and it shall be a presumption that Control with respect to a corporation or limited liability company is the right to exercise, directly or indirectly, more than fifty percent $(50 \%)$ of the voting rights attributable to the Controlled corporation or limited liability company, and, with respect to any individual, partnership, trust, other entity or association, Control is the possession, indirectly or directly, of the power to direct or cause the direction of the day-to-day management of the controlled entity.
15. SUBDIVIDER shall, at its expense, require or cause to require all its contractors and sub-contractors to obtain and maintain all necessary permits and licenses for construction of the Improvements, and commercially reasonable insurance. Prior to the commencement of said

Improvement construction, the General Contractor/subcontractors shall obtain a City of Lathrop Business License. SUBDIVIDER and CITY, as applicable, shall comply with all applicable local, state and federal laws applicable to this Agreement whether or not said laws are expressly stated in this Agreement.
16. This Agreement and the Exhibits attached hereto comprise the entire understanding and agreement between the parties regarding the subject matter of this Agreement. The Recitals are incorporated into this Agreement by this reference, as if fully set forth herein.
17. Notices. For purposes of this Agreement, "notice" means any notice, demand, request, or other communication to be provided under this Agreement. All notices shall be in writing and shall be sent to the below addresses or at such other addresses as either party may later specify for that purpose. All notices required or permitted under this Agreement shall be personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx or UPS, with charges prepaid for next business day delivery, addressed to the parties as follows:

| If to CITY: | City of Lathrop 390 Towne Centre Drive <br> Lathrop, CA 95330 <br> Attn: City Clerk <br> Email: website cco@ci.lathrop.ca.us |
| :---: | :---: |
| With a copy: | City of Lathrop 390 Towne Centre Drive <br> Lathrop, CA 95330 <br> Attn: Salvador Navarrete, City Attorney <br> Email: website_cao@ci.lathrop.ca.us |
| If to SUBDIVIDER: | Saybrook CLSP, LLC <br> 303 Twin Dolphin Drive, Suite 600 <br> Redwood Shores, CA 94065 <br> Attn: Jeffrey M. Wilson <br> Email: jwilson@saybrookfundadvisors.com |

The date of any notice shall be the date of receipt, provided that, rejection or other refusal to accept or the inability to deliver because of a change in address of which no notice was given shall be deemed to constitute receipt of the notice sent. Either party may change its address for notice by giving notice to the other party in accordance with this Paragraph 22.
23. The following miscellaneous provisions are applicable to this Agreement:
a. Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.
b. Definitions. The definitions and terms are as defined in this Agreement.
c. Exhibits. The following exhibits are attached to this Agreement and are incorporated to this Agreement by this reference:

EXHIBIT A: FINAL MAP TRACT 4017
EXHIBIT B: TOTAL COST ESTIMATE
EXHIBIT C: CITY INSURANCE REQUIREMENTS
EXHIBIT D: COST TO COMPLETE IMPROVEMENTS
EXHIBIT E: ASSESSOR'S MAP BK. 192 PG. 03
EXHIBIT F: PRELIMINARY COST ESTIMATE - STANFORD CROSSING / GOLDEN VALLEY PKWY. SIGNAL
EXHIBIT G: STAGE 2 RECYCLED WATER COST ESTIMATE
d. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, and all performance and other dates specified in this Agreement shall be extended, where delays are due to: war; insurrection; strikes and labor disputes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; acts of terrorism; epidemics and related governmental orders
and restrictions; quarantine restrictions; freight embargoes; materials shortages and/or inability to obtain materials due to tariffs, governmental restrictions or priority; unusually severe weather; acts or omissions of the other party; or acts or failures to act of any public or governmental agency or entity (except that acts or failures to act of CITY shall not excuse performance by CITY); or moratorium (each a "Force Majeure Delay"). An extension of time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if Notice (as that term is defined above) by the party claiming such extension is sent to the other party within sixty (60) days of the commencement of the cause.
e. Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
f. Incorporation of Documents. All documents referred to herein and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated herein and shall be deemed to be part of this Agreement.
g. Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
h. Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
i. Successors and Assigns. Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
j. Time of the Essence. Time is of the essence of this Agreement and each of its provisions (subject to Subparagraph 23(d)). In the calculation of time hereunder, the time in
which an act is to be performed shall be computed by excluding the first day and including the last.

If the time in which an act is to be performed falls on a Saturday, Sunday or any day observed as a legal holiday by CITY, the time for performance shall be extended to the following business day.
k. Venue. In the event either party brings that suit hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin. The party in whose favor judgment is entered shall be awarded reasonable attorneys' fees.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this $11^{\text {th }}$ day of January 2021.

## CITY OF LATHROP,

A California municipal corporation of the State of California

By:
Stephen J. Salvatore Date
City Manager

ATTEST:
City Clerk of and for the City
of Lathrop, State of California

By:
Teresa Vargas Date

City Clerk


## SUBDIVIDER

By: Lathrop Land Acquisition, LLC,
a Delaware limited liability company
By: Saybrook Fund Investors, LLC
Its: Managing Member

$$
\begin{aligned}
& \text { Jeffrey M. Wilson } \\
& \text { Officer }
\end{aligned}
$$

EXHIBIT A
FINAL MAP TRACT 4017

















## EXHIBIT B

ENGINEERS OPINION OF PROBABLE COST


## EXHIBIT C

## CITY INSURANCE REQUIREMENTS

1. The Subdivider shall obtain commercial general liability insurance companies licensed to do business in the State of California with an A.M. Best Company rating Insurance rating of no less than A:VII which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least $\$ 1,000,000$ for each occurrence and $\$ 2,000,000$ in the aggregate. Said insurance coverage shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). All parties to the Subdivision Improvement Agreement must be named insured on the policy. The policy endorsements to be attached to the certificate must provide all the following:
a. Name the City of Lathrop, its officers, City Council, boards and commissions, and members thereof, its employees and agents as additional insured as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.
b. State that "the insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss.
c. Include a statement that, "the insurer will provide to the City at least thirty (30) days prior notice of cancellation or material change in coverage." The above language can be included on the additional insured endorsement form or on a separate endorsement form.
d. The policy must contain a cross liability or severability of interest clause.
e. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates. CERTIFICATE OF LIABILITY INSURANCE
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES beLow. this certificate of insurance does not constitute a contract between the issuing insureris), authorized REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.
IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

## PRODUCER

Arthur J. Gallagher \& Co. Insurance Brokers of CA., Inc
505 N. Brand Boulevard, Suite 600
Glendale CA 91203

| CONTACT NAME: |  |
| :---: | :---: |
| $\begin{aligned} & \text { PHONE } \\ & \text { (AC, NO, Ext): 818-539-2300 } \end{aligned}$ | FAX (AIC, No) ) 818-539-2301 |
| E-MAlL |  |
| INSURER(S) AFFORDING COVERAGE | NAIC \# |
| Insurer a : Kinsale Insurance Company | 38920 |
| INSURER B : |  |
| INSURERC: |  |
| INSURERD: |  |
| INSURERE: |  |
| INSURERF: |  |

COVERAGES

## CERTIFICATE NUMBER: 777236556

## REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WTTH RESPECT TO WHICH THIS CERTIFICATE MAY be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.


DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
City Of Lathrop is named as an additional insured as defined in the policy form if required in a written agreement. Insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess as stated in the provisions of the captioned liability policy. 30 days before the effective date of canceliation applies, policy provisions.

## CERTIFICATE HOLDER

CERTIFICATE HOLDER

City Of Lathrop
390 Towne Centre Dr
Lathrop CA 95330
1

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

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# ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY ENDORSEMENT 

| Attached To and Forming Part of Policy <br> 0100120290-0 | Effective Date of Endorsement <br> $07 / 07 / 2020$ <br> address shown on the Declarations | Named Insured <br> Saybrook CLSP LLC |
| :--- | :--- | :--- |
| Additional Premium: <br> $\$ 0$ | Return Premium: <br> $\$ 0$ |  |

This endorsement modifies insurance provided under the following:

## COMMERCIAL GENERAL LIABILITY COVERAGE PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE ENVIRONMENTAL CONTRACTING AND PROFESSIONAL SERVICES LIABILITY COVERAGE PRODUCTS POLLUTION LIABILITY COVERAGE <br> PREMISES ENVIRONMENTAL LIABILITY INSURANCE COVERAGE ENVIRONMENTAL COMBINED LIABILITY POLICY - ALL COVERAGE PARTS

The insurance provided to Additional Insureds shall be excess with respect to any other valid and collectible insurance available to the Additional Insured unless the written contract specifically requires that this insurance apply on a primary and non-contributory basis, in which case this insurance shall be primary and non-contributory.

# ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION 

| Attached To and Forming Part of Policy <br> $0100120290-0$ | Effective Date of Endorsement <br> $07 / 07 / 202012: 01 \mathrm{AM}$ at the Named Insured <br> address shown on the Declarations | Named Insured <br> Saybrook CLSP LLC |
| :--- | :--- | :--- |
| Additional Premium: <br> \$0 | Return Premium: <br> $\$ 0$ |  |

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

| SCHEDULE |  |
| :--- | :--- |
| Name of Additional Insured Person(s) or Organization(s) | Location(s) of Covered Operations |
| Blanket, as required by written contract, executed prior to <br> the start of work on the project | Locations as required and specified by written contract, <br> executed prior to the start of work on the project |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |  |

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;
in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.
However:
3. The insurance afforded to such additional insured only applies to the extent permitted by law; and
4. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.
B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:
This insurance does not apply to "bodily injury" or "property damage" occurring after:
5. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
6. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
C. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:
If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:
7. Required by the contract or agreement; or
8. Available under the applicable limits of insurance;
whichever is less.
This endorsement shall not increase the applicable limits of insurance.

# ADDITIONAL INSURED- STATE OR GOVERNMENTAL AGENCY OR SUBDIVISION OR POLITICAL SUBDIVISION PERMITS - BLANKET 

| Attached To and Forming Part of Policy <br> $0100120290-0$ | Effective Date of Endorsement <br> $07 / 07 / 2020$ <br> address shown on the Declarations | Named Insured <br> Saybrook CLSP LLC |
| :--- | :--- | :--- |
| Additional Premium: <br> $\$ 0$ | Return Premium: <br> $\$ 0$ |  |

This endorsement modifies insurance provided under the following:

## COMMERCIAL GENERAL LIABILITY COVERAGE PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE

A. SECTION II - WHO IS AN INSURED is amended to include as an Additional Insured, any state or governmental agency or subdivision or political subdivision that has issued a permit for your operations, when it is required as a condition of such permit that the state or governmental agency or subdivision or political subdivision be named as an Additional Insured on this Policy, but only with respect to vicarious liability imposed on the Additional Insured as a result of those operations performed by you or on your behalf for which the state or political subdivision has issued the permit.

However:

1. The insurance afforded to such Additional Insured only applies to the extent permitted by law; and
2. Will not be broader than that which you are required, as a condition of the permit, to provide for such Additional Insured.
B. With respect to the insurance afforded to these Additional Insureds, the following additional exclusions apply:

This insurance does not apply to any:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality;
2. "Bodily injury" or "property damage" included within the "products-completed operations hazard";
3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence of the Additional Insured or employees of the Additional Insured; or
4. "Bodily injury", "property damage" or "personal and advertising injury" to any employee of the Named Insured or to any obligation of the Additional Insured to indemnify another because of damages arising out of such injury or damage.
C. A state or political subdivision's status as an Additional Insured under this endorsement ends when "your work" under such permit is completed.
D. With respect to the insurance afforded to the Additional Insured, the following is added to SECTION III - LIMITS OF INSURANCE:

The most we will pay on behalf of the Additional Insured is the amount of insurance:

1. Required as a condition of the permit; or
2. Available under the applicable limits of insurance;
whichever is less.

This endorsement shall not increase the applicable limits of insurance.
E. Duties of the Additional Insured in the event of "occurrence", offense, claim or "suit":

1. The Additional Insured must promptly give notice of an "occurrence" an offense which may result in a claim, a claim which is made or a "suit", to any other insurer which has insurance for a loss to which this insurance may apply.
2. The Additional Insured must promptly tender the defense of any claim made or "suit" to any other insurer which also issued insurance to the Additional Insured as a Named Insured or to which the Additional Insured A. may qualify as an Additional Insured for a loss to which this insurance may apply.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

# WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION) - AUTOMATIC 

| Attached To and Forming Part of Policy <br> 0100120290-0 | Effective Date of Endorsement <br> $07 / 07 / 202012: 01 \mathrm{AM}$ at the Named Insured <br> address shown on the Declarations | Named Insured <br> Saybrook CLSP LLC |
| :--- | :--- | :--- |
| Additional Premium: <br> $\$ 0$ | Return Premium: <br> $\$ 0$ |  |

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
ELECTRONIC DATA LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART DESIGNATED SITES
POLLUTION LIABILITY LIMITED COVERAGE PART DESIGNATED SITES
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY DESIGNATED TANKS

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV - Conditions:
We waive any right of recovery against any person or organization, because of any payment we make under this Coverage Part, to whom the insured has waived its right of recovery in a written contract or agreement. Such waiver by us applies only to the extent that the insured has waived its right of recovery against such person or organization prior to loss.

## EXHIBIT D

## COST TO COMPLETE IMPROVEMENTS

|  | Engineer Estimate | \$ | 3,988,590 | \$ | 3,988,590 | \$ | 4,387,449 | N/A |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TOTAL - STAGE 2 RW DISPOSAL |  | \$ | 3,988,590 | \$ | 3,988,590 | \$ | 4,387,449 | N/A |

[^0]
## EXHIBIT E

ASSESSOR'S MAP BK. 192 PG. 03






## EXHIBIT F

## PRELIMINARY COST ESTIMATE - STANFORD CROSSING / GOLDEN VALLEY

 PKWY. SIGNAL
# PRELIMINARY COST ESTIMATE STANFORD CROSSING <br> STANFORD CROSSING / GOLDEN VALLEY PKWY. SIGNAL LATHROP, CALIFORNIA 

## A. SIGNAL WORK

1. 

1 LS SIGNAL CONSTRUCTION
400,000.00
$\$ 400,000$

## SUMMARY

A SIGNAL WORK \$400,000

ESTIMATED TOTAL CONSTRUCTION COST:
$\$ 400,000$

## NOTES

1. This estimate is prepared as a guide only and is subject to possible change. It has been prepared to a standard of accuracy which, to the best of our knowledge and judgment, is sufficient to satisfy our understanding of the purposes of this estimate. MacKay \& Somps makes no warranty, either expressed or implied, as to the accuracy of this estimate.
2. Costs presented herein represent an opinion based on historical information. No provision has been made for inflation
3. The lump sum item includes all materials necessary for complete installation

## EXHIBIT G

STAGE 2 RECYCLED WATER COST ESTIMATE

| Bond Estimate | 25201.000 |
| :---: | ---: |
| Recycled Water Disposal, Stage2 | $07 / 22 / 2020$ |
| Saybrook CLSP, LLC | JRF |

Saybrook CLSP, LLC
Disposal Report Stage 2, Dated July 22, 2020

| ITEM | QUANTITY | UNIT | DESCRIPTION | UNIT PRICE | AMOUNT |
| :---: | :---: | :---: | :---: | :---: | :---: |
| PART A - LAND APPLICATION SITES |  |  |  |  |  |
| 1. | 33.4 | AC | Site Clearing | 1,200.00 | 40,080 |
| 2. | 1.0 | LS | Demo Facilities (Basin B) | 1,800.00 | 1,800 |
| 3. | 18,000 | CY | Rough Grade | 4.75 | 85,500 |
| 4. | 116,300 | EA | Subgrade access loop and staging area | 0.26 | 30,240 |
| 5. | 2 | EA | 48 " Stand P ipe ( 10 ' above grade (RW-9) | 5,400.00 | 10,800 |
| 6. | 2 | EA | $3^{\prime} \times 33^{\prime} \times 9^{\prime}$ Concrete Vault \& OH Pipe | 31,000.00 | 62,000 |
| 7. | 4,660 | LF | 12" Recycled Water PVC Pipe, incl valves | 63.00 | 293,580 |
| 8. | 20 | EA | 8" Alphalfa Valves | 850.00 | 17,000 |
| 9. | 3 | LF | 12" PVC Vent Pipe ( 10 ' above grade) | 1,430.00 | 4,290 |
| 10. | 2,670 | LF | 6" Tailwater Return Pipe (See note 5) | 46.00 | 122,820 |
| 11. | 2,900 | LF | Tailwater Return V-Ditch | 4.85 | 14,070 |
| 12. | 3 | EA | Tailwater Return Connection | 5,500.00 | 16,500 |
| 13. | 3 | EA | Tailwater Sump Vault (48"x48"x48") | 6,400.00 | 19,200 |
| 14. | 20 | EA | Bollards at Sump and Feed Vaults (4ea.) | 900.00 | 18,000 |
| 15. | 89,030 | SF | Finish Grade Road (Perimeter Access Roads) | 0.20 | 17,810 |
| 16. | 27,270 | SF | Finish Grade Staging Area | 0.20 | 5,450 |
| 17. | 0 | SF | Finish Grade Field (See Note 6) | 0.20 | 0 |
| 18. | 27,270 | EA | 6"AB Staging Area | 1.08 | 29,450 |
| 19. | 1 | EA | Paved Driveway Approach Staging Area | 8,000.00 | 8,000 |
| 20. | 2 | EA | 24' Wide Double Gate | 3,800.00 | 7,600 |
| 21. | 1 | LS | SWPPP/Erosion/Dust Control (Assume Construction occurs during Summer) | 25,000.00 | 25,000 |

ESTIMATED SUB-TOTAL - LAND APPLICATION SITES:
\$829,190

Bond Estimate
25201.000
Recycled Water Disposal, Stage2 07/22/2020
Saybrook CLSP, LLC
JRF

Based on Recycled Water Disposal Report Stage 2, Dated July 22, 2020
PART C - RW PUMP STATION AT BASIN G

| 1. | 1 | LS | Block Wall, Gates, Doors | $60,000.00$ | $\$ 60,000$ |
| :--- | :--- | :--- | :--- | ---: | ---: |
| 2. | 1 | LS | Mechanical Piping and Valve Sets | $135,000.00$ | $\$ 135,000$ |
| 5. | 1 | LS | Flow Meter | $10,000.00$ | $\$ 10,000$ |
| 6. | 1 | LS | Level Sensor | $10,000.00$ | $\$ 10,000$ |
| 8. | 1 | LS | Control Panel Mod | $10,000.00$ | $\$ 10,000$ |
| 9. | 1 | LS | Backpressure vale | $40,000.00$ | $\$ 40,000$ |
| 10. | 1 | LS | Metering and Control Wire | $30,000.00$ | $\$ 30,000$ |
|  |  |  | ESTIMATED SUB-TOTAL - RW PUMP STATION AT BASIN G: | $\$ 295,000$ |  |

## SUMMARY

| PART A - LAND APPLICATION SITES | $\$ 829,190$ |
| :--- | ---: |
| PART B - RW BASIN (SITE WORK) | $\$ 2,864,400$ |
| PART C - RW PUMP STATION AT BASIN G | $\$ 295,000$ |

ESTIMATED CONSTRUCTION TOTAL: $\$ \mathbf{3 , 9 8 8}, 590$
NOTES

1. This estimate is prepared as a guide only and is subject to possible change. It has been prepared to a standard of accuracy, which to the best of our knowledge and judgment is sufficient to satisfy our understanding of the purposes of this estimate. MacKay \& Somps makes no warranty, either expressed or implied, as to the accuracy of this estimate.
2. This estimate is based on the $30 \%$ drawings provided in the Recycled Water Disposal Stage 2, Dated July 22, 2020
3. Costs presented herein represent an opinion based on historical information from other projects in San Joaquin County and the San Francisco Bay Area. No provision has been made for inflation. It is recommended that the users of this estimate review the unit prices in comparison to their own cost information. It may also be appropriate to discuss the project and unit costs with a construction contractor.
4. Costs for the SWPPP Erosion Control and Dust Control are based on summer construction in one construction season.
5. The pump for tail water return is anticipated to be provided by the farmer via a trailer mounted unit.
6. It is anticipated that finish grading within the irrigation field area is not required as the farmer will plow and shape the field to his needs.
7. Earthwork quantities do not include factors for shrinkage or swell.

Prepared by
MACKAY \& SOMPS

# JOINT ESCROW INSTRUCTIONS RECORDATION OF 1 FINAL MAP (CLSP PHASE 1B-1 TRACT 4017) 

January 11, 2021

Via Email and First Class Mail

First American Title Company
4750 Willow Road, Suite 100
Pleasanton, CA 94588
Attn: Tammi Buna

Re: Recordation of 1 Final Map:<br>Tract 4017; Map Escrow No. 6004233

Dear Tammi:
This letter constitutes the joint escrow instructions ("Escrow Instructions") of Lathrop Land Acquisition, LLC, a Delaware limited liability company and Saybrook CLSP, LLC, a Delaware limited liability company (collectively "Developer"), and the City of Lathrop ("City") in connection with the above-referenced escrow (the "Escrow"). The Escrow was opened in connection with recordation of the above-referenced final map (the "Final Map"). Recordation of the Final Map is subject to the conditions set forth below. The transactions described in these Escrow Instructions are referred to as the "Transaction." First American Title Company is referred to as "you" or "FATCo."

## A. Date for Closings

The Final Map will be recorded at the time designated by Developer as set forth below. The Final Map can only be recorded after the City has approved the maps in writing. The closing date for the Transaction is intended to occur by July 1, 2021, at the time designated in writing by Developer, subject to satisfaction of the conditions set forth below (each, a "Closing"). If the Final Map have not been recorded by July 1, 2021, FATCo will return the Final Maps to the City.

## B. Recordation Documents

In connection with the Transaction, you have in your possession or will receive the following document from City for recordation in the Official Records of San Joaquin County, California (the "Official Records").

B1. One original Final Map for Tracts 4017, executed and acknowledged by the City and Developer.

B2. One original Grant Deed, executed and acknowledged by the City and Developer.

The documents listed in Item B above are referred to as the "Recordation Documents." The date on which the Recordation Documents are recorded in the Official Records is the Recordation Date.

## JOINT ESCROW INSTRUCTIONS RECORDATION OF 1 FINAL MAP (CLSP PHASE 1B-1 TRACT 4017)

## C. Funds and Settlement Statement

You also have received, or will receive from Developer, prior to the recordation of the Recordation Documents, in immediately available funds, the following amounts, in accordance with the settlement statement prepared by you and approved in writing by both Developer and City (the "Settlement Statement"): recordation costs, escrow fees, and other amounts as set forth in the Settlement Statement. Such costs, fees, and other amounts are the sole responsibility of Developer.
C. 1 Funds to be wire transferred directly to the entity set forth below, immediately upon recordation of the Final Maps, in accordance with the wire transfer instructions for each entity attached hereto:
a. The amount payable to the City pursuant to that certain Agreement to Settle Threatened Litigation Regarding the Central Lathrop Specific Plan (as amended, the "Sierra Club Agreement"), outlined in the table below, is to be transferred to the City upon recordation of the Final Maps. The City's wire instructions are attached.

| Tract | Acreage | Cost/Acre | Total Fee |
| :---: | :---: | :---: | :---: |
| 4017 | 68.49 | $\$ 4,469.00$ | $\$ 306,081.81$ |

The amounts set forth in Section C are referred to as the "Closing Funds."

## D. Closing Requirements

When the following has occurred, you are authorized to close the Escrow at the time(s) and in accordance with the process set forth below:
D.1. You have delivered copies of your Settlement Statement by email transmission to (a) Jeff Wilson (jwilson@saybrookfundadvisors.com); (b) Scott Bayliss (sbayliss@saybrookfundadvisors.com); (c) Seth Merewitz (seth.merewitz@bbklaw.com) (d) Stephen Salvatore (ssalvatore@ci.lathrop.ca.us); (e) Salvador Navarrete (snavarrete@ci.lathrop.ca.us; (f) Cari James (cjames@ci.lathrop.ca.us); and (g) Glenn Gebhardt (ggebhardt@ci.lathrop.ca.us), and have confirmation (by telephone or email) from Jeff Wilson and Stephen Salvatore or Glenn Gebhardt that the Settlement Statement is accurate and acceptable;
D.2. You have not received any instructions contrary to these Escrow Instructions;
D.3. The Recordation Documents and all other documents described herein as being held by you or delivered to you have been received by you, and have been fully executed and, where applicable, acknowledged, you have attached all legal descriptions or have confirmed that all exhibits and legal descriptions are attached;
D.4. You are prepared to record the Recordation Documents, as designated, release funds in accordance with the Settlement Statement, and complete the Transaction in compliance with these Escrow Instructions;

## JOINT ESCROW INSTRUCTIONS RECORDATION OF 1 FINAL MAP <br> (CLSP PHASE 1B-1 TRACT 4017)

D.5. You have delivered a copy of these instructions, executed by an authorized signatory of FATCo with authority to bind FATCo, and initialed all pages, by email transmission (with original hard copy to follow by U.S. Mail) to Jeff Wilson, Seth Merewitz and Glenn Gebhardt at the email addresses set forth above.
D.6. You have received confirmation (by email or other writing) from Jeff Wilson and Stephen Salvatore or Glenn Gebhardt to record the Recordation Documents and complete the Transaction.

## E. Closing Process and Priorities

When you have fully satisfied all of the closing requirements set forth in Section D, then you are authorized and instructed to do the following in the chronological order given:
E.1. Date the Recordation Documents to be recorded.
E.2. Record the 1 Final Map in the Official Records.
E.3. Record the 1 Grant Deed in the Official Records.
E.3. Pay the costs associated with the Transaction.
E.4. Refund any funds delivered to you by Developer that are not disbursed at the time of the final Closing pursuant to these Escrow Instructions to the following entity and address:

Lathrop Land Acquisition, LLC
303 Twin Dolphin Dr., Suite 600
Redwood Shores, CA 94065
Attn: Jeff Wilson
E.5. Notify Jeff Wilson, Scott Bayliss, Seth Merewitz, and Stephen Salvatore and Glenn Gebhardt of the completion of the Transaction;
E.6. Within five (5) business days after each Recordation Date, deliver by overnight delivery via recognized, national, overnight delivery carrier, to (1) Jeff Wilson, Lathrop Land Acquisition, LLC, 303 Twin Dolphin Dr., Suite 600, Redwood Shores, CA 94065; and (2) Sal Navarette, City Attorney, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA 95330
(A) a certified copy of the Recordation Documents, showing all recording information of the Recordation Documents and an electronic copy of the Recordation Documents; and
(B) a certified copy of the final Settlement Statement.

## F. Additional Instructions

When assembling the final documents, signature pages from all parties shall be inserted into each respective final document in creating fully executed counterparts.

## JOINT ESCROW INSTRUCTIONS <br> RECORDATION OF 1 FINAL MAP <br> (CLSP PHASE 1B-1 TRACT 4017)

Please acknowledge receipt of these instructions and your agreement to act as Escrow agent in connection with this Transaction in accordance with these Escrow Instructions, by executing and dating a copy of these Escrow Instructions where indicated below, initialing all pages and returning it to both of the undersigned.

The Escrow Instructions may be modified only in a writing signed by both of the undersigned.

Very truly yours,

## Owner: LATHROP LAND ACQUISITION, LLC By: SAYBROOK FUND INVESTORS, LLC Its: MANAGING MEMBER

Jeffrey M. Wilson<br>Officer<br>Owner: SAYBROOK CLSP, LLC<br>By: SAYBROOK FUND INVESTORS, LLC<br>Its: MANAGING MEMBER

Jeffrey M. Wilson
Officer

## CITY OF LATHROP

Stephen J. Salvatore
City Manager


Salvador V. Navarrete
City Attorney

# JOINT ESCROW INSTRUCTIONS RECORDATION OF 1 FINAL MAP (CLSP PHASE 1B-1 TRACT 4017) 

## ESCROW INSTRUCTIONS <br> ACKNOWLEDGEMENT AND AGREEMENT:

Receipt of the foregoing Escrow Instructions from Developer and the City is hereby acknowledged. The undersigned agrees, for itself, and on behalf of FATCo, to proceed in strict accordance with these Escrow Instructions. The undersigned represents and warrants to Developer and the City that the undersigned is authorized to execute this Acknowledgement and Agreement, for itself, and on behalf of FATCo.

First American Title Company

By: $\qquad$
Its:
Date:

RECORDING REQUESTED BY:
City of Lathrop, CA
WHEN RECORDED, PLEASE MAIL TO:
City of Lathrop
City Clerk
390 Towne Centre Drive
Lathrop, California 95330
Exempt from payment of recording fees (GC 27383)

APN's: 192-020-170, 192-020-350, AND 192-020-150

## Grant Deed

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Saybrook CLSP, LLC, a Delaware limited liability company, its successors and assigns ("Grantor")

HEREBY GRANTS to the City of Lathrop, a general law municipal corporation ("Grantee") the real property within the City of Lathrop, County of San Joaquin, State of California, more particularly described in attached Exhibit A incorporated herein by this reference ("Spray Field Property") with the following conditions:

1. The Spray Field Property granted hereby shall be used solely for the following:
a. installation and maintenance for spray irrigation, in compliance with all applicable laws, generated from City of Lathrop owned and operated (including contract operation) wastewater treatment facilities; and
b. wastewater storage or disposal capacity needed for the sole benefit of the Grantor or its successors and assignees to whom Grantor has assigned this capacity.
2. By acceptance of this Grant Deed, Grantee hereby covenants and agrees by the acceptance and recordation of this Grant Deed, for itself and its successors and assigns in title, that the Spray Field Property conveyed herein shall be used solely for the following:
a. those purposes described in paragraph 1 ; and
b. only convert to another use with the prior written approval of Grantor.
3. If all or any portion of the Spray Field Property becomes no longer necessary for such purposes for any reason, including without limitation,
a. because Grantor has provided to Grantee interests in other real property suitable to store and/or dispose of recycled water with the following completed:
1) Grantor's funding, designing, permitting and constructing of such improvements, and
2) City acceptance of design, plan check, construction, and inspection of such improvements, and
3) City Council acceptance of such improvements, and
4) Regional Water Quality Control Board approval of improvements, or,
b. because Grantor has provided other means necessary to lawfully dispose of recycled water as permitted by applicable law and as approved by the Regional Water Quality Control Board that is sufficient to replace the applicable portion of the Spray Field Property conveyed herein for said public purposes, or
c. because Grantor is participating in and has paid their fair share of some other alternative effort to lawfully dispose of recycled water to allow replacement of the portion of the Spray Field Property, including but not limited to a replacement pond or spray field, approved river discharge, or a regional effort, and that effort has resulted in a fully City and RWQCB approved substitution of the portion of disposal being requested for release.

If all work is completed on the design, plan check, construction and inspection of any improvements to the portion of the Spray Field Property determined by the City to be necessary to retain acceptable operations by the City without the remaining Spray Field Property, and if the City Council accepts the completed improvements, then, Grantee shall reconvey to Grantor by grant deed all or the applicable portion of the Spray Field Property determined by the City and Regional Water Quality Control Board to be no longer necessary.
4. The reversionary interest reserved herein shall be personal to Grantor, its successors and assigns.
5. Grantee acknowledges that any portion of the Spray Field Property conveyed to Grantor in accordance with the process noted above shall be "As Is" with no implied or suggested warranty, and that Grantee has no requirement to remove any improvements that have been constructed upon such portion.
6. Grantor hereby covenants and agrees, for itself and its successors and assigns to the Spray Field Property conveyed herein, to perform such other acts, and to execute, acknowledge and deliver such further instruments, including, without limitation execution of a grant deed, and to provide such further assurances consistent with the provisions of this Grant Deed as may be necessary or appropriate.

## DATED:

## GRANTOR:

SAYBROOK CLSP, LLC
By: Saybrook Fund Investors, LLC, its managing member

Jeffrey M. Wilson
Officer

> 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 )On 20 before me, $\qquad$ Notary Public, personally appeared Jeffrey M. Wilson, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person 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:
(seal)

## EXIIIBIT "A"

## LEGAL DESCRIPTION

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF LATHROP, SAN JOAQUIN COUNTY, STATE OF CALIFORNIA, BEING AIL OF THAT CERTAIN PROPERTY DESCRIBED IN DEED DOCUMENT NUMBER 2013-154533, SAN JOAQUIN COUNTY RECORDS.

TOGETHER WITH, ALL OF THAT CERTAIN PROPERTY DESCRIBED IN DEED DOCUMENT NUMBER 2018-126849, SAN JOAQUIN COUNTY RECORDS.

EXCEPTING THEREFROM, THOSE PORTIONS OF LAND LYING WITHIN DOS REIS ROAD, AS DESCRIBED IN THAT CERTAIN DEED RECORDED IN BOOK 1762, AT PAGE 199, SAN JOAQUIN COUNTY RECORDS.

APN 192-020-170, 192-020-350, AND 192-020-150

## END OF DESCRIPTION

PREPARED BY:

LEONARDO JESUS MARTINEZ IICENSED LAND SURVEYOR NO. 9368 STATE OF CALIFORNIA


DATE


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[^0]:     $\begin{array}{r}498,390 \\ 1,091,011 \\ 2,476,423 \\ 956,493 \\ 490,614 \\ 376,711 \\ 38,145 \\ \hline\end{array}$

