$\qquad$
DATE SUBMITTED

## IMPERIAL CITY COUNCIL AGENDA ITEM



## EXHIBIT 1

## SUBDIVISION AGREEMENT AND IMPROVEMENT SECURITY (CITY OF IMPERIAL)

## (Government Code §§ 66462 and 66463)

(S1) Subdivision:
(S2) Effective Date:
(S3) Completion Period:

Victoria Ranch Subdivision - Unit No. 4B
December 21, 2022
December 21, 2022- December 21, 2023

THESE PARTIES ATTEST TO THE PARTIES' AGREEMENT HERETO:

## CITY COUNCIL

By:
Geoffrey D. Dale, Mayor

## APPROVAL RECOMMENDED:

By:
Othon Mora
Community Development Director

## SUBDIVIDER

By:
Tory Lessley, Vice-President
VR4B, Inc., a California Corporation
(NOTE: All signatures to be acknowledged.
If Subdivider is incorporated, signatures must conform with the designated representative groups pursuant to Corporations Code section 313).

## 1. PARTIES, DATE AND LEGAL DESCRIPTION

Effective on the above date, the City of Imperial, California, (hereinafter "City"), and the above-named Subdivider, enter into this Subdivision Agreement ("Agreement") and mutually promise and agree as follows concerning this Subdivision. The legal description for this Subdivision is attached hereto as Exhibit A.

## 2. IMPROVEMENTS

Subdivider agrees to construct, install, and complete certain improvements (both public and private), including but not limited to the following: road, drainage, signs, (including appurtenant equipment), water, sewer, and such other improvements as required by City ordinance or regulation, conditions of approval for the Subdivision, mitigation measures set
forth in environmental documentation, engineer's estimates and as shown on improvement plans for this Subdivision as reviewed and on file with the City of Imperial, Public Services Department (including future amendments thereto), (hereinafter "Work").

Subdivider shall complete all of said Work and improvements within the above completion period as required by the California Subdivision Map Act (Government Code §§ 66410, et seq.), in a good workmanlike manner, in accordance with accepted construction practices and in a manner equal or superior to the requirements of the City Code and rulings made thereunder; and where there is a conflict between the improvement plans, City Code, or conditions of approval, the stricter requirements shall govern.

## 3. IMPROVEMENT SECURITY:

Upon executing this Agreement, the Subdivider shall, pursuant to Government Code § 66499, and the City Code, provide as security to the City a first lien ("First Lien") on the real property described in Exhibit A ("Property"), which Property is free and clear of all encumbrances and liens having priority over or on a parity with this First Lien, in the sum of six million, ninety-two thousand, two-hundred and ten dollars and thirty cents ( $\$ 6,092,210.30$ ), which represents the combined amount of the security described below:
A. For Performance and Guarantee of the Work: Subdivider shall provide security in the sum of three million, forty-six thousand, one-hundred and five dollars and fifteen cents ( $\$ 3,046,105.15$ ), which represents the estimated cost of the Work.

Pursuant to Government Code § 66499.3(a), with this security the Subdivider guarantees performance of all Work under this Agreement and maintenance of the Work for one (1) year after its completion and acceptance against any defective workmanship or materials or any unsatisfactory performance. Engineer's estimates are for the purpose of estimating the cost of the Work for establishing the dollar value of the security and shall not define or limit the scope of the Subdivider's obligation to perform all of the Work under this Agreement. The warranty period begins to run only upon completion of all of the Work called for by this Agreement and acceptance of such Work as complete by the City.

City agrees to subordinate its first position on the Property to a second position on portions of the Property in favor of a construction lender as Subdivider develops and constructs improvements required by the Agreement-as depicted on the attached Exhibit B; provided that a fund control is in place to assure payment directly to contractors for installation of such improvements and provided further that City receive a personal guarantee from the Owner for performance, labor and materials, and monumentation related to the subordinated amounts, and provided further that the City determines, in its sole discretion, that the City's remaining first lien position on the Property is sufficient to secure Subdivider's performance called for by this Agreement.
B. For Payment: Subdivider shall provide security in the sum of three million, forty-six thousand, one-hundred and five dollars and fifteen cents $(\$ 3,046,105.15)$, which represents one hundred percent ( $100 \%$ ) of the estimated cost of the Work

Pursuant to Government Code § 66499.3(b), with this security the Subdivider guarantees payment to the contractor, his subcontractors, and persons renting equipment or furnishing labor or materials to them or to the Subdivider.

City agrees to subordinate its first position in the Property to a second position on portions of the Property in favor of a construction lender as Subdivider develops and constructs improvements required by the Agreements as depicted on the attached Exhibit B; provided that a fund control is in place to assure payment directly to contractors for installation of such improvements and provided further that City receive a personal guarantee from the Owner for performance, labor and materials and monumentation related to the subordinated amounts and provided further that the City determines, in its sole discretion, that the City's remaining first lien position on the Property is sufficient to secure Subdivider's performance called for by this Agreement.
C. Reduction of Security: Upon acceptance of the Work as complete by the City Council and upon request of the Subdivider, the amount of the securities may be reduced in accordance with Government Code $\S \S 66497$, et. seq. "Acceptance" as used in this subparagraph is solely for the purpose of considering whether security can be reduced. The improvement security required herein for faithful performance of this Agreement may be reduced in amount, but not more often than once per month, as the Work of improvement is completed. Further, the market value of the First Lien position must not be less than $100 \%$ of the estimated cost (including payment of prevailing wage) associated with completion of the Work remaining to be completed. In no event shall this security be reduced until progress reports are submitted to the City, and the City determines the Work in fact has been completed and the amount by which the security shall be reduced. The determination by the City as to the completion of Work or improvement and the amount by which the security shall be reduced shall be conclusive. The performance security shall not be reduced to an amount less than ten percent ( $10 \%$ ) until the liability established by all parts and subsections of this Agreement is satisfied. Payment security may be reduced only in accordance with Government Code § 66499.7.

## 4. GUARANTEE AND WARRANTY OF WORK

Subdivider guarantees that said Work shall be free from defects in material or workmanship and shall perform satisfactorily for a period of one (1) year from and after the City Council accepts the Work as complete in accordance with Government Code § 66499.7. Subdivider
agrees to correct, repair, or replace, at its expense, any defects in said Work.

## 5. PLANT ESTABLISHMENT WORK

Subdivider agrees to perform plant establishment work for landscaping installed under this Agreement. Said plant establishment work shall consist of adequately watering plants, replacing unsuitable plants, doing weed, rodent and other pest control, and other work determined by the Public Services Department to be necessary to ensure establishment of plants. Said plant establishment work shall be performed for a period of one (1) year from and after the City Council accepts the work as completed.

## 6. IMPROVEMENT PLAN WARRANTY

Subdivider warrants the improvement plans for the Work are adequate to accomplish the Work as promised in Section 2. If, at any time before the City Council accepts the Work as complete or during the one-year guarantee period, said improvement plans prove to be inadequate in any respect, Subdivider shall make whatever changes are necessary to accomplish the Work as promised.

## 7. NO WAIVER BY CITY

Inspection of the Work and/or materials, or approval of Work and/or materials, or statement by any officer, agent or employee of the City indicating the Work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said Work and/or materials, or payments therefor, or any combination or all of these acts, shall not relieve the Subdivider of his obligation to fulfill this Agreement as prescribed; nor shall the City thereby be estopped from bringing any action for damages arising from the failure to comply with any of the terms and conditions hereof.
8. INDEMNITY

Subdivider shall defend, hold harmless, and indemnify the indemnitees from the liabilities as defined in this section:
A. The indemnitees benefited and protected by this promise are the City and its elective and appointive boards, commissions, officers, agents, and employees.
B. The liabilities protected against are any liability or claim for damage of any kind allegedly suffered, incurred, or threatened because of actions defined below, and including personal injury, death, property damage, inverse condemnation, or any combination of these, and regardless of whether or not such liability, claim, or damage was unforeseeable at any time before the City reviewed said improvement plans or accepted the Work as complete, and including the defense of any suit(s), action(s) or other proceeding(s) concerning said liabilities and claims, excepting only those claims arising from the sole negligence of City.
C. The actions causing liability are any act or omission (negligent or non-negligent) in
connection with the matters covered by this Agreement and attributable to the Subdivider, contractor, subcontractor or any officer, agent, or employee of one or more of these.
D. Non-Conditions. The promises and Agreement in this section are not conditioned or dependent on whether or not any indemnitee has prepared, supplied, or reviewed any plans or specifications in connection with this Work or Subdivision, or has insurance or other indemnification covering any of these matters, or that the alleged damage resulted partly from any negligent or willful misconduct of any indemnitee.
9. COSTS

Subdivider shall pay when due all the costs of the Work including inspections thereof and relocating existing utilities required thereby
10. SURVEYS

Subdivider shall set and establish survey monuments in accordance with the filed map and to the satisfaction of the City Engineer before acceptance of any Work as complete by the City Council.

## 11. NON-PERFORMANCE AND COSTS

If Subdivider fails to complete the Work within the time specified in this Agreement and subsequent extensions, or fails to maintain the Work, the City may proceed to complete and/or maintain the Work by contract or otherwise, and Subdivider agrees to pay all costs and charges incurred by the City (including, but not limited to: engineering, inspection, surveys, contract, overhead, etc.) immediately upon demand.

Subdivider hereby consents to entry on the Subdivision property by the City and its forces, including contractors, in the event the City proceeds to complete and/or maintain the Work.

Once action is taken by City to complete or maintain the Work, Subdivider agrees to pay all costs incurred by the City, even if Subdivider subsequently completes the Work. Should City sue to compel performance under this Agreement or to recover costs incurred in completing or maintaining the Work, Subdivider agrees to pay all attorney's fees, and all other expenses of litigation incurred by City in connection therewith, even if Subdivider subsequently proceeds to complete the Work.
12. RECORD MAP

In consideration hereof, City shall allow Subdivider to file and record the Final Map for said Subdivision.

## 13. MONUMENTATION SECURITY

Subdivider shall file or deposit with the City a monument bond or security as applicable in an amount specified by the City Engineer pursuant to Government Code §§ 66496 and 66499.
14. ENGINEERING FEES

Subdivider shall pay such fees as have been duly established by City.
15. DATE OF COMPLETION

The completion of improvements required hereunder and the date of completion shall be determined and certified by the City Engineer.
16. FEES

Subdivider shall pay such fees as have been duly established by City.

## EXHIBIT "A"

A RE-SUBDIVISION OF THE FOLLOWING DESCRIBED LANDS:
A RE-SUBDIVISION OF BLOCK 12 OF VICTORIA RANCH SUBDIVISION - UNIT NO. 3C, IN THE CITY OF IMPERIAL, COUNTY OF IMPERIAL, STATE OF CALIFORNIA.

## ACKNOWLEDGMENT

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

State of California
County of Imperial

On $\qquad$ before me,

> (insert name and title of the officer)
personally appeared $\qquad$ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)



# SINヨWヨヘOYdWI ヨIS－NO צO」 ヨレVWIISヨ ISOJ S．$\downarrow \exists \exists$ NIפNヨ  7৮IVヨdWI ЭO 人1しつ 

Electrical

| STREET LIGHTS | EA. | 14 | $\$ 5,000.00$ | $\$ 70,000.00$ |
| :--- | ---: | ---: | ---: | ---: |
| UNDERGROUND ELECTRIC | EA. | 102 | $\$ 1,750.00$ | $\$ 178,500.00$ |
|  |  |  |  | $\$ \mathbf{2 4 8 , 5 0 0 . 0 0}$ |

Earthwork

| CUT | CYD |
| :--- | :--- |
| FILL | CYD |
| IMPORT | CYD |


| CYD | 30585 | $\$ 2.00$ | $\$ 61,170.00$ |
| ---: | ---: | ---: | ---: |
| CYD | 103 | $\$ 2.25$ | $\$ 231.75$ |
| CYD |  | $\$ 2.50$ |  |
|  |  |  | $\$ 61,401.75$ |
|  |  |  |  |
| SF | 46005 | $\$ 4.15$ | $\$ 190,920.75$ |
| SF | 123800 | $\$ 3.00$ | $\$ 371,400.00$ |
|  |  |  | $\$ 562,320.75$ |

## Miscellaneous <br> MOBILIZATION <br> INSTALL STOP SIGN <br> INSTALL STREET NAME SIGN

| L.S. | 1 |
| ---: | ---: |
| EA | 9 |
| EA | 11 |
| L.S. | 1 |
| EA | 2 |
| L.S. | 1 |
| L.S. | 1 |


| $\$ 10,000.00$ | $\$ 10,000.00$ |
| ---: | ---: |
| $\$ 375.00$ | $\$ 3,375.00$ |
| $\$ 375.00$ | $\$ 4,125.00$ |
| $\$ 5,000.00$ | $\$ 5,000.00$ |
| $\$ 4,000.00$ | $\$ 8,000.00$ |
| $\$ 30,000.00$ | $\$ 30,000.00$ |
| $\$ 10,000.00$ | $\$ 10,000.00$ |
|  | $\$ 70,500.00$ |



| SUB-TOTAL | $\$ 2,769,186.50$ |
| :--- | ---: |
| 10\% Contingency | $276,918.65$ |
| TOTAL | $\$ 3,046,105.15$ |

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

| www.lcec-inc.com | 1065 State Street | info@lcec-inc.com |
| :--- | ---: | ---: |
| tel $760.353 .8 n 0$ | El Centro CA 92243 | fax 760.352 .6408 |

## EXHIBIT 2

## VICTORIA R,ANCH SUSDIVISION - UNIT NO. $4 B$

## A RE-SUEDIVISION OF BLOCK I2 OF VICTORIA RANCH SUEDIVISION - UNIT NO. 3C, IN THE CITY OF IMPERIAL, COUNTY OF IMPERIAL, STATE OF CALIFORNIA

## SURVEYOR'S STATEMENT:



InO.OIsn

$\frac{10-28-2022}{2}$


ACTING CITY LAND SURVEYOR'S STATEMENT:



## 

DATE


CITY CLERK'S CERTIFICATE:
Wheroor cerviry mat ne cirl cancli or ne cirl or meziin, or resoumon wopto


TITLE COMPANY CERTIFICATE.

Stower rye or chiromen inc.
SOILS REFORT:

COUNTY RECORDER'S CERTIFICATE:



## chacs storer COUNT ReCorder

## SIGNATURE OMISSIONS STATEMENT:





-









## LEGAL DESCRIPTION:

ARE-SEOD insion or ne rolionio ofecriveo LNOS


## OUNER'S CERTIFICATE:



EXHIBIT 2




