

CITY OF FAIRFIELD  
IMPROVEMENT AGREEMENT

**Canon Station Planning Area 4 – Vanden Road Landscape**  
**ONE LAKE HOLDING, LLC**

THIS IMPROVEMENT AGREEMENT ("Agreement"), for purposes of identification dated \_\_\_\_\_, 2021 is made and entered into by and between the CITY OF FAIRFIELD, a municipal corporation, hereinafter referred to as "City," and **ONE LAKE HOLDING, LLC, a Delaware Limited Liability Company**, hereinafter referred to as "One Lake."

R E C I T A L S:

- A. One Lake has presented to City a development plan of land for Canon Station – Planning Area 4 (the "Development") located within the corporate limits of City, the plan having been prepared in accordance with the requirements of the City Engineer.
- B. This Agreement concerns improvements commonly referred to as the **Canon Station Planning Area 4 – Vanden Road Landscape Improvements** (the "Required Improvements"), all of which are incorporated into the plans and specifications of the Development.
- C. In accordance with the Amended and Restated Development Agreement between the City and One Lake, dated May 8, 2015 ("DA"), including any subsequent DA amendments, the parties agreed that One Lake may construct public improvements, including landscape and irrigation, in exchange for fee credits from the City. One Lake is required to enter into an improvement agreement with the City to construct said public improvements to be eligible to receive fee credits.
- D. One Lake has requested approval of the plans prior to the construction and completion of the Required Improvements, including, but not limited to: landscape and irrigation along the widened portions of Vanden Road/Jepson Parkway, east of Peabody Road, and plaza themed improvements at the southeast corner of the Vanden Road and Peabody

Road intersection, along with other public facilities and appurtenances as required by the City Engineer, the Ordinances of the City, and the Train Station Specific Plan, heretofore approved by the City Council of the City of Fairfield.

#### AGREEMENTS:

The parties hereto agree as follows:

1. The General Contractor: City acknowledges and agrees that One Lake is not a licensed contractor but that One Lake will be contracting with a licensed general contractor (the "General Contractor") who will furnish, construct and install the Required Improvements pursuant to this Agreement. The contract between One Lake and General Contractor for completion of the Required Improvements is referred to herein as the Construction Contract.
2. Performance of Work: One Lake agrees to furnish, construct, and install at their own expense, or cause to be furnished, constructed, and installed, all Required Improvements as shown on the plans and specifications of the Development, a copy of which is on file in the Office of the City Engineer and is incorporated herein by reference, along with any changes and modifications as may be required by the City Engineer due to errors of omission on the plans.
3. Work; Satisfaction of the City Engineer: All of the work on the Required Improvements is to be done at the places, with the materials, and in the manner and at the grades, all as shown upon the approved plans and specifications and the City's most current Standard Specifications and Details as authorized via Fairfield City Council Resolution 2014-93, and to the satisfaction of the City Engineer.

4. Work; Time for Commencement and Performance: City fixes the time for the commencement of the work to be done on the day following approval of this Agreement, and for its completion to be within twelve (12) months thereafter. A pre-construction meeting is required at least fifteen (15) calendar days prior to the start of construction.
5. Time of Essence; Extension: Time is of the essence of this Agreement, but the dates for commencement and completion of the work of construction may be extended as herein provided. The City Engineer may extend those dates for delays in the work actually caused by inclement weather, riots, strikes, lockouts, fires, earthquakes, floods and conditions resulting therefrom. Extension of the dates for any other cause shall be made only by the City Council. The City Engineer and City Council shall be the sole and final judge as to whether good cause has been shown to entitle One Lake to an extension.
6. Request for Extension; Granting: Requests for extension of commencement and completion date shall be in writing, and shall be delivered to City in the manner hereinafter specified for services of notices. Extensions, if granted, shall be in writing; an oral extension shall not be valid for any purpose whatsoever.
7. Extension; No Release of Obligations: In the event it is deemed necessary by the City to extend the time of commencement or completion of the work to be done under this Agreement beyond the dates specified herein, such extension as shall be granted shall in no way release any guarantee given by One Lake pursuant to this Agreement, or to relieve or release those providing improvement security pursuant to this Agreement. The sureties in executing the bonds shall be deemed to have expressly agreed to any such extension of time.

8. Extension; Conditions: The granting of any extension may be conditioned upon One Lake providing City with new or amended surety bonds in amounts increased to reflect increases in the costs of constructing the Required Improvements that have occurred prior to the granting of the extension or are likely to occur prior to the completion of work.
9. Improvement Security: Concurrently with the execution hereof, One Lake shall furnish City:
  - (a) Improvement security in the sum of \$1,450,000, which sum is equal to one hundred ten percent (110%) of the estimated cost of constructing the Required Improvements, rounded up, and the cost of any other obligation to be performed by One Lake hereunder, securing the faithful performance of this Agreement.
  - (b) Separate improvement security in the sum of \$725,000, which sum is equal to fifty-five percent (55%) of the estimated cost of constructing the Required Improvements, securing payment to the General Contractor, its subcontractors, and to persons furnishing labor, materials, or equipment to them for the construction of the Required Improvements.

The form of the improvement security shall be subject to the approval of the City Attorney. Improvement security shall be reduced or released by City only in the manner provided by the Ordinances of the City. No change, alteration, or addition to the terms of this Agreement or the plans and specifications accompanying the same shall in any manner affect the obligation of those providing improvement security pursuant to this Agreement.

10. Engineering and Inspection Fee: One Lake shall:

- (a) Pay to the City an engineering plan check fee of 1.35% of the total cost of the Required Improvements, as estimated by the City Engineer, less the initial plan check fee of one percent (1%) of the total cost paid upon submittal of improvement plans, rounded to the nearest whole number. The total amount of this fee still due is:

$$(1.35\% \times \$1,318,088.48) - \$0.00 = \underline{\$17,794}.$$

- (b) Pay to the City an engineering and inspection fee of five and a half percent (5.5%) of the total cost of the Required Improvements, rounded to the nearest whole number, as estimated by the City Engineer, being:

$$5.5\% \times \$1,318,088.48 = \underline{\$72,495}.$$

Fee includes only items of work to be inspected by the City. It is understood that such fee covers only those inspections and engineering work performed by the City during the normal working hours of the City.

11. Hold Harmless Agreement: One Lake will indemnify, hold harmless and assume defense of, in any actions of law or in equity, the City of Fairfield, its officers, employees, agents, and elective and appointive boards from all claims, losses, damage, including property damage, personal injury, including death, and liability of every kind, nature and description, directly or indirectly arising from the operations of One Lake, General Contractor or any subcontractor, or of any person directly or indirectly employed by, or acting as agent for One Lake, General Contractor or any subcontractor, but not including the sole or active negligence or willful misconduct of the City of Fairfield. This indemnification shall extend to claims, losses, damages, injury and liability for injuries occurring after completion of the work as well as during the work's progress.

Acceptance of insurance certificates required under this Agreement does not relieve One Lake from liability under this indemnity and hold harmless

clause. This indemnity and hold harmless clause shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of One Lake's, its General Contractor's or any subcontractor's operations regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

12. Contractor's Insurance: One Lake shall not commence work under this Agreement or permit its General Contractor or any subcontractor to commence work thereunder until One Lake shall have obtained or caused to be obtained all insurance required under this paragraph and such insurance shall have been approved by the City Engineer of City as to form, amount, and carrier. The insurance shall be maintained in force and effect until the completion of work under this Agreement and the acceptance thereof by City. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements, and shall specifically bind the insurance carrier.

- (a) **WORKER'S COMPENSATION INSURANCE**: One Lake shall obtain and maintain (or cause to be obtained and maintained) workers' compensation insurance for all One Lake and General Contractor employees employed at the site of improvement. Proof of a qualified self-insurance program is acceptable. One Lake shall require any sub-contractor similarly to provide workers' compensation insurance for all of the subcontractor's employees, unless such employees are covered by the protection afforded by One Lake or the General Contractor. In case any class of employees engaged in work under this Agreement at the site of the project is not protected under any workers' compensation law, One Lake shall provide, and shall cause General Contractor and each subcontractor to provide, adequate insurance for the protection of employees not otherwise protected. One Lake

hereby agrees to indemnify City for any damage resulting to it from failure of General Contractor or any subcontractors to take out or maintain such insurance. One Lake shall provide the City Engineer with a certificate of insurance indicating workers' compensation coverage prior to engaging in any activity required by this Agreement.

- (b) **LIABILITY INSURANCE:** One Lake, at its sole expense, shall obtain and maintain (or cause to be obtained and maintained) an insurance policy or policies, issued by an insurer or insurers as defined by the California Insurance Code with an A.M. Best rating of B+/XII or A-/VII or better, providing the City, its officers, employees, and agents, named as additional insureds under the policy, broad form property damage, personal injury, automobile, employers', and comprehensive form liability insurance in the amount of not less than \$3 million per occurrence. By the terms of the insurance policy or policies, such insurance shall be deemed primary insurance, and no other insurance effected by the City or other named insureds will be called upon to cover a loss covered thereunder.

In the event that any of the insurance policies provided for in this Section 12 insures any entity, persons, boards, or commissions other than those mentioned in this paragraph, such policy shall contain a standard form of cross-liability endorsement, insuring on such policy City, its elective and appointive boards, commissions, officers, agents, and employees, One Lake, General Contractor and any subcontractor performing work covered by this Agreement. All stated minimum levels of insurance may be met by a combination of primary, excess, and umbrella insurance, including any fronting or captive insurance, provided Indemnatee is endorsed as an additional insured with regard to all such excess coverage.

City agrees that the insurance requirements in this Section 12 may be satisfied with insurance furnished by the General Contractor that meets such insurance requirements. In its contract with the General Contractor, One Lake agrees to require the General Contractor to agree to include in their(its) subcontracts with all of its subcontractors (a) the same requirements and provisions of this Agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the subcontractors' work, and (b) the requirement that the subcontractors include such provisions in the subcontracts, if any, that such subcontractors enter into with their subcontractors.

13. Evidence of Insurance: One Lake shall furnish the City Engineer prior to commencement of any work hereunder, with satisfactory evidence of the insurance required, and evidence that each carrier is required to give City at least thirty days prior notice of the cancellation or reduction in coverage of any policy during the effective period of this Agreement.
14. Title to Improvements: Title to and ownership of all improvements constructed hereunder shall vest absolutely in City upon completion and acceptance of such improvements by City.
15. Repair or Reconstruction of Defective Work: If, within a period of one year after final acceptance of the work performed under this Agreement, any improvement or part of any improvement furnished and/or installed or constructed, or caused to be installed or constructed by One Lake, or any of the work done under this Agreement fails to fulfill any of the requirements of this Agreement or the specifications referred to herein, One Lake shall without delay and without any cost to City, repair or replace or reconstruct, or cause to be repaired or replaced or reconstructed, any defective or otherwise unsatisfactory part or parts of the work or structure. Should One Lake fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before One Lake can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work, and One Lake shall



pay to City the actual cost of such repairs plus fifteen percent (15%) within thirty (30) days of the date of billing for such work by City. At the time these improvements are completed to the satisfaction of the City Engineer, a warranty bond shall be submitted to release the original bonds.

16. Neither One Lake nor General Contractor Are Agent of City: Neither One Lake nor General Contractor nor any of One Lake's or General Contractor's agents or subcontractors are or shall be considered to be agents of City in connection with the performance of the obligations under this Agreement.
17. Notice of Breach and Default: If One Lake refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will ensure its completion within the time specified, or any extension thereof, or fails to obtain completion of the work within such time, or if One Lake should be adjudged a bankrupt, or One Lake should make a general assignment for the benefit of One Lake's creditors, or if a receiver should be appointed in the event of One Lake's insolvency, or if One Lake or its General Contractor or any of their subcontractors, agents, or employees should violate any of the provisions of this Agreement, City Engineer may serve written notice upon One Lake and One Lake's surety of breach of this Agreement, or of any portion thereof, and of default of One Lake hereunder.
18. Breach of Agreement: Performance by Surety or City: In the event of any such notice, One Lake's surety shall have the duty to take over and complete the work and the improvement herein specified; provided, however, that if the surety within fifteen (15) days after the serving of such notice of breach upon it does not give City written notice of its intention to take over the performance of the contract, and does not commence performance thereof within fifteen (15) days after notice to City of such election, City may take over the work and prosecute the same to completion by contract, or by any other method City may deem advisable, for the account and at the expense of One Lake, and One Lake's surety shall be liable to City for any excess cost of damages occasioned City thereby; and in such event, City, without liability for so doing, may take possession of and

utilize in completing the work, such materials, appliances, plant and other property belonging to One Lake or its General Contractor as may be on the site of the work and necessary therefor. One Lake shall cause the Construction Contract to include a provision implementing the rights of City pursuant to this Section 18.

19. Notices: All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

\_\_\_\_\_  
Fairfield City Hall, Attn: City Engineer  
\_\_\_\_\_  
1000 Webster Street  
\_\_\_\_\_  
Fairfield, CA 94533  
\_\_\_\_\_

Notices required to be given to One Lake shall be addressed as follows:

\_\_\_\_\_  
ONE LAKE HOLDING LLC, C/O DAN AGUILAR  
\_\_\_\_\_  
2121 N. CALIFORNIA BLVD, STE #1010  
\_\_\_\_\_  
WALNUT CREEK, CA 94596  
\_\_\_\_\_

(To be completed by One Lake)

Notices to be given surety of Subdivider shall be addressed as follows:

\_\_\_\_\_  
ONE LAKE HOLDING LLC, C/O DAN AGUILAR  
\_\_\_\_\_  
2121 N. CALIFORNIA BLVD, STE #1010  
\_\_\_\_\_  
WALNUT CREEK, CA 94596  
\_\_\_\_\_

(To be completed by surety of One Lake)

Any party or the surety may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

20. Oversizing: Public improvement oversizing and/or reimbursement as defined in City Code Chapter 6B, Chapter 10, Article IV, Sections 10.56 through 10.65; and Chapter 25, Article III, Section 25.166.79 through 25.166.81 is not applicable.

21. Additional Terms and Conditions: This Agreement is subject to the following additional terms and conditions (except as specifically provided otherwise):
- a) Approval of this Improvement Agreement shall not obligate the City to subsequently accept improvements which strictly conform to the plans referenced by this Agreement. All costs associated with modifications resulting from subsequent improvement plan changes required by the City shall be borne by One Lake.
  - b) **Citywide AB1600 and Northeast Area Impact Fee Credits:**  
In accordance with the requirements of Section 5.5.1 and Section 5.8.1 of the DA, the City assigned to One Lake the obligation to construct the Required Improvements, with execution of both the Canon Station – Neighborhood 2 and Neighborhood 3 Subdivision Improvement Agreements, in exchange for fee credits. In consideration for construction of the Required Improvements, One Lake shall accrue, effective upon the execution of this Agreement or the furnishing to City of the required Improvement Security required by this Agreement, whichever is first, a total of \$3,420,243 ("Fee Credits") in fee credits, rounded up to the nearest dollar; that amount being the escalated value as of April 1, 2020, escalated, as documented in City of Fairfield Resolution 2013-69, per the Engineering News Record construction cost index ("CCI") from the assigned \$3,219,334 (2018 dollars) to the current effective year (i.e. 2020) at 12764.52 with a percent CCI increase of 6.196%, see Exhibit 1.

- c) **TSSP Capital Improvement Fee Credits:** As required by Section 12.7 of the Train Station Specific Plan, One Lake shall construct, or cause to be constructed, the gateway improvements on the southeast corner, fronting the Fairfield-Vacaville Train Station, of the Peabody Road and Vanden Road/Jepson Parkway intersection. In consideration for construction of these improvements, One Lake shall accrue, effective upon the execution of this Agreement or the furnishing to City of the required Improvement Security required by this Agreement, whichever is first, a total of \$154,086 ("TSSP Capital Credits") in fee credits, rounded up to the nearest dollar; that amount being the escalated value as of April 1, 2020, escalated per the CCI to the current effective year (i.e. 2020) since adoption of the 2013 Northeast Fee Update per City of Fairfield Resolution 2013-69.
- d) **Updated Citywide AB1600 and Northeast Area Impact Fee Credits:** Pursuant to Section 5.5.1 of the DA, City intends to commence an update of the Citywide AB1600 and Northeast Area Fee programs ("Fee Update"). Upon City Council approval of the Fee Update, the value of any of One Lake's unused credits per this agreement that is included in the Fee Update will be updated on a pro-rated basis, and drawn down using updated fee amounts adopted with the Fee Update.
22. **Prohibited Interest:** No employee of the City shall have any direct financial interest in this Agreement. This Agreement shall be voidable at the opinion of the City if this provision is violated.
23. **Local Employment Policy:** The City of Fairfield desires, wherever possible, to hire qualified local residents to work on city projects. Local resident is defined as a person who resides in Solano County.
- The City encourages an active affirmative action program on the part of its contractors, consultants, and developers.

When local projects require, subcontractors, contractors, consultants, and developers will solicit proposals from qualified local firms where possible.

24. Qualified Bids: Both the City and One Lake acknowledge and agree that the contractor chosen as the General Contractor will satisfy the City's bidding requirements applicable to reimbursements for the improvements to be constructed under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Improvement Agreement on the date set forth opposite their respective signatures.

Dated: \_\_\_\_\_

**City of Fairfield,**  
a municipal corporation

ATTEST:

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Manager

**One Lake Holding, LLC,**  
a Delaware Limited Liability Company

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

Name: Daniel Aguirre

Title: Co-President

CITY OF FAIRFIELD  
IMPROVEMENT AGREEMENT CHECK LIST

PROJECT NAME: Canon Station Planning Area 4 – Vanden Road Landscape

OWNER: One Lake Holding, LLC

ADDRESS: 2121 N. California Blvd., Suite #1010, Walnut Creek, CA 94596

COUNCIL MEETING DESIRED: April 6, 2021

SUBMISSION DEADLINE: March 12, 2021

DESCRIPTION	QUANTITY	UNIT COST	AMOUNT	RECD BY	DATE
Plan Check Fee (less initial PC)	1.35%	\$1,318,088	\$17,794		
Engineering/Inspection Fee	5.5%	\$1,318,088	\$72,495		
		TOTAL:	\$90,289		
Engineer's Estimate			\$1,318,088.48		
Faithful Performance Bond	110%		\$1,450,000		
Labor and Materials Bond	55%		\$725,000		
Insurance Certificate			\$3 Million		
Signed Agreement					
Construction Plans					

Distribution:  
City Manager  
City Engineer  
One Lake

# EXHIBIT 1

Cost	
TSSP Capital Improvement Fee Assignment (2013)	\$125,000.00
April 1, 2014	\$131,563.80
April 1, 2015	\$131,769.01
April 1, 2016	\$134,660.95
April 1, 2017	\$140,141.71
April 1, 2018	\$145,033.99
April 1, 2019	\$146,248.97
April 1, 2020	\$154,085.09
Improvement Fee Assignment	
April 1, 2018	\$3,219,334.00
April 1, 2019	\$3,246,303.08
April 1, 2020	\$3,420,242.27

Fee Credit Summary Table			
TSSP Capital Improvement	AB1600 Traffic Impact	NE Transportation	NE Linear Park
\$154,085.09	\$1,073,618.65	\$2,070,887.34	\$275,736.28

\*NOTE: Improvement Fee Assignment Formula

AB1600 Fee = Total Improvement Fee Assignment x (AB1600 Fee [2013] / (Sum of AB1600, NE Traffic, NE Linear Park [2013]))

AB1600 Fee = (\$3,420,242.27) x (\$6,370 / (\$6,370 + \$12,287 + \$1,636))  
= \$1,073,618.65

NE Traffic Fee = Total Improvement Fee Assignment x (NE Traffic Fee [2013] / (Sum of AB1600, NE Traffic, NE Linear Park [2013]))

NE Traffic Fee = (\$3,420,242.27) x (\$12,287 / (\$6,370 + \$12,287 + \$1,636))  
= \$2,070,887.34

NE Linear Park Fee = Total Improvement Fee Assignment x (NE Linear Park [2013] / (Sum of AB1600, NE Traffic, NE Linear Park [2013]))

NE Linear Park Fee = (\$3,420,242.27) x (\$1,636 / (\$6,370 + \$12,287 + \$1,636))  
= \$275,736.28

\*NOTE: TSSP Capital Improvement Assignment is based on the cost for "3 Community Gateways" in Table 18 of the adopted Northeast Area Fees report, dated April 1, 2013.

\*NOTE: Calculation Formula: \$125,000 = \$1,500,000 / 3 (Gateways) / 4 (Corners at each intersection)

\*NOTE: The Improvement Fee Assignment was previously assigned to One Lake with execution of the Canon Station Neighborhood 2 and Neighborhood 3 Subdivision Improvement Agreements, both dated December 11, 2018.

\*NOTE: % Increase is based on change at year-end

\*NOTE: Escalation Formula

Current Year Value = (Previous Year Value) x (1+ CCI Annual % Increase)

TSSP Capital Fee (April 1, 2020) = \$146, 248.97 x (1 + 5.359%)  
= \$154,084.99

San Francisco Construction Cost Index Table				
DATE	SF CC Index			
December 1, 2010	10120.29	Annual	Running	
December 1, 2011	10204.79	0.83%		
December 1, 2012	10355.09	1.473%		
December 1, 2013	10898.84	5.251%		
December 1, 2014	10915.84	0.156%		5.251%
December 1, 2015	11155.41	2.195%		5.415%
December 1, 2016	11609.44	4.070%		7.729%
December 1, 2017	12014.72	3.491%		12.113%
December 1, 2018	12115.37	0.838%		16.027%
December 1, 2019	12764.52	5.358%		16.999%
				23.268%

\*NOTE: First date of fee: May 21, 2013

\*NOTE: First date of escalation: April 1, 2014

\*NOTE: Fees escalated per the Engineering News Record Construction Cost Index as outlined in Fairfield Resolution 2013-69 (Section 1, 3, and 4)

\*NOTE: Dwelling Unit/Per Acre rounded up to nearest dollar

	2013 Value
1) Traffic AB 1600 (Citywide Traffic Impact Fee)	\$6,370 per single-family dwelling unit
2) Northeast Traffic Fee	\$12,287 per low-density unit
3) Northeast Traffic Fee	\$9,368 per medium-density unit
4) Northeast Linear Park Fee	\$1,636 per low-density unit
5) Northeast Linear Park Fee	\$1,432 per medium-density unit

	2020 Value
1) Traffic AB 1600 (Citywide Traffic Impact Fee)	\$7,852 per single-family dwelling unit
2) Northeast Traffic Fee	\$15,146 per low-density unit
3) Northeast Traffic Fee	\$11,548 per medium-density unit
4) Northeast Linear Park Fee	\$2,017 per low-density unit
5) Northeast Linear Park Fee	\$1,765 per medium-density unit

\*NOTE: 2020 Value is calculated by escalating 2013 Value to current year as outlined per Resolution 2013-69.

Escalation Formula

Current Year Value = (2013 Year Value) x (1 + Running Annual % Increase)

2020 Traffic AB1600 Fee: April 1, 2020 = \$6,370 x (1 + 23.268%)  
April 1, 2020 = \$7,852.17