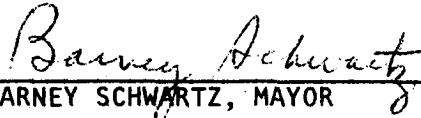


SUBDIVISION AGREEMENT
WITH
ACCOMPANYING RESOLUTION
TRACT 812

RESOLUTION NO. 2400

RESOLVED, that the Mayor and City Clerk of the City of El Paso de Robles be, and they are hereby authorized and directed to execute the within and foregoing Agreement dated March 4, _____, 1980, between BONITA HOMES, INC., Subdivider, and the CITY OF EL PASO DE ROBLES, a Municipal Corporation.

PASSED AND ADOPTED this 4th day of March, 1980.



BARNEY SCHWARTZ, MAYOR

ATTEST:



DONALD B. KEEFER, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO (SS.
CITY OF EL PASO DE ROBLES)

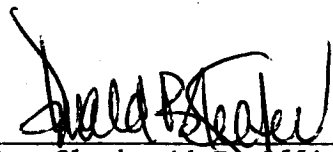
I, Donald B. Keefer, City Clerk of the
City of El Paso de Robles, California, do hereby certify that the
foregoing Resolution No. 2400 was duly and regularly adopted,
passed and approved by the City Council of the City of El Paso de Robles,
California, at a regular meeting of said City Council held at
the regular meeting place thereof, on the 4th day of March, 1980,
by the following vote:

AYES: Councilmen. Hurst, Hanson, Minshull, Stemper and Schwartz
.....

NOES: Councilmen. None
.....

ABSENT: Councilmen. None
.....

Dated this 7th day of March, 1980.



City Clerk and Ex-Officio Clerk of the City
Council, City of El Paso de Robles, State
of California.

SUBDIVISION AGREEMENT

TRACT NO. 812

THIS AGREEMENT is entered into this 4th day of March, 1980, between, BONITA HOMES, INCORPORATED, A California Corporation, DEVELOPER and SUBDIVIDER, hereinafter called SUBDIVIDER, and the CITY OF EL PASO DE ROBLES, a Municipal Corporation, hereinafter called CITY:

W I T N E S S E T H :

WHEREAS, SUBDIVIDER is now the owner of and desires to subdivide into lots, certain real property known as Tract No. 812, a subdivision in the City of El Paso de Robles, San Luis Obispo County, California and is required to comply with the provisions of Title 22, Municipal Code of the City of El Paso de Robles, being the Subdivision of said CITY:

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. SUBDIVIDER agrees that it will, at its own cost and expense, and in good workmanlike manner, in strict accordance with all ordinances, laws, rules and regulations of CITY, and within one (1) year from the date of this agreement, complete all of the following improvements in and upon the aforesaid subdivision, Tract No. 812, in accordance with improvement plans, specifications and any Change Orders, filed with and approved by the City Engineer of the CITY and in the manner hereinafter in the agreement provided, to wit:

A. PLANS AND SPECIFICATIONS:

A-1. All improvement plans shall be submitted to the Office of the City Engineer for approval.

A-2. All improvements shall be placed to the City of Paso Robles specifications, standards and the approved plans, and all work to be done in conformance with the "Standard Specifications For Public Works Construction," 1976 Edition, Published by Building News, Incorporated.

A-3. A composite map of all underground construction shall be submitted as approved by all of the utility companies.

A-4. A mylar copy of the recorded map and one print shall be furnished to the CITY. As-built drawings shall be furnished to the CITY after the project is completed.

B. GRADING:

B-1. Site grading of all lots shall be not less than one-half of one percent.

B-2. All lots shall be graded to drain to the streets or to an approved drainage facility.

B-3. Soil conservation shall be maintained during construction to prevent erosion, landslides, and other damage to adjacent property. Method of protection may be obtained from the U.S. Soil Conservation Service.

B-4. Sufficient topsoil shall be salvaged during grading operations to insure that the soil in each yard area will be left in such condition as to be capable of supporting and maintaining plant growth.

B-5. SUBDIVIDER shall provide a grading plan for all of the lots of Tract 812, showing direction of drainage for each lot.

C. UTILITIES:

C-1. SUBDIVIDER shall provide all utilities underground: electricity, water, gas, telephone, cable television, street lights, at no cost to CITY. SUBDIVIDER shall install all sanitary sewers, storm sewers, water, gas and all other underground utilities, at no cost to the CITY and subject to inspection by CITY.

C-2. All underground utilities and improvements shall be installed prior to construction of any street improvements.

C-3. All utilities to be installed to the boundary of the SUBDIVISION on all streets.

C-4. An underground street light system to serve the tract shall be installed with the system and locations to be approved by the Pacific Gas and Electric Company and the City Engineer.

C-5. SUBDIVIDER shall provide a six foot (6') Public Utilities Easement adjacent to all road right-of-ways in this subdivision.

D. DRAINAGE:

D-1. SUBDIVIDER shall install all necessary storm drain facilities within

the tract, and from the tract, and according to accepted engineering practices.

D-2. All streets shall conform to the direction of the drainage.

E. STREETS:

E-1. SUBDIVIDER shall install street name signs and required traffic signs as well as any necessary traffic striping.

2. SUBDIVIDER agrees to pay promptly, upon receipt of bill from CITY, all costs of any engineering and inspection services made by the CITY, pertaining to Tract No. 812.

3. It is expressly agreed that SUBDIVIDER has furnished or will forthwith furnish to CITY, a written statement from the Pacific Gas and Electric Company, Pacific Telephone and Telegraph Company, the Southern California Gas Company and from Sonic Cable Corporation, specifying the terms of the installation of their services required for said subdivision. The terms thereof shall guarantee the installation of said services as required, at no cost to the CITY, and shall be subject to the approval of the CITY ENGINEER and the CITY ATTORNEY of said CITY.

4. SUBDIVIDER agrees that it has filed, or will forthwith file, with said City Clerk, a Performance Bond in the amount of THREE HUNDRED NINETY THOUSAND DOLLARS (\$390,000.00) and a bond in 50% of the same amount to guarantee payment of all labor and material, to guarantee SUBDIVIDER's compliance with all of the terms of this Agreement, and to guarantee the completion of the improvements specified under Paragraph No. 1, and to guarantee that all of said work shall be completed within one (1) year from the date of this agreement.

5. Upon final completion and acceptance of the work, CITY will release all but ten (10) percent of the improvement security, that amount being deemed sufficient to guarantee faithful performance by the SUBDIVIDER of his obligation to remedy any defects in the improvements arising from within the period of one year (1) following the completion and acceptance thereof against any defective work or labor done, or defective materials furnished in the performance of this agreement.

6. Bonds required under this agreement shall not be effective unless and until first approved in writing by the CITY ENGINEER and the CITY ATTORNEY of said CITY.

7. SUBDIVIDER agrees that he will install street trees as approved by the CITY ENGINEER and maintain them for a period of one year after the houses are occupied, or SUBDIVIDER agrees that he will forthwith deposit with CITY CLERK of CITY, fees to discharge the obligation of SUBDIVIDER for the installation of all street trees to be planted in said subdivision by CITY.

8. SUBDIVIDER and CITY agree that SUBDIVIDER will dedicate 1.01 acres of land to the CITY for Park and Open Space purposes. Furthermore, SUBDIVIDER will be making certain physical improvements to the Park and Open Space, said improvements to be made in accordance with plans and specifications to be approved by the City Director of Parks and Recreation. Furthermore, SUBDIVIDER agrees to maintain at no cost to the CITY, all improvements made to said Park and Open Space land for a period of three years following the installation of same or until such time as the improvements of the last phase of Sierra Bonita Village are accepted by the CITY, whichever date occurs first. It is mutually agreed that all recreation fees associated with this subdivision be waived in lieu of the dedication and improvements made by SUBDIVIDER in favor of CITY, and said waiver shall constitute full compensation for said dedication and improvements.

9. SUBDIVIDER understands there will be a fee per sewer connection at the time of submitting a request to connect to the sanitary sewer main.

10. SUBDIVIDER agrees to pay a water meter installation fee, plus the cost of the meter at the time of submitting the request for water meter installation by the CITY.

11. SUBDIVIDER understands there will be a fee per water connection at the time that each building is connected to the water main.

12. SUBDIVIDER agrees that he will forthwith deposit with CITY CLERK of CITY, fees as a contribution of the SUBDIVIDER towards the cost of future on and off site storm drain facilities.

13. SUBDIVIDER agrees that no buildings will be occupied until all major subdivision improvements are completed to the satisfaction of the City Engineer.

14. SUBDIVIDER does hold and save CITY harmless from any and all claims arising from entry and construction on public property by SUBDIVIDER or SUBDIVIDER'S operations and does hereby agree to defend and indemnify CITY against all suits, costs, losses, awards or judgments arising therefrom. SUBDIVIDER will advise its insurance carrier of this indemnity provision and the Certificate of Insurance will provide that it includes the contractual liability assumed in the Agreement to indemnify.

15. SUBDIVIDER will provide CITY with a Certificate of Liability Insurance showing CITY as an additional insured, without reduction or offset by reason of insurance which the CITY has in effect. Said insurance policy shall be in such form and with such companies as are satisfactory to the CITY. Limits of liability shall not be less than \$500,000.00 for each occurrence, \$1,000,000.00 aggregate, and \$25,000.00 property damage.

16. In the event a dispute arises in this agreement, the prevailing party shall be entitled to recover reasonable attorney's fees.

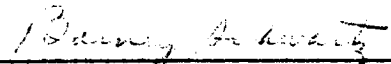
17. This agreement is made and executed in duplicate, and either copy shall be for all purposes, deemed an original.

IN WITNESS WHEREOF, SUBDIVIDER has caused this instrument to be executed and CITY has caused this instrument to be executed by its Mayor and its corporate seal to be affixed thereto, pursuant to Resolution of the Council of said CITY first passed and adopted the day and year hereinbefore written.

BONITA HOMES, INC. "SUBDIVIDER"
A California Corporation

BY 
JOHN H. GHORMLEY, PRESIDENT

CITY OF PASO ROBLES, "CITY"
A Municipal Corporation

BY 
BARNEY SCHWARTZ, MAYOR

ATTEST:


DONALD B. KEEFER, CITY CLERK