CITY MANAGER'S REPORT JUNE 10, 2024 CITY COUNCIL REGULAR MEETING

ITEM: APPROVE FINAL MAP AND SUBDIVISION

IMPROVEMENT AGREEMENT FOR 66 LOTS IN TRACT

3225 WITHIN THE MOSSDALE LANDING AREA

RECOMMENDATION: Adopt Resolution Approving Final Map for Tract 3225

within the Mossdale Landing Area, Totaling 66 Single Family Lots and Subdivision Improvement Agreement with K. Hovnanian Homes Northern

California, Inc.

SUMMARY:

The proposed Final Map for Tract 3225, included as Attachment "C", will subdivide the 13.26 acre S1 Pond parcel in the Mossdale Landing area. K. Hovnanian Homes Northern California, Inc. (KHOV) is proposing 66 single family lots. A Vicinity Map is included at Attachment "B".

Staff recommends that the City Council approve the proposed Final Map for Tract 3225 and a Subdivision Improvement Agreement (SIA), included as Attachment "D", with KHOV by Resolution included as Attachment "A".

BACKGROUND:

On January 27th, 2003, Council and Planning Commission approved the Mossdale Landing Project entitlements, which included the compliance with California Environmental Quality Act (CEQA) and adoption of Urban Design Concept (UDC), Vesting Tentative Subdivision Map (VTM) for Tract 3142, VTM for Tract 3225, and a Development Agreement (DA) for the Mossdale Landing Project. The land for the proposed Final Map for Tract 3225 is within the geographic boundaries of the VTM.

The developer, Lathrop Mossdale Investors, LP (LMI), was required to use the low density residential area of Tract 3225 as a recycled water storage pond (S1) until a river discharge permit was obtained from the Regional Water Quality Control Board (RWQCB). LMI retained reversionary rights to the land of S1 to regain the title to the land when alternative means of disposal of recycled water were funded by LMI.

LMI agreed to fund a portion of the Surface Water Discharge Project for the pro-rata share of the S1 pond. On January 8, 2024, Council approved the Project Funding Agreement with LMI and a quitclaim deed to transfer ownership of the S1 property to KHOV at the request of LMI.

CITY MANAGER'S REPORT JUNE 10, 2024 CITY COUNCIL REGULAR MEETING APPROVE FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT FOR 66 LOTS IN TRACT 3225 WITHIN THE MOSSDALE LANDING AREA

KHOV is now requesting Council to approve the Final Map for Tract 3225. As required by the Lathrop Municipal Code Chapter 16.16, all final maps must include an SIA to quarantee specific offsite and onsite improvements.

The total estimated cost of the improvements for Tract 3225 is \$2,919,400. Performance and labor & material securities have been provided to the City with the proposed SIA in the amount of:

Improvement Total:	\$3,437,412
Performance Bond (150% of Unfinished Improvements)	\$5,156,118
Labor & Materials Bond (50% of Performance Bond)	\$2,578,059

The SIA also guarantees the construction of the improvements along McKee Boulevard, Brookhurst Boulevard, and Golden Valley Parkway.

Tract 3225 was annexed into a Community Facilities District (CFD) for maintenance purposes with the approval of the VTM.

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

As a precondition to record the Final Map, KHOV must satisfy the Escrow Instructions, included as Attachment "E", by depositing necessary sums to guarantee the payment of all fees and providing required documents.

REASON FOR RECOMMENDATION:

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

Documents	Status
1. Final Map ready for signature	Received
2. Subdivision Improvement Agreement	Received
3. Faithful Performance and Labor & Materials Security	Received
4. Street Improvement, Landscape, Light & Joint Trench Plans, Traffic Signal Plans	Received
5. Geotechnical Report	Received
6. Allocation of Water and Sewer capacity documents	To be provided in escrow
7. Escrow Instructions	Received

CITY MANAGER'S REPORT PAGE 3 JUNE 10, 2024 CITY COUNCIL REGULAR MEETING APPROVE FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT FOR 66 LOTS IN TRACT 3225 WITHIN THE MOSSDALE LANDING AREA

Fees	Status
1. Final Map plan check fee	Paid
2. Improvement Plans - Plan check and inspection fees	Paid
3. Sierra Club Settlement fee	To be paid in escrow

FISCAL IMPACT:

There is no fiscal 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 CFD.

ATTACHMENTS:

- Resolution Approving Final Map for Tract 3225 within the Mossdale Landing Α. Area, Totaling 66 Single Family Lots and Subdivision Improvement Agreement with K. Hovnanian Homes Northern California, Inc.
- Vicinity Map Tract 3225 В.
- C. Draft Final Map - Tract 3225
- Subdivision Improvement Agreement with K. Hovnanian Homes Northern D. California, Inc. for Final Map Tract 3225
- E. Escrow Instructions - Final Map 3225

CITY MANAGER'S REPORT JUNE 10, 2024 CITY COUNCIL REGULAR MEETING APPROVE FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT FOR 66 LOTS IN TRACT 3225 WITHIN THE MOSSDALE LANDING AREA

APPROVALS	
DW/	5/23/24
Bellal Nabizadah	Date
Assistant Engineer	
Brad Taylor City Engineer	<u>\$/24/2024</u> Date
Cari James Finance Director	<u> </u>
	5.31.2024
Michael King	Date
Assistant City Manager	
5 2/	5-29.224
Salvador Navarrete	Date
City Attorney	
	4.5.24
Stephen J. Salvatore	Date
City Manager	

RESOLUTION NO. 24-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING FINAL MAP FOR TRACT 3225 WITHIN THE MOSSDALE LANDING AREA, TOTALING 66 SINGLE FAMILY LOTS AND SUBDIVISION IMPROVEMENT AGREEMENT WITH K. HOVNANIAN HOMES NORTHERN CALIFORNIA, INC.

WHEREAS, on January 27th, 2003, Council and Planning Commission approved the Mossdale Landing Project entitlements, which included the compliance with California Environmental Quality Act (CEQA) and adoption of Urban Design Concept (UDC), Vesting Tentative Subdivision Map (VTM) for Tract 3142, VTM for Tract 3225, and a Development Agreement (DA) for the Mossdale Landing Project; and

WHEREAS, the land for the proposed Final Map for Tract 3225 is within the geographic boundaries of the VTM; and

WHEREAS, the developer, Lathrop Mossdale Investors, LP (LMI), was required to allow the City to use the low density residential area of Tract 3225 as a recycled water storage pond (S1) until alternative means of disposal of recycled water were available; and

WHEREAS, LMI retained reversionary rights to the land of S1 to regain the title to the land when the pond is no longer needed by the City as a storage pond; and

WHEREAS, LMI agreed to fund a portion of the Surface Water Discharge Project for the pro-rata share of the S1 pond; and

WHEREAS, on January 8, 2024, Council approved the Project Funding Agreement with LMI and a quitclaim deed to transfer ownership of the S1 property to K. Hovnanian Homes Northern California, Inc. (KHOV), at the request of LMI; and

WHEREAS, staff received a request from KHOV to process the Final Map for Tract 3225; and

WHEREAS, as required by the Lathrop Municipal Code Chapter 16.16, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee specific offsite and onsite improvements; and

WHEREAS, performance and labor & material securities have been provided with the proposed SIA for Tract 3225 that guarantee the onsite and offsite subdivision improvements for Tract 3225, in the amount as follows:

Improvement Total:	\$3,437,412
Performance Bond (150% of Unfinished Improvements)	\$5,156,118
Labor & Materials Bond (50% of Performance Bond)	\$2,578,059

WHEREAS, the SIA also guarantees the construction of the improvements along McKee Boulevard, Brookhurst Boulevard and Golden Valley Parkway; and

WHEREAS, Tract 3225 was annexed into a Community Facilities District (CFD) for maintenance purposes with the approval of the VTM; and

WHEREAS, potential Council acceptance of the public improvements will be processed by staff at a later date when the improvements are completed. Prior to acceptance, KHOV will be required to provide a one (1) year warranty bond; and

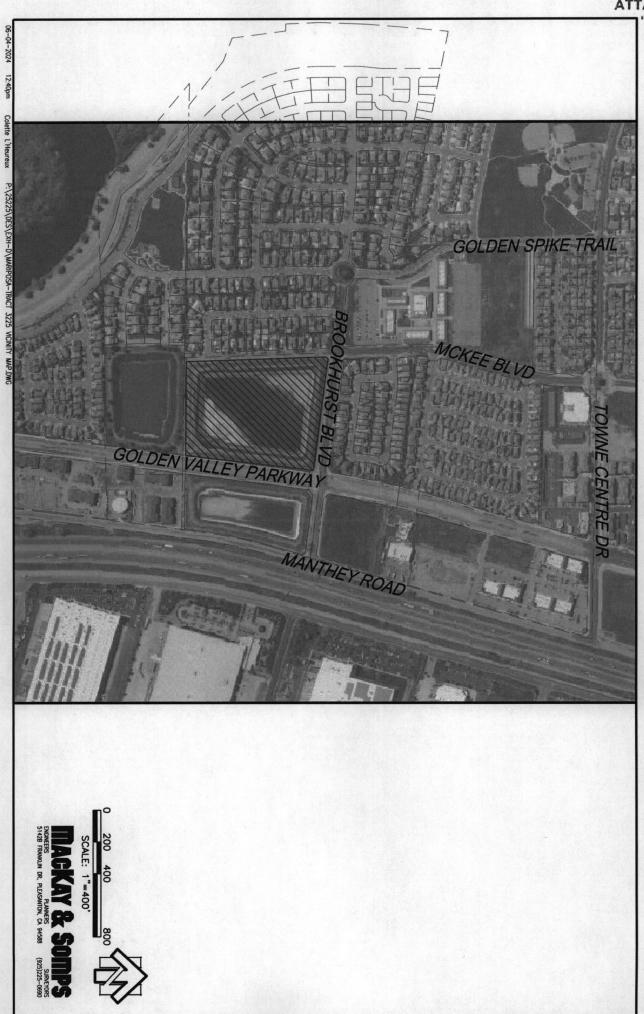
WHEREAS, KHOV must satisfy the Escrow Instructions, included as Attachment "E" to the City Manager's Report that accompanies this Resolution, by depositing necessary sums to guarantee the payment of all fees and providing required documents; and

WHEREAS, there is no fiscal impact to the City because all costs are covered by development fees and the City's maintenance and operating costs for the future public improvement will be paid by the CFD that has been established with the VTM.

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

- 1. The Final Map for Tract 3225 and is hereby approved as submitted for recordation with the San Joaquin County Assessor/Recorder/County Clerk Office subject to the K. Hovnanian Homes Northern California, Inc.'s completion of requirements of the escrow instructions.
- 2. The proposed Subdivision Improvement Agreement with K. Hovnanian Homes Northern California, Inc. and related documents, including herein-referenced escrow instructions attached to the City Manager's Report that accompanied this Resolution, in substantially the form as attached to the June 10, 2024 staff report.

PASSED AND ADOPTED by the City day of June 2024 by the following vote:	Council of the City of Lathrop this 10 th
AYES:	
NOES:	
ABSTAIN:	
ABSENT:	
	Sonny Dhaliwal, Mayor
ATTEST:	APPROVED AS TO FORM:
Teresa Vargas, City Clerk	Salvador Navarrete, City Attorney



DWNER'S STATEMENT:

THE UNDESPICACE DOES HEREN STATE THAT WE ARE THE DAMEES OF ALL THE LANDIED FINAL MAP ENTITIED TRACT NO. 2225 SUBDIVISIONS OF SAN JOADUNI COUNTY, MOSSIALE IANDING MAP ENTITED TRACT NO. 2225 SUBDIVISIONS OF SAN JOADUNI COUNTY, MOSSIALE IANDING ENGINERATION OF CONSTINCT OF FORE (4) SHETTS, THAT WE HAVE CAUSED SAID MAP THAT SAID SHE RECORD AND CONSENT TO THE PREPARATION AND RECORDATION OF SAID MAP, THAT SAID MAP PARTICULARLY SETS FORTH AND OCCUMENS. ALL THE LOTS INTENDED FOR SAIGHT AND METALE SHETT MAP MOTH.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED TO THE CITY OF LATHROP AS EASEMENTS FOR PUBLIC PURPOSES:

- 1. THE REAL PROPERTY DESCRAFED ON SAID MAP AS APPLE GROVE AVENUE, FARM HOUSE ROAD, PEACH HOLLOW WAY, AND WEATHERVANE DRIVE FOR PUBLIC RIGHT WAY PURPOSES. 읶
- 2.2 A NON-EXCLUSIVE EASEMENT TOCETHER WITH THE RIGHT TO CONSTRUCT. RECONSTRUCT, REPAIR AND MAINTAIN SOURDWALLS, OVER AND UNDER THE STRIPS OF LAND SHOWN UPON SAID MAP MARKED WALL EASEMENT (WE).
- 3.4 NON-EXCLUSIVE EASEMENT TOECHER WITH THE RIGHT TO CONSTRUCT, REPAIR AND MANTAIN CABLES, PIPES, AND CONDUITS AND THER APPLIATENANCES UPON, OXER AND UNDER THE STRIPS OF LAND SHOWN UPON S MAP MARKED PUBLIC UTILITY EASEMENT" (PUE). SAID

4, A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, REPAIR AND MAINTAIN LANDSCAPING, OVER AND UNDER THE STRIPS OF LAND SHOWN UPON SAID MAP MARKED LANDSCAPE EASEMENT (LE).

TO ENSURE MUNICIPAL WHITE SERVICES TO ALL LOTS SHOWN UPON THIS WAP, ALL WATER RIGHTS HAT THE UNDERSIGNED MAY HAVE WITHIN THE DISTINCTIVE BORDER UPON THIS MAPHEREMY ARE REDUKATED TO THE CITY OF LATHROPS. THE UNDERSIGNED DOES HERERY RELINQUISH ANY AND ALL RICHTS OF INCRESS AND EGRESS TO MENICLAR TRAFFIC (ABUTTERS RICHTS) TO BROCKHURST BOULVARD AND COLDEN VALLEY PARKMAY ALONG THE LOT LINES INDICATED BY THE SMARD).

THIS MAP SHOWS ALL EASEMENTS OF RECORD ON THE PREMISES

PRINTED NAME: OWNER: K.HOVNANIAN HOMES NORTHERN CALIFORNIA, INC, A CALIFORNIA CORPORATION

DATE TILE SIGNATURE:

OWNER'S ACKNOWLEDGEMENT

A NOTARY PUBLIC OR OTHER OFFICER COMPLITING THIS GERIFICATE VERFIES ONLY THE DENTITY OF THE MOVIDUAL WHO SONED THE DOCUMENT TO MINCH THIS CERTIFICATE IS ATTACHED, AND INCT THE TRUTHCHINESS, ACQUARY, OR VALIDITY OF THAT DOCUMENT.

DATED

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DAY OF

STATE OF CALIFORNIA COUNTY OF _____ SS §

A NOTARY PUBLIC, PERSON WHOSE NAME IS JUSTIANED TO BE THE PERSON WHOSE NAME IS SUBSICIABLE TO THE WHO IN THE PERSON WHOSE NAME IS SUBSICIABLE TO THE WHICH INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS ALTHORECTE CAPACITY, AND BY HIS SCHAFUTURE ON HE INSTRUMENT THE PERSON, OR ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT. 굺

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

SIGNATURE WITNESS MY HAND:

PRINTED NAME, NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE

COMMISSION EXPIRES: PRINCIPAL COUNTY OF BUSINESS

COMMISSION # OF NOTARY:

SHEET NO. 48)

P:\25225\SRV\MAPPING\FM\TR 3225 FM-01.DWG

TRACT NO. 3225

SAN JAADJIN COUNTY RECORDS, BEING A PORTION OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE & MERIDIAN TOWNSHIP 2 SOUTH, CELTY OF LATHROP SAN JOAGUIN CALIFORNIA

DATED THIS

DAY OF

5142B FRANKLIN DR, SUITE B PLEASANTON, CA 94588 (92) **NACKAY & SOMPS**

(925)225-0690



VICINITY MAP

SURVEYOR'S STATEMENT:

HIS MAP MIS PREPARED BY ME OR UNDER MY DRECTION AND IS BASED UPON A FIELD SURVEY MADE IN CONFORMANCE MITH THE REQUIREMENTS OF THE SUBDIVISION MAY ACT AND LOCAL ORDINANCE AT THE REQUIREMENT CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED WISTING TENTATIVE MAP. I FERRIFIER STATE THAT ALL THE MOUNDENTS SHOWN HEREON WILL BE OF THE CHARACIER AND OCCUPY THE POSITIONS INDICATED BEFORE SAID FINAL MAP UPON PROVINCINTS ARE ACCEPTED BY THE CITY OF LATHROP, AND THAT SAID MONUMENTS SHOWN HEREON WILL BE SHORMENT AND THAT SAID MONUMENTS WILL BE SUBFRIED BY THE CITY OF LATHROP, AND THAT SAID MONUMENTS WILL BE SUFFICIENT TO EMBLE THIS SURVEY TO BE RETRACED.

2024



RIGHT TO FARM STATEMENT:

IAN BRUCE MACDONALD LS NO. 8817,

PER CITY OF LATHROP CODE OF ORDNANCES. THEE 15 CHAPTER 15.48.04, THE CITY OF LATHROP PERMITS DEPRATION OF PROPERTY CONDUCTED AGROCULTURAL DEPRATIONS WHIMIN THE CITY LIMITS, NACLUNG THOSE ATTUINIZE CHERCHA, TERRILIZERS AND PESTADOLES. YOU ARE HEREBY NOTIFIED THAT THE PROPERTY YOU ARE PURCHASING MAY BE LOCATED CLOSS. TO AGROCULTURAL LANDS AND DEPERATIONS, YOU MAY BE SUBJECT TO INCONVENINGE OR DISCOMPORT AGRING FROM THE LAWFUL AND PROPER USE OF AGRICULTURAL CHEMICALS. AND PESTODES AND FROM OTHER AGROCULTURAL CHEMICALS. AND PESTO, BE AWARE ASSO. THAT THIS PROPERTY IN AUGUST DALACESTY TO AGROCULTURAL DEPENDINGS DUTSIDE THE CITY'S JURISTICTION CONSCIONATE, NODES, DOOR THE LOCATION OF YOUR PROPERTY. IT MAY BE NECESSARY THAT YOU BE REPERATED TO AGROCULTURAL CHEMICALS OF DISCOMPORT AS NORMAL AND NECESSARY ASSPECTS OF LINNE IN AM AGRICULTURALLY ACTIVE REGION.

STATEMENT OF SOILS REPORT:

A SOLS REPORT ENITIED, "HARRIS PROPERTY, LAHROP, CALFORMA, GEOTECHICAL EXPLORATION, PROJECT NO. 18252.000.000 AND DATD JULY 11, 2019, HAS BEEN PREPARED FOR THIS PROJECT BY ENGEO INCERPORATED, AND THE LETTER OF THIRD PARTY RELANCE, DATED DECEMBER 13, 2023, ARE ON FILE WITH THE CITY OF LATHROP.

CITY SURVEYOR'S STATEMENT:

I, DARRYL ALEXANDER, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT NO. 3225, SUBDIVISIONS OF SAM, JOAQUIN COUNTY, MOSSIGALE LANDING — NETGHEDHOOD 127 AND THAT THE SUBDIVISION SHOWN HEREON COMPILES WITH ALL THE PROVISIONS OF CHAPTER 2 OF THE CALLERBANA SUBDIVISION MAP ACT, AS AMENOED, AND THAT THIS FINAL MAP IS TECHNICALLY COMBECT.

2024, ALCONOMINATION OF THE PROPERTY 5071

CITY ENGINEER STATEMENT

DARRYL ALEXANDER, LS NO. 5071 ACTING CITY SURVEYOR

BRAD R. IMMOR. HERBY STATE THAT I AM THE CITY ENCAREER OF THE CITY OF LATHRON CAUFFRANK AND THAT I HAVE EXAMINED THIS WAP OF "TRACT IN 3.225. SUBDIVISIONS OF SAM CAUFFRANK CHAIN COUNTY, MOSSOALE LANDING - AREGHOPHODD 17. AND THAT THE SUBDIVISIONS OF SAM CHAIN CHAIN CHAIN SUBSTANTIALLY THE SAME AS IT APPEARED HAT THE STANCE THAT WAS AND ANY APPROVED ALTERATIONS THEREOF I FROMERS STATE THAT THIS THAT WOULD COUNTY APPLICABLE OF THE CITY OF LITHRODS AND ANY AMPOUNDES WITH COUNTY OF LITHRODS AND ANY AMPOUNDES THEREOF APPLICABLE AT THE THE OF APPROVAL OF THE VESTING ENTITIVE MAP.

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CITY CLERK'S STATEMENT

BRAD R. TAYLOR, R.C.E. 92823 CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA

I TERESA VARGAS, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHON STATE THAT THE HERBIN EMBORDE MAP ENTITLED TRACT NO. 2225 SUBDIVISONO OF SIAN JOAQUINI COUNTY, MISSIDAIE LANDING - NEIGHBORHOOD 12 CONSISTING OF FOUR (4) SHETES, WAS PRESENTED TO SAID CITY COUNCIL, AS PROVIDED BY LAW, AT A REQULPA MEETING THEREOF, HELD ON THE BOOK OF THE COUNCIL ON THE COUNCIL OF THE COUNCIL ON THE

I FURTHER STATE THAT ALL BONDS AS REQUIRED BY LAW TO ACCOMPANY THE WITHIN MAP HAVE BEEN APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP AND FILED IN MY OFFICE.

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SECRETARY OF THE PLANNING COMMISSION'S STATEMENT:

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TERESA VARGAS
CITY CLERK AND CLERK OF THE CITY COUNCIL OF
THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN,
STATE OF CALIFORNIA

DATED	THIS MAP PLANNING
	THIS MAP CONFORMS TO THE PLANNING COMMISSION ON THE
SIHI	일당
THIS DAY OF	
육	VESTING
	VESTING TENTATIVE TRACT MAP NO. 3225 APPROVED 2024.
	TRACT MAP 2024.
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	APPROVED

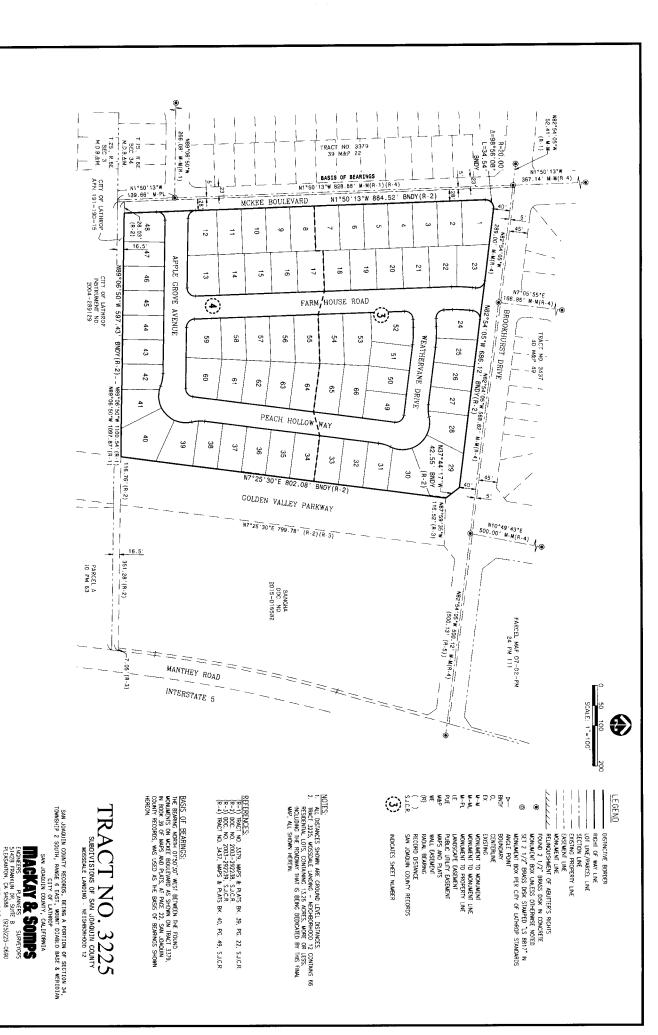
FEE: \$	FILED THIS DAY OF 2024, AT M. IN BOOK MAPS AND PLATS, AT PAGE AT THE REQUEST OF	COUNTY RECORDER'S STATEMENT:	RICARDO CADUA! SECRITARY OR THE PLANNING COMMISSION COMMUNITY DEFELOPMENT DIRECTOR
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STEVE J. BESTOLARIDES
ASSESSOR-RECORDER - COUNTY CLERK
SAN JOAQUIN COUNTY, CALIFORNIA

SHEET 1 OF 4

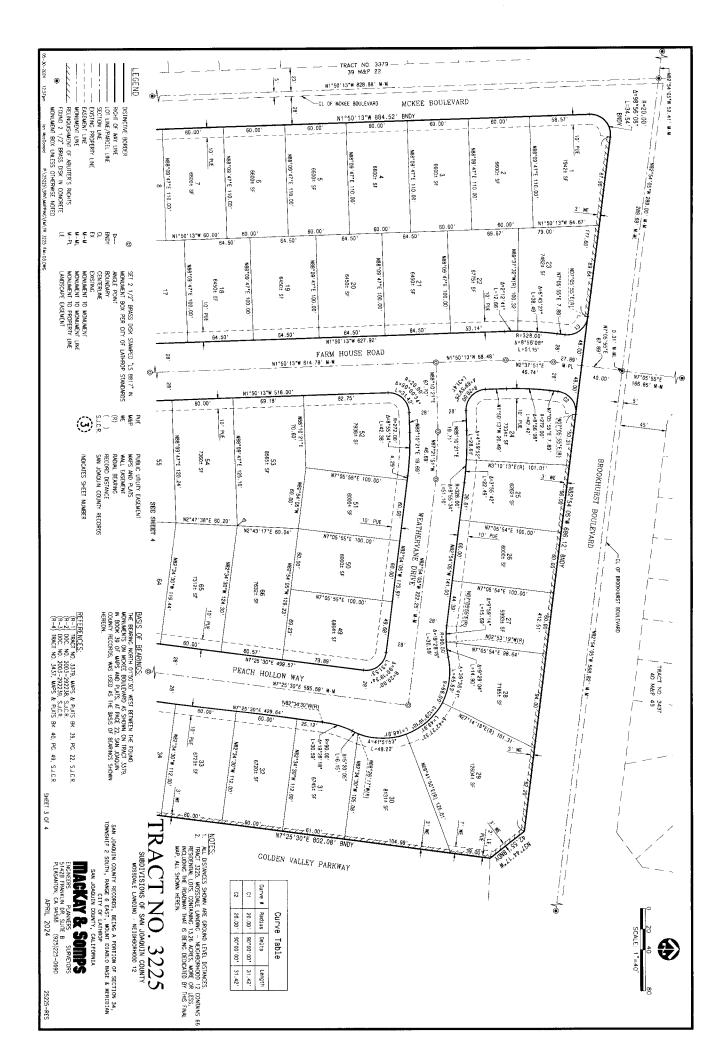
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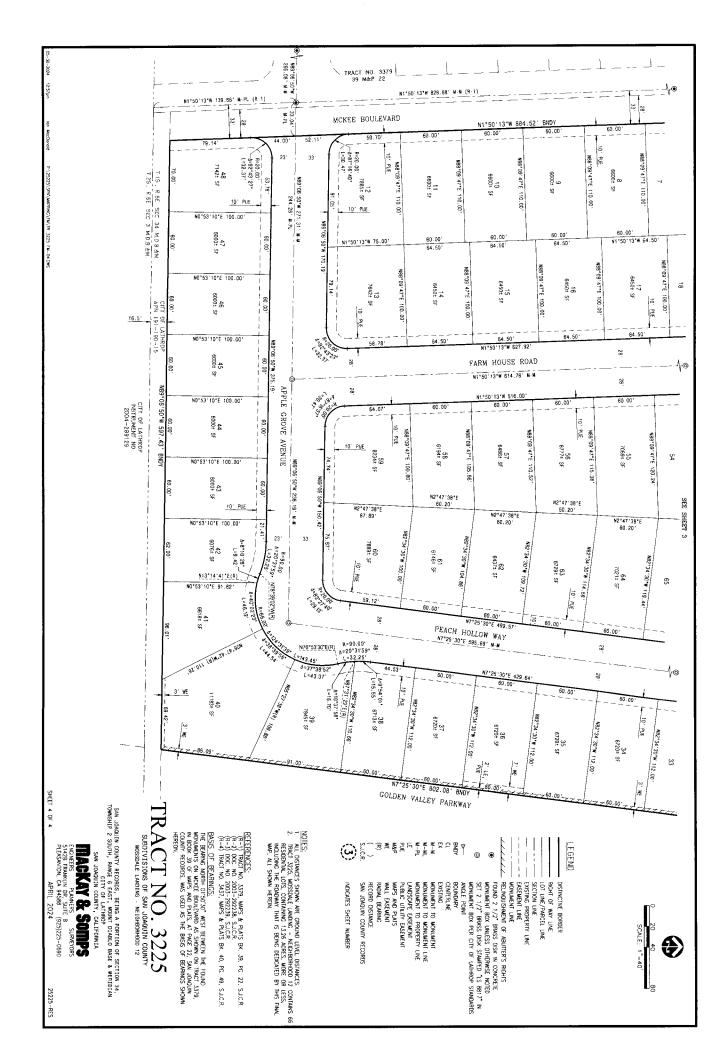


SHEET 2 OF 4

APRIL 2024

25225-RES





CITY OF LATHROP

SUBDIVISION IMPROVEMENT AGREEMENT MARIPOSA – TRACT 3225

K. HOVNANIAN HOMES NORTHERN CALIFORNIA, INC.

This Subdivision Improvement Agreement ("Agreement") is made and entered into this 10th day of June, 2024 ("Effective Date"), by and between the CITY OF LATHROP, a municipal corporation of the State of California ("CITY") and K. Hovnanian Homes Northern California, Inc., a California Corporation ("SUBDIVIDER"), regarding APN: 191-19-032 located within the City of Lathrop ("PROPERTY").

RECITALS

- A. On January 27th 2003, CITY approved Vesting Tentative Map for Tract 3225 (VTM) to create 66 residential lots on 13.26 acres of land.
- B. SUBDIVIDER intends to record one Final Map for Tract 3225 to complete the Mariposa Subdivision, as shown in Exhibit "A" (hereinafter "Final Map"). The land for the proposed Final Map is within the geographic boundaries of VTM.
- C. SUBDIVIDER shall be responsible for compliance with all Conditions of Approval associated with, including, without limitation, the construction or cash deposit of specified improvements (as that term is defined below) as described more fully herein.
- D. 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 VTM (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 June 10, 2024, and subsequent recordation; (2) 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 June 10, 2025, 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. CITY, or its agent(s), shall, at any time during the progress of the Improvements,

have free access thereto, and shall be allowed to examine the same and all material to be used therein. If the Improvements or any part thereof are not completed in strict compliance with the standards set forth in Paragraph 1 above, CITY may refuse to accept and may reject the defective Improvements and/or materials therein.

- 4. SUBDIVIDER shall secure the services of skilled personnel necessary to construct the Improvements. CITY is not skilled in these matters and relies upon the skill of the SUBDIVIDER to ensure that the construction of the Improvements is in the most skillful and durable manner.
- 5. CITY'S acceptance of the Improvements does not operate as a release of SUBDIVIDER from any guarantee hereunder.
- 6. 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 of SUBDIVIDER'S groundwater rights associated therewith, if any, to CITY via the Final Map.
- 7. 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, SUBDIVIDER shall deposit with CITY a Warranty Bond in the amount equal to 10% of the final construction cost (Cost x 10%) for the Improvements for Tract 3225 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.

- 8. If SUBDIVIDER, in whole or in part, abandons the Improvements, or unnecessarily or unreasonably delays construction of the Improvements, fails to complete construction of the Improvements within the time specified in this Agreement, or fails to repair, replace or reconstruct any defects, CITY may, but is not required to, proceed to complete and/or repair, replace, or reconstruct the Improvements, either by itself or by contract for such service, and CITY may cause to be forfeited such portion of any security deposited therein as is necessary to cover the costs of completion, repair, replacement, or reconstruction incurred by CITY. Once action is taken by CITY to complete, repair, replace and/or reconstruct the Improvements, SUBDIVIDER shall be responsible for all costs incurred by CITY to complete and/or repair, replace, or reconstruct the Improvements, even if SUBDIVIDER subsequently completes the work.
- 9. The CITY shall have recourse against SUBDIVIDER for any and all amounts necessary to complete the obligations of SUBDIVIDER in the event the security (including but not limited to any Letter of Guarantee, Certificate of Deposit, cash, bond for performance, labor and materials and repair and maintenance, letter of credit or cash deposit) therefore is insufficient to pay such amounts. All administrative costs, including reasonable attorney's fees pursuant to Government Code Section 66499.4, incurred by the CITY, in addition to the costs of the improvements shall be a proper charge against the security and SUBDIVIDER. In the event it becomes necessary for CITY to bring an action to compel performance of this Agreement or to recover costs of completing such improvements, SUBDIVIDER shall pay reasonable attorney's fees, costs of suit and all other expenses of litigation incurred by CITY in connection therewith.
 - 10. SUBDIVIDER is required to post Performance and Labor & Materials bonds to

guarantee the Improvements associated with the Final Map as included and described in Exhibit "C" of this Agreement. The amount of performance security shall be equal to the unfinished Improvement cost plus a 50% contingency (Cost x 150%). The corresponding labor and materials bond amount shall be 50% of the performance bond amount (Performance Security x 50%). Further, SUBDIVIDER shall also comply with CITY's insurance requirements set forth on Exhibit "B" 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	\$3,437,412
Performance Bond Value (150% of Unfinished Improvement Total)	\$5,156,118
Labor & Materials Bond Value (50% of Performance Bond Value)	\$2,578,059

- 11. SUBDIVIDER shall construct or cause to be constructed at its sole cost and expense the offsite improvements required by the Tract 3225 COA's of the VTM. SUBDIVIDER shall obtain or cause to be obtained an encroachment permit, prior to commencing any work in the City Right-of-Way, from City for the improvements listed in subsection "a", and "b" below. The guarantees for the offsite improvements shall be included with the guarantees of the Project shown in Table 1 above. The offsite improvements include, but are not limited to, completion of the following offsite improvements (hereinafter collectively referred to as "Offsite Improvements"):
 - a. Brookhurst Boulevard and Golden Valley Parkway Improvements: The applicant shall repair any existing pavement if determined to need maintenance by the City Engineer, install landscaping and irrigation, and repair any concrete sidewalks or curb ramps along the frontage of the Project that are not compliant with current ADA and City Standards.
 - b. McKee Boulevard Improvements: The applicant shall repair any existing pavement

- if determined to need maintenance by the City Engineer, construct curb, gutter, sidewalk, and install landscaping along the frontage of the Project.
- 12. As required by COA No. 53 of the VTM that runs with the PROPERTY, SUBDIVIDER is required to complete or guarantee all required traffic signals, off-site street improvements and interchange improvements based on the City's Traffic Monitoring Program (TMP) for each phase and with the appropriate final map. A traffic signal is required at the intersection of Brookhurst Boulevard and Golden Valley Parkway and therefore SUBDIVIDER, in compliance with COA No. 53, shall deposit with CITY \$215,259 prior to recordation of the Final Map as their fair share of the traffic signal.
- 13. Pursuant to the City of Lathrop Municipal Code section 16.16.160, SUBDIVIDER is required to construct all frontage improvements as detailed in the above code section. Improvements that are the responsibility of the SUBDIVIDER have been constructed on Golden Valley Parkway by another developer and the CITY reimbursed that developer for the costs of said improvements. Therefore, instead of constructing the improvements, SUBDIVIDER is responsible for reimbursing the CITY for it fair share of costs of the improvements. PROPERTY fronts \$563,021.84 of improvements on Golden Valley Parkway, therefore, SUBDIVIDER shall deposit with CITY \$563,021.84 prior to recordation of the Final Map as their fair share of costs of the improvements.
- 14. SUBDIVIDER shall, prior to offering dedication of improvements to CITY, provide or cause to be provided the GIS layers and attributes in compliance with the City Standards effective at the time of offering dedication of improvements to CITY related to Tract 3225 as well as the Offsite Improvements.
 - 15. 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 SUBDIVIDER PROPERTY other than the parcels of the subdivision owned by SUBDIVIDER (and its successors and assigns).

- 16. 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.
- 17. 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 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 20, regardless of whether or not CITY has prepared, supplied or approved of, plans and/or specifications for the subdivision.

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.

shall be solely responsible for maintaining the quality of the Improvements, and maintaining safety at the project site. The SUBDIVIDER'S obligation to provide the Improvements shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied and all outstanding fees and charges have been paid, and the City Council has accepted the Improvements as complete. The CITY and SUBDIVIDER shall form Community Facilities Districts to finance maintenance and improvements within 2 months of Final Map approval. The CITY expects to preserve the ability to use future special taxes of the CFD for payment of the cost of acquisition of the Improvements, which may require that acceptance of improvements by CITY be subject to the provisions of an acquisition agreement to be entered into by the CITY and SUBDIVIDER providing that CITY expects to be paid or reimbursed acquisition costs through future CFD special taxes. SUBDIVIDER shall cooperate to facilitate such method

of acquisition.

21. 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.

22. 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.

23. <u>Notices</u>. 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.

24. 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 Lathrop, CA 95330

Attn: City Clerk

Email: website cco@ci.lathrop.ca.us

With a copy:

City of Lathrop

390 Towne Centre Drive

Lathrop, CA 95330

Attn: Salvador Navarrete, City Attorney

Email: website cao@ci.lathrop.ca.us

If to SUBDIVIDER:

K. Hovnanian Homes Northern California, Inc

3721 Douglas Boulevard, Suite 150

Roseville, CA 95661

Attn: John Baayoun

Email: JBaayoun@KHOV.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 26.

27. The following miscellaneous provisions are applicable to this Agreement:

Controlling Law. The parties agree that this Agreement shall be governed a.

and construed by and in accordance with the laws of the State of California.

Definitions. The definitions and terms are as defined in this Agreement. b.

Exhibits. The following exhibits are attached to this Agreement and are c.

incorporated to this Agreement by this reference:

EXHIBIT A: FINAL MAP TRACT 3225

EXHIBIT B: CITY INSURANCE REQUIREMENTS

EXHIBIT C: TOTAL IMPROVEMENT ESTIMATE

Force Majeure. Neither party shall be deemed to be in default on account d.

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. <u>Headings</u>. 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. <u>Incorporation of Documents</u>. 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. <u>Modification of Agreement</u>. 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. <u>Severability</u>. 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. <u>Successors and Assigns</u>. 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. <u>Time of the Essence</u>. Time is of the essence of this Agreement and each of its provisions (subject to Subparagraph 27(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. <u>Venue</u>. 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.

day (IN WITNESS WHERECOF June 2024.	F, the partie	es hereto have executed this Agreement on this 10 th
A C	TY OF LATHROP, California municipal corpora te of California	tion of the	
By:			
	Stephen J. Salvatore City Manager	Date	
City	TEST: Clerk of and for the City athrop, State of California		
Ву:			
	Teresa Vargas City Clerk	Date	
APF	PROVED AS TO FORM B	Y THE CIT	TY OF LATHROP CITY ATTORNEY
Ву:	55/	5 - 29-	ory
	Salvador Navarrete City Attorney	Date	

SUBDIVIDER:

By: K. Hovnanian Homes Northern California, Inc					
a California Corporation					
John Baayoun	Date				
Division President					

EXHIBIT A

FINAL MAP TRACT 3225

OWNER'S STATEMENT

THE UNDERSCREED DOES HERBEY STATE THAT WE ARE THE OWNERS OF ALL THE LANDED FRANCISCOPE OF THE HERBER EMPODED FOR RECORD STANCISCOPE FOR THE FEFTHAM TO THE HERBER EMPODED FOR THE THE THE THE THE HERBER EMPODED FOR SALE BY MANGER WITH THE PREPARE LENGTH AND DESCRIBES ALL THE LOTS INTENDED FOR SALE BY MANGER WITH THE PREPARE LENGTH AND DESCRIBES ALL THE LOTS INTENDED FOR SALE BY MANGER WITH THE PREPARE LENGTH AND DESCRIBES ALL THE LOTS INTENDED FOR SALE BY MANGER WITH THE PREPARE LENGTH AND DESCRIBES ALL THE LOTS INTENDED.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED TO THE CITY OF LATHROP AS EASEMENTS FOR PUBLIC PURPOSES:

- THE REAL PROPERTY DESIGNATED ON SAID MAP AS APPLE GROW AVENUE, FARM HOUSE ROAD, PEACH HOLLOW WAY, AND WEATHERVANE DRIVE FOR PUBLIC RIGHT OF WAY PURPOSES.
- 2.A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, REPORT AND NAMITIAN SOUNDWALLS, OVER AND UNDER THE STRIPS OF LAND SHOWN UPON SAID MAP MARKED WALL EASEMENT" (NE.).
- 3.A NON-EXCLUSIVE EASEMENT TOCTHER WITH THE RIGHT TO CONSTRUCT, REPAIR AND MAINTAIN CABLES, PPES, AND CONDUITS AND THER APPORTENANCES UPON, OVER AND UNDER THE STRIPS OF LAND SHOWN UPON SAID MAP MARKED PUBLIC UTILITY EASEMENT: (PUE).

4 A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, REPAIR AND MAINTAIN LANDSCAPING, OVER AND UNDER THE STRIPS OF LAND SHOWN UPON SAID MAP MARKED LANDSCAPE EASEMENT" (LE).

TO ENSURE MUNICIPAL MATER SERVICES TO ALL LOTS SHOWN JIPON THIS MAP, ALL MATER RICHTS THAT THE MUNDERSIGNED MAY HAKE MINHAN THE DISTINCTIVE BORDER JIPON THIS MAP HEREBY ARE DEDICATED TO THE CITY OF LATHROP. THE LINDERSIGNED DOES REBERY RELINQUISH ANY AND ALL RIGHTS OF INCRESS AND EGRESS TO VEHICULAR TRAFFIC (ABUTTERS RIGHTS) TO BROCKHURST BOLLEVARD AND COLDEN VALLEY PARKWAY ALONG THE COT LINES INDICATED BY THE SYMBOL _______

THIS MAP SHOWS ALL EASEMENTS OF RECORD ON THE PREMISES

OWNER: K.HOVNANIAN HOMES NORTHERN CALIFORNIA, INC., A CALIFORNIA CORPORATION

PRINTED NAME:

DATE THE SIGNATURE:

OWNER'S ACKNOWLEDGEMENT:

A NOTARY PUBLIC OR DIVER OFFICER COMPLETING HIS CERRIFICALE VERFES ONLY THE DENITY OF THE MOYNDUA WHO SONED THE DOQUERT TO AMOH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALID TY OF THAT DOCUMENT.

DATED THIS

DAY OF

2024

COUNTY OF SS

ON A NOTARY PAIRS.

A NOTARY PAIRS.

HAVE PERSON WHOSE NAME IS SUBSCIBED TO ME ON I BASIS ON SANISTACTORY EVIDENCE TO BE THE PERSON WHOSE NAME IS SUBSCIBED TO ME BASIS ON SANISTACTORY EVIDENCE TO BE THAT HE EXECUTED THE SAME IN HIS NATHWISH TAND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME IN HIS ALTHOROGOD CAPACITY, AND BY HIS SUGNATURE ON THE NORTHWIGHT THE PERSON, OR ENTITY UPON BEHALF OF WHICH THE PERSON ACTED, EXECUTED THE INSTRUMENT. 롰

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THE FOREGOING PARAGRAPH IS TRUE AND CORRECT. THAT

PRINCIPAL COUNTY OF BUSINESS PRINTED NAME, NOTARY PUBLIC IN AND FOR SAID COUNTY AND STATE SIGNATURE WITNESS MY HAND:

(D.D. SHEET NO. 48)

FM\TR 3225 FM-01.DWG

TRACT NO. 3225

SAN JOAQUIN COUNTY RECORDS, BEING A PORTION OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 6 EAST, MOUNT DIABLO BASE & MERIDIAN CITY OF LATHROP

51428 FRANKLIN DR. SUHTE B
PLEASANTON, CA 94588 (925)225-0690 **MACKAY & SOMPS**



NOT TO SCALE

SURVEYOR'S STATEMENT

THIS MAP MAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A REFLD SURVEY MADE IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAY ACT AND LOCAL ORDINANCE AT THE REQUEST OF THE MAP THE THAT THE STATE THAT THAT THE ORDINIONALLY PAPROYED OF VESTING FUNDAL MAP SUBSTANTIALLY CONFORMS TO THE APPROYED OR CONDITIONALLY MAPPROYED VESTING FUNDATION MAP FUNDER STATE THAT TALL THE MODILATED SEPORE SAD FINAL MAP MERON WELL BY POSITIONS INDICATED BEFORE SAD FINAL MAP MERONEMENTS AND COCEPTED BY THE CITY OF ALMBOR, AND THAT SAID MONUMENTS WILL BE SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED.



RIGHT TO FARM STATEMENT:

IAN BRUCE MACDONALD LS NO. 8817,

PER OIT OF LATHROP CODE OF DODIMANCES TILE 15 CHAPTER 15:48.04, THE CITY OF LATHROP PERMITS OPERATION OF PROPERLY CONDUCTED ACROCILIDAD, OFFRATIONS WHININ THE CITY LIMITS, INCLUDING THOSE THAT THE PROPERTY OUT ARE PHOPLASING MAY BE LOCATED CLOSS TOU ARE HERBEY NOTIFIED THAT THE PROPERTY OUT ARE PHOPLASING MAY BE LOCATED CLOSS TO AGROLUTURAL LANDIS AND DEPERATIONS, TOU MAY BE SUBJECT TO INCOMMENSIONE OR DISCOMPORT ASSING FROM THE LAMPILL AND PROPER USE OF AGRICULTURAL CHEMICALS AND PERSIONES, AND THOMAS PROPERTY OF ANY OF THE AGRICULTURAL CHEMICALS AND PERSIONES, AND THOMAS PROPERTY OF ANY ANY DEPENDING OF AGRICULTURAL SATE PRODUCTS, PROTECTION OF CORPS AND ANIMALS FROM DEPERDATION, AND DIFFER ACTIVITIES MOVEL NOSE, ODDE, RODRITS AND PESTS, BE AWARE ASSO, THAT THIS PROPERTY OF AGRICULTURAL DEPENDING OF THE LOCATION OF YOUR PROPERTY IT MAY BE LOCATED ADJACENT TO AGRICULTURAL DEPENDING OF THE LOCATION OF YOUR PROPERTY IT MAY BE NECESSARY AND THE LOCATION OF YOUR PROPERTY IT MAY BE NECESSARY AND THE LOCATION OF YOUR PROPERTY IT MAY BE NECESSARY AND THE LOCATION OF YOUR PROPERTY IT MAY BE NECESSARY ASPECTS OF LINNIG IN AN AGRICULTURALLY ACTIVITY CROSS OF DISCOMPORT AS NOWANAL AND NECESSARY ASPECTS OF LINNIG IN AN AGRICULTURALLY ACTIVITY CROSS OF THE AGRICULTURAL ACTIVITY CROSS OF THE AGRICULTURALLY ACTIVITY CROSS OF THE AGRICULTURAL ACTIVITY CROSS OF THE

STATEMENT OF SOILS REPORT:

A SOILS REPORT ENITLED, "HARRIS PROPERTY, LATHROP, CALIFORNIA, GEOTECHNICAL EXPLORATION, PROJECT NO. 16252,000,000 AND DATED JULY 11, 2019, HAS BEEN PREPARED FOR INIS PROJECT BY RECEO INICORPORATED, AND THE LETTER OF THIRD PARTY RELIANCE, DATED DECEMBER 13, 2023, ARE ON FILE WITH THE CITY OF LATHROP.

CITY SURVEYOR'S STATEMENT:

I DARRYL ALEXANDER, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT NO 3225, SUBDIVISIONS OF SAW JUAQUIN COUNTY, MOSSIGALE LANDING - NEIGHEDHOUD 12" AND THAT THE SUBDIVISION SHOWN HEREN COUNTY, MOSSIGALE LANDING - NEIGHEDHOUS OF CHAPTER 2 OF THE SUBDIVISION SHOWN HEREN COUNTY SHITLE AND THAT THIS FINAL MAP IS TECHNICALLY CORRECT.

2024. ALE UNIO 5071

CITY ENGINEER STATEMENT:

DARRYL ALEXANDER, LS NO. 5071 ACTING CITY SURVEYOR

DATED THIS

DAY OF

HE BRAD R. TAYLOR, HERERY STATE HAT! AM THE CITY ENONEER OF THE CITY OF CATHORY CALLFORNIA AND THAT I HAVE EXAMINED THIS WAR OF TRACIT ON 3225. SUBDIVISIONS OF SAME CALLFORNIA CHAPTER STATE SUBDIVISIONS OF SAME HERE OF STATE STA

SIHI DATED THIS DAY OF 2024.

BRAD R. TAYLOR, R.C.E. 92823 CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA



CITY CLERK'S STATEMENT

I FREESA WARGAS, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHODY STATE ON CLERGHALA, DO HERREY STATE THAT THE HERRIN EMBODED MAP ENTITLED TRACT IN CONSISTING OF STAN JOURNAL COUNCIL, MINISTRALE LANDING - NEIGHBORHOOD 12 CONSISTING OF FOLK (4) SHEETS, MAS PRESENTED 10 SAID CITY COUNCIL, AS PROVIDED BY LAW, AT A RECULAR MEETING HERROF, HELD ON THE COUNCIL AS PROVIDED BY LAW, AT A RECULAR MEETING HERROF, HELD ON THE COUNCIL DAY OF LOTTY COUNCIL ON THE COUNCIL OF THE COTY OF LATHROP, FOR PUBLIC USE, THE CEDICATION OF ALL EXSURINTS, ABUSUITESS REPORTS AND WATER REGITS, AND ACCEPT THE OFFER OF EDDICATION OF ALL STREETS AS SHOWN ON SAID MAP SUBJECT TO THE METOGRAPH WAND THE COUNCIL OF THE COUNCIL ON THE COUN

I FURTHER STATE THAT ALL BONDS AS REQUIRED BY LAW TO ACCOMPANY THE WITHIN MAP HAVI BEEN APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP AND FILED IN MY OFFICE.

DATED THIS DAY OF

TERESA VARGAS
OTY CLERK AND CLERK OF THE CITY COUNCIL OF
THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN,
STATE OF CALIFORNIA

SECRETARY OF THE PLANNING COMMISSION'S STATEMENT:

DATED THIS MAP CONFORMS TO THE PLANNING COMMISSION ON THE THIS DAY OF VESTING TENTATIVE TRACT MAP NO. 2024.

3225 APPROVED

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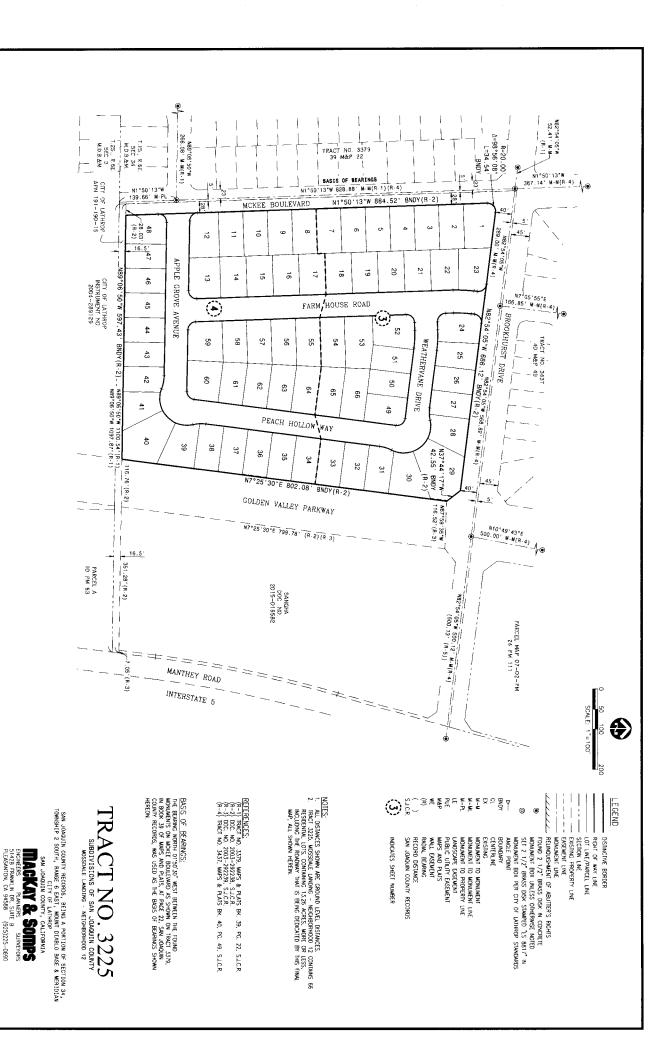
000 RICARDO CAGUIAT SECRETARY OF THE PLANNING

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STEVE J. BESTOLÁRIDES ASSESSOR-RECORDER – COUNTY CLERK SAN JOAQUIN COUNTY, CALFORNIA SHET 1 OF 4
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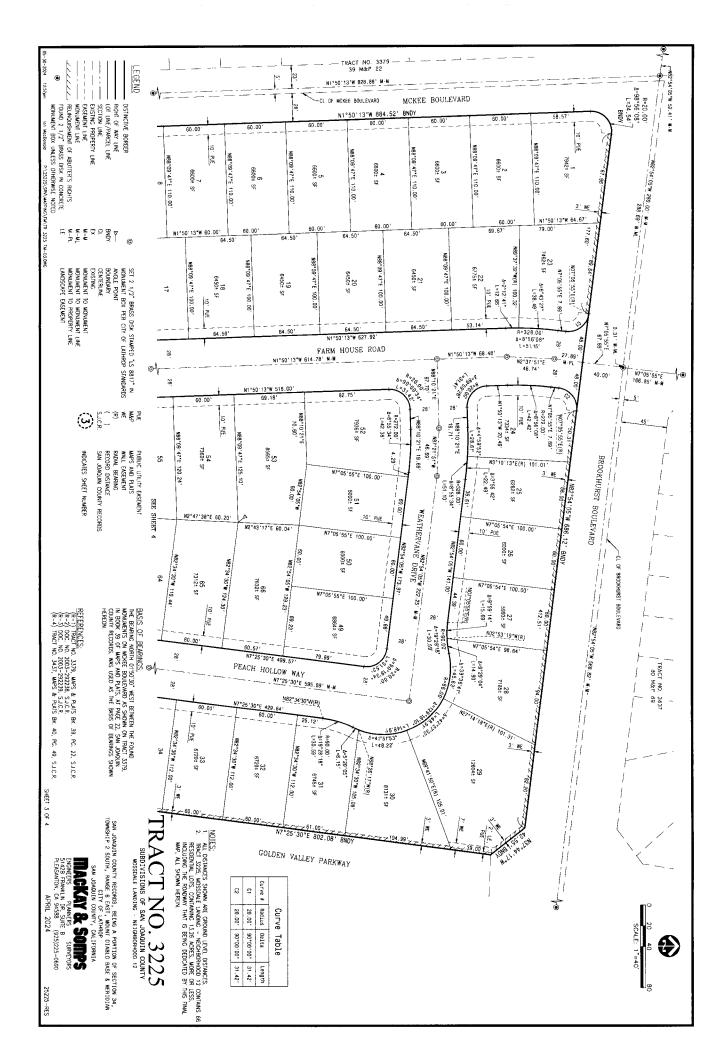
ASSISTANT/DEPUTY RECORDER

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SHEET 2 OF 4

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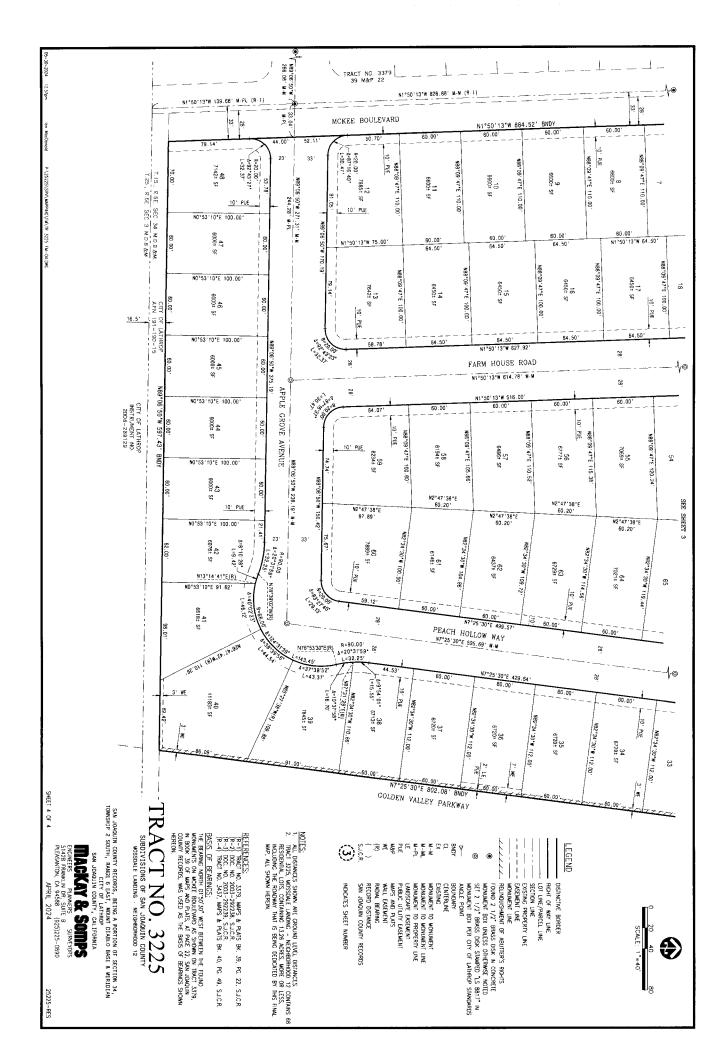


EXHIBIT B

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

DATE (MM/DD/YYYY) 12/20/2023

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 INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If S	SUBROGATION IS WAI	IVED, subject	to th	ne tei	ITIONAL INSURED, the promiser and conditions of the ificate holder in lieu of su	e polic	y, certain po	olicies may i	IAL INSURED provision equire an endorsement	sorb . As	e endorsed. tatement on
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FROD	Marsh USA LLC					NAME: PHONE			FAX		
	1717 Arch Street	77				(A/C, No E-MAIL), Ext):		(A/C, No):		
	Philadelphia, PA 19103-279 Attn: philadelphia.certs@ma		-0360			ADDRE	SS:				Т
	Attri. prinadelprila.certs@ma	11311.00111 01 2 12-0-0	-0300				INS	URER(S) AFFOR	DING COVERAGE		NAIC#
CN101	314853GAW-23-25					INSURE	R A : National Fir	e & Marine Insur	ance Co		20079
INSUR	ED					INSURE	RB: N/A				N/A
	K. Hovnanian Homes Northe California, Inc.	em				INSURE	R C : Liberty Mut	ual Insurance Co	poration		23043
	3721 Douglas Blvd., Suite 1	50					RD: The First Li				33588
	Rosseville, CA 95661					INSURE		berty modrance c	orporation		
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	CLAIMS-MADE X	OCCUR							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$	5,000,000
	X SIR \$250,000 PREM-OPS								MED EXP (Any one person)	\$	N/A
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h		DUEO DED								\$ \$	5,000,000
-	GEN'L AGGREGATE LIMIT AP								GENERAL AGGREGATE	<u> </u>	5,000,000
<u> </u>	X POLICY PRO- JECT	LOC							PRODUCTS - COMP/OP AGG	\$	3,000,000
С	OTHER:				AS5-621-095402-023		10/31/2023	10/31/2024	COMBINED SINGLE LIMIT		2 000 000
`	AUTOMOBILE LIABILITY				A03-021-033402-023		10/31/2023	10/3 1/2024	(Ea accident)	\$	2,000,000
	X ANY AUTO	00115011150							BODILY INJURY (Per person)	\$	
	OWNED S AUTOS ONLY	SCHEDULED AUTOS							BODILY INJURY (Per accident)	\$	
		NON-OWNED AUTOS ONLY							PROPERTY DAMAGE (Per accident)	\$	
										\$	
	UMBRELLA LIAB	OCCUR							EACH OCCURRENCE	\$	
	EXCESS LIAB	CLAIMS-MADE							AGGREGATE	\$	
	DED RETENTION	1 \$								\$	
	WORKERS COMPENSATION				WC6-621-095402-013 (AOS)		10/31/2023	10/31/2024	X PER OTH- STATUTE ER		
	<mark>and employers' liability</mark> Anyproprietor/partner/e)	XECUTIVE T						E.L. EACH ACCIDENT	\$	1,000,000	
(OFFICER/MEMBER EXCLUDED:	? N	N/A						E.L. DISEASE - EA EMPLOYEE	•	1,000,000
l li	Mandatory in NH) f yes, describe under									. \$	1,000,000
	DÉSCRIPTION OF OPERATION	NS below							E.L. DISEASE - POLICY LIMIT	Þ	
	RIPTION OF OPERATIONS / LO ossdale Landing 66 in Lathrop, (.ES (A	CORD	101, Additional Remarks Schedu	le, may b	e attached if more	e space is require	ed)		
TXC. IVI	ossuale canding oo in calliop, c	<i>5</i> 7									
Additio	nal Certificate Holder:City of Lat	throp, Brad Taylor, 3	90 To	wne Ce	entre Drive, Lathrop, CA 95330.						
					ed officials, employees, agents and	volunteers	s are included as a	idditional insured	(except for workers' compensation) where	required by written
contrac	ct, provided such contract was e	xecuted prior to the	date o	f loss.							
CER	CERTIFICATE HOLDER				CANO	ELLATION					
								ESCRIBED POLICIES BE C			
	Please see above for additional Certificate Holder details. Jeffrey Abramson					THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.					
1480 Moraga Road Suite C #421					CUDANCE MI	IN INE PULIC	T FRUVISIUMS.				

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Moraga, CA 94556

AUTHORIZED REPRESENTATIVE

AGENCY CUSTOMER ID: CN101314853

LOC #: Philadelphia



Marsh USA LLC ICY NUMBER RIER NAIC CODE EFFECTIVE DATE: DITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,	ACORD ADDITI	ONAL REMA	ARKS SCHEDULE	rage oi
California, Inc. 3721 Douglas Blvd., Suite 150 Rosseville, CA 95661 RIER NAIC CODE EFFECTIVE DATE: DITIONAL REMARKS S ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, RM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance	GENCY		NAMED INSURED K. Hourgarian Homes Northern	
ROSSEVILLE, CA 95661 RIER NAIC CODE EFFECTIVE DATE: DITIONAL REMARKS S ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, RM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance			California, Inc.	
EFFECTIVE DATE: DITIONAL REMARKS S ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, RM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance	DLICY NUMBER		Rosseville, CA 95661	
DITIONAL REMARKS S ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, RM NUMBER:25 FORM TITLE: Certificate of Liability Insurance	ARRIER	NAIC CODE		
S ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM, RM NUMBER:25 FORM TITLE: Certificate of Liability Insurance			EFFECTIVE DATE:	
RM NUMBER:25 FORM TITLE: Certificate of Liability Insurance	DDITIONAL REMARKS			
	HIS ADDITIONAL REMARKS FORM IS A SCHEDULE	TO ACORD FORM,		
The policies rationalized on this confidate may be subject to retained limits, self-insured relatations or deductibles.	ORM NUMBER: 25 FORM TITLE: Certific	ate of Liability Insur	ance	
The potoiss referenced on this certificate may be subject to relatined limits, sell-insured retentions or deductibles.				
	The policies referenced on this certificate may be subject to retained limits	, self-insured retentions or ded	uctibles.	

EXHIBIT C

TOTAL IMPROVEMENT ESTIMATE

BOND ESTIMATE

MOSSDALE LANDING, NEIGHBORHOOD 12 TRACT 3225 LATHROP, CALIFORNIA

Based on Unapproved 1st Submittal Improvement and Grading Plans prepared by MacKay & Somps dated May 2024

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT		
A. GRADING AND STREETWORK							
1.	50 278	YDS	Rough grading	4.00	\$201,110		
2.	24,142	CY	Import (in-tract)	10.00	\$241,420		
2.	132,788	SF	Finish grade street	0.25	\$33,200		
2. 3.	64,648	SF	Structural Section (4" AC, 4"AB, 12" LTB)	4.00	\$258,590		
3. 4	04,040	LS	Signing and Striping	25,000.00	\$25,000		
5.	8	EA		800.00	\$6,400		
6.	927	LF	9' Community Wall	175.00	\$162,230		
7.	577		6' Community Wall	150.00	\$86,550		
	ESTIMATED TOTAL GRADING AND STREETWORK: \$1,014,500						
B. CON	ICRETE WORK						
1.	5.043	LF	6" Standard curb and gutter	16.00	\$80,690		
2.	26,374	SF	6" Sidewalk	5.00	\$131,870		
3.	20,074	EA		2.500.00	\$20,000		
4.	66	EA	·	725.00	\$47,850		
ESTIMATED TOTAL CONCRETE WORK: \$280,410							
C. SANI	TARY SEWER	WORK	2				
1.	11	EA	Manholes including reset to finish grade and vacuum test	6,000.00	\$66,000		
2.	2,162	LF		32.00	\$69,180		
3.	54		4" Laterals w/ cleanouts	1,000.00	\$54,000		
4.	1	EΑ		1,500.00	\$1,500		
5.	2,162	LF	Dewatering (Wells/Pumps/Pipes)	88.50	\$191,340		
ESTIMATED TOTAL SANITARY SEWER WORK: \$382,020							
D. STO	ORM DRAIN WO	<u>DRK</u>					
1.	3	EA	Storm Drain Manhole including reset to finish grade	3,200.00	\$9,600		
2.	231	LF	15" Polypropylene (Type S) Storm drain pipe	65.75	\$15,190		
3.	1,571	LF	18" Polypropylene (Type S) Storm drain pipe	66.00	\$103,690		
4.	9	LF	30" Polypropylene (Type S) Storm drain pipe	105.00	\$950		
5.	18	ĒΑ	Curb inlet	3,800.00	\$68,400		
6.	1	EA	Connect to Existing	1,500.00	\$1,500		
7.	1	LS	Erosion/Water Pollution Control	25,000.00	\$25,000		
		ESTIN	NATED TOTAL STORM DRAIN WORK:		\$224,330		

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	AMOUNT	
E. WAT	ER SYSTEM W	ORK				
1.	2,169	LF	8" Potable Water Main including fittings	30.00	\$65,070	
2.	6	ĒΑ	Fire hydrant assembly	5,500.00	\$33,000	
3.	54		1" Services	1,200.00	\$64,800	
4.	66	EA	Meter boxes	100.00	\$6,600	
5.	2	ĒΑ	Remove flange & connect	1,500.00	\$3,000	
6.	8		8" Butterfly Valves	800.00	\$6,400	
7.	1	EA	Water Sampling Station	2,500.00	\$2,500	
		ESTIN	MATED TOTAL WATER SYSTEM WORK:		\$181,370	
F. DEM	O OF EXISTIN	G REC	YCLED WATER BASIN AND WITHIN RIGHT-OF-WAY			
1.	1	LS	Demo for Basin A Only	566,366.00	\$566,370	
2.	1		Demo including pavement removal within the Right-of-Way	5,000.00	\$5,000	
ESTIMATED TOTAL DEMO WORK:						
G MISC	CELLANEOUS	CONS.	FRUCTION			
G. WISC	ZELLANEOUS !	CONS	INDCTION			
1.	2,277	LF	Joint Trench	60.00	\$136,620	
2.	16	EΑ	Streetlights	3,500.00	\$56,000	
3.	27,830	SF	Landscape and Irrigation	10.00	\$278,300	
		ESTIN	MATED TOTAL MISCELLANEOUS CONSTRUCTION:		\$470,920	
			SUMMARY			
	Α	GRAF	DING AND STREETWORK		\$1,014,500	
	В		CRETE WORK		\$280,410	
	C		FARY SEWER WORK		\$382,020	
	D	_	M DRAIN WORK		\$224,330	
	E		ER SYSTEM WORK		\$181,370	
	F) WORK		\$571,370	
	Ġ		ELLANEOUS CONSTRUCTION		\$470,920	
			TOTAL CONSTR 10% C	UCTION COST: CONTINGENCY: TOTAL COST:	\$3,124,920 \$312,492 \$3,437,412	

NOTES

- 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.
- Costs presented herein represent an opinion based on historical information. No provision has been made for inflation.
- 3. All items include all materials necessary for complete installation.
- 4. All underground utilities unit prices include trenching, backill, and all other necessary items for installation.
- 5. Fire hydraunt assemblies include valve, run and reflective blue marker.
- Joint trench not included.

Prepared by the firm of MACKAY & SOMPS

June 10, 2024

Via Email

Jules Fulop First American Title Company 4750 Willow Rd., Suite 275 Pleasanton, CA 94588 Email: jfulop@firstam.com

Re: Recordation of Final Map 3225; Escrow #xxxxxx

Dear Jules:

This letter constitutes the joint escrow instructions ("Escrow Instructions") of K. Hovnanian Homes Northern California, Inc., a California Corporation ("KHOV") and the City of Lathrop ("City") in connection with the above-referenced escrow ("Escrow"). The Escrow was opened in connection with recordation of the above-referenced final map ("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 Closing

The Final Map will be recorded at the time designated by KHOV as set forth below. The Final Map can only be recorded after the City has approved the map in writing. The closing date for the Transaction is intended to occur by December 31, 2024, at the time designated in writing by KHOV, subject to satisfaction of the conditions set forth below ("*Closing*"). If the Final Map has not been recorded by December 31, 2024, FATCO will return the Final Map to the City.

B. Documents to be Delivered and Recordation Documents

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

B.1. One original Final Map for Tract 3225, executed and acknowledged by the City and KHOV (provided to FATCO by City).

The documents listed in Item B.1, B.2, and B.3 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.

C. Funds and Settlement Statement

You also have received, or will receive from KHOV, 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 KHOV and City ("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 KHOV.

- Funds to be wire transferred directly to the City, immediately upon recordation of the Final Map, in accordance with the wire transfer instructions for each entity are as follows:
 - 1. The amount of \$215,259, payable to the City pursuant to that certain Subdivision Improvement Agreement (referred to as "SIA"), is to be transferred to the City upon recordation of the Final Map.
 - 2. The amount of \$563,021.84, payable to the City pursuant to that certain SIA, is to be transferred to the City upon recordation of Final Map.

The City's wire instructions are set forth below. 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 and in accordance with the process set forth below:

- D.1. You have delivered copies of your Settlement Statement by email transmission to: (a) Robert Sprague (RSprague@KHOV.COM), (b) Ethan Meltzer (EMeltzer@KHOV.COM), (c) John Baayoun (JBaayoun@KHOV.COM), (d) Brad Taylor (btaylor@ci.lathrop.ca.us), (e) Salvador Navarrete (snavarrete@ci.lathrop.ca.us), (f) Sandra Lewis (slewis@ci.lathrop.ca.us), (g) Bellal Nabizadah (bnabizadah@ci.lathrop.ca.us), (h) Monica Garcia (mgarcia@ci.lathrop.ca.us), (i) Teresa Vargas (tvargas@ci.lathrop.ca.us), and (j) Sarah Pimentel (spimentel@ci.lathrop.ca.us), and have confirmation (by telephone or email) from Robert Sprague and Brad Taylor 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 have been received by you and have been fully executed and, where applicable, acknowledged, and 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;

- D.5. You have delivered a copy of these instructions, executed by an authorized signatory of FATCO with authority to bind FATCO, by email transmission to Robert Sprague and Brad Taylor at the email addresses set forth above; and
- D.6. You have received confirmation (by email or other writing) from Robert Sprague and Brad Taylor 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 Recordation Documents in the Official Records;
- E.3. Pay the costs associated with the Transaction;
- E.4. Refund any funds delivered to you by KHOV that are not disbursed at the time of the final Closing pursuant to these Escrow Instructions to the following entity and address:

K. Hovnanian Homes Northern California, Inc 3721 Douglas Boulevard, Suite 150 Roseville, CA 95661 Attn: Robert Sprague

- E.5. Notify (a) Robert Sprague (RSprague@KHOV.COM), (b) Ethan Meltzer (EMeltzer@KHOV.COM), (c) John Baayoun (JBaayoun@KHOV.COM), (d) Brad Taylor (btaylor@ci.lathrop.ca.us), (e) Salvador Navarrete (snavarrete@ci.lathrop.ca.us), (f) Sandra Lewis (slewis@ci.lathrop.ca.us), (g) Bellal Nabizadah (bnabizadah@ci.lathrop.ca.us), (h) Monica Garcia (mgarcia@ci.lathrop.ca.us), (i) Teresa Vargas (tvargas@ci.lathrop.ca.us), and (j) Sarah Pimentel (spimentel@ci.lathrop.ca.us), of the completion of the Transaction;
- E.6. Within five (5) business days after the Recordation Date, deliver to: (1) Robert Sprague, K. Hovnanian Homes Northern California, Inc, 3721 Douglas Boulevard, Suite 150, Roseville, CA 95661; and (2) Brad Taylor, City Engineer, 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
 - (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.

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 below 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,

Stephen J. Salvatore Date John Baayoun Date
City Manager Division President
City of Lathrop K. Hovnanian Homes Northern California, Inc.

ESCROW INSTRUCTIONS ACKNOWLEDGEMENT AND AGREEMENT:

Receipt of the foregoing Escrow Instructions from KHOV 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 KHOV 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: Its: Date:	

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