DATE SUBMITTED	
SUBMITTED BY	

9/25/2019 COMMUNITY DEVELOPMENT DIRECTOR COUNCIL ACTION
PUBLIC HEARING REQUIRED
RESOLUTION

Agenda Item No. F · -

(x) () ()

DATE ACTION REQUIRED

10/2/2019

ORDINANCE 1<sup>ST</sup> READING ORDINANCE 2<sup>ND</sup> READING CITY CLERK'S INITIALS



## IMPERIAL CITY COUNCIL AGENDA ITEM

		AGENDATI	LIVI			
SUBJECT:	DISCL	ISSION/ACTION: RUSSELL CO	OURT UNIT	2 FINAL MAP		
	1.	APPROVE FINAL MAP AND SUBDI	VISION AGRE	EEMENT FOR RUS	ELL COURT UI	NIT 2
	2.	AUTHORIZE CITY CLERK TO RECO	ORD FINAL M	APS AND RELATE	ED DOCUMENT	'S
DEPARTMENT I	NVOLVED:	COMMUNITY DEVELOPMENT				
BACKGROUND/	SUMMARY	7				
approved cost	estimate fo	w of the Final Map for Russell Co or required off-site improvements ment. Security for the off-site imp	for Unit 2 is	\$1,596,397.66 w	hich is include	ed
FISCAL IMPA	.CT: NO F	ADMIN SERVICES SIGN INITIALS	VB			
STAFF RECOMM	[ENDATIO]	N:				
Staff recommends approval of the Final Map for Russell Court Unit 2			DEPT. INITIALS	OW		
MANAGER'S RECOMMENDATION:				CITY MANAGER's INITIALS	<b>D</b>	
MOTION:						
				REJECTED DEFERRED	()	

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

(Government Code Section 66462 and Section 66463)

(S1) Subdivision:	Russell Court Subdivision Unit 2
(S2) Effective Date:	October 2, 2019
(S3) Completion Period:	October 2, 2019 – October 2, 2020
THESE PARTIES ATTEST TO TH	E PARTIES' AGREEMENT HERETO:
CITY COUNCIL	SUBDIVIDER
By:Robert Amparano, Mayor	By: Nance Homes Inc.
APPROVAL RECOMMENDED:	FORM APPROVED - CITY ATTORNEY:
By:Community Development Direct	By: or Dennis Morita, City Attorney
(NOTE: All signatures to be acknowledged. If Subdivider is incorporated, signatures must conform with the designated representative groups pursuant to Corporations Code §313).	

## 1. PARTIES, DATE AND LEGAL DESCRIPTION

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

## 2. IMPROVEMENTS

Subdivider agrees to install certain improvements (both public and private), including the following: road, drainage, signs, (including appurtenant equipment), water, sewer and such other improvements as required by City ordinance or regulation, conditions of approval for the Subdivision, mitigation measures set forth in environmental documentation, engineer's estimates and as shown on improvement plans for this Subdivision as reviewed and on file with the City of Imperial, Public Services Department (including future amendments thereto).

Subdivider shall complete all of said Work and improvements (hereinafter called "Work")

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

## 3. IMPROVEMENT SECURITY:

Upon executing this Agreement, the Subdivider shall, pursuant to Government Code Section 66499, and the City Code, provide as security to the City:

A. <u>For Performance and Guarantee of the Work</u>: Corporate surety bond in a form acceptable to City in the sum of one million, five-hundred ninety six thousand, three hundred ninety seven dollars and sixty six cents (\$1,596,397.66), which represents the estimated cost of the Work.

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

City agrees to subordinate its first position in the Property to a second position on portions of the Property in favor of a construction lender as Subdivider develops and constructs improvements required by the Agreement as depicted on the attached Exhibit B; provided that a fund control is in place to assure payment directly to contractors for installation of such improvements for performance, labor and materials and monumentation related to the subordinated amounts, and provided further that the City determines, in its sole discretion, that the City's remaining first lien position on the Property is sufficient to secure Subdivider's performance called for by this Agreement.

B. For Payment Corporate surety bond in a form acceptable to City in the sum one million, five-hundred ninety six thousand, three hundred ninety seven dollars and sixty six cents (\$1,596,397.66), which represents one hundred percent (100%) of the estimated cost of the Work.

With this security, the Subdivider guarantees payment to the contractor, to his

subcontractors, and to persons renting equipment or furnishing labor or materials to them or to the Subdivider.

City agrees to subordinate its first position in the Property to a second position on portions of the Property in favor of a construction lender as Subdivider develops and constructs improvements required by the Agreements as depicted on the attached Exhibit B; provided that a fund control is in place to assure payment directly to contractors for installation of such improvements for performance, labor and materials and monumentation related to the subordinated amounts and provided further that the City determines, in its sole discretion, that the City's remaining first lien position on the Property is sufficient to secure Subdivider's performance called for by this Agreement.

C. Reduction of Security: Upon acceptance of the Work as complete by the City Council and upon request of the Subdivider, the amount of the securities may be reduced in accordance with Government Code Sections 66497, et. seq. "Acceptance," as used in this subparagraph is solely for the purpose of considering whether security can be reduced. The improvement security required herein for faithful performance of this Agreement may be reduced in amount, but not more often than once per month, as the Work of improvement is completed. Further, the market value of the First Lien position must not be less than 100% of the estimated cost (including payment of prevailing wage) associated with completion of the Work remaining to be completed. In no event shall this security be reduced until progress reports are submitted to the City, and the City determines the Work in fact has been completed and the amount by which the security shall be reduced. The determination by the City as to the completion of Work or improvement and the amount by which the security shall be reduced shall be conclusive. The performance security shall not be reduced to an amount less than ten percent (10%) until the liability established by all parts and subsections of this Agreement is satisfied. Payment security may be reduced only in accordance with Government Code §66499.7.

## 4. <u>GUARANTEE AND WARRANTY OF WORK</u>

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

## 5. PLANT ESTABLISHMENT WORK

Subdivider agrees to perform plant establishment work for landscaping installed under this Agreement. Said plant establishment work shall consist of adequately watering plants, replacing unsuitable plants, doing weed, rodent and other pest control, and other work determined by the Public Services Department to be necessary to ensure establishment of

plants. Said plant establishment work shall be performed for a period of one (1) year from and after the City Council accepts the work as completed.

## 6. IMPROVEMENT PLAN WARRANTY

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

## 7. NO WAIVER BY CITY

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

## 8. INDEMNITY

Subdivider shall defend, hold harmless and indemnify the indemnitees from the liabilities as defined in this section:

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

plans or specifications in connection with this Work or Subdivision, or has insurance or other indemnification covering any of these matters, or that the alleged damage resulted partly from any negligent or willful misconduct of any indemnitee.

## 9. COSTS

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

## 10. SURVEYS

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

## 11. NON-PERFORMANCE AND COSTS

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

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

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

## 12. RECORD MAP

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

## 13. MONUMENTATION SECURITY

Subdivider shall file or deposit with the City a monument bond or security as applicable in an amount specified by the City Engineer pursuant to Sections 66496 and 66499 of the Government Code of the State of California.

City agrees to subordinate its first position in the Property to a second position on portions of the Property in favor of a construction lender as Subdivider develops and constructs improvements required by the Agreements as depicted on the attached Exhibit B; provided that a fund control is in place to assure payment directly to

contractors for installation of such improvements for performance, labor and materials and monumentation related to the subordinated amounts and provided further that the City determines, in its sole discretion, that the City's remaining first lien position on the Property is sufficient to secure Subdivider's performance called for by this Agreement.

## 14. ENGINEERING FEES

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

## 15. DATE OF COMPLETION

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

## 16. FEES

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

## stewart title

#### **CLTA SUBDIVISION GUARANTEE**

**ISSUED BY** STEWART TITLE GUARANTY COMPANY a corporation, herein called the Company

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, AND THE GUARANTEE CONDITIONS ATTACHED HERETO AND MADE A PART OF THIS GUARANTEE,

#### **GUARANTEES**

the Assured named in Schedule A of this Guarantee

against loss or damage not exceeding the Amount of Liability stated in Schedule A, sustained by the Assured by reason of any incorrectness in the Assurances set forth in Schedule A.

Authorize Countersignature Stewart Title of California, Inc.

11870 Pierce Street, Ste 100

Riverside, CA 92505 Agent ID: 05060A

President and CEO

Secretary

**Matt Morris** 

For purposes of this form the "Stewart Title" logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.

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#### **EXCLUSIONS FROM COVERAGE**

Except as expressly provided by the assurances in Schedule A, the Company assumes no liability for loss or damage by reason of the following:

- (a) Defects, liens, encumbrances, adverse claims or other matters affecting the title to any property beyond the lines of the Land.
- (b) Defects, liens, encumbrances, adverse claims or other matters, whether or not shown by the Public Records (1) that are created, suffered, assumed or agreed to by one or more of the Assureds; or (2) that result in no loss to the Assured.
- (c) Defects, liens, encumbrances, adverse claims or other matters not shown by the Public Records.
- (d) The identity of any party shown or referred to in any of the schedules of this Guarantee.
- (e) The validity, legal effect or priority of any matter shown or referred to in any of the schedules of this Guarantee.
- (f) (1) Taxes or assessments of any taxing authority that levies taxes or assessments on real property; or, (2) proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not the matters excluded under (1) or (2) are shown by the records of the taxing authority or by the Public Records.
- (g) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water, whether or not the matters excluded under (1), (2) or (3) are shown by the Public Records.

#### **GUARANTEE CONDITIONS**

#### 1. Definition of Terms.

The following terms when used in the Guarantee mean:

- (a) the "Assured": the party or parties named as the Assured in Schedule A, or on a supplemental writing executed by the Company.
- (b) "Land": the Land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "Land" does not include any property beyond the lines of the area described or referred to in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "Mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "Public Records": those records established under California statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "Date of Guarantee": the Date of Guarantee set forth in Schedule A.
- (f) "Amount of Liability": the Amount of Liability as stated in Schedule A.

#### 2. Notice of Claim to be Given by Assured.

The Assured shall notify the Company promptly in writing in case knowledge shall come to the Assured of any assertion of facts, or claim of title or interest that is contrary to the assurances set forth in Schedule A Schedule A and that might cause loss or damage for which the Company may be liable under this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of the Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

#### 3. No Duty to Defend or Prosecute.

The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

## 4. Company's Option to Defend or Prosecute Actions; Duty of Assured to Cooperate.

Even though the Company has no duty to defend or prosecute as set forth in Paragraph 3 above:

(a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in Paragraph 4 (b), or to do any other act which in its opinion may be necessary or desirable to establish the correctness of the assurances set forth in

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Schedule A or to prevent or reduce loss or damage to the Assured. The Company may take any appropriate action under the terms of this Guarantee, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

- (b) If the Company elects to exercise its options as stated in Paragraph 4(a) the Company shall have the right to select counsel of its choice (subject to the right of the Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.
- (c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgment or order.
- (d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, the Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the Assured for this purpose. Whenever requested by the Company, the Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the correctness of the assurances set forth in Schedule A or to prevent or reduce loss or damage to the Assured.. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

#### 5. Proof of Loss or Damage.

- (a) In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Assured furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.
- (b) In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this paragraph shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

#### 6. Options to Pay or Otherwise Settle Claims: Termination of Liability.

In case of a claim under this Guarantee, the Company shall have the following additional options:

- (a) To pay or tender payment of the Amount of Liability together with any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.
- (b) To pay or otherwise settle with the Assured any claim assured against under this Guarantee. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Assured that were authorized by the Company up to the time of payment or tender of payment and that that the Company is obligated to pay; or
- (c) To pay or otherwise settle with other parties for the loss or damage provided for under this Guarantee, together with any costs, attorneys' fees, and expenses incurred by the Assured that

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were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in 6 (a), (b) or (c) of this paragraph the Company's obligations to the Assured under this Guarantee for the claimed loss or damage, other than the payments required to be made, shall terminate, including any duty to continue any and all litigation initiated by the Company pursuant to Paragraph 4.

#### 7. Limitation of Liability.

- (a) This Guarantee is a contract of Indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in Schedule A and only to the extent herein described, and subject to the Exclusions From Coverage of this Guarantee.
- (b) If the Company, or the Assured under the direction of the Company at the Company's expense, removes the alleged defect, lien or, encumbrance or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.
- (c) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom.
- (d) The Company shall not be liable for loss or damage to the Assured for liability voluntarily assumed by the Assured in settling any claim or suit without the prior written consent of the Company.
- 8. Reduction of Liability or Termination of Liability.

All payments under this Guarantee, except payments made for costs, attorneys' fees and expenses pursuant to Paragraph 4 shall reduce the Amount of Liability under this Guarantee pro tanto.

#### 9. Payment of Loss.

- (a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.
- (b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions, the loss or damage shall be payable within thirty (30) days thereafter.

#### 10. Subrogation Upon Payment or Settlement.

Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

#### 11. Arbitration.

Either the Company or the Assured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision, or to any other controversy or claim arising out of the transaction giving rise to this Guarantee. All arbitrable matters when the amount of liability

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is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. Arbitration pursuant to this Guarantee and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

#### 12. Liability Limited to This Guarantee; Guarantee Entire Contract.

- (a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.
- (b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.
- (c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

#### 13. Severability

In the event any provision of this Guarantee, in whole or in part, is held invalid or unenforceable under applicable law, the Guarantee shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

#### 14. Choice of Law; Forum

(a) Choice of Law: The Assured acknowledges the Company has underwritten the risks covered by this Guarantee and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of Guaranties of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims that are adverse to the Assured and to interpret and enforce the terms of this Guarantee. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Assured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

#### 15. Notices, Where Sent.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at P. O. Box 2029, Houston, TX 77252-2029.

## CLTA FORM NO. 14 SUBDIVISION GUARANTEE SCHEDULE A

ISSUED BY STEWART TITLE GUARANTY COMPANY

File No.: 482359 Customer Reference:

Guarantee No.: G-2910-1828 Amount of Liability: \$10,000.00

Date of Guarantee: August 15, 2019 at 7:30AM Fee: \$400.00

1. Name of Assured:

Nance Homes, Inc., a California corporation

2. Subdivision Map Reference:

Russell Court Subdivision - Unit 2

3. The map referred to above recites that it is a subdivision of the following described Land;

See Exhibit "A" Attached Hereto

#### 4. ASSURANCES:

According to the Public Records the only parties having any record title interest in the Land included within the exterior boundary shown on the map of the above referenced subdivision whose signatures are necessary, under the requirements of the Subdivision Map Act, on the certificates consenting to the recordation of said map and offering for dedication any streets, roads, avenues and other easements offered for dedication by said map are:

Nance Homes, Inc., a California corporation

Beneficiary: HWH Investments, LLC, a California limited liability company, as beneficiary, under Deed of Trust recorded April 30, 2019 as Instrument No. 2019-7563 of Official Records.

CLTA Subdivision Guarantee 6-5-14 Guarantee Serial No.: G-2910-1828 Page 6 of 7

# CLTA FORM NO. 14 SUBDIVISION GUARANTEE EXHIBIT "A" LEGAL DESCRIPTION

ISSUED BY STEWART TITLE GUARANTY COMPANY

File No.: 482359 Guarantee No.: G-2910-1828

The Map hereinbefore referred to is a subdivision of land described as follows:

Parcels B and C of Russell Court Subdivision Unit 1, in the City of Imperial, the County of Imperial, State of California, as per map recorded in <u>Book 27 page 57</u> of Final Maps, Records of Imperial County.

#### MAP

THE MAP CONNECTED HEREWITH IS BEING PROVIDED AS A COURTESY AND FOR INFORMATIONAL PURPOSES ONLY; THIS MAP SHOULD NOT BE RELIED UPON. FURTHERMORE, THE PARCELS SET OUT ON THIS MAP MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES. STEWART ASSUMES NO LIABILITY, RESPONSIBILITY OR INDEMNIFICATION RELATED TO THE MAPS NOR ANY MATTERS CONCERNING THE CONTENTS OF OR ACCURACY OF THE MAP.

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