

Recording Requested By
First American Title NHS

RECORDING REQUESTED BY:
PUBLIC WORKS DEPARTMENT
CITY OF REDLANDS

WHEN RECORDED RETURN TO:
CITY CLERK'S OFFICE
CITY OF REDLANDS
P.O. BOX 3005
REDLANDS, CA 92373

Electronically Recorded in Official Records, County of San Bernardino

6/15/2005
03:21 PM
RD



LARRY WALKER

Auditor/Controller - Recorder

824 First American Title Company

Doc #: 2005-0428160



Titles: 1 Pages: 16

Fees 53.00

Taxes .00

Other .00

PAID 53.00

(THIS SPACE FOR RECORDER'S USE ONLY)

CITY OF REDLANDS

SUBDIVISION IMPROVEMENT AGREEMENT

THIS AGREEMENT is made this 7th day of June, 2005 by and between the City of Redlands, a municipal corporation, hereinafter referred to as "City," and KB HOME Greater Los Angeles, Inc. hereinafter referred to as "Subdivider" (together, the "Parties").

RECITALS

WHEREAS, Subdivider is the owner or authorized developer of certain property located in the City of Redlands generally known as Tract No. 16556 (the "Subdivision"), and Subdivider is obligated to construct certain improvements (the "Improvements") therefor as a condition of approval of the Subdivision; and

WHEREAS, City desires to ensure that the Improvements will be constructed in a good and workmanlike manner and in accordance with the laws of City; and

WHEREAS, Subdivider acknowledges that it is familiar with the provisions of the Redlands Municipal Code and the State Subdivision Map Act (Government Code sections 66410 et. seq.) and agrees to comply therewith; and

WHEREAS, a final map for the Subdivision has been prepared pursuant to the Redlands Municipal Code and the State Subdivision Map Act, and has been filed by Subdivider for consideration by the City Council of City;

NOW, THEREFORE, in consideration of the approval and acceptance by the City Council of City of the final map for the Subdivision, and the mutual promises contained herein, the Parties hereto agree as follows:

722545-29

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WHEREAS, a final map for the Subdivision has been prepared pursuant to the Redlands Municipal Code and the State Subdivision Map Act, and has been filed by Subdivider for consideration by the City Council of City;

NOW, THEREFORE, in consideration of the approval and acceptance by the City Council of City of the final map for the Subdivision, and the mutual promises contained herein, the Parties hereto agree as follows:

1. Definition and Ownership of Improvements. The Improvements include but are not limited to the grading, paving, construction of curbs and gutters, storm drains and sanitary sewers, water lines, utilities, street lights and all appurtenant facilities associated with the Subdivision that are shown in the plans, profiles and specifications that have been prepared by Subdivider's engineer and approved by City, and which are attached hereto as Exhibit "A" (the "Improvement Plans"). No work on the Improvements shall be commenced by Subdivider until the Improvement Plans have been approved by City and permits issued. The cost of plan checking and inspection incurred by City shall be paid by Subdivider. All Improvements constructed or installed pursuant to this Agreement shall become the property of City, without payment therefor, upon acceptance of those Improvements by City.

2. Time of Completion. Construction of the Improvements shall be completed within one (1) year from the date of this Agreement. In the event Subdivider fails to complete construction of the Improvements within that time period, City may require Subdivider's surety to complete the Improvements, or City may complete construction of the Improvements and recoup its expenses for such work from Subdivider, or Subdivider's surety, as hereafter provided.

3. Subdivider's Obligations to Construct Improvements. Subdivider shall:

a. Complete, at Subdivider's own expense, all Improvements in conformance with the Improvement Plans within one (1) year following the date of this Agreement; provided, however, that the Improvements shall not be deemed to be completed until accepted as provided for in Section 18.

b. Furnish at Subdivider's expense the necessary materials, provisions and other supplies or equipment used for the Improvements and for a payment bond with respect to such work, as required by Civil Code Section 3247, for the completion of the Improvements in conformity with the Improvement Plans.

c. Acquire and dedicate all rights-of-way, easements, and other interests in real property for construction and installation of the Improvements. All rights-of-way, easements and other interests in real property shall be free and clear of liens and encumbrances. Subdivider shall also be responsible for obtaining any public or private sanitary sewer, drainage and/or utility easements to accommodate the Subdivision.

d. Commence construction of the Improvements by the time established in Section 25 of this Agreement and complete the Improvements by the time stated in Section 2 above, unless a time extension is granted by City as authorized in Section 25.

e. Install all Subdivision monuments required by law prior to acceptance of the Improvements by City. Individual property monuments shall be installed within one (1) year of acceptance.

f. Waive any and all rights Subdivider may have pursuant to California Labor Code sections 1726 and 1781 in the event the Improvements are deemed a "public work" by any

governmental agency having authority to make such a determination, or by any court of competent jurisdiction, such that the Improvements are subject to California Labor Code sections 1720 et seq. and 1770 et seq. With respect to the foregoing waiver, Subdivider further waives any and all rights it may have pursuant to Civil Code section 1542 which reads "a general release does not extend to claims which a creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

g. Install street name signs conforming to City standards. Permanent street name signs shall be installed before acceptance of the Improvements by City.

4. Acquisition and Dedication of Easements or Rights-of-Way. If any of the Improvements are constructed or installed on land not owned by City or Subdivider, no construction or installation shall be commenced before:

a. The offer of dedication to City of appropriate rights-of-way, easements or other interests in real property, and appropriate authorization from the property owner to allow construction or installation of the Improvements, or

b. The dedication to, and acceptance by, City of appropriate rights-of-way easements or other interests in real property, as determined by the City Engineer, or

c. The issuance by a court of competent jurisdiction pursuant to the State Eminent Domain Law of an order of possession. Subdivider shall comply in all respects with the order of possession.

Nothing in this Section 4 shall be construed as authorizing or granting an extension of time to Subdivider.

5. Security. Subdivider shall at all times guarantee Subdivider's performance by furnishing to City, and maintaining, good and sufficient security as required by the Subdivision laws in accordance with Sections 66499 through 66499.10 of the Government Code, on forms approved by City for the purposes and in the amounts as follows:

a. To assure faithful performance of this Agreement and construction of the Improvements, a bond in the amount of 100% of the estimated cost of the Improvements; and

b. To secure payment to any contractor, subcontractor, person renting equipment or furnishing labor and materials for the Improvements, a bond in the amount of 100% of the estimated cost of the Improvements; and

c. To guarantee or warrant the Improvements for a period of one (1) year following acceptance thereof by City against any defective work or labor done or defective materials furnished, security acceptable to City in the additional amount of 10% of the estimated cost of the Improvements; and

d. Security acceptable to City in the amount of 100% of the estimated cost of setting subdivision monuments for a period of one (1) year plus thirty (30) days from acceptance of the Improvements by City.

The securities required by this Agreement shall be kept on file with the City Clerk. The terms of the security documents are hereby incorporated into this Agreement by this reference. If any security is replaced by another approved security, the replacement shall: (1) comply with all the requirements for security in this Agreement, (2) be provided to the City Engineer for filing with the City Clerk, and upon filing (3) be deemed to have been made a part of, and incorporated into, this Agreement. Upon provision of a replacement security with the City Engineer and filing of a replacement security with the City Clerk, the former security may be released.

6. Alterations to Improvement Plans.

a. Any changes, alterations or additions to the Improvement Plans, not exceeding 10% of the original estimated cost of the Improvements, which are mutually agreed upon by City and Subdivider shall not relieve the improvement security given for faithful performance of this Agreement. In the event such changes, alterations or additions exceed 10% of the original estimated cost of the Improvements, Subdivider shall provide improvement security for faithful performance as required by Section 5 of this Agreement for 100% of the total estimated cost of the Improvements as changed, altered or amended, less any completed partial releases allowed by Section 8 of this Agreement.

b. Subdivider shall construct the Improvements in accordance with City standards in effect on the date of this Agreement. City reserves the right to modify the standards applicable to the Subdivision and this Agreement when necessary to protect the public safety or welfare or comply with applicable Federal or State law or City laws. If Subdivider requests and is granted an extension of time for completion of the Improvements, City may apply the standards in effect at the time of the extension.

7. Inspection. Subdivider shall at all times maintain proper facilities and safe access for inspection of the Improvements by City inspectors and to the shops wherein any work is in preparation. Upon completion of the Improvements, Subdivider may request an inspection by the City Engineer or the City Engineer's authorized representative. If the City Engineer, or the authorized representative, determines that the Improvements have been completed in accordance with this Agreement, then the City Engineer shall certify the completion of the Improvements. No Improvements shall be accepted by the City Engineer unless all aspects of work have been inspected and completed in accordance with the Improvement Plans. When applicable law requires an inspection to be made by City at a particular stage of the work of constructing and installing the Improvements, City shall be given timely notice of Subdivider's readiness for such inspection and Subdivider shall not proceed with additional work until the inspection has been made and the work approved. Subdivider shall bear all costs of inspection and certification. No Improvements shall be deemed completed until acceptance by the City Engineer pursuant to Section 18 hereof.

8. Release of Securities. The securities required by this Agreement shall be released as follows:

a. Security given for faithful performance shall be released upon the completion and acceptance of the Improvements, subject to the provisions of subsection (b) hereof.

b. The City Engineer may release a portion of the security given for faithful performance as work progresses upon application therefor by Subdivider, provided, however, that no such release shall be for an amount less than 25% of the total improvement security given for faithful performance, and that the security shall not be reduced to an amount less than 50% of the total security given for faithful performance, until completion and acceptance of the Improvements. In no event shall the City Engineer authorize a release of the improvement security which would reduce the security to an amount below 125% of that required to guarantee the completion of the Improvements and any other obligation imposed by this Agreement.

c. Security given to secure payment to the contractor, subcontractors and to persons furnishing labor, materials or equipment shall, at six (6) months after the completion and acceptance of the Improvements, be reduced to an amount equal to no less than 125% of the total claimed by all claimants for whom liens have been filed and of which notice has been given to City, plus an amount reasonably determined by the City Engineer to be required to assure the performance of any other obligations secured by the security. The balance of the security shall be released upon the settlement of all claims and obligations for which the security was given.

d. No security given for the guarantee or warranty for work shall be released until the expiration of the warranty period and until any claims filed during the warranty period have been settled. As provided in Section 12 hereof, the warranty period shall not commence until acceptance of the Improvements by the City Engineer.

e. City may retain from any security released an amount to sufficiently cover costs and reasonable expenses and fees, including reasonable attorneys' fees.

9. Injury to Public Improvements, Public Property or Public Utilities Facilities.

Subdivider shall replace or repair, or have replaced or repaired, as the case may be, all public improvements, public utility facilities and surveying or subdivision monuments which are destroyed or damaged as a result of any work under this Agreement. Subdivider shall bear the entire cost of replacement or repairs of any and all public or public utility property damaged or destroyed by reason of any work done under this Agreement, whether such property is owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by City or any public or private utility corporation or by any combination of such owners. Any repair or replacement shall be to the satisfaction, and subject to the approval, of the City Engineer.

Furthermore, until such time as the Improvements are accepted by City, Subdivider shall be responsible for, and bear the risk of loss to, any of the Improvements constructed or installed. Until such time as all Improvements required by this Agreement are fully completed and accepted by City, Subdivider shall be responsible for the care, maintenance of, and any damage to such Improvements. City shall not, nor shall any elected official or employee thereof, be liable to responsible for any accident, loss or damage, regardless of cause, happening or occurring to the Improvements prior to the completion and acceptance of the Improvements. All such risks shall be the responsibility of, and are hereby assumed by, Subdivider.

10. Permits. Subdivider shall at Subdivider's expense, obtain all necessary permits and licenses for the construction and installation of the Improvements, give all necessary notices and pay all fees and taxes required by law.

11. Default of Subdivider.

a. Default of Subdivider shall include, but not be limited to:

- (1) Subdivider's failure to timely commence construction of the Improvements;
- (2) Subdivider's failure to timely complete construction of the Improvements;
- (3) Subdivider's failure to timely cure any defect in the Improvements;
- (4) Subdivider's failure to perform substantial construction work for a period of twenty (20) calendar days after commencement of the work;
- (5) Subdivider's insolvency, appointment of a receiver, or the filing of any petition in bankruptcy, either voluntary or involuntary, which Subdivider fails to discharge within thirty (30) days.
- (6) The commencement of a foreclosure action against the Subdivision, or a portion thereof, or any conveyance in lieu or in avoidance of foreclosure; or
- (7) Subdivider's failure to perform any other obligation under this Agreement.

b. City reserves to itself all remedies available to it at law and in equity for breach of Subdivider's obligations under this Agreement. City shall have the right, subject to this Section, to draw upon or utilize the appropriate security to mitigate City's damages in the event of default of Subdivider. The right of City to draw upon or utilize the security is additional to and not in lieu of any other remedy available to City. It is specifically recognized that the estimated costs and security amounts may not reflect the actual cost of construction or installation of the Improvements and, therefore, City's damages for Subdivider's default shall be measured by the cost of completing the Improvements. The sums provided by the improvement security may be used by City for the completion of the Improvements in accordance with the Improvement Plans.

In the event of Subdivider's default under this Agreement, Subdivider authorizes City to perform such obligation twenty (20) days after mailing written notice of default to Subdivider and Subdivider's surety, and Subdivider agrees to pay the entire cost of such performance by City.

City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost of damages incurred by City. In such event, City, without liability for so doing, may take possession of, and utilize in completing the Improvements, such materials, appliances, plants and other property belonging to Subdivider as may be on the site of the work and necessary for completion of the Improvements.

c. Failure of Subdivider to comply with the terms of this Agreement shall constitute consent to the filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedy provided by this subsection is in addition to, and not in lieu of, other remedies available to City. Subdivider agrees that the choice of remedy or remedies for Subdivider's breach shall be in the discretion of City.

d. In the event that Subdivider fails to perform any obligation hereunder, Subdivider shall pay all costs and expenses incurred by City in securing performance of such obligations, including but not limited to fees and charges of architects, engineers, attorneys other professionals and court costs.

e. The failure of City to take enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or any subsequent default or breach of Subdivider.

12. Warranty. Subdivider shall guarantee the Improvements for a period of one (1) year after acceptance of by the City Engineer against any defective work or labor done or defective materials furnished. If within the warranty period any work or improvement, or part of any work or improvement, done, furnished, installed or constructed by Subdivider fails to fulfill any of the requirements of this Agreement or the Improvement Plans, Subdivider shall without delay and without cost to City repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the Improvements. Should Subdivider fail to act promptly in accordance with this requirement, Subdivider hereby authorizes City, at City's option, to construct the Improvements twenty (20) days after mailing written notice of default to Subdivider and to Subdivider's surety, and agrees to pay the cost of the work associated with such Improvements incurred by City. Should City determine that the public health, safety and welfare of its citizens requires repairs or replacements to be made before Subdivider can be notified, City may, in its sole discretion, make the necessary repair or replacement or perform the necessary work and Subdivider shall pay to City the cost of such repairs.

13. Subdivider Not Agent or Employee of City. Neither Subdivider nor Subdivider's agents, contractors or subcontractors are, or shall be considered to be, agents or employees of City in connection with the performance of Subdivider's obligations under this Agreement.

14. Environmental Warranty. Prior to the acceptance of any dedications or Improvements by City, Subdivider shall certify and warrant that neither the property to be dedicated nor Subdivider are in violation of any environmental law, and neither the property to be dedicated nor the Subdivider are subject to any existing, pending or threatened investigation by any federal, state or local

governmental authority under or in connection with environmental law. Neither Subdivider nor any third party shall use, generate, manufacture, produce or release, on, under or about the property to be dedicated, any hazardous substance except in compliance with all applicable environmental laws. Subdivider represents and warrants to City it has not caused or permitted the release of, and has no knowledge of the release or presence of, any hazardous substance on the property to be dedicated or the migration of any hazardous substance from or to any other property adjacent to, or in the vicinity of, the property to be dedicated. Subdivider shall give prompt written notice to City at the address set forth herein of:

a. Any proceeding or investigation by any federal, state or local governmental authority with respect to the presence of any hazardous substance on the property to be dedicated or the migration thereof from or to any other property adjacent to, or in the vicinity of, the property to be dedicated;

b. Any claims made or threatened by any third party against City or the property to be dedicated relating to any loss or injury resulting from any hazardous substance; and

c. Subdivider's discovery of any occurrence or condition on any property adjoining in the vicinity of the property to be dedicated that could cause the property to be dedicated or any part thereof to be subject to any restrictions on its ownership, occupancy, use for the purpose for which it is intended, transferability or suit under any environmental law.

15. Other Agreements. Nothing contained in this Agreement shall preclude City from expending monies pursuant to agreements concurrently or previously executed between the Parties, or from entering into agreements with other subdividers for the apportionment of costs of water and sewer mains, or other improvements pursuant to the provisions of City laws providing therefor, nor shall anything in this Agreement commit City to any such apportionment.

16. Subdivider's Obligation to Warn Public During Construction. Until acceptance of the Improvements, Subdivider shall give good and adequate warning to the public of each and every dangerous condition extant with the Improvements, and will take reasonable actions to protect the public from such dangerous condition.

17. Vesting of Ownership. Upon acceptance of the Improvements by City and recordation of the Final Map, ownership of the Improvements constructed pursuant to this Agreement shall vest in City.

18. Acceptance of Work. Acceptance of work on behalf of City shall be made by City Engineer after completion and inspection of all Improvements pursuant to Section 7 herein. Upon the Improvements being accepted by the City Engineer, and all Improvements having been dedicated to City, the City Clerk shall file an acceptance of the Improvements with the County recorder. Such acceptance shall not constitute a waiver of defects by City.

19. Compliance with Laws. Subdivider, its agents, employees, contractors and subcontractors shall comply with all applicable Federal, State and local rules, laws and regulations in the performance of the Improvements and land development pursuant to this Agreement including but not limited to all applicable Labor Code and prevailing wage laws.

20. Insurance.

a. Subdivider's Insurance to be Primary

All insurance required by this Agreement is to be maintained by Subdivider for the term of this Agreement and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. Subdivider shall provide City with Certificates of Insurance evidencing such insurance prior to commencing any work.

b. Worker's Compensation and Employer's Liability.

1. Subdivider shall have Worker's Compensation and Employer's Liability insurance in force throughout the term of this Agreement in an amount which meets the statutory requirement with an insurance carrier acceptable to City. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City. The insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to City. Certificates of Insurance shall be delivered to City by Subdivider prior to commencing any work.

2. Subdivider expressly waives all rights to subrogation against City, its elected officials, employees and volunteers for losses arising from work performed by Subdivider for City and Subdivider's immunity for injuries to Subdivider's employees and agrees that the obligation to indemnify, defend and hold harmless provided for in this Agreement extends to any claim brought by or on behalf of any employee of Subdivider. This waiver is mutually negotiated by the Parties. This waiver shall not apply to any damage resulting from the sole negligence of City, its agents and employees. To the extent any of the damages referenced herein were caused by or resulted from the concurrent negligence of City, its agents or employees, the obligations provided herein to indemnify, defend and hold harmless are valid and enforceable only to the extent of the negligence of Subdivider, its officer, agents and employees.

c. Comprehensive General Liability Insurance. Subdivider shall secure and maintain in force throughout the term of this Agreement comprehensive general liability insurance covering all work under this Agreement, including work done by subcontractors, with carriers acceptable to City. Minimum coverage of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. City shall be named as an additional insured and the insurance policy shall include a provision prohibiting cancellation of said policy except upon thirty (30) days prior written notice to City. Such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City. Certificates of insurance shall be delivered to City by Subdivider prior to commencing any work.

d. Business Auto Liability Insurance. Subdivider shall have business auto liability coverage, with minimum limits of one million (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all Subdivider owned vehicles used in connection with work related to the Improvements, hired and non-owned vehicles, and employee non-ownership vehicles.

21. Indemnity/Hold Harmless. Neither City, nor any elected official or employee thereof, shall not be liable for any injury to persons or property occasioned by reasons of the acts or omissions of Subdivider, its agents, employees, contractors and subcontractors in the performance of this Agreement. Subdivider shall further defend, indemnify and hold City harmless from any and all claims, demands, causes of action, liability or loss of any sort, because of, or arising out of, acts or omissions of Subdivider, its agents, employees, contractors and subcontractors in the performance of this Agreement, except for such claims, demands, causes of action, liability or loss arising out of the sole active negligence of City, its elected officials, boards, commissions, the members thereof, agents and employees, including all claims, demands, causes of action, liability, or loss because of or arising out of, in whole or in part, the design or construction of the Improvements. This indemnification and agreement to hold harmless shall extend to injuries to persons and damages or taking of property resulting from the design or construction of the Subdivision, and the Improvements, and in addition, to adjacent property owners as a consequence of the diversion of waters from the design and construction of public drainage systems, streets and other public improvements. Acceptance by City of the Improvements shall not constitute an assumption by City of any responsibility for any damage or taking covered by this Section. City shall not be responsible for the design or construction of the property to be dedicated or the Improvements pursuant to the Improvement Plans, regardless of any negligent action or inaction taken by City in approving the Improvement Plans, unless the particular Improvement design was specifically required by City over written objection by Subdivider submitted to the City Engineer before approval of the particular Improvement design, which objection indicated that the particular Improvement design was dangerous or defective and suggested an alternative safe and feasible design.

After acceptance of the Improvements, Subdivider shall remain obligated to eliminate any defect in design or dangerous condition caused by the design or construction defect; however, Subdivider shall not be responsible for routine maintenance. The provisions of this Section shall remain in full force and effect for ten (10) years following the acceptance by City of the Improvements. It is the intent of this Section that Subdivider shall be responsible for all liability for design and construction of the improvements installed or work done pursuant to this Agreement and that City shall not be liable for any negligence, nonfeasance, misfeasance or malfeasance in approving, reviewing, checking, or inspecting any work or construction. The improvement security shall not be required to cover the provisions of this Section.

Subdivider shall reimburse City for all costs and expenses (including but not limited to fees and charges of architects, engineers, attorneys and other professionals, and court costs) incurred by City in enforcing the provisions of this Section.

22. Personal Nature of Subdivider's Obligations. All of Subdivider's obligations under this Agreement are, and shall remain, the personal obligations of Subdivider notwithstanding a transfer of all or any part of the property within the Subdivision subject to this Agreement, and Subdivider

shall not be entitled to assign its obligations under this Agreement to any transferee of all or any part of the property within the Subdivision or any other third party without the express written consent of City.

23. Sale or Disposition of Subdivision. Subdivider may request a novation of this Agreement and a substitution of security. Upon approval of the novation and substitution of securities, Subdivider may request a release or reduction of the securities required by this Agreement. Nothing in the novation shall relieve Subdivider of the obligations under Section 21 for the work done or the Improvements constructed by Subdivider.

24. Time is of the Essence. Time is of the essence in the performance of this Agreement.

25. Time for Commencement of Work; Time Extensions. Subdivider shall commence construction of the Improvements not later than three (3) months after the date of this Agreement. In the event good cause exists as determined by the City Engineer, the time for commencement of construction or completion of the Improvements may be extended for a period or periods not exceeding a total of two additional years. The extension shall be executed in writing by the City Engineer. Any such extension may be granted without notice to Subdivider's surety and shall not affect the validity of this Agreement or release the surety or sureties on any security given for this Agreement. The City Engineer shall be the sole and final judge as to whether or not good cause has been shown to entitle Subdivider to an extension. Delay, other than delay in the commencement of work, resulting from an act of City, act of God, by storm or inclement weather, strikes, boycotts or similar political actions which prevent the conducting of work, which Subdivider could not have reasonably foreseen, and furthermore was not caused by or contributed to by Subdivider, shall constitute good cause for and extension of the time for completion. As a condition of such extension, the City Engineer may require Subdivider to furnish new security guaranteeing performance of this Agreement, as extended, in an increased amount to compensate for any increase in construction costs as determined by the City Engineer.

26. No Vesting of Rights. Performance by Subdivider of this Agreement shall not be construed to vest Subdivider's rights with respect to any change in any zoning or building law.

27. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by mail, postage prepaid and addressed as provided in this Section. Notice shall be effective on the date it is delivered in person, or, if mailed, on the date of deposit in the United States Mail. Notices shall be addressed as follows unless a written change is filed with City:

Notice to City:	Public Works Director/City Engineer City of Redlands PO Box 3005 Redlands, CA 92373
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Notice to Subdivider:	KB HOME Greater Los Angeles Inc. Attn: Glen Crosby, Vice President Land
-----------------------	--

801 Corporate Center Drive, Suite 201
Pomona CA 91768

Notice to Surety:

AON Risk Services, Inc. of Southern California
707 Wilshire Blvd., Suite 6000
Los Angeles CA 90017

28. **Severability.** The provisions of this Agreement are severable. In any portion of this Agreement is held invalid by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect unless amended or modified by mutual written consent of the Parties.

29. **Captions.** The captions of this Agreement are for convenience and reference only and shall not define, explain, modify, limit, exemplify, or aid in the interpretation, construction or meaning of any provision of this Agreement.

30. **Attorneys' Fees.** In the event any action is commenced to enforce the terms or intent of this Agreement the prevailing party shall, in addition to costs and other relief, be entitled to the recovery of its reasonable attorneys' fees.

31. **Incorporation of Recitals.** The recitals to this Agreement are hereby incorporated into the terms of this Agreement.

32. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof. All amendments of this Agreement shall be in writing and signed by the appropriate representatives of the Parties.

33. **Interpretation.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.

34. **Jurisdiction.** Jurisdiction of all disputes over the terms of this Agreement shall be in the County of San Bernardino, State of California.

IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the date herein above first written.

SUBDIVIDER

CITY OF REDLANDS

By: _____

Title

Stace, Cassaman
Director-Forward Planning

By: _____

Susan Pepler
Mayor

By: _____

Title

Attest: _____

Lorrie Poyzer
City Clerk

(Proof of authorization for Subdivider's signatures required and must be attached)

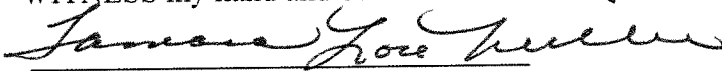
SIGNATURES MUST BE NOTARIZED.

STATE OF CALIFORNIA

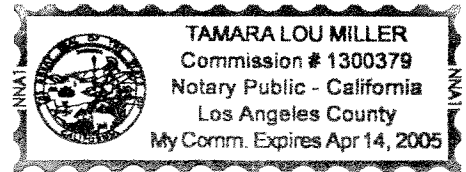
COUNTY OF LOS ANGELES

On January 26, 2005 before me, Tamara Lou Miller, a Notary Public in and for said county and state, personally appeared ****Stacey Sassaman**** personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



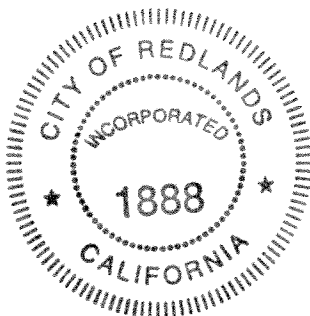
Tamara Lou Miller



ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) SS
CITY OF REDLANDS)

By the authority granted under Chapter 4, Article 3, Section 1181, of the California Civil Code, and Chapter 2, Division 3, Section 40814, of the California Government Code, on June 7, 2005, before me, Beatrice Sanchez, Deputy City Clerk, on behalf of Lorrie Poyzer, City Clerk of the City of Redlands, California, personally appeared Susan Pepler and Lorrie Poyzer { X } personally known to me - or - { } proved to me on the basis of satisfactory evidence to be the persons whose names) are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.



WITNESS my hand and official seal.

LORRIE POYZER, CITY CLERK

By: Beatrice Sanchez
Beatrice Sanchez, Deputy City Clerk
(909) 798-7531

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### CAPACITY CLAIMED BY SIGNER(S)

{ } **Individual(s) signing for oneself/themselves**

{ } **Corporate Officer(s)**

Title(s) \_\_\_\_\_

Company \_\_\_\_\_

{ } **Partner(s)**

Partnership \_\_\_\_\_

{ } **Attorney-In-Fact**

Principal(s) \_\_\_\_\_

{ } **Trustee(s)**

Trust \_\_\_\_\_

{ x } **Other**

Title(s): Mayor and City Clerk

Entity Represented: City of Redlands, a municipal corporation

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THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

Title or Type of Document: Subdivision Improvement Agreement

Date of Document: June 7, 2005

Signer(s) Other Than Named Above: Stacey Sassaman

SUBDIVISION IMPROVEMENT AGREEMENT
EXHIBIT "A"

TRACT MAP NO.16556

RECORDED IN BOOK 308 PAGE(S) 98-103 OF MAPS.

<u>Description</u>	<u>Drawing No.</u>	<u>Approval Date</u>	<u>No. of Sheets</u>
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The following plans are on file in the office of the Public Works Director (PWD) and Municipal Utilities Director (MUD)::

Street Improvement Plans (PWD)	1748-ST	08/09/04	13
Street Light Plans	1748-SL	05/23/04	3
Street Tree Plans	1748-TP	05/24/05	2
Sewer Improvement Plans (MUD)	F-1721	10/20/04	7
Water Improvement Plans (MUD)	D-60579	10/20/04	5
Landscape Architectural Plans Tract 16556 Blossom Heights Common Areas (CDD)	N/A	3/22/05	7
Landscape Architectural Plans Tract 16556 Blossom Heights Wall and Fencing	N/A	3/22/05	3