



CITY COUNCIL STAFF REPORT

DATE: July 21, 2010

CONSENT

SUBJECT: Approve a Reimbursement Agreement Related to Subdivision Improvements for Tract No 30046 between the City of Palm Springs and Ridgeback Monte Sereno, LLC

FROM: David H. Ready, City Manager

BY: Douglas Holland, City Attorney

SUMMARY

The proposed Reimbursement Agreement provides that the City will make a demand on CRV Monte Sereno ("CRV") to complete the public improvements required pursuant to subdivision improvement agreement between CRV and the City for Tract No. 30046. In the event CRV does not complete the improvements, the City will essentially assign the City's rights to make a claim on the bonds that have been posted to secure CRV's performance under the subdivision improvement agreement to Ridgeback Monte Sereno ("Ridgeback"), the successor to CRV and Ridgeback's attorney will be authorized to commence proceedings to use the proceeds of the CRV bonds to fund the completion of the public improvements for Tract No. 30046.

RECOMMENDATION:

Approve the proposed Reimbursement Agreement for Subdivision Improvements, Tract No. 30046 between the City of Palm Springs and Ridgeback Monte Sereno, LLC.

STAFF ANALYSIS:

In August of 2005, the City approved final Tract Map No. 30046. At the time of the Map's approval, the developer of the property, CRV entered into a Subdivision Improvement Agreement dated August 3, 2005 with the City (the "SIA"). Pursuant to the terms of the SIA, CRV agreed to make certain subdivision improvements to the property as a condition of approval of the Final Map (the "Subdivision Improvements"). In accordance with the terms of the SIA, the City required CRV to post certain security to assure performance of the condition to build the Subdivision Improvements.

Although a significant portion of the subdivision improvements have been installed (and the original security has been partially reduced as allowed under law), CRV has as of this date failed to complete all Subdivision Improvements as required under the terms of its SIA with the City. CRV ultimately relinquished ownership of the property as a result of a default on a loan secured by a first trust deed recorded against the property. Ridgeback is the successor-in-interest in the ownership of the undeveloped and/or unsold lots within the subdivision (the "Ridgeback Property") which it acquired following recordation of the Final Map for Tract No.

ITEM NO. 2.7.

30046. When Ridgeback acquired the Ridgeback Property, Ridgeback did not assume the CRV's obligations under the SIA regarding the completion of the Subdivision Improvements.

The City has the option of enforcing the SIA on its own as a remedy under the terms of the SIA. The City could incur the upfront cost of initiating legal proceedings against CRV and its bonds in order to secure the completion of the Subdivision Improvements. All City costs could be recovered through the bonds posted as security of CRV's performance under the SIA. The City also has the option of requiring Ridgeback as the new subdivider of the property, to execute a new SIA for the completion of the improvements and post new security to ensure the performance of Ridgeback. Most of the City's costs under this alternative would be recovered through typical city fees; however, Ridgeback would incur the costs for the posting of bonds.

Ridgeback has proposed a third alternative which is provided under the terms of the proposed Reimbursement Agreement. Under this alternative, the City would make a formal written demand on CRV to commence and complete the remaining Subdivision Improvements as required under the SIA. In the event CRV fails to complete such work after the demand, the City would authorize Ridgeback's attorney to make a claim on the bonds securing CRV's performance under the SIA to pay for the costs of completing and performing the Subdivision Improvements. In the event such payments are not forthcoming, the City would authorize Ridgeback's attorney to initiate legal proceedings to perfect the claim and enforce payment under the bonds. The proceeds of any funds recovered would be used to first reimburse the City for any costs that the City incurs in this process, second, to fund the completion of the Subdivision Improvements, and last, reimburse Ridgeback its costs.

ENVIRONMENTAL REVIEW

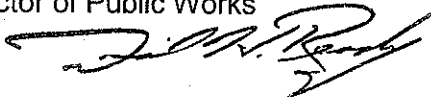
The Environmental Impact Report, and the addendum thereto, for the Canyon South Specific Plan, which includes Tract No. 30046, is the controlling environmental document for Tract No. 30046 and this proposed Agreement.

FISCAL IMPACT:

City costs should be minimal and will be reimbursed through any bond proceeds recovered; thus there is no fiscal impact.



David Barakain
Director of Public Works



David H. Ready, City Manager



Douglas Holland, City Attorney

Attachment: Proposed Reimbursement Agreement

REIMBURSEMENT AGREEMENT
Subdivision Improvements, Tract No. 30046, Palm Springs, CA

THIS REIMBURSEMENT AGREEMENT ("Agreement") is entered into this ____ day of _____, 2010 by and between the CITY OF PALM SPRINGS, a California Charter City and municipal corporation ("City") and RIDGEBACK MONTE SERENO, LLC, a California limited liability company ("Ridgeback") with respect to the following:

RECITALS

- A. On or about August 3, 2005, the City approved final Tract Map Number 30046 (the "Map", and the real property included in such Map being referred to herein as the "Underlying Property").
- B. At the time of the Map's approval, the developer of the Underlying Property, CRV Monte Sereno, LP, a California limited partnership ("Original Developer") entered into a Subdivision Improvement Agreement dated August 3, 2005 with the City (as amended to date, the "SIA") wherein said Original Developer agreed to make certain subdivision improvements to the Underlying Property as a condition of approval of the Final Map (the "Subdivision Improvements").
- C. In accordance with Government Code Section 66462(c), and pursuant to the SIA, the City required that the Original Developer post certain security to assure performance of the condition to build said Subdivision Improvements.
- D. The Original Developer failed to complete all Subdivision Improvements as required and relinquished ownership of the Underlying Property as a result of a default on a loan secured by a first trust deed recorded against the Underlying Property.
- E. Ridgeback is the successor-in-interest in the ownership of a portion of the Underlying Property (the "Ridgeback Property") and acquired the Ridgeback Property following recordation of the Final Map for Tract No. 30046.
- F. Ridgeback did not assume the Original Developer's obligations under the SIA regarding the completion of the Subdivision Improvements upon Ridgeback's acquisition of the Ridgeback Property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. **BONDS.** The City hereby warrants and represents that it currently holds surety bonds posted by the Original Developer intended to secure the Original Developer's obligation to complete the Subdivision Improvements (collectively referred to hereinafter as the "Bonds".) The Bonds currently held by the City are as follows:

Faithful Performance Bond # CDS60850	\$ 417,650.00
Faithful Performance Bond # CDS60851	\$ 680,000.00
Labor and Materials Bond # CDS60849	\$1,000,000.00
Labor/materials bond #CDS60850	\$1,000,000.00
Labor/materials bond #CDS60851	\$ 340,000.00
Monumentation Bond #CDS60852	\$ 13,350.00
Maintenance/Warranty Bond #CDS60853	\$ 702,000.00

1.1 Bond Demand. Within three (3) business days of full execution of this Agreement, the City agrees to make written demand upon the Original Developer to commence within twenty (20) days, and to diligently pursue the completion of, the Subdivision Improvements (the "City Demand"). In the event that the Original Developer does not agree in writing, within five (5) business days of receipt of the City Demand, to commence and complete the Subdivision Improvements in accordance with said City Demand, or if the Original Developer does not timely commence or does not diligently pursue the completion of the Subdivision Improvements following receipt of the City Demand, the City hereby unconditionally and irrevocably authorizes Ridgeback's counsel, on behalf of the City, to draw up and make a claim on the Bonds to pay for the costs of completing and performing the remaining Subdivision Improvements (each a "Bond Claim").

1.2 Bond Claim Enforcement Action. If said Bond Claim is not promptly honored and fully paid by the surety, the City hereby unconditionally and irrevocably authorizes Ridgeback's counsel to file suit on behalf of the City against the surety in order to execute on and enforce the Bond Claims and to seek recovery on and under the Bonds (each an "Enforcement Action"). Ridgeback shall have the right, but not the obligation, to make Bond Claims and to pursue any Enforcement Actions. Any funds recovered by the City pursuant to the Bond Claims or an Enforcement Action or otherwise recovered from an issuer of any of the Bonds (collectively, "Recovered Funds") shall be held in trust in the Escrow (as hereinafter defined) and distributed in accordance with the terms of this Agreement. The City further agrees to fully cooperate with Ridgeback and its counsel in connection with the making of the Bond Claims and the pursuit of the Enforcement Actions, including the execution of any documents related thereto or required thereby. The parties hereto acknowledge that the terms of the Bonds require that a claim be made prior to completion of the bonded improvements, and the parties therefore agree to make the Bond Claims as soon as possible after full execution hereof.

1.3 Bond Claim Costs. Subject to the reimbursement provisions contained herein with respect to any Recovered Funds, Ridgeback agrees to pay for any costs it incurs in making said Bond Claims or pursuing any Enforcement Actions, including but not limited to all attorneys' fees. Ridgeback further agrees to provide the City with cost estimates for completion of said remaining Subdivision Improvements, which cost estimates will be used as the basis for the amount claimed against the Bonds. Any Recovered Funds shall first be paid to City up to the amount of the City's costs incurred in the performance of this Agreement. Following the reimbursement of the City's costs, the Recovered Funds shall be paid to Ridgeback up to the amount of funds actually expended or needed in order to complete the Covered Improvements, as defined and described in Section 2 below, plus the amount of any legal fees and costs and expert

witness and consultant fees and costs incurred by Ridgeback in connection with the Bond Claims, the Enforcement Actions, the drafting and negotiating of this Agreement and any activities related to the foregoing (collectively, the "Reimbursable Items"). Following payment to Ridgeback for the Reimbursable Items, any remaining Recovered Funds shall be disbursed to the City.

2. **COMPLETION OF COVERED IMPROVEMENTS.** In reliance on and in consideration of the City's delivery of the City Demand, and the City's obligation to reimburse Ridgeback for the costs associated with completing the Covered Improvements solely from Recovered Funds, if any, as provided herein, Ridgeback agrees that once a Bond Claim has been made, and subject to the City's full cooperation in connection with Ridgeback's pursuit of any Enforcement Actions, and so long as the City has not materially defaulted in any of its obligations hereunder, Ridgeback shall coordinate and cause the completion of the Subdivision Improvements identified in Schedule 1 attached hereto (collectively, the "Covered Improvements") that were the subject of such Bond Claim in accordance with the milestone schedule also set forth in such Schedule 1, provided such completion of the Covered Improvements does not jeopardize collections pursuant to such Bond Claims or related Enforcement Actions.

Covered Improvements:

- a. Installation of top lift of asphalt for all on-site Streets. Until that occurs, the asphalt base course must be maintained for the currently occupied residences in the tract.
- b. Vacant portions of the site must be stabilized or hydroseeded and maintained as such at all times, for dust control.
- c. Final adjustment to grade of all on-site sewer manholes and water valves.
- d. Final sewer video and completion of all improvements and repairs per approved plans are required to obtain final acceptance and complete turnover of ownership and maintenance of sewer improvements to City.
- e. Completion of all improvements and repairs required to get final acceptance and turnover over of water system to Desert Water Agency (DWA).
- f. Installation of a stop bar and legend at the project entry.
- g. Installation of a gate into the sewer easement area on Bella Vista at the north end of the project.
- h. Installation of Tract Monumentation.
- i. Replacement of the wedge curb at curb returns, with 6 inch curb and gutter in accordance with City of Palm Springs Standard Detail 206.

j. Construction of Traffic Control Islands or "chokers" at the knuckles and three other locations, on the on-site streets in accordance with the approved On-site Street Plans.

k. Completion of all other improvements not accepted by City as determined by City and Ridgeback, that are secured by the outstanding bonds.

Ridgeback's completion of the Covered Improvements, if and to the extent required hereunder, shall be completed in accordance with accepted City standards and in accordance with the conditions of approval applicable to Tract No. 30046.

3. **REIMBURSEMENT FOR COVERED IMPROVEMENTS.** In the event that the City is successful in securing any Recovered Funds, Ridgeback shall be entitled to payment of, or reimbursement for, the Reimbursable Items from the Escrow, pursuant to and in accordance with the terms hereof. Upon completion of all or any portion of the Covered Improvements, Ridgeback may submit payment or reimbursement demands to the City, with a copy to Escrow Holder (as hereafter defined), for that portion of the costs incurred for which reimbursement is then being sought, which demands shall include invoices, proof of payment (if applicable) and a reasonably detailed description of the work or services performed (each a "Payment Demand"). All such Payment Demands shall be accompanied by any appropriate lien releases and/or conditional lien releases from the primary contractors, subcontractors, laborers, and materialmen employed in the completion of the Covered Improvements for which payment is sought. Ridgeback shall also submit to the City any and all invoices for legal fees and costs incurred by Ridgeback in collecting on the Bonds pursuant to any Bond Claims, Enforcement Actions or otherwise (which submitted legal bills shall be deemed Payment Demands hereunder). Upon the City's receipt and approval of a Payment Demand, which approval shall not be unreasonably withheld, conditioned, or delayed, the City shall authorize Escrow Holder (as hereafter defined) to immediately pay to Ridgeback the amount requested in a Payment Demand if and to the extent Recovered Funds remain in the Escrow. If the City has not disapproved a Payment Demand within ten (10) days of receipt thereof, the City shall be deemed to have approved of same, and the City shall provide Ridgeback with a reasonable detailed explanation if any Payment Demand is not approved by the City. Ridgeback acknowledges that reimbursement of the Reimbursable Items shall be made solely from the Recovered Funds, if any. In the event that the Bond issuer denies a Bond Claim and a court of competent jurisdiction finds that the Bond issuer is not liable for the cost of the Covered Improvements in connection with an Enforcement Action related thereto, then Ridgeback acknowledges that it shall not be entitled to reimbursement from the City for Reimbursable Items related to the underlying Bond, or for any other reason or purpose whatsoever.

4. **BOND PROCEEDS HELD IN TRUST.** The parties hereto agree that any Recovered Funds shall be held in trust and immediately shall be deposited into an escrow account ("Escrow") with First American Title Insurance Company ("Escrow Holder"). Escrow Holder shall deposit all such Recovered Funds into an interest bearing account. The Recovered Funds, including accumulated interest thereon, shall first be used to reimburse City for any costs incurred in the performance of this Agreement. Upon payment to the City in full for all costs incurred, and upon completion of the Covered Improvements, any remaining funds in the Escrow shall be used to pay

Ridgeback in full for all of the Reimbursable Items. Any funds remaining in the Escrow following payment in full of the Reimbursable Items shall thereafter be disbursed to City

5. BUILDING PERMITS & CERTIFICATES OF OCCUPANCY.

During the Term of this Agreement, and provided Ridgeback is not in material default of this Agreement after expiration of all applicable notice and cure periods and Ridgeback is otherwise in material compliance with all other City approval requirements applicable to the Ridgeback Property, the City agrees to continue to issue building permits and certificates of occupancy in the ordinary course with respect to homes constructed on lots included as part of the Ridgeback Property.

6. TERM. This Agreement shall remain in effect until the later of: (a) all certificates of occupancy have been issued for residences within the Ridgeback Property or (b) Ridgeback has been reimbursed for all of its costs for completion of the Covered Improvements to the extent available from Bond proceeds or, the Bond issuer has denied coverage under the Bonds and a court of competent jurisdiction has determined that the Bond issuer is not liable for the cost of the Covered Improvements.

7. ASSIGNMENT. Ridgeback shall have the right to assign its rights and benefits under the terms of this Agreement to any successors, and assigns, and all other persons or entities acquiring all or any portion of the Project, or any interest therein, provided however that such assignment must be effected via a written assignment and assumption, first approved in writing by the City, which approval will not be unreasonably withheld or denied, whereby Ridgeback specifically assigns and the Assignee specifically assumes some or all of Ridgeback's rights and responsibilities hereunder.

8. RELATIONSHIP OF PARTIES. It is specifically understood and agreed by and between the parties hereto that the development of the Ridgeback Property is a private development and that neither party is acting as the agent of the other in any respect hereunder. The City and Ridgeback also hereby renounce the existence of any form of joint venture or partnership between them, and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making the City and Ridgeback joint venturers or partners.

9. NO THIRD PARTY BENEFICIARIES. The only parties to this Agreement are Ridgeback and the City. There are no third party beneficiaries and this Agreement is not intended, and shall not be construed, to benefit, or be enforceable by any other person whatsoever.

10. SEVERABILITY. If any term, provision, covenant or condition of this Agreement is repealed by referendum or is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions, if any, of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so invalidated would be unreasonable or grossly inequitable under all the circumstances or would frustrate the purposes of this Agreement.

11. SINGULAR AND PLURAL; GENDER; AND PERSON. Except where the context requires otherwise, the singular of any word shall include the plural and vice versa, and pronouns inferring the masculine gender shall include the feminine

gender and neuter, and vice versa, and a reference to "person" shall include, in addition to a natural person, any governmental entity and any partnership, corporation, joint venture or any other form of business entity.

12. **TIME IS OF THE ESSENCE.** Time is of the essence of this Agreement and of each and every term and condition hereof.

13. **EVENTS OF DEFAULT.** Subject to any extensions of time by mutual consent in writing, the failure or unreasonable delay by either party to perform any material term or provision of this Agreement for a period of thirty (30) days after the dispatch of a written notice of default from the other party shall constitute a default under this Agreement. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period. Any Notice of Default given hereunder shall specify in detail the nature of the alleged Event of Default and the manner in which such Event of Default may be satisfactorily cured in accordance with the terms and conditions of this Agreement.

14. **GENERAL DEFAULT REMEDIES.** After notice and expiration of the 30-day period without cure, the non-defaulting party shall have such rights and remedies against the defaulting party as it may have at law or in equity, including, but not limited to, the right to terminate this Agreement or seek mandamus, specific performance, injunctive or declaratory relief. Any rights or remedies available to non-defaulting party under this Agreement and any other rights or remedies that such party may have at law or in equity upon a default by the other party under this Agreement shall be distinct and separate, providing the non-defaulting party with cumulative rights and remedies. None of such rights or remedies, whether or not exercised by the non-defaulting party, shall be deemed to exclude any other rights or remedies available to the non-defaulting party. The non-defaulting party may, in its discretion, exercise any and all of its rights and remedies, at once or in succession, at such time or times as the non-defaulting party considers appropriate.

15. **LEGAL ACTION; ATTORNEYS' FEES.** Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy a default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation hereof, or enforce by specific performance the obligations and rights of the parties hereto. The prevailing party in any such action shall be entitled to its reasonable attorneys' fees and costs to be paid by the losing party.

16. **INDEMNITY.** To the fullest extent permitted by law, Ridgeback shall indemnify, defend (at Ridgeback's sole cost and expense), protect and hold harmless City, its officers, council members, officials, employees, agents and volunteers (collectively "Indemnitees") against any and all liabilities, claims, judgments, arbitration awards, settlements, costs, demands, orders, and penalties (collectively "Claims"), including but not limited to Claims arising from injuries or death of persons and damage to property, which Claims arise out of, pertain to, or are related to the performance of this Agreement, except to the extent such Claims arise from the recklessness or willful misconduct of the Indemnitees.

17. **WAIVER.** All waivers must be in writing to be effective or binding upon the waiving party, and no waiver shall be implied from any omission by a party to take any action with respect to an Event of Default. Failure by a party to insist upon the strict performance of any of the provisions of this Agreement by the other party shall not constitute waiver of such party's right to demand strict compliance by the other party in the future. In addition, no express written waiver of any Event of Default shall affect any other Event of Default, or cover any other period of time specified in such express waiver.

18. **AMENDMENTS.** This Agreement may be amended from time to time by mutual consent of the original parties or their successors in interest.

19. **AMBIGUITIES OR UNCERTAINTIES.** The parties hereto have mutually negotiated the terms and conditions of this Agreement and each party received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions contained herein. As such, this Agreement is a product of the joint drafting efforts of both parties and neither party shall be deemed to have solely or independently prepared or framed this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of either party.

20. **APPLICABLE LAW** This Agreement shall be construed and enforced in accordance with the laws of the State of California.

21. **VENUE** In the event that suit is brought by either party to this Agreement, venue shall be exclusively vested in the State courts of the County of Riverside, California or where appropriate, in the United States District Court, Southern District of California, Riverside, California.

22. **NOTICES.** Any notice or communication required hereunder between City or Ridgeback shall be in writing, and may be given either personally or by registered mail, return-receipt requested. Notice, whether given by registered mail or personal delivery, shall be deemed to have been given and received on the actual receipt by any of the addresses designated below as the party to whom notices are to be sent. Any party hereto may at any time, upon written notice to the other party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the parties at their addresses set forth below:

To City: City of Palm Springs
3200 E. Tahquitz Canyon Way
Palm Springs, CA 92262
Attention: City Manager

To Ridgeback: Ridgeback Monte Sereno, LLC
97 Roundhill
Teburon, CA 94920

With a copy to: Emily Perri Hemphill
Ealy, Hemphill & Blasdel, LLP
71780 San Jacinto, Suite I-3
Rancho Mirage, CA 92270

23. **ENTIRE AGREEMENT.** This Agreement and the Schedules attached hereto, contain all the representations and the entire agreement between the parties with respect to the subject matter hereof; any prior correspondence, memoranda, agreements, warranties or representations are superseded in total by those documents except as otherwise specified.

24. **COUNTERPARTS.** This Agreement may be executed in duplicate counterpart originals, each of which is deemed to be an original, and all of which when taken together shall constitute one and the same instrument. Electronically transmitted signatures shall be deemed and accepted as if they were originals.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this instrument the day and year first hereinabove written.

CITY OF PALM SPRINGS,
a California charter city and municipal corporation

David H. Ready, City Manager

ATTEST:

James Thompson, City Clerk

APPROVED AS TO FORM

Douglas C. Holland, City Attorney

RIDGEBACK MONTE SERENO, LLC,
a California limited liability company

By: _____

Its: _____

Schedule 1
Covered Improvements Milestone Schedule:

- a. Installation of top lift of asphalt for all on-site Streets. Until that occurs, the asphalt base course must be maintained for the currently occupied residences in the tract.

Milestone Completion Date: For work east of Monte Sereno Street – 12/31/2013

Milestone Completion Date: For work west of Monte Sereno Street - 12/31/2014

- b. Vacant portions of the site must be stabilized or hydroseeded and maintained as such at all times, for dust control.

Milestone Completion Date: Ongoing, as required to comply with City dust control requirements

- c. Final adjustment to grade of all on-site sewer manholes and water valves.

Milestone Completion Date: For work east of Monte Sereno Street – 12/31/2013

Milestone Completion Date: For work west of Monte Sereno Street - 12/31/2014

- d. Final sewer video and completion of all improvements and repairs per approved plans are required to obtain final acceptance and complete turnover of ownership and maintenance of sewer improvements to City.

Milestone Completion Date: 12/31/2014

- e. Completion of all improvements and repairs required to get final acceptance and turnover over of water system to Desert Water Agency (DWA).

Milestone Completion Date: 12/31/2014

- f. Installation of a stop bar and legend at the project entry.

Milestone Completion Date: For work east of Monte Sereno Street – 12/31/2013

- g. Installation of a gate into the sewer easement area on Bella Vista at the north end of the project.

Milestone Completion Date: For work east of Monte Sereno Street – 12/31/2013

h. Installation of Tract Monumentation.

Milestone Completion Date: For work east of Monte Sereno Street -
12/31/2013

Milestone Completion Date: For work west of Monte Sereno Street -
12/31/2014

i. Replacement of the wedge curb at curb returns, with 6 inch curb and gutter
in accordance with City of Palm Springs Standard Detail 206.

Milestone Completion Date: For work east of Monte Sereno Street -
12/31/2013

Milestone Completion Date: For work west of Monte Sereno Street -
12/31/2014

j. Construction of Traffic Control Islands or "chokers" at the knuckles and
three other locations, on the on-site streets in accordance with the
approved On-site Street Plans.

Milestone Completion Date: For work east of Monte Sereno Street -
12/31/2013

Milestone Completion Date: For work west of Monte Sereno Street -
12/31/2014

k. Completion of all other improvements not accepted by City as determined
by City and Ridgeback, that are secured by the outstanding bonds.

Milestone Completion Date: Based upon reasonable determination of City
& Ridgeback

Ridgeback's completion of the Covered Improvements, if and to the extent
required hereunder, shall be completed in accordance with accepted City
standards and in accordance with the conditions of approval applicable to Tract
No. 30046.