

FIGURE 12

SUBDIVISION IMPROVEMENTS
AGREEMENT-PUBLIC AND/OR PRIVATE
(Procedure B Modified Non-Work Order)
Project No. 76338

AGREEMENT TO CONSTRUCT
PUBLIC AND/OR PRIVATE SUBDIVISION IMPROVEMENTS

THIS AGREEMENT is made this 21st day of September, 2006,
by and between the City of Albuquerque, New Mexico ("City"), a municipal
corporation, whose address is P. O. Box 1293 (One Civic Plaza), Albuquerque, New
Mexico 87103, and KB Home New Mexico, Inc.
("Subdivider"), a [state the type of business entity, for instance, "New
Mexico corporation," "general partnership," "joint venture," "individual," etc.:]
New Mexico Corporation, whose address is 6330 Riverside Plaza Lane, NW
Suite 200, Albuquerque NM 87126 and whose telephone number is (505) 353-5300,
is made in Albuquerque, New Mexico, and is entered into as of the date of
final execution of this Agreement.

1. Recital. The Subdivider is developing certain lands within the City
of Albuquerque, Bernalillo County, New Mexico, known as
[describe:] Tract 2, Bulk Land Plat of Vista Vieja Subdivision

_____, recorded on 4/21/2005
in the records of the Bernalillo County Clerk at Book 2005C,
pages 122 through --- (the "Subdivision"). The Subdivider certifies
that the Subdivision is owned by [state the name of the present real property
owner exactly as shown on the real estate document conveying title in the
Subdivision to the present owner:] KB Home New Mexico, Inc.

("Owner").

The Subdivider has submitted and the City has approved a preliminary plat
or Site Development Plan identified as Vista Vieja Unit 2

describing Subdivider's Property.

As a result of the development of the Subdivision, the Subdivision
Ordinance ("S.O.") and/or the Zoning Code, Section 14-16-3-11, require the
Subdivider, at no cost to the City, to install certain public and/or private
Improvements, which are reasonably related to the development of the Subdivision,
or to financially guarantee the construction of the public and/or private
Improvements as a prerequisite to approval of the final plat of, or
the Site Development Plan for the Subdivision.

2. Improvements and Construction Deadline. The Subdivider agrees to
install and complete the public and/or private improvements described in
Exhibit A, the required infrastructure listing ("Improvements"), to the
satisfaction of the City, on or before the 1st day of September, 2008,
2008 ("Construction Completion Deadline"), at no cost to the City.

Note: To compute the Construction Completion Deadline: the Construction
Completion Deadline can be no later than two years after execution of this
Agreement. (See Subdivision Ordinance Section 14-14-3.) If this Agreement, with
any amendments does not utilize the maximum time allowed for completion
of construction, the Subdivider may obtain an extension of the Construction
Completion Deadline if Subdivider shows adequate reason for the extension.



3. Financial Guaranty. The Subdivider must provide the City with a financial guaranty in an amount of not less than 125% of the estimated cost of constructing the Improvements, as approved by the City Engineer. The financial guaranty must be irrevocable and may be in the form of a letter of credit, escrow deposit or loan reserve letter issued by a Federally Insured Financial Institution; a bond issued by a surety qualified to do business in New Mexico; or other pledge of liquid assets which meets all City requirements. The City must be able to call the financial guaranty at any time within the sixty (60) days immediately following the Construction Completion Deadline.

To meet the Subdivision Ordinance requirements, the Subdivider has acquired or is able to acquire the following "Financial Guaranty:"

Type of Financial Guaranty: SUBDIVISION IMPROVEMENTS BOND
Amount: \$257,081.30 Name of Financial Institution or Surety
providing Guaranty: TRAVELERS CASH AND SURETY CO. OF AMERICA #104795837
Date City first able to call Guaranty:
[Construction Completion Deadline]: 1 September, 2008
If Guarantee other than Bond, last day City able to call on Guaranty
is: 10
Additional information:

4. Completion, Acceptance and Termination. Upon completion of the required infrastructure, the Subdivider shall notify the City Engineer and the Design Review Section of Planning Department. After the City Engineer approves the construction, the City will promptly release this Agreement and the Financial Guaranty.

5. Indemnification. Until the Improvements are accepted by the City, the Subdivider shall be solely responsible for maintaining the premises upon which the Improvements are being constructed in a safe condition. The Subdivider agrees to defend, indemnify and hold harmless the City and its officers, agents and employees from any claims, actions, suits or other proceedings arising from or out of the negligent acts or omissions of the Subdivider, its agents, representatives, contractors or subcontractors or arising from the failure of the Subdivider, its agents, representatives, contractors or subcontractors to perform any act or duty required of the Subdivider herein; provided, however, to the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to this Agreement, this Agreement to indemnify will not extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the indemnitee, or the agents or employees of the indemnitee; or (2) the giving of or the failure to give directions or instructions by the indemnitee, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property. The indemnification required hereunder shall not be limited as a result of the specifications of any applicable insurance coverage. Nothing herein is intended to impair any right or immunity under the laws of the State of New Mexico.

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07/02



Mary Herrera

Gen. Co. AGRE

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6. Assignment. This Agreement shall not be assigned without the prior written consent of the City and the Subdivider and the express written concurrence of any financial institution or surety which has undertaken to guarantee the completion of the Improvements. The City's approval will not be withheld unreasonably. If so assigned, this Agreement shall extend to and be binding upon the successors and assigns of the parties hereto.

7. Release. If the Subdivision or any part thereof is sold, conveyed or assigned, the City will not release the Subdivider from its obligations under this Agreement and will continue to hold the Subdivider responsible for all Improvements until a successor in interest to the Subdivider has posted a suitable financial guaranty and entered into a Subdivision Improvements Agreement with the City. Thereafter, when the Subdivider's successor in interest has provided a substitute financial guaranty acceptable to the City, the City will release this Agreement and any related Financial Guaranty.

8. Payment for Incomplete Improvements. If the Subdivider fails to satisfactorily complete construction of the Improvements by the Construction Completion Deadline, the City may construct or cause the Improvements to be constructed as shown on the final plat and in the approved plans and specifications. The Subdivider shall be jointly and severally liable to pay to, and indemnify the City for the total cost, including, but not limited to engineering, legal and contingent costs, together with any damages, either direct or consequential, which the City may sustain as a result of Subdivider's failure to perform as required by this Agreement. If the direct or indirect costs and damages to the City exceed the amount of the Financial Guaranty, the Subdivider shall be liable to, and shall pay, the City for all such costs and damages. The surety or sureties shall be jointly and severally liable to pay to and indemnify the City for the total cost to the extent of their obligations pursuant to the Financial Guaranty.

9. Binding on Subdivider's Property. The provisions of this Agreement constitute covenants running with Subdivider's Property for the benefit of the City and its successors and assigns until terminated, and are binding on the Subdivider and the Owner and their heirs, successors and assigns.

10. Notice. For purposes of giving formal written notice, including notice of change of address, the Subdivider's and the City's addresses are as stated in the first paragraph of this Agreement. Notice may be given either in person or by certified U.S. mail, postage paid. Notice will be considered to have been received within six days after the notice is mailed if there is no actual evidence of receipt.

11. Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

12. Changes to Agreement. Changes to this Agreement are not binding unless made in writing, signed by both parties.

13. Construction and Severability. If any part of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement will remain valid and enforceable if the remainder is reasonably capable of completion.

14. Captions. The captions to the sections or paragraphs of this Agreement are not part of this Agreement and will not affect the meaning or construction of any of its provisions.

15. Form not Changed. Subdivider agrees that changes to this form are not binding unless initialed by the Subdivider and signed by the City's Legal Department on this form.

16. Authority to Execute. If the Subdivider signing below is not the Owner of the Subdivision, the Owner must execute the Power of Attorney below.

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07/02



Mary Herrera

Bern. Co. AGRE

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Executed on the date stated in the first paragraph of this Agreement.

SUBDIVIDER:

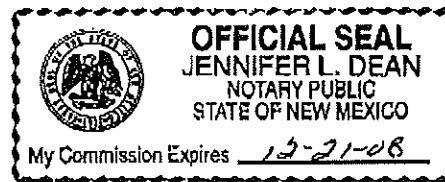
CITY OF ALBUQUERQUE

By (Signature): [Signature]
Name: Gary Jenkins
Title: Vice President, Land
Dated: 8/29/06

City Engineer
Dated: 9-21-06

KP abolao

29-15-06



STATE OF New Mexico
COUNTY OF Bernalillo ss.

SUBDIVIDER'S NOTARY

This instrument was acknowledged before me on 29 day of August, 2006 by (name(s) of person(s)): Gary Jenkins (title or capacity, for instance, "President" or "Owner"): Vice President of (Subdivider): KP Home New Mexico

Jennifer L. Dean
Notary Public

My Commission Expires: 12-21-08

CITY'S NOTARY

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

This instrument was acknowledged before me on 31st day of September, 2006 by Richard Aburto, City Engineer, of the City of Albuquerque, a municipal corporation, on behalf of said corporation.

Glenn A. Saavedra
Notary Public

My Commission Expires: 11-25-2007

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07/02



Harry Herrera

Bern. Co. AGRE

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FIGURE 12
INFRASTRUCTURE LIST

ORIGINAL

DEVELOPMENT REVIEW BOARD (D.R.B.) REQUIRED INFRASTRUCTURE LIST

Date Submitted: 4/4/2006
Date Site Plan Approved: 8/31/05
Date Preliminary Plat Approved: 8/31/06
DRB Project No.: 1004365
DRB Application No.: 06-00527

VISTA VIEJA UNIT 2

PROPOSED NAME OF PLAT AND/OR SITE DEVELOPMENT PLAN

TRACT 2, BULK LAND PLAT OF VISTA VIEJA SUBDIVISION
EXISTING LEGAL DESCRIPTION PRIOR TO PLATTING ACTION

8-25-06

Following is a summary of PUBLIC/PRIVATE Infrastructure required to be constructed or financially guaranteed for the above development. This Listing is not necessarily a complete listing. During the SIA process and/or in the review of the construction drawings, if the DRC Chair determines that appurtenant items and/or unforeseen items have not been included in the infrastructure listing, the DRC Chair may include those items in the listing and related financial guarantee. Likewise, if the DRC Chair determines that appurtenant or non-essential items can be deleted from the listing, those items may be deleted as well as the related portions of the financial guarantees. All such revisions require approval by the DRC Chair, the User Department and agent/owner. If such approvals are obtained, these revisions to the listing will be incorporated administratively. In addition, any unforeseen items which arise during construction which are necessary to complete the project and which normally are the Subdivider's responsibility will be required as a condition of project acceptance and close out by the City.

Financially Guaranteed DRC #	Constructed Under DRC #	Size	Type of Improvement	Location	From	To	Construction Certification		
							Inspector	P.E.	City Cnst Engineer
763382	763382	28' F-F 1000'	Res. Paving w/ C&G, 4' Sidewalk Both Sides, (sidewalk deferred)	Vista del Sol Drive, NW	Go West Road, NW	Bouvardia Avenue, NW	/	/	/
		24' F-F (south half) 350'	Res. Paving w/ C&G South Side, 6' Sidewalk South Side (roadway & sidewalk deferred)	Sportic Road, NW OFFICE	Vista Terraza Drive, NW	extent of right-of-way adjacent to Tract 2, approx. 350' East	/	/	/
		28' F-F 600'	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Bouvardia Avenue, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
		28' F-F 650'	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Chilite Pine Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
		28' F-F 750'	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Mock Heather Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
		20' F-F 950'	Res. Paving (alley section)	Alley	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/

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ORIGINAL

Size	Type of Improvement	Location	From	To	Construction Certification		
					Inspector	P.E.	City Cnat. Engineer
28' F-F	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Groundsel Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
1030'							
28' F-F	Res. Paving w/ C&G, 4' Sidewalk South Side (sidewalk deferred)	Go West Road, NW	N-S Alley between Vista Terraza Dr. & Tierra Vieja SL, NW	Tierra Vieja SL, NW	/	/	/
28' F-F	Res. Paving w/ C&G, 4' Sidewalk South Side (sidewalk deferred)	Go West Road, NW	Lava Rock Drive, NW	Vista del Sol Drive, NW	/	/	/
800'							
28' F-F	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Hawk Eye Road, NW	Vista Antigua Drive, NW	Tierra Vieja Street, NW	/	/	/
400'							
28' F-F	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Vista Antigua Drive, NW	Wild Dunes Road, NW	Hawk Eye Road, NW	/	/	/
250'							
28' F-F	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Vista Terraza Drive, NW	Hawk Eye Road, NW	Mock Heather Road, NW	/	/	/
700'							
32' F-F	Res. Paving w/ C&G, 6' Sidewalk Both Sides (sidewalk deferred)	Vista Terraza Drive, NW	Mock Heather Road, NW	Scenic Road, NW	/	/	/
700'							
20' F-F	Res. Paving (alley section)	Alley	Hawk Eye Road, NW	Approx 130' north of Go West Rd., NW	/	/	/
400'							
20' F-F	Res. Paving (alley section)	Alley	Mock Heather Road, NW	Bouvardia Ave., NW	/	/	/
400'							
28' F-F	Res. Paving w/ C&G, 4' Sidewalk Both Sides (sidewalk deferred)	Lava Rock Drive, NW	Groundsel Road, NW	Mock Heather Road, NW	/	/	/
240'							
20' F-F	Res. Paving (alley section) Unit 1- see Note # below	Alley	Lava Rock Drive, NW	Vista del Sol Drive, NW	/	/	/
500'							

most Sides are deferred on this document is a

Although most SaaS are delivered on IaaS, developer is constructing SaaS which can be built with rest of infrastructure at the same time.

Financially Guaranteed	Constructed Under	DRC #
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☒	☒	☒
N/A		763381
763382		763382

ORIGINAL

Size	Type of Improvement	Location	From	To	Construction Certification		
					Inspector	P.E.	City Cast Engineer
24" Dia. 1200'	4W Water Transmission Line w/ Appurtenances	81st Street RAW & easement Tract C, Unit 1 & Tract C, Unit 2)	Onyx Court, NW	Vista del Sol Drive, NW	/	/	/
30" Dia. 1050'	4W Water Transmission Line w/ Appurtenances	Vista del Sol Drive, NW	Go West Road, NW	Bouvardia Avenue, NW	/	/	/
30" Dia. 580'	4W Water Transmission Line w/ Appurtenances	Bouvardia Avenue, NW	Vista del Sol Drive, NW	Parcel A (in easement)	/	/	/
30" Dia.	4W Water Trans. Line w/ Appurtenances (Scenic deferred)	Parcel A (in easement) & Soenic Blvd., NW	Bouvardia Avenue, NW	Vista Terraza Drive, NW	/	/	/
12" Dia. 1100'	4W Water Transmission Line w/ Appurtenances	Groundsel Road, NW	Vista del Sol Drive, NW	Vista Terraza Drive, NW	/	/	/
10" Dia. 1050'	3WR Waterline w/ Appurtenances	Vista del Sol Drive, NW	Go West Road, NW (tie to Unit 1 Line)	Bouvardia Avenue, NW	/	/	/
10" Dia. 670'	3WR Waterline w/ Appurtenances	Bouvardia Avenue, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
8" Dia. 80'	3WR Waterline w/ Appurtenances	Chilte Pine Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
8" Dia. 940'	3WR Waterline w/ Appurtenances	Mock Heather Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
10" Dia. 1070'	3WR Waterline w/ Appurtenances	Groundsel Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/	/
8" Dia.	3WR Waterline w/ Appurtenances	Go West Road, NW	N-S Alley between Vista Terraza Dr. & Tierra Vieja SL, NW	Tierra Vieja Street, NW	/	/	/
8" Dia. 520'	3WR Waterline w/ Appurtenances	Hawk Eye Road, NW	Vista Anigua Drive, NW	Tierra Vieja Street, NW	/	/	/

775' Used to locate Franchise as per Green.

Financially Guaranteed DRC #	Constructed Under DRC #	Size	Type of Improvement	Location	From	To	Construction Certification	
							Inspector	P.E.
		8" Dia.	3WR Waterline w/ Appurtenances	Vista Antigua Drive, NW	Wild Dunes Road, NW	Hawk Eye Road, NW	/	/
763382	763382	8" Dia. 540'	3WR Waterline w/ Appurtenances	Vista Terraza Drive, NW	Hawk Eye Road, NW	Groundsel Road, NW	/	/
		10" Dia. 1000'	3WR Waterline w/ Appurtenances	Vista Terraza Drive, NW	Groundsel Road, NW	Scenic Road, NW	/	/
		8" Dia.	3WR Waterline w/ Appurtenances (deferred)	Scenic Road, NW	Vista Terraza Drive, NW	Atrisco Drive, NW	/	/
		790' Used to Color Franchise, as per Green.						
763384	763382	12" Dia. 1500'	Sanitary Sewer w/ MHs & Appurtenances (Max 3.0 mgd flow allowed)	Vista del Sol Drive, NW	81st St/Uniser in R/W & easement (Go West Road, NW)	Bouvardia Avenue, NW	/	/
		12" Dia. 700'	Sanitary Sewer w/ MHs & Appurtenances (Max 3.0 mgd flow allowed)	Bouvardia Avenue, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/
		12" Dia. 150'	Sanitary Sewer w/ MHs & Appurtenances (Max 3.0 mgd flow allowed)	Vista Terraza Drive, NW	Bouvardia Avenue, NW	Scenic Road, NW	/	/
		8" Dia. 840'	Sanitary Sewer w/ MH & Appurtenances	Chilte Pine Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/
		8" Dia. 960'	Sanitary Sewer w/ MH & Appurtenances	Mock Heather Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/
		10" Dia. 1100'	Sanitary Sewer w/ MHs & Appurtenances	Groundsel Road, NW	Vista Terraza Drive, NW	Vista del Sol Drive, NW	/	/
		10" Dia. 500'	Sanitary Sewer w/ MH & Appurtenances	Hawk Eye Road, NW	Vista Antigua Drive, NW	Tierra Vieja Street, NW	/	/
		8" Dia. 370'	Sanitary Sewer w/ MH & Appurtenances	Vista Terraza Drive, NW	Hawk Eye Road, NW	approx. 400 LF north of Hawk Eye Road, NW	/	/
		8" Dia.	Sanitary Sewer w/ MH & Appurtenances (deferred)	Scenic Road, NW	Vista Terraza Drive, NW	Atrisco Road, NW	/	/
		775' Used to Color Franchise as per Green.						

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ORIGINAL

Financially Guaranteed DRC #	Constructed Under DRC #	Size	Type of Improvement	Location	From	To	Construction Certification			
							Inspector	P.E.	City Crst. Engineer	
763382	763382	42" 36" Dia. 400' 450'	Storm Drain w/ Inlets & Appurtenances	Vista del Sol Drive, NW	Channel Crossing Near Go West Road, NW	Bouvardia Avenue, NW	/	/	/	
		42" 36" Dia. 210' 400'	Storm Drain w/ Inlets & Appurtenances	Vista Terraza Drive, NW	Channel Crossing near Groundsel Road, NW	Chilite Pine Road, NW	/	/	/	
		84" Dia. 250'	Storm Drain w/ Inlets & Appurtenances	Parcel C and Lot 1, Block 5, Unit 25 Volcano Cliffs	Vista del Sol Drive, NW	Temp Retention Pond with Boca Negra Dam Site	/	/	/	
		7 acre feet	Temporary Retention Pond with easement & w/ Agreement & Covenant	Parcel D & offsite Lot 1, Block 5, Unit 25 Volcano Cliffs	NO FG needed As per Bredt Bringham 8/29/2006				/	/
763382	763382	25' Bottom Width 900'	Rip-Rep Lined Earthen Channel w/ Drop Structures & Street Curb	Parabols B & C, Vista Terraza Dr. & Vista del Sol Dr.	Vista Terraza Drive, NW	Proposed Boca Negra Dam at East limit of site	/	/	/	
		48" Dia. 900'	Storm Drain w/ Inlets & Appurtenances (deferred)	Scenic Road, NW	Vista Terraza Drive, NW	Proposed Boca Negra Dam at East limit of site	/	/	/	
The items listed below are on the CCIP and approved for Impact Fee credits. Signatures from the Impact Fee Administrator and the City User Department is required prior to DRB approval of this listing. The items listed below are subject to the standard SIA requirements.										
Financially Guaranteed DRC #	Constructed Under DRC #	Size	Type of Improvement	Location	From	To	Construction Certification			
							Inspector	P.E.	City Crst. Engineer	
							/	/	/	
							/	/	/	
Approval of Creditable Items:							Approval of Creditable Items:			
Impact Fee Administrator Signature							City User Dept. Signature			
Date							Date			

Financially
Guaranteed
DRC #

ORIGINAL

Construction Certification
Inspector P.E. City Const
Engineer

Size Type of Improvement Location From To
If the site is located in a floodplain, then the financial guarantee will not be released until the LOMR is approved by FEMA.
Street lights per City requirements.

- 1 A Landscape Maintenance Agreement is required for landscaping in the public right-of-way prior to release of financial guarantees.
- 2 Certification that perimeter walls were installed per DRB approved perimeter wall design shall be provided to the City prior to the release of financial guarantees.
- 3 Engineer's Certification of Grading Plan required for release of SIA and Financial Guarantees.
- 4 Trail system will be privately maintained under a landscape maintenance agreement with the City of Albuquerque.
- 5 20' alley between Lava Rock Dr. and Vista del Sol Dr. will be built with Unit 1 infrastructure but was not included on the Unit 1 Infrastructure List
- 6

AGENT/OWNER DEVELOPMENT REVIEW BOARD MEMBER APPROVALS
Robert MacLack, P.E. NAME
DRB CHAIR - date 7/19/06
PARKS & GENERAL RECREATION - date 4/19/06

Wilson & Company, Inc. FIRM
TRANSPORTATION DEVELOPMENT - date 6-19-06
AMAFCA - date
UTILITY DEVELOPMENT - date
CITY ENGINEER - date
Signature - date 4/19/06

DESIGN REVIEW COMMITTEE REVISIONS			
REVISION	DATE	DRC CHAIR	USER DEPARTMENT
1	8/25/08	[Signature]	AGENCY/OWNER

FINANCIAL GUARANTY AMOUNT

08/28/2006

Type of Estimate: SIA Procedure - B - Modified w/F.G.

Project Description:

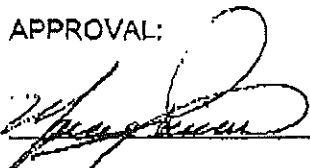
Project ID #: 763382, Vista Vieja Subdivision, Ph. 2, Phase/Unit #: 1

Requested By: Robert MacLake, P.E.; Wilson and Company

Approved estimate amount:		\$161,087.50
Contingency Amount:	10.00%	\$16,108.75
Subtotal:		\$177,196.25
NMGRT	6.875%	\$12,182.24
Subtotal:		\$189,378.49
Engineering Fee	6.60%	\$12,498.98
Testing Fee	2.00%	\$3,787.57
Subtotal:		\$205,665.04
FINANCIAL GUARANTY RATE		1.25
Retainage Amount:		\$.00
TOTAL FINANCIAL GUARANTY REQUIRED		<u>\$257,081.30</u>

APPROVAL:

DATE:

Aug. 28, 2006

Notes: Landscape Maint. Agree; Cert of Perimeter Walls; Cert of Grading all needed prior to release of FG.

FIGURE 16

CIRCLE ONE:
SUBDIVISION BOND FOR:
SIA, SW'S, SPCL.AGRMT.

BOND NO. (SURETYS NO.): 104795837
CONTACT PERSON'S NAME: Jennifer Dean

SUBDIVISION IMPROVEMENTS BOND

KNOW ALL MEN BY THESE PRESENTS: That we KB HOME New Mexico Inc. ("SUBDIVIDER") a New Mexico corporation, as "Principal", and Travelers Casualty and Surety Company of America ("NAME OF SURETY"), a corporation organized and existing under and by virtue of the laws of the State of Connecticut and authorized to do business in the State of New Mexico, as "Surety," whose address is 700 N. Central Ave., 8th Fl., Glendale, CA 91203 and whose telephone number is (818) 409-4240, are held and firmly bound unto the CITY OF ALBUQUERQUE in the penal sum of Two Hundred Fifty Seven Thousand Eighty One and 30/100 Dollars, (\$257,081.30), as amended by change orders approved by the Surety or changes to the infrastructure list approved by the City Development Review Board, the payment of which is well and truly to be made, and each of us bind ourselves, our and each of our heirs, executors, administrators, successors and assigns, jointly and severally, and firmly by these presents.

NOW, THEREFORE, the condition of the above obligation is such that:

WHEREAS, the Principal is the owner of and/or is interested in or is developing land and premises known as Vista Vieja, Unit 2 and #763382 CITY PROJECT NO.); and

WHEREAS, said Subdivision is subject to the provisions and conditions of the ordinance of the CITY OF ALBUQUERQUE known as the Subdivision Ordinance, the requirements of which include the installation of various other improvements by the Principal; and

WHEREAS, the Subdivision Ordinance also requires the Principal to install and construct the following improvements at the Subdivision: [list the improvements, e.g., water, sewer, pavement, sidewalks:]

Scenic Road Deferral

("IMPROVEMENTS")

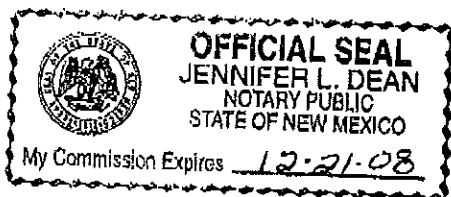
All construction shall be performed in accordance with the Agreement to Construct Public and/or Private Subdivision Improvements Agreement entered into between KB HOME New Mexico Inc. ("NAME OF SUBDIVIDER") and the CITY OF ALBUQUERQUE, as recorded in the office of the Clerk of Bernalillo County, New Mexico, in Book Misc. (leave blank) _____, pages _____ through _____, as amended by change orders or amendments to the Agreement.

NOW, THEREFORE, if the Principal completes construction of the Improvements and facilitates and performs the work herein above specified to be performed, all on or before September 1, 20 08 ("the Construction Completion Deadline"), then this obligation shall be null and void; if the Principal does not complete construction by or before the Construction Completion Deadline, the City may call on this obligation until released by the City.

IN WITNESS WHEREOF, this bond has been executed this 8th day of September, 2006.

SUBDIVIDER: KB HOME New Mexico Inc.

By [signature:] [Signature]
Name: Gary Jenkins
Title: Vice President of Land
Dated: 9-8-06



SURETY: Travelers Casualty and Surety Company of America

By [signature:] [Signature]
Name: Joyce Heppin
Title: Attorney-in-Fact
Dated: September 8, 2006

STATE OF New Mexico
COUNTY OF Bernalillo ss.

Subscribed and sworn to before me this 8 day of September, 2006.

[Signature]
Notary Public

My Commission Expires:

12-21-08

*NOTE: Power of Attorney for Surety must be attached.

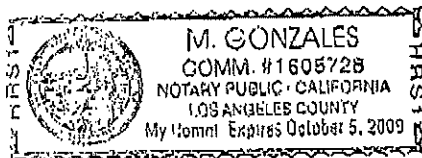
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

On September 8, 2006 before me, M. Gonzales, Notary Public, personally appeared Joyce Herrin personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.




M. Gonzales



POWER OF ATTORNEY

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company

Attorney-In Fact No. 217027

Certificate No. 001150001

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (therein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

E. S. Albrecht, Jr., Lisa L. Thornton, C. K. Nakamura, Maria Pena, Tracy Aston, Marina Tapia, Brenda Wong, Michael R. Mayberry, KD Conrad, Joyce Herrin, and Simone Gerhard

of the City of Los Angeles, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 8th day of June, 2006

Farmington Casualty Company
 Fidelity and Guaranty Insurance Company
 Fidelity and Guaranty Insurance Underwriters, Inc.
 Seaboard Surety Company
 St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
 St. Paul Mercury Insurance Company
 Travelers Casualty and Surety Company
 Travelers Casualty and Surety Company of America
 United States Fidelity and Guaranty Company



State of Connecticut
 City of Hartford ss.

By:

George W. Thompson
 George W. Thompson, Senior Vice President

On this the 8th day of June, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereto set my hand and official seal.
 My Commission expires the 30th day of June, 2011.



Marie C. Tetreault
 Marie C. Tetreault, Notary Public

