

MODEL HOME AGREEMENT  
Tentative Tract No. 18979

This Agreement is made and entered into this 7th day of December, 2016 by Redlands Pioneer, LLC, a Delaware limited liability company, whose business address is 10621 Civic Center Drive, Rancho Cucamonga, California 91730, ("Builder") and the City of Redlands, a municipal corporation ("City").

RECITALS

WHEREAS, Builder is the developer of certain real property for which Tentative Tract No. 18979 has been approved and which is more particularly shown in Exhibit "A," attached hereto and incorporated herein by this reference ("Property"); and

WHEREAS, Builder desires to construct four (4) model homes on the Property prior to the recordation of a final map for Tentative Tract No. 18979; and

WHEREAS, Builder agrees to provide security to assure Builder's performance under this Agreement, in the form of cash;

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged the City of Redlands and Redlands Pioneer, LLC hereby agree as follows:

AGREEMENT

Section 1: Model Homes. Builder may construct four (4) model homes on the Property which shall be used solely for the purpose of display and sale of similar dwelling units to be constructed within Tentative Tract No. 18979. Such model homes shall not be sold or occupied for residential purposes until a final map is recorded creating a separate legal lot for each model home.

Section 2: Builder's Obligations. In the event a final map creating a separate lot for each model home is not recorded by December 31, 2017, Builder shall immediately demolish and remove such model homes including any access paving and parking lots, unless a written extension is granted in writing by City.

Section 3: Security. The amount of security for the performance of this Agreement is Eighty Thousand Dollars (\$80,000) in the form of cash (the "Security"). The making of an application for an extension of time by Builder shall, upon granting of the application by City, constitute a waiver by Builder of all defenses of laches, estoppel, statutes of limitation, and other limitations of action in any action or proceeding filed by City within the period of four years immediately following the date to which the time of performance was extended.

Section 4: City Remedies.

A. If Builder fails to demolish and remove the model homes as required by this Agreement, or fails to comply with any other obligation contained herein, Builder shall be liable to City for any administrative expenses, costs and attorney's fees incurred in obtaining compliance with this Agreement and such expenses, costs and fees incurred in processing any action for damages or for any other remedies permitted by law.

B. Upon default of any obligation hereunder, and at any time after any such default, City may make written demand upon Builder, to immediately remedy the default or complete the demolition of the model homes and removal work. If the remedial activities or completion of work are not commenced within thirty days after such demand is made and are not thereafter diligently prosecuted to completion and fully completed within sixty days after the making of such demand (or such other time as may be contained in the demand), City may then complete or arrange for completion of all remaining work or conduct such remedial activity as in the sole judgment of City may be required, all at the full expense and obligation of Builder and all without the necessity of giving any further notice to Builder before City performs or arranges for the performance of any remaining work and whether or not Builder has begun any of the required work at the time. In the event City elects to complete or arrange for completion of the remaining demolition and removal work, the Community Development Director, upon such election, may require all work by Builder to cease in order to permit adequate coordination by City for completing the remaining work.

C. For the purpose of City or its contractor demolishing and removing the model homes and other improvements, Builder hereby grants an irrevocable right of entry to City, its officers, employees, agents and contractors to enter upon the Property and to demolish and remove the model homes and access paving in the event of a Builder Default.

Section 5: Release of Security. Upon recordation of Final Tract Map 18979, Builder shall be deemed to have satisfied Builder's obligations under this Model Home Agreement ("Agreement"). Within ten (10) days of recordation of Final Tract Map 18979, the City shall return the Security to Builder. Upon such release, this Agreement shall become null and void and Builder and City shall have no further obligation to each other regarding this Agreement.

Section 6: Compliance with law. It is agreed that all work done pursuant to this Agreement shall conform to the rules and regulations of City at the time work is actually done. Demolition permits shall be obtained prior to the demolition of any model home.

Section 7. Attorney's Fees. In the event any action is commenced to enforce or interpret the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorney's fees.

Section 8. Governing Law. This Agreement shall be governed by and constructed in accordance with the laws of the State of California.

IN WITNESS WHEREOF Builder has caused this Agreement to be executed the day and year first written above.

Redlands Pioneer, LLC  
A Delaware limited liability company

By: Diversified Pacific Communities, LLC  
Its: Manager

By: \_\_\_\_\_  
Matthew A. Jordan, Managing Member