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Control No. 2007.0027

Recording requested by and when
recorded mail to:

Redevelopment Agency of the City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: Executive Director

EXEMPT FROM RECORDING FEES PER
GOVERNMENT CODE §§6103, 27383

Space above this line for Recorder's use.

CERTIFICATE OF COMPLETION

This Certificate of Completion (the "**Certificate**") is issued by the Redevelopment Agency of the City of Milpitas, a public agency (the "**Agency**") effective as of October 2, 2007.

RECITALS

A. Agency and KB Home South Bay, Inc. a California corporation (the "**Developer**") entered into that certain Disposition and Development Agreement (the "**DDA**") dated January 18, 2005, concerning the construction of three hundred sixty-eight (368) single family housing units on two Sites, including one hundred sixty-five (165) single-family detached homes and two hundred and three (203) flats and townhomes north of the Elmwood Correctional Facility ("**Parcel D Units")** on the portion of the Property referred to herein as "**Parcel D",** and to make available up to twenty-five (25) of the aggregate number of housing units that are developed on the Parcel D Site to be sold at a sales price that results in Affordable Housing Cost to Moderate Income purchasers (the "**Affordable Units").**

B. Pursuant to Section 7 of the Grant Deed recorded April 7, 2005 as Document No. 18307394 in the Official Records of Santa Clara County, California by which the agency conveyed the real property described therein to Developer ("Grant Deed"), the Agency is required to furnish the Developer or its successors with a Certificate of Completion upon completion of the improvements on the property in accordance with the DDA ("**Improvements**"), that the completed Improvements comply with the DDA, and the covenants contained therein; and

C. The Agency has determined that construction of the Improvements and the covenants contained therein have been satisfactorily completed in accordance with the DDA, with respect to certain units on the Property with the exception of the Affordable Units.

NOW, THEREFORE, Agency hereby certifies as follows:

1. The Improvements have been satisfactorily completed in conformance with the Grant Deed and the covenants it contains, ONLY for the following residential units as more particularly described in Exhibit A, attached hereto and incorporated herein by reference.

2. All nondiscrimination covenants contained in the DDA shall remain in effect and enforceable in accordance with the DDA. This Certificate does not constitute evidence of Developer's compliance with those covenants in the DDA that survive the issuance of this Certificate, including without limitation, compliance with the Regulatory Agreement entered into pursuant to the DDA.

3. This Certificate does not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of a deed of trust securing money loaned to finance the Improvements or any part thereof and does not constitute a notice of completion under California Civil Code Section 3093.

4. Nothing contained in this instrument shall modify any provisions of the DDA, the Regulatory Agreement, or any other document executed in connection therewith.

IN WITNESS WHEREOF, Agency has executed and issued this Certificate of Completion as of the date first written above.

REDEVELOPMENT AGENCY
OF THE CITY OF MILPITAS

By: _____

Name: _____
Executive Director

ATTEST:

By: _____
Agency Secretary

APPROVED AS TO FORM:

By: _____
Agency Counsel

<u>SIGNATURES MUST BE NOTARIZED.</u>

<u>Exhibit A</u>

PROPERTY

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

PARCEL ONE:

Lots 80 through 87, inclusive, as shown upon that certain Map entitled "Tract No. 9698", which Map was filed in the Office of the Recorder, County of Santa Clara, State of California on January 24, 2006, in Book 796 of Maps, at pages 16 through 35.