

**ADDENDUM TO
REIMBURSEMENT/CREDIT AGREEMENT**

**RELATING TO DESIGN AND CONSTRUCTION
OF PARK IMPROVEMENTS IN NORTH NATOMAS
NATOMAS FIELD "AIRFIELD" PARK**

This Addendum to Reimbursement/Credit Agreement is entered into on _____, by and between the City of Sacramento, a charter municipal corporation ("**City**") and Beazer Homes Holdings Corp., a Delaware Corporation, ("**Developer**"), and relates to Subdivision Map (No. PO4-236) Conditions of Approval and that certain Reimbursement/ Credit Agreement (City Agreement No. 2007-0049) between the same parties dated January 23, 2007 (the "**Park Agreement**").

RECITALS

A. The recitals contained in the Park Agreement are incorporated herein and made a part as if fully set forth herein, provided however, Beazer has acquired the interest of Acacia in the Property and is therefore the owner of the Property. Further, all defined terms in the Park Agreement shall have the same meaning in this Addendum unless otherwise stated.

B. The parties entered into the Park Agreement for the purpose of establishing the process whereby Beazer would construct park improvements on the Property, as described in the Park Agreement and the City would provide credits against park fees or reimbursement for such improvements.

C. The presence of Hazardous Substances affecting the Park Site was known and Developer provided to the City a remediation plan for the removal of such Hazardous Substances, which the City the State regulatory authorities accepted (the "**Remediation Plan**"). As security for the completion of the Remediation Plan the City required Developer to post a letter of credit in the amount of Three Million Seven Hundred Eighty Six Thousand dollars (\$3,786,750.00) (the "**Letter of Credit**"), which was the estimated value of the portion of the Property subject to the Remediation Plan.

E. Developer has faithfully performed the requirements of the Remediation Plan and the State regulatory agencies have approved the Park Site for residential uses, notwithstanding that certain subsurface operations remain in place to remediate existing or potential groundwater/vapor contamination, not affecting the surface use of the Park Site. Since the surface conditions of the Park Site have been remediated, the City is prepared to release the Letter of Credit, if Developer provides certain assurances.

AGREEMENT

1.0 **Recitals Incorporated.** The parties agree that the foregoing recitals are true and correct, and are part of this Addendum for all purposes.

1.1 **Continuation of Remediation Plan.** Developer hereby agrees to complete the Remediation Plan and continue with the prescribed actions until a letter of "no further action" is obtained from the State regulatory agencies. At such time as the remediation is concluded Developer shall remove any existing equipment or fixtures associated with the remediation and reclaim the surface conditions consistent with the park improvements installed, or scheduled to be installed, in accordance with the Park Agreement.

1.2 **Indemnification.** Developer acknowledges that the indemnification provisions contained in the Park Agreement (Section 2.3) are fully applicable to Developer's actions taken in accordance with the Remediation Plan and this Addendum.

1.3 **Letter of Credit.** In consideration for Developer's commitments provided herein, the City shall immediately release the Letter of Credit in its entirety by providing any required written notice to Developer's bank or surety.

1.4 **Effect of Addendum.** The parties agree that this Addendum is not intended to amend or modify the Park Agreement, but rather express an agreement between the parties with respect to a matter arising out of the Map Conditions and the Park Agreement. Accordingly, the terms of the Park Agreement remain intact and continue in full force and effect.

1.5 **Incorporation of General Provisions.** The parties agree that the miscellaneous provisions provided in Article 8 of the Park Agreement are incorporated into this Addendum.

[Signatures on Following Page]

City of Sacramento

Beazer Homes Holdings Corp.,

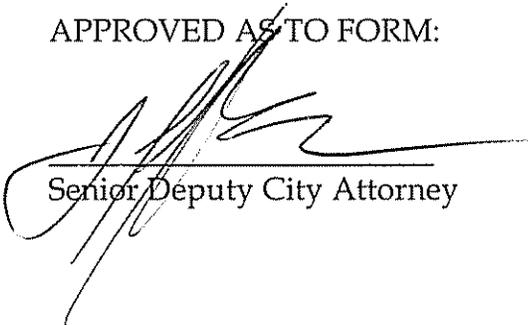
By: _____
City Manager

By:  _____
Its: Vice President-Land Development

ATTEST:

City Clerk

APPROVED AS TO FORM:



Senior Deputy City Attorney