

**AGREEMENT TO MAKE SUBDIVISION IMPROVEMENTS
FOR CLASS 1 SUBDIVISION
BETWEEN COUNTY AND OWNER**

THIS AGREEMENT, made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (hereinafter referred to as "County"), and **K. HOVNANIAN FORECAST HOMES NORTHERN, INC.**, a corporation, duly qualified to conduct business in the State of California, whose principal place of business is 3536 Concourse Street, Suite 100, Ontario, California 91764 and whose local office address is 1375 Exposition Boulevard, Suite 300, Sacramento, California 95815 (hereinafter referred to as "Owner"); concerning **EUER RANCH UNIT NO. 9** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 10th day of April, 2007.

RECITALS

Owner is vested with fee title to Subdivision; a tract of land located in the County of El Dorado, State of California, and described as **Euer Ranch Unit No. 9, TM 96-1317**. Owner desires to construct on said property certain public improvements as hereinafter described, in connection with the Subdivision.

In consideration for the complete construction and dedication of all the public improvements specified in this Agreement, the approval and acceptance by County's Board of Supervisors, and the Final Map to be filed and recorded, the parties agree as follows:

AGREEMENT

OWNER WILL:

1. Make or cause to be made all those public improvements in Subdivision required by Section 16.16.010 of the El Dorado County Ordinance Code (hereinafter referred to as "Code") and shown or described in the improvement plans, specifications and cost estimates for **Euer Ranch, Unit No. 6, TM96-1317-6**, which were approved by the County Engineer, Department of Transportation, on May 25, 2005, and **Euer Ranch, Unit 7, TM96-1317-7**, which were approved by the County Engineer, Department of Transportation, on August 18, 2005. The public improvements required for Euer Ranch Unit 9 have been constructed and are included under the improvement plans and specifications for Euer Ranch Units 6 and 7. Attached hereto are the following exhibits for Units 6 and 7: Exhibit A, marked "Schedule of Street and Miscellaneous Improvements;" Exhibit B, marked "Schedule of Sewer Improvements;" Exhibit C, marked "Schedule of Water Improvements;" Exhibit D, marked "Schedule of Recycled Water Improvements;" and Exhibit E, marked "Schedule of Power And Telephone Improvements;" all of which Exhibits are incorporated herein and made by reference a part hereof. The Exhibits describe quantities, units and costs associated with the

improvements to be made, with the totals of Units 6 and 7 representing the costs of the improvements required for Unit 9.

2. Prior to commencing construction, obtain all necessary environmental clearances, acquire any necessary right-of-way and obtain any necessary permits from any outside agencies.
3. Complete the Subdivision improvements contemplated under this Agreement within two (2) years from the date that the Subdivision Final Map is filed with the El Dorado County Board of Supervisors.
4. Install or cause to be installed, modify or cause to be modified, any and all erosion and sediment control features, whether temporary or permanent, deemed necessary by the County Engineer to ensure compliance with the Clean Water Act, the Statewide General Permit, and County's, Grading, Erosion and Sediment Control Ordinances. Failure to comply with this provision shall constitute a material breach of this Agreement.
5. Post security acceptable to County as provided in Section 16.16.050 of the Code. In the event that the Sureties issuing the posted securities are subsequently downgraded to a rating unacceptable to County in its sole discretion, Owner shall, upon twenty (20) days written notice by County, post replacement securities that are acceptable to County.
6. Provide for and pay the costs of related civil engineering services, including the costs of inspection and utility relocation when required, and attorneys' fees, costs, and expenses of legal services.
7. Provide deposit for and pay to County all costs of construction oversight, inspection, administration and acceptance of the work by County in accordance with the County Engineer Fee Schedule adopted by Resolution of the Board of Supervisors of El Dorado County.
8. Have as-built plans prepared by a civil engineer acceptable to County's Department of Transportation and filed with the Department of Transportation as provided in Section 16.16.060 of the Code.
9. Repair at Owner's sole cost and expense, any defects, in workmanship or materials, which appear in the work within one (1) year following acceptance of the work by County.
10. To the fullest extent allowed by law, defend, indemnify and hold County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any other economic or consequential losses, which are claimed to or in any way arise out of or are connected with Owner's work, design, operation, construction of the improvements, or performance of this Agreement, regardless of the existence or degree of fault or negligence on the part of County, Owner,

any Contractor(s), Subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of County, its officers and employees, or as expressly provided by statute. This duty of Owner to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

This duty to indemnify is separate and apart from any insurance requirements and shall not be limited thereto.

11. Provide continuous, sufficient access to Owner's successors and assigns, including but not limited to its Surety and Surety's agents, to the Subdivision to enable the public improvements to be constructed and completed. Access shall be continuous until completion of said public improvements, and release by County of the security underlying this Agreement.

12. Agree that said agreement to provide continuous, sufficient access is irrevocable and shall run with the land and shall be binding upon and inure to the benefit of the heirs, successors, assigns and personal representatives of Owner.

COUNTY WILL:

13. Upon execution of this Agreement and receipt of good and sufficient security as required by Section 16.16.050 of the Code, and upon compliance with all requirements of law, including all County ordinances, approve the Final Map of the Subdivision.

14. Release the security posted in accordance with Sections 16.16.040 and 16.16.052 of the Code.

15. Require Owner to make such alterations, deviations, additions to, or deletions from, the improvements shown and described on the plans, specifications, and cost estimates as may be deemed by County's Director of Transportation to be necessary or advisable for the proper completion or construction of the whole work contemplated.

16. Require Owner to maintain, and to make such alterations, deviations, additions to, or deletions from, the project erosion control features shown and described on the plans, specifications and cost estimates and the Storm Water Pollution Prevention Plan (SWPPP) as may be deemed by County's Director of Transportation to be necessary or advisable for compliance with the Clean Water Act, Statewide General Permit requirements and County's Grading, Erosion and Sediment Control Ordinances.

17. Upon completion of the public improvements agreed to be performed herein, adopt a resolution accepting or rejecting the streets of said Subdivision into County's road system for maintenance.

18. Retain the security posted in the amount of ten percent (10%) of the estimated cost of all of the improvements for one (1) year following acceptance of the work by County to secure the repair of any hidden defects in workmanship or materials which may appear.

19. Require Owner to pay County for costs, expenses and reasonable attorneys' fees to be paid by Owner should County be required to commence an action to enforce the provisions of this Agreement, to enforce the security obligations provided herein, and all attorneys' fees, costs, and expenses of litigation incurred by County even if Owner subsequently proceeds to complete the work.

ADDITIONAL PROVISIONS:

20. The estimated cost of installing all of the improvements is **Sixteen Million Eighty-One Thousand Six Hundred Seventy dollars and Twenty Six cents (\$16,081,670.26).**

21. Owner shall conform to and abide by all Federal, State and local building, labor and safety laws, ordinances, rules and regulations. All Work and materials shall be in full accordance with the latest rules and regulations of the State Fire Marshall, safety orders of the Division of Industrial Safety, California Electrical Code, California Building Code, California Plumbing Code, and any and all other applicable laws and regulations. Nothing in this Agreement, including but not limited to the improvement plans and specifications and cost estimates, is to be construed to permit work not conforming to these codes.

22. Inspection of the work and/or materials or statements by any officer, agent, or employee of County indicating that the work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said work and/or materials, or payments therefore, or any combination or all of these acts, shall not relieve Owner of its obligation to fulfill this Agreement as prescribed; nor shall County be stopped from bringing any action for damages arising from the failure to comply with any terms and conditions hereof.

23. This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

24. Neither this Agreement, nor any part thereof may be assigned by Owner without the express written approval of County.

25. All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid and return receipt requested.

Notices to County shall be in duplicate and addressed as follows:

To County:
County Of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667
Attn.: James W. Ware,
Deputy Director,
Transportation Planning &
Land Development

With a Copy To:
County Of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667
Attn.: Tim Prudhel,
Contract Services Officer

or to such other location as County directs.

Notices to Owner shall be addressed as follows:

K. Hovnanian Forecast Homes Northern, Inc.
1375 Exposition Blvd., Suite 300
Sacramento, California 95815
Attn.: Scott Montgomery,
Project Manager

or to such other location as Owner directs.

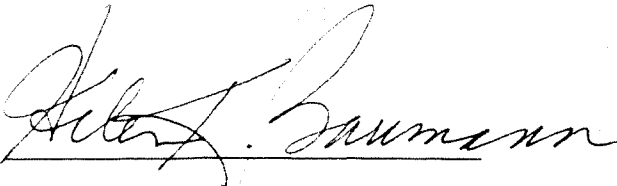
26. The County officer or employee with responsibility for administering this Agreement is James W. Ware, Deputy Director, Transportation Planning & Land Development, Department of Transportation, or successor.

27. Any action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

28. The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalf are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

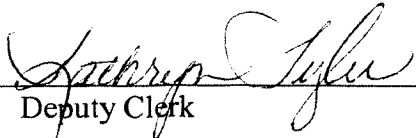
IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

--COUNTY OF EL DORADO--

By:  Dated: 4/10/07

HELEN K. BAUMANN
Board of Supervisors
"County"


Attest:
Cindy Keck
Clerk of the Board of Supervisors

By:  Dated: 4/10/07
Deputy Clerk

--K. HOVNANIAN FORECAST HOMES NORTHERN, INC.--

By:  Dated: 1.19.07

Richard J. Balestreri
Senior Vice President
Northern California Region
"Owner"

By:  Dated: 1/19/07
Corporate Secretary
COURTNEY L. McALESTER

ACKNOWLEDGMENT

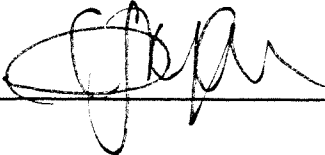
State of California
County of Sacramento

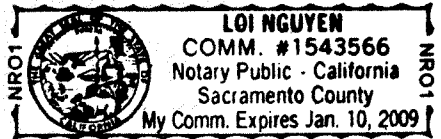
On January 19, 2007 before me, Loi Nguyen,
(here insert name and title of the officer)

personally appeared Richard J. Balestreri & Courtney L. McAlister

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.

Signature 



(Seal)

Exhibit A

SCHEDULE OF STREET AND MISCELLANEOUS IMPROVEMENTS – UNIT 6

Owner agrees to improve all streets and roads for dedication upon the final map of the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Street and Miscellaneous Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Clear & Grub	42	ac	\$1,800.00	\$75,600.00
Excavation	57,549	cy	\$6.00	\$345,294.00
Finish Pads	143	ea	\$480.00	\$68,640.00
3" AC	186,568	sf	\$1.56	\$291,046.08
3.5" AC	8,120	sf	\$1.80	\$14,616.00
5" AC	132,212	sf	\$2.64	\$349,039.68
8" AB	186,568	sf	\$1.80	\$335,822.40
9.5" AB	8,120	sf	\$2.16	\$17,539.20
10" AB	132,212	sf	\$2.28	\$301,443.36
CalTrans A1-150 Curb	1,045	lf	\$14.40	\$15,048.00
Type 2 Vert. Curb & Gutter	5,145	lf	\$21.60	\$111,132.00
Type 1 Rolled Curb & Gutter	12,390	lf	\$18.00	\$223,020.00
Sidewalk	81,863	sf	\$6.00	\$491,178.00
Extra for Handicapped Ramp	44	ea	\$1,200.00	\$52,800.00
Barricade	2	ea	\$1,800.00	\$3,600.00
Street Sign	13	ea	\$600.00	\$7,800.00
Metal Beam Guard Rail (Tkype A77AA w/ Type 'B' Terminal)	90	lf	\$54.00	\$4,860.00
Retaining Wall	18,375	sf	\$30.00	\$551,250.00
SWPPP Compliance	143	lot	\$600.00	\$85,800.00
Dust Control	143	lot	\$1,200.00	\$171,600.00
Erosion Control Measures	143	lot	\$1,800.00	\$257,400.00
12" Storm Drain	811	lf	\$48.00	\$38,928.00
18" Storm Drain	2,491	lf	\$54.00	\$134,514.00
24" Storm Drain	2,154	lf	\$60.00	\$129,240.00
30" Storm Drain	1,371	lf	\$72.00	\$98,712.00
12" F.E.S.	1	ea	\$420.00	\$420.00
18" F.E.S.	1	ea	\$480.00	\$480.00
24" F.E.S.	1	ea	\$960.00	\$960.00
Santa Rosa Model 4A D.I.	7	ea	\$2,400.00	\$16,800.00
Santa Rosa Model 4A D.I.w/ Reinforcement	3	ea	\$2,760.00	\$8,280.00
Santa Rosa Model 4AC D.I.	2	ea	\$2,640.00	\$5,280.00
Santa Rosa Model 4AC D.I. w/ Reinforcement	1	ea	\$3,000.00	\$3,000.00
Santa Rosa Model 4A D.I. W/ 48" Manhole Base & Reducer Slab	24	ea	\$4,800.00	\$115,200.00

Exhibit A

SCHEDULE OF STREET AND MISCELLANEOUS IMPROVEMENTS – UNIT 6

Item Description	Quantity	Units	Unit Cost	Total Cost
Santa Rosa Model 4AC D.I. W/ 48" Manhole Base & Reducer Slab	4	ea	\$5,280.00	\$21,120.00
Type 'GO' D.I.	10	ea	\$2,400.00	\$24,000.00
O.C.P.I.	2	ea	\$1,800.00	\$3,600.00
Std. 48" Manhole	14	ea	\$4,200.00	\$58,800.00
Connect to E Drain Line	4	ea	\$600.00	\$2,400.00
RSP Backing No. 1	150	cy	\$120.00	\$18,000.00
West Channal A Con Span	1	ea	\$237,390.00	\$237,390.00
West Channal B Con Span	1	ea	\$158,709.60	\$158,709.60
West Channal C Con Span	1	ea	\$119,139.60	\$119,139.60
8'-6" x 36' x 58' Con Span - Tributary 3	1	ea	\$319,119.60	\$319,119.60
Subtotal Unit 6 Street & Miscellaneous Improvements Cost				\$5,288,621.52
Project Administration		2%		\$105,772.43
Engineering & Staking		5%		\$264,431.08
Contingency		15%		\$793,293.23
Inspection		4%		\$211,544.86
Total Unit 6 Street & Miscellaneous Improvements Cost				\$6,663,663.12

Exhibit A

SCHEDULE OF STREET AND MISCELLANEOUS IMPROVEMENTS – UNIT 7

Owner agrees to improve all streets and roads for dedication upon the final map of the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Street and Miscellaneous Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Clear & Grub	19	ac	\$1,800.00	\$34,200.00
Excavation	403	cy	\$6.00	\$2,418.00
Finish Pads	83	ea	\$480.00	\$39,840.00
3"AC	88,301	sf	\$1.56	\$137,749.56
3.5"AC	14,563	sf	\$1.80	\$26,213.40
8" AB	88,301	sf	\$1.80	\$158,941.80
9.5" AB	14,563	sf	\$2.16	\$31,456.08
Type 2 Vert. Curb & Gutter	250	lf	\$21.60	\$5,400.00
Type 1 Rolled Curb & Gutter	6,117	lf	\$18.00	\$110,106.00
Sidewalk	26,728	sf	\$6.00	\$160,368.00
Extra for Handicapped Ramp	19	ea	\$1,200.00	\$22,800.00
Barricade	3	ea	\$1,800.00	\$5,400.00
Street Sign	5	ea	\$600.00	\$3,000.00
SWPPP Compliance	83	lot	\$600.00	\$49,800.00
Dust Control	83	lot	\$1,200.00	\$99,600.00
Erosion Control Measures	83	lot	\$1,800.00	\$149,400.00
12" Storm Drain	299	lf	\$48.00	\$14,352.00
18" Storm Drain	1,586	lf	\$54.00	\$85,644.00
18" F.E.S.	1	ea	\$480.00	\$480.00
Santa Rosa Model 4A D.I.	3	ea	\$2,400.00	\$7,200.00
Santa Rosa Model 4A D.I.w/ Reinforcement	4	ea	\$2,760.00	\$11,040.00
Santa Rosa Model 4A D.I. W/ 48" Manhole Base & Reducer Slab	8	ea	\$4,800.00	\$38,400.00
Std. 48" Manhole	3	ea	\$4,200.00	\$12,600.00
Connect to E Drain Line	1	ea	\$600.00	\$600.00
Subtotal Unit 7 Street & Miscellaneous Improvements Cost				\$1,207,008.84
Project Administration		2%		\$24,140.18
Engineering & Staking		5%		\$60,350.44
Contingency		15%		\$181,051.33
Inspection		4%		\$48,280.35
Total Unit 7 Street & Miscellaneous Improvements Cost				\$1,520,831.14
Total Unit 6 Street & Miscellaneous Improvements Cost				\$6,663,663.12
Total Units 6 and 7 Street & Miscellaneous Improvements Cost				\$8,184,494.26

Exhibit B

SCHEDULE OF SEWER IMPROVEMENTS – UNIT 6

Owner agrees to install the sewer collection and disposal system in Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Sewer Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6"line-sewer	3,058	lf	\$48.00	\$146,784.00
8"line-sewer	3,572	lf	\$54.00	\$192,888.00
Std. 48" SS Manhole	27	ea	\$3,720.00	\$100,440.00
Std. 60" SS Manhole	2	ea	\$9,600.00	\$19,200.00
Extra for lining SS Manhole	10	ea	\$4,200.00	\$42,000.00
Gravity Service-sewer	119	ea	\$1,500.00	\$178,500.00
Connect to E Sewer Line	1	ea	\$3,000.00	\$3,000.00
Subtotal Unit 6 Sewer Improvements Cost				\$682,812.00
Project Administration		2%		\$13,656.24
Engineering & Staking		5%		\$34,140.60
Contingency		15%		\$102,421.80
Inspection		4%		\$27,312.48
Total Unit 6 Sewer Improvements Cost				\$860,343.12

Exhibit B

SCHEDULE OF SEWER IMPROVEMENTS – UNIT 7

Owner agrees to install the sewer collection and disposal system in Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Sewer Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6"line-sewer	2,437	lf	\$48.00	\$116,976.00
8"line-sewer	1,138	lf	\$54.00	\$61,452.00
Std. 48" SS Manhole	15	ea	\$3,720.00	\$55,800.00
Std. 60" SS Manhole	1	ea	\$9,600.00	\$9,600.00
Extra for lining SS Manhole	11	ea	\$4,200.00	\$46,200.00
Gravity Service-sewer	74	ea	\$1,500.00	\$111,000.00
Connect to E Sewer Line	5	ea	\$3,000.00	\$15,000.00
Subtotal Unit 7 Sewer Improvements Cost				\$416,028.00
Project Administration		2%		\$8,320.56
Engineering & Staking		5%		\$20,801.40
Contingency		15%		\$62,404.20
Inspection		4%		\$16,641.12
Total Unit 7 Sewer Improvements Cost				\$524,195.28
Total Unit 6 Sewer Improvements Cost				\$860,343.12
Total Units 6 and 7 Sewer Improvements Cost				\$1,384,538.40

Exhibit C

SCHEDULE OF WATER IMPROVEMENTS – UNIT 6

Owner agrees to install the water supply and distribution system in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
4" Line Incl. Fittings-water	750	lf	\$36.00	\$27,000.00
6" Line Incl. Fittings-water	1,446	lf	\$42.00	\$60,732.00
8" Line Incl. Fittings-water	4,611	lf	\$48.00	\$221,328.00
12" Line Incl. Fittings-water	1,578	lf	\$72.00	\$113,616.00
8" DIP	77	lf	\$54.00	\$4,158.00
12" DIP	24	lf	\$72.00	\$1,728.00
16" DIP	957	lf	\$144.00	\$137,808.00
4" Gate Valve-water	6	ea	\$720.00	\$4,320.00
6" Gate Valve-water	14	ea	\$960.00	\$13,440.00
8" Gate Valve-water	20	ea	\$1,080.00	\$21,600.00
12" Gate Valve-water	4	ea	\$1,680.00	\$6,720.00
16" Butterfly Valve-water	1	ea	\$3,360.00	\$3,360.00
8"x6" Reducer	2	ea	\$720.00	\$1,440.00
12"x8" Reducer	2	ea	\$840.00	\$1,680.00
16"x12" Reducer	1	ea	\$1,200.00	\$1,200.00
Fire Hydrant	13	ea	\$3,000.00	\$39,000.00
1" ARV-water	6	ea	\$1,440.00	\$8,640.00
2" ARV-water	1	ea	\$3,000.00	\$3,000.00
2" BOV-water	10	ea	\$1,200.00	\$12,000.00
4" BOV-water	1	ea	\$2,400.00	\$2,400.00
Services-water	132	ea	\$1,080.00	\$142,560.00
Connect to E Water Line	3	ea	\$1,800.00	\$5,400.00
Subtotal Unit 6 Water Improvements Cost				\$833,130.00
Project Administration		2%		\$16,662.60
Engineering & Staking		5%		\$41,656.50
Contingency		15%		\$124,969.50
Inspection		4%		\$33,325.20
Total Unit 6 Water Improvements Cost				\$1,049,743.80

Exhibit C

SCHEDULE OF WATER IMPROVEMENTS – UNIT 7

Owner agrees to install the water supply and distribution system in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
4" Line Incl. Fittings-water	258	lf	\$36.00	\$9,288.00
6" Line Incl. Fittings-water	537	lf	\$42.00	\$22,554.00
8" Line Incl. Fittings-water	2,750	lf	\$48.00	\$132,000.00
4" Gate Valve-water	2	ea	\$720.00	\$1,440.00
6" Gate Valve-water	4	ea	\$960.00	\$3,840.00
8" Gate Valve-water	10	ea	\$1,080.00	\$10,800.00
6"x4" Reducer	2	ea	\$600.00	\$1,200.00
Fire Hydrant	4	ea	\$3,000.00	\$12,000.00
1" ARV-water	2	ea	\$1,440.00	\$2,880.00
2" ARV-water	1	ea	\$3,000.00	\$3,000.00
2" BOV-water	4	ea	\$1,200.00	\$4,800.00
Services-water	75	ea	\$1,080.00	\$81,000.00
Connect to E Water Line	3	ea	\$1,800.00	\$5,400.00
Subtotal Unit 7 Water Improvements Cost				\$290,202.00
Project Administration		2%		\$5,804.04
Engineering & Staking		5%		\$14,510.10
Contingency		15%		\$43,530.30
Inspection		4%		\$11,608.08
Total Unit 7 Water Improvements Cost				\$365,654.52
Total Unit 6 Water Improvements Cost				\$1,049,743.80
Total Units 6 and 7 Water Improvements Cost				\$1,415,398.32

Exhibit D

SCHEDULE OF RECYCLED WATER IMPROVEMENTS – UNIT 6

Owner agrees to install the recycled water supply and distribution system in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Recycled Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
4" Line Incl. Fittings-recycled water	1,666	lf	\$36.00	\$59,976.00
6" Line Incl. Fittings-recycled water	6,604	lf	\$42.00	\$277,368.00
6" DIP	62	lf	\$48.00	\$2,976.00
4" Gate Valve-recycled water	9	ea	\$840.00	\$7,560.00
6" Gate Valve-recycled water	18	ea	\$960.00	\$17,280.00
1" ARV-recycled water	8	ea	\$1,440.00	\$11,520.00
2" BOV-recycled water	9	ea	\$1,200.00	\$10,800.00
Services-recycled water	130	ea	\$1,080.00	\$140,400.00
Connect to E Recycled Water Line	4	ea	\$1,800.00	\$7,200.00
Subtotal Unit 6 Recycled Water Improvements Cost				\$535,080.00
Project Administration		2%		\$10,701.60
Engineering & Staking		5%		\$26,754.00
Contingency		15%		\$80,262.00
Inspection		4%		\$21,403.20
Total Unit 6 Recycled Water Improvements Cost				\$674,200.80

Exhibit D

SCHEDULE OF RECYCLED WATER IMPROVEMENTS – UNIT 7

Owner agrees to install the recycled water supply and distribution system in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Recycled Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
4" Line Incl. Fittings-recycled water	641	lf	\$36.00	\$23,076.00
6" Line Incl. Fittings-recycled water	2,836	lf	\$42.00	\$119,112.00
4" Gate Valve-recycled water	3	ea	\$840.00	\$2,520.00
6" Gate Valve-recycled water	13	ea	\$960.00	\$12,480.00
1" ARV-recycled water	3	ea	\$1,440.00	\$4,320.00
2" BOV-recycled water	4	ea	\$1,200.00	\$4,800.00
Services-recycled water	78	ea	\$1,080.00	\$84,240.00
Connect to E Recycled Water Line	3	ea	\$1,800.00	\$5,400.00
Subtotal Unit 7 Recycled Water Improvements Cost				\$255,948.00
Project Administration		2%		\$5,118.96
Engineering & Staking		5%		\$12,797.40
Contingency		15%		\$38,392.20
Inspection		4%		\$10,237.92
Total Unit 7 Recycled Water Improvements Cost				\$322,494.48
Total Unit 6 Recycled Water Improvements Cost				\$674,200.80
Total Units 6 and 7 Recycled Water Improvements Cost				\$996,695.28

Exhibit E

SCHEDULE OF POWER AND TELEPHONE IMPROVEMENTS – UNIT 6

Owner agrees to install the utility improvements in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Power and Telephone Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Mainline Trenching	143	lot	\$1,920.00	\$274,560.00
Conduit & Boxes	143	lot	\$1,440.00	\$205,920.00
Wiring and Transformers	143	lot	\$1,440.00	\$205,920.00
Utility Service	143	lot	\$9,600.00	\$1,372,800.00
Subtotal Unit 6 Underground Utility Improvements Cost				\$2,059,200.00
Project Administration		2%		\$41,184.00
Engineering & Staking		5%		\$102,960.00
Contingency		15%		\$308,880.00
Inspection		4%		\$82,368.00
Total Unit 6 Underground Utility Improvements Cost				\$2,594,592.00

Exhibit E

SCHEDULE OF POWER AND TELEPHONE IMPROVEMENTS – UNIT 7

Owner agrees to install the utility improvements in the Euer Ranch, Unit No. 9 Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Power and Telephone Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Mainline Trenching	83	lot	\$1,920.00	\$159,360.00
Conduit & Boxes	83	lot	\$1,440.00	\$119,520.00
Wiring and Transformers	83	lot	\$1,440.00	\$119,520.00
Utility Service	83	lot	\$9,600.00	\$796,800.00
Subtotal Unit 7 Underground Utility Improvements Cost				\$1,195,200.00
Project Administration		2%		\$23,904.00
Engineering & Staking		5%		\$59,760.00
Contingency		15%		\$179,280.00
Inspection		4%		\$47,808.00
Total Unit 7 Underground Utility Improvements Cost				\$1,505,952.00
Total Unit 6 Underground Utility Improvements Cost				\$2,594,592.00
Total Units 6 and 7 Underground Utility Improvements Cost				\$4,100,544.00

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

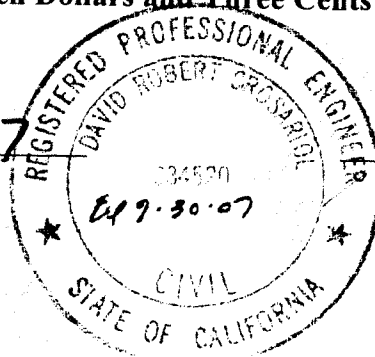
I hereby certify that the following improvements in the **Euer Ranch, Unit 9, TM 96-1317**, Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Street & Miscellaneous Improvements	\$8,184,494.26	100%	\$00.00
Sewer Improvements	\$1,384,538.40	100%	\$00.00
Water Improvements	\$1,415,398.32	100%	\$00.00
Recycled Water Improvements	\$996,695.28	100%	\$00.00
Power & Telephone Improvements	\$4,100,544.00	100%	\$00.00
Totals:	\$16,081,670.26		\$00.00

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **Zero Dollars and Zero Cents (0.00)**.

The Maintenance Bond is for the amount of **One Million Six Hundred Eight Thousand One Hundred Sixty-Seven Dollars and Three Cents (\$1,608,167.03)**.

DATED: 1-29-07



[Handwritten Signature]

Subdivision Engineer
 David R. Crosariol, RCE 34520
 Cooper Thorne & Associates, Inc.
 3233 Monier Circle, Suite 1
 Rancho Cordova, Ca 95742

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 2/26/07

[Handwritten Signature]

Richard W. Shepard, P.E.
 Director of Transportation