

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

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 **LANDSOURCE HOLDING COMPANY, LLC**, a Delaware limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 700 NW 107th Avenue, Miami, Florida 33172, and whose local address is 25 Enterprise Drive, #500, Aliso Viejo, California 92656 (hereinafter referred to as "Owner"); and **LENNAR COMMUNITIES, INC.**, a corporation duly qualified to conduct business in the State of California, whose principal place of business is 25 Enterprise Drive, #500, Aliso Viejo, California 92656, and whose local office address is 1075 Creekside Ridge Drive, Suite 110, Roseville, California 95678-1936 (hereinafter referred to as "Subdivider"), concerning **WEST VALLEY VILLAGE UNIT 6C** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 11th day of December, 2007.

RECITALS

Owner is vested with fee title to the Subdivision, a tract of land located in the County of El Dorado, State of California, and described as **West Valley Village Unit 6C, TM 99-1359-6C**. Owner desires Subdivider 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

SUBDIVIDER 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 entitled **Improvement Plans for West Valley Village Unit 6C** which were approved by the County Engineer, Department of Transportation, on May 1, 2006. Attached hereto are Exhibit A, marked "Schedule of Street Improvements;" Exhibit B, marked "Schedule of Water Improvements;" Exhibit C, marked "Schedule of Sewer Improvements;" Exhibit D, marked "Schedule of Drainage Improvements;" Exhibit E, marked "Schedule of Recycled Water Improvements;" and Exhibit F, marked "Schedule of Underground 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.

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 County's 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, Subdivider shall, upon twenty (20) days written notice by County, post replacement securities issued by Sureties 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 cover 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 County's Board of Supervisors.

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 Subdivider'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 Subdivider'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, Subdivider, 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 Subdivider 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.

OWNER WILL:

11. Enter into another agreement with County for all road improvements to be performed on County property. Such agreement shall include a requirement that Owner furnish insurance and bonds that comply with the standard County insurance and bonding requirements in the amounts stated, to be approved by County's Risk Management Division.

12. Consent to the subject improvements and provide continuous, sufficient access to County, Subdivider, Owner, its 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.

13. 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.

14. 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, Subdivider, 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.

COUNTY WILL:

15. 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.

16. Upon receipt of a certificate from County's Director of Transportation stating that a portion of the public improvements agreed to be performed herein has been completed, describing generally the work so completed and the estimated total cost of completing the remainder of the public improvements agreed upon to be performed herein, accept new security as provided in Section 16.16.040 of the Code.

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

18. Require Owner and/or Subdivider 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.

19. Require Owner and/or Subdivider 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 estimate and the Storm Water Pollution Prevention Plan (SWPPP) as may be deemed necessary 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.

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

21. Retain a portion of 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 the County to secure the repair of any hidden defects in workmanship or materials which may appear.

22. Require Owner and Subdivider to pay County for costs, expenses and reasonable attorneys' fees 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 or Subdivider subsequently proceeds to complete the work.

ADDITIONAL PROVISIONS:

23. The estimated cost of installing all of the improvements is **ONE MILLION THREE HUNDRED TWENTY-ONE THOUSAND SIX HUNDRED TWO DOLLARS AND 28/100 (\$1,321,602.28).**

24. Subdivider and 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 applicable 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.

25. West Valley Village is the subject of the Valley View Specific Plan Development Agreement, entered into by predecessors in interest to Owner and County on December 8, 1998 (hereinafter "Development Agreement"). The predecessor in interest West Valley, LLC, a Limited Liability Company entered into that certain Road Improvement Agreement between the County and West Valley, LLC., on December 12, 2006 wherein West Valley, LLC. agreed to construct the road improvements referred to as the West Valley Collector Roads (Blackstone Parkway, Royal Oaks Drive, Pavillion Drive (now called Club View Drive) and Cornerstone Drive), and as shown in the plans titled "Plans for the Improvement and Grading of West Valley Collector Roads" approved by the Director of Transportation (Director) on January 31, 2006, as required under the findings and mitigation measure of the Conditions of Approval, TM# 99-1359 (hereinafter "the Collector Roads") (all incorporated by reference as though fully set forth). Owner is the successor in interest to this Subdivision within West Valley Village. Development of lots within the Subdivision will be partially restricted to coincide with the progress of the construction of the Collector Roads within West Valley Village, as follows:

No occupancy shall be permitted in any structure until sufficient road and signal improvements, as determined by the Director, are constructed to provide safe and unrestricted access to the individual properties. This Subdivision and Subdivision Improvement Agreement will not be deemed complete by the County unless and until the improvements required under the Road Improvement Agreement, inclusive of the Collector Roads, have been substantially completed as determined by the Director, and accepted by the County's Board of Supervisors.

26. Inspection of the work and/or materials or statements by any officer, agent, or employee of County indicating 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 or Subdivider of their respective obligations 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.

27. 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.

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

29. 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:

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

County of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667
Attn.: Tim C. Prudhel,
Contract Services Officer

or to such other location as County directs.

Notices to Owner shall be addressed as follows:

LandSource Holding Company, LLC
25 Enterprise Drive, #500
Aliso Viejo, CA 92656
Attn.: Larry Gualco

or to such other location as Owner directs.

Notices to Subdivider shall be addressed as follows:

Lennar Communities, Inc.
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678-1936
Attn.: Larry Gualco, Vice President

or to such other location as Subdivider directs.

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

31. 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.

32. 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: 12/11/07

Board of Supervisors
"County"

RON BRIGGS SECOND VICE-CHAIRMAN

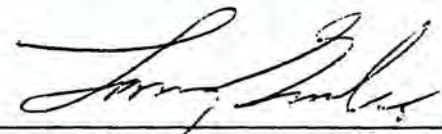
Attest:
Cindy Keck
Clerk of the Board of Supervisors

By: 
Deputy Clerk


Dated: 12/11/07

--LANDSOURCE HOLDING COMPANY, LLC,--
a Delaware Limited Liability Company

By: Lennar Homes of California, Inc.
a California Corporation,
its California Manager


By: 
Larry Gualoo
Vice President
"Owner"

Dated: 10/15/07


By: 
Brenda Ascherin
Corporate Secretary

Dated: 10/15/2007

**--LENNAR COMMUNITIES, INC.--
a California Corporation**

By: 
Larry Gualco
Vice President
"Subdivider"

Dated: 10/15/07

By: 
Brenda Ascherin
Corporate Secretary

Dated: 10/15/2007

STATE OF CALIFORNIA
COUNTY OF EL DORADO

On this 15th day of October, 2007, before me a Notary Public, personally appeared LARRY AUALCO, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.

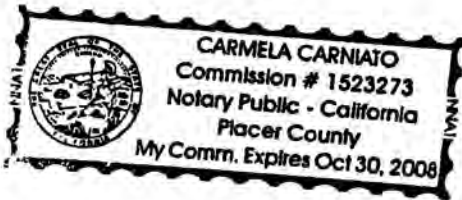


Carmela Carniato
Notary Public in and for said County and State

STATE OF CALIFORNIA
COUNTY OF EL DORADO

On this 15th day of October, 2007, before me a Notary Public, personally appeared BRENDA ASCHERIN, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.



Carmela Carniato
Notary Public in and for said County and State

Exhibit A.

SCHEDULE OF STREET IMPROVEMENTS

Owner and Subdivider agree to improve all streets and roads for dedication upon the final map of the **West Valley Village Unit 6C** 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 Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
3" AC	29,802	sf	\$1.56	\$46,491.12
8" AB	29,802	sf	\$1.80	53,643.60
Type 1 Rolled Curb & Gutter	2,112	lf	\$18.00	38,016.00
Sidewalk	8,873	sf	\$6.00	53,238.000
Extra for Handicapped Ramp	3	Ea	\$1,200.00	3,600.00
Barricade w/Gate	1	ea	\$3,000.00	3,000.00
Subtotal Street Improvements				\$197,988.72
Project Administration		2%		3,959.77
Engineering and Staking		5%		9,899.43
Contingency		15%		29,698.30
Inspection		4%		7,919.54
Total Street Improvements				\$249,465.76

Exhibit B

SCHEDULE OF WATER IMPROVEMENTS

Owner and Subdivider agree to install the water supply and distribution system in the **West Valley Village Unit 6C** 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	Unit	Unit Cost	Total Cost
12" Line Incl. Fittings	1,026	lf	\$78.00	\$80,028.00
Fire Hydrant	2	ea	\$3,000.00	6,000.00
1" ARV	1	ea	\$1,440.00	1,440.00
4" BOV	1	ea	\$2,400.00	2,400.00
Service - water	28	ea	\$1,080.00	30,240.00
Connect to E Water Line	1	ea	\$1,800.00	1,800.00
Subtotal Water Improvements				\$121,908.00
Project Administration		2%		2,438.16
Engineering and Staking		5%		6,095.40
Contingency		15%		18,286.20
Inspection		4%		4,876.32
Total Water Improvements				\$153,604.08

Exhibit C

SCHEDULE OF SEWER IMPROVEMENTS

Owner and Subdivider agree to install the sewer collection and disposal system in the **West Valley Village Unit 6C** 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	Unit	Unit Cost	Total Cost
6" Line (SDR-35)	1,195	lf	\$54.00	\$64,530.00
Std. 48" SS Manhole	3	ea	\$3,720.00	11,160.00
Std. 48" SS Manhole w/lining	1	ea	\$7,920.00	7,920.00
Cleanout	1	ea	\$600.00	600.00
Gravity Service – sewer	26	ea	\$1,500.00	39,000.00
Backwater Valves	23	ea	\$840.00	19,320.00
Connect to E Sewer Line	1	ea	\$3,600.00	3,600.00
T.V. Sewers	1,195	lf	\$2.40	2,868.00
Subtotal Sewer Improvements				\$148,998.00
Project Administration		2%		2,979.96
Engineering and Staking		5%		7,449.90
Contingency		15%		22,349.70
Inspection		4%		5,959.92
Total Sewer Improvements				\$187,737.48

Exhibit D

SCHEDULE OF DRAINAGE IMPROVEMENTS

Owner and Subdivider agree to install the drainage improvements in the **West Valley Village Unit 6C** 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 Drainage Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
12" Storm Drain	82	lf	\$48.00	\$3,936.00
18" Storm Drain	888	lf	\$54.00	47,952.00
24" Storm Drain	168	lf	\$60.00	10,080.00
C.P. Model 4A D.I. w/6Y Gallery & w/Reinforcement	1	Ea	\$4,560.00	4,560.00
C.P. Model 4A D.I. w/6Y Gallery & w/48" Manhole Base	1	Ea	\$6,600.00	6,600.00
C.P. Model 4A D.I. w/Reinforcements	2	ea	\$2,760.00	5,520.00
C.P. Model 4A D.I. w/48" Manhole Base	2	ea	\$4,800.00	9,600.00
Std. 48" Manhole w/eccentric cone	1	ea	\$4,200.00	4,200.00
Standard Grated Inlet	3	ea	\$2,160.00	6,480.00
Connect to E Drain Line	1	ea	\$600.00	600.00
Subtotal Drainage Improvements				\$99,528.00
Project Administration		2%		1,990.56
Engineering and Staking		5%		4,976.40
Contingency		15%		14,929.20
Inspection		4%		3,981.12
Total Drainage Improvements				\$125,405.28

Exhibit E

SCHEDULE OF RECYCLED WATER IMPROVEMENTS

Owner and Subdivider agree to install the recycled water and distribution system in the **West Valley Village Unit 6C** 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	Unit	Unit Cost	Total Cost
6" Line Incl. Fitting	1,014	lf	\$42.00	\$42,588.00
1" ARV	1	ea	\$1,440.00	1,440.00
2" BOV	1	ea	\$1,200.00	1,200.00
Service – recycled water	28	ea	\$1,080.00	30,240.00
Connect to E Recycled Water Line	1	ea	\$1,800.00	1,800.00
Subtotal Recycled Water Improvements				\$77,268.00
Project Administration		2%		1,545.36
Engineering and Staking		5%		3,863.40
Contingency		15%		11,590.20
Inspection		4%		3,090.72
Total Recycled Water Improvements				\$97,357.68

Exhibit F

**SCHEDULE OF UNDERGROUND POWER AND TELEPHONE
IMPROVEMENTS**

Owner and Subdivider agree to install the utility improvements in the **West Valley Village Unit 6C** 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 Underground Power and Telephone Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
Mainline Trenching	28	Lots	\$1,920.00	\$53,760.00
Conduit and Boxes	28	Lots	\$1,440.00	40,320.00
Wiring and Transformers	28	Lots	\$1,440.00	40,320.00
Utility Service	28	Lots	\$9,600.00	268,800.00
Subtotal Power & Telephone Improvements				\$403,200.00
Project Administration		2%		8,064.00
Engineering and Staking		5%		20,160.00
Contingency		15%		60,480.00
Inspection		4%		16,128.00
Total Power & Telephone Improvements				\$508,032.00

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements in the West Valley Village Unit 6C, TM 99-1359-6C, Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Street Improvements	\$249,465.76	0%	\$249,465.76
Water Improvements	153,604.08	0%	153,604.08
Sewer Improvements	187,737.48	0%	187,737.48
Drainage Improvements	125,405.28	0%	125,405.28
Recycled Water Improvements	97,357.68	0%	97,357.68
Power/Telephone Improvements	508,032.00	0%	508,032.00
Totals	\$1,321,602.28		\$1,321,602.28

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner and Subdivider to be **One Million Three Hundred Twenty-One Thousand Six Hundred Two Dollars and Twenty-Eight Cents (\$1,321,602.28)**.

The Performance Bond is for the amount of **One Million Three Hundred Twenty-One Thousand Six Hundred Two Dollars and Twenty-Eight Cents (\$1,321,602.28)**.

The Laborers and Materialmens Bond is for the amount of **Six Hundred Sixty Thousand Eight Hundred One Dollars and Fourteen Cents (\$660,801.14)**.

DATED: 10-19-07



[Signature]
 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: 10/25/07

[Signature]
 Richard W. Shepard, P.E.
 Director of Transportation

Replaces Federal Insurance Bond #82044784

Executed in Duplicate

Bond No. 6547252
Premium \$3,965.00 Per Annum

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **LENNAR COMMUNITIES, INC., a California corporation** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated December 16, 2007 and identified as project West Valley Village, Unit 6C (TM 99-1359-6C) is hereby referred to and made part hereof; and

Whereas, Said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the Principal and Safeco Insurance Company of America, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Obligee, in the penal sum of **Four Hundred Thousand Three Hundred and Eighty-Four Dollars and 21/100 (\$400,384.21)** in lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bound Principal his or its heirs, executors and administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the County of El Dorado, its officers, agents

and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

This guarantee shall insure the County of El Dorado during the work required by any Contract and for a period of one (1) year from the date of acceptance of the work against faulty or improper materials or workmanship that may be discovered during that time.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of El Dorado in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Surety is executing this instrument on July 22, 2009, however, Surety expressly acknowledges and agrees that the effective date of this instrument shall be October 17, 2007. Surety acknowledges and agrees that no defense or waiver shall be asserted against Principal or Obligees based upon the fact that the effective date of this instrument precedes the execution date hereof. Further, Surety acknowledges and agrees that it is expressly waiving any statutory defense it may have otherwise claimed as a result of this instrument serving as a new bond and acting as a replacement for a previously furnished bond, including, but not limited to, defenses arising under California Code of Civil Procedure Section 996.240. Surety acknowledges that performance of the agreement relating to West Valley Village, Unit 6C (TM 99-1359-6C) has already commenced and Surety agrees that: (1) it is waiving any defense or claim that its liability for a demand made under this instrument is limited by the existence of Federal Insurance Company (Chubb) Bond # 82044784 and (2) it is assuming all liabilities and obligations under the

Performance Bond (continued)

Subdivision Improvement Agreement relating to West Valley Village, Unit 6C (TM 99-1359-6C) that arise or could have arisen under the Federal Insurance Company (Chubb) Bond # 82044784.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on July 22, 2009.

"Surety"

SAFECO INSURANCE COMPANY OF AMERICA

By: _____

Lisa K. Crail, Attorney-in-Fact
Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By: _____

Larry Gualco, Vice President
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678

NOTARIES ATTACHED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer } ss.

On July 20, 2009 before me, Monique Reynolds, Notary Public,

personally appeared Larry Gualco

who 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/hers/their authorized capacity(ies), and that by his/hers/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Monique Reynolds
Signature
My Commission Expires Nov. 24, 2012



OPTIONAL INFORMATION

Date of Document

Type or Title of Document

Number of Pages in Document

Document in a Foreign Language

Type of Satisfactory Evidence:

- ___ Personally Known with Paper Identification
- ___ Paper Identification
- ___ Credible Witness(es)

Capacity of Signer:

- ___ Trustee
- ___ Power of Attorney
- ___ CEO / CFO / COO
- ___ President / Vice-President / Secretary / Treasurer
- ___ Other: _____

Other Information: _____

Thumbprint of Signer



Check here if no thumbprint or fingerprint is available.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange



On 7/22/2009
Date

before me,

K. Luu, Notary Public
Here Insert Name and Title of the Officer

personally appeared

Lisa K Crail
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Lisa K Crail

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

No. 9675

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

RHONDA C. ABEL; JERI APODACA; LISA K. CRAIL; LINDA ENRIGHT; JANE KEPNER; NANETTE MARIELLA-MYERS; MIKE PARIZINO; RACHELLE RHEAULT; JAMES A. SCHALLER; Irvine, California***

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 21st day of March 2009

Dexter R. Legg

TAMIKOLAJEWSKI

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 22nd day of July 2009



Dexter R. Legg

Dexter R. Legg, Secretary

Replaces Federal Insurance Bond #82044784

Executed in Duplicate

Bond No. 6547252
Premium Included in Performance Bond

LABORERS AND MATERIALMENS BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **LENNAR COMMUNITIES, INC., a California corporation** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated December 11, 2003 and identified as project **West Valley Village, Unit 6C (TM 99-1359-6C)** is hereby referred to and made part hereof; and

Whereas, under the terms of said agreement, Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of El Dorado to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

Now, therefore, we, the Principal and Safeco Insurance Company of America (hereinafter designated "Surety"), are held firmly bound unto the County of El Dorado and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of **Six Hundred and Sixty Thousand, Eight Hundred and One Dollars and 14/100 (\$660,801.14)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the County of El Dorado in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

Laborers and Materialmens Bond (continued)

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement or the specifications accompanying the same shall in any manner effect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

Surety is executing this instrument on July 22, 2009, however, Surety expressly acknowledges and agrees that the effective date of this instrument shall be October 17, 2007. Surety acknowledges and agrees that no defense or waiver shall be asserted against Principal or Obligee based upon the fact that the effective date of this instrument precedes the execution date hereof. Further, Surety acknowledges and agrees that it is expressly waiving any statutory defense it may have otherwise claimed as a result of this instrument serving as a new bond and acting as a replacement for a previously furnished bond, including, but not limited to, defenses arising under California Code of Civil Procedure Section 996.240. Surety acknowledges that performance of the agreement relating to West Valley Village, Unit 6C (TM 99-1359-6C) has already commenced and Surety agrees that: (1) it is waiving any defense or claim that its liability for a demand made under this instrument is limited by the existence of Federal Insurance Company (Chubb) Bond # 82044784 and (2) it is assuming all liabilities and obligations under the Subdivision Improvement Agreement relating to West Valley Village, Unit 6C (TM 99-1359-6C) that arise or could have arisen under the Federal Insurance Company (Chubb) Bond # 82044784.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on July 22, 2009.

"Surety"

SAFECO INSURANCE COMPANY OF AMERICA

By: _____



Lisa K. Crail, Attorney-in-Fact
Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By: _____



Larry Gualco, Vice President
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer } ss.

On July 20, 2009 before me, Monique Reynolds, Notary Public,

personally appeared Larry Gualco

who 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/hers/their authorized capacity(ies), and that by his/hers/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Monique Reynolds
Signature
My Commission Expires Nov. 24, 2012

OPTIONAL INFORMATION

Date of Document

Type or Title of Document

Number of Pages in Document

Document in a Foreign Language

Type of Satisfactory Evidence:

- ___ Personally Known with Paper Identification
- ___ Paper Identification
- ___ Credible Witness(es)

Capacity of Signer:

- ___ Trustee
- ___ Power of Attorney
- ___ CEO / CFO / COO
- ___ President / Vice-President / Secretary / Treasurer
- ___ Other: _____

Thumbprint of Signer



Check here if no thumbprint or fingerprint is available

Other Information: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On 7/22/2009
Date

before me,

K. Luu, Notary Public
Here Insert Name and Title of the Officer

personally appeared

Lisa K Crail
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: Lisa K Crail

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

No. 9675

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

RHONDA C. ABEL; JERI APODACA; LISA K. CRAIL; LINDA ENRIGHT; JANE KEPNER; NANETTE MARIELLA-MYERS; MIKE PARIZINO; RACHELLE RHEAULT; JAMES A. SCHALLER; Irvine, California***

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 21st day of March, 2009

Dexter R. Legg (handwritten signature)

T. A. Mikolajewski (handwritten signature)

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business...

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(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 22nd day of July, 2009



Dexter R. Legg (handwritten signature)

Dexter R. Legg, Secretary