

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 3A** (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 July, 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 3A, TM 99-1359-3A**. 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 **West Valley Village, Unit 3A** which were approved by the County Engineer, Department of Transportation, on April 24, 2006. Attached hereto are Exhibit A, marked "Schedule of Street Improvements;" Exhibit B, marked "Schedule of Water Improvements;" Exhibit C, marked "Schedule of Recycled Water Improvements;" Exhibit D, marked "Schedule of Sewer Improvements;" Exhibit E, marked "Schedule of Power and Telephone Improvements;" and Exhibit F, marked "Schedule of Erosion Control 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, it's 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 **FOUR MILLION SEVEN HUNDRED SIXTY-EIGHT THOUSAND FIVE HUNDRED NINETY-TWO DOLLARS AND 98/100 (\$4,768,592.98).**

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, California 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, California 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: *Helen K. Baumann* Dated: 7-10-07
Board of Supervisors
"County" **HELEN K. BAUMANN, CHAIRMAN**

Attest:
Cindy Keck
Clerk of the Board of Supervisors

By: *Cynthia Tyler* Dated: 7-10-07
Deputy Clerk

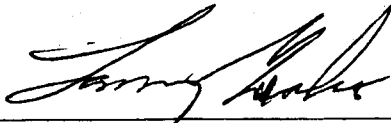
--LANDSOURCE HOLDING COMPANY, LLC--
a Delaware Limited Liability Company

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


By: *Larry Gualco* Dated: 5/23/07
Larry Gualco
Vice President
"Owner"

By: *Brenda Ascherin* Dated: 5/24/07
Brenda Ascherin
Corporate Secretary

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

By: 
Larry Gualco
Vice President
"Subdivider"

Dated: 5/23/07

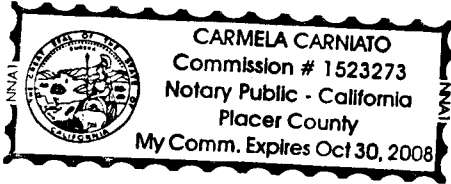
By: 
Brenda Ascherin
Corporate Secretary

Dated: 5/24/07

STATE OF CALIFORNIA
PLACER
COUNTY OF ~~EL DORADO~~

On this 23 day of MAY, 2007, before me a Notary Public, personally appeared
LARRY SWALC, 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.

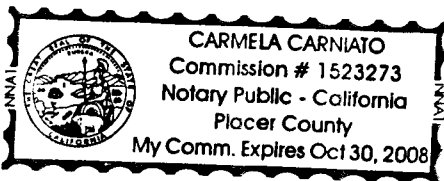


Carmela Carniato
Notary Public in and for said County and State

STATE OF CALIFORNIA
PLACER
COUNTY OF ~~EL DORADO~~

On this 24 day of MAY, 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 No. 3A** 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
Mobilization	1	ls	\$12,000.00	\$12,000.00
Asphalt (3"AC/8"AB)	165,870	sf	\$3.60	\$597,132.00
Rolled Curb & Gutter	11,730	lf	\$18.00	\$211,140.00
Vertical Curb & Gutter	435	lf	\$18.00	\$7,830.00
Concrete Sidewalk (4")	20,432	sf	\$4.80	\$98,073.60
Handicap ramp	8	ea	\$900.00	\$7,200.00
12" HDPE	61	lf	\$42.00	\$2,562.00
18" HDPE	3,091	lf	\$48.00	\$148,368.00
Santa Rosa 6Y Gallery	8	ea	\$3,120.00	\$24,960.00
Santa Rosa Type 4AC Inlet	10	ea	\$3,120.00	\$31,200.00
48" Manhole	26	ea	\$3,600.00	\$93,600.00
36" OCP	4	ea	\$2,400.00	\$9,600.00
Connect to Existing storm drain	1	ea	\$1,800.00	\$1,800.00
TV Storm Drains	3,152	lf	\$2.00	\$6,304.00
Stop Bar and "STOP" sign	6	ea	\$900.00	\$5,400.00
Street sign	6	ea	\$480.00	\$2,880.00
Subtotal Street Improvements				\$1,260,049.60
Project Administration		2%		\$25,200.99
Engineering and Staking		5%		\$63,002.48
Contingency		15%		\$189,007.44
Inspection		4%		\$50,401.98
Total Street Improvements				\$1,587,662.50

Exhibit B

SCHEDULE OF WATER IMPROVEMENTS

Owner and Subdivider agree to install the water supply and distribution system in the **West Valley Village, Unit No. 3A** 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
8" PVC, C900, CL150	5,435	lf	\$48.00	\$260,880.00
10" PVC, C900, CL150	766	lf	\$54.00	\$41,364.00
8" Gate Valve	15	ea	\$960.00	\$14,400.00
10" Gate Valve	4	ea	\$1,080.00	\$4,320.00
2" Blow Off	2	ea	\$840.00	\$1,680.00
1" Air Release Valve	2	ea	\$1,140.00	\$2,280.00
Fire Hydrant & Appurtenances	18	ea	\$3,000.00	\$54,000.00
Water Services (1")	90	ea	\$600.00	\$54,000.00
Backflow Preventor	69	ea	\$6,000.00	\$414,000.00
Connect to Existing waterline	2	ea	\$2,400.00	\$4,800.00
Subtotal Water Improvements				\$851,724.00
Project Administration		2%		\$17,034.48
Engineering and Staking		5%		\$42,586.20
Contingency		15%		\$127,758.60
Inspection		4%		\$34,068.96
Total Water Improvements				\$1,073,172.24

Exhibit C

SCHEDULE OF RECYCLED WATER IMPROVEMENTS

Owner and Subdivider agree to install the recycled water and distribution system in the **West Valley Village, Unit No. 3A** 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" PVC, C900, CL150	5,517	lf	\$42.00	\$231,714.00
6" Gate Valve	16	ea	\$840.00	\$13,440.00
2" Blow Off	4	ea	\$840.00	\$3,360.00
1" Air Release Valve	3	ea	\$1,140.00	\$3,420.00
Water Services (1")	92	ea	\$600.00	\$55,200.00
Connect to Existing waterline	2	ea	\$2,400.00	\$4,800.00
Subtotal Recycled Water Improvements				\$311,934.00
Project Administration		2%		\$6,238.68
Engineering and Staking		5%		\$15,596.70
Contingency		15%		\$46,790.10
Inspection		4%		\$12,477.36
Total Recycled Water Improvements				\$393,036.84

Exhibit D

SCHEDULE OF SEWER IMPROVEMENTS

Owner and Subdivider agree to install the sewer collection and disposal system in the **West Valley Village, Unit No. 3A** 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
6" PVC, SDR 35	4,965	lf	\$48.00	\$238,320.00
Manhole (48")	21	ea	\$3,600.00	\$75,600.00
Sewer Service (4")	93	ea	\$600.00	\$55,800.00
6" Sewer Clean Out	1	ea	\$420.00	\$420.00
Connect to Existing Sewerline	2	ea	\$1,800.00	\$3,600.00
TV Sewer Line	4,965	lf	\$2.00	\$9,930.00
Subtotal Sewer Improvements				\$383,670.00
Project Administration		2%		\$7,673.40
Engineering and Staking		5%		\$19,183.50
Contingency		15%		\$57,550.50
Inspection		4%		\$15,346.80
Total Sewer Improvements				\$483,424.20

Exhibit E

SCHEDULE OF POWER AND TELEPHONE IMPROVEMENTS

Owner and Subdivider agree to install the utility improvements in the West Valley Village, Unit No. 3A 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 Schedule of Underground Power and Telephone Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
Mainline Trenching	54	lots	\$1,920.00	\$103,680.00
Conduit & Boxes	54	lots	\$1,440.00	\$77,760.00
Wiring & Transformers	54	lots	\$1,440.00	\$77,760.00
Utility Service	54	lots	\$8,000.00	\$432,000.00
Subtotal Power & Telephone Improvements				\$691,200.00
Project Administration		2%		\$13,824.00
Engineering and Staking		5%		\$34,560.00
Contingency		15%		\$103,680.00
Inspection		4%		\$27,648.00
Total Power & Telephone Improvements				\$870,912.00

Exhibit F

SCHEDULE OF EROSION CONTROL IMPROVEMENTS

Owner and Subdivider agree to install the erosion control system in the West Valley Village, Unit No. 3A 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 Schedule of Erosion Control Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
Straw Wattles	32,100	lf	\$6.00	\$192,600.00
Gravel Filled Sandbags Around DI's Along Gutter	250	lf	\$6.00	\$1,500.00
Construction Entrance	2	ea	\$600.00	\$1,200.00
Erosion Control Maintenance	54	lots	\$600.00	\$32,400.00
Fugitive Dust Control	54	lots	\$600.00	\$32,400.00
SWPPP Compliance	54	lots	\$480.00	\$25,920.00
Subtotal Erosion Control Improvements				\$286,020.00
Project Administration		2%		\$5,720.40
Engineering and Staking		5%		\$14,301.00
Contingency		15%		\$42,903.00
Inspection		4%		\$11,440.80
Total Erosion Control Improvements				\$360,385.20

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements in the **West Valley Village, Unit 3A, TM 99-1359-3A**, Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Street Improvements	\$1,587,662.50	0%	\$1,587,662.50
Water Improvements	1,073,172.24	0%	1,073,172.24
Recycled Water Improvements	393,036.84	0%	393,036.84
Sewer Improvements	483,424.20	0%	483,424.20
Power/Telephone Improvements	870,912.00	0%	870,912.00
Erosion Control Improvements	360,385.20	0%	360,385.20
Totals	\$4,768,592.98		\$4,768,592.98

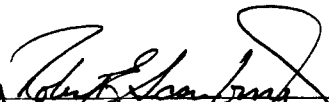
I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner and Subdivider to be **Four Million Seven Hundred Sixty-Eight Thousand Five Hundred Ninety-Two dollars and 98/100 (\$4,768,592.98)**.

The Performance Bond is for the amount of **Four Million Seven Hundred Sixty-Eight Thousand Five Hundred Ninety-Two dollars and 98/100 (\$4,768,592.98)**.

The Laborers and Materialmens Bond is for the amount of **Two Million Three Hundred Eighty-Four Thousand Two Hundred Ninety-Six dollars and 49/100 (\$2,384,296.49)**.

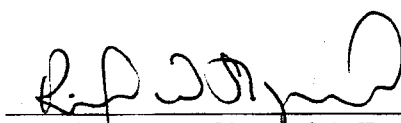
DATED: May 29, 2007




Robert E. Scarborough, P.E. RCE 42897
Carlton Engineering, Inc.
3883 Ponderosa Road
Shingle Springs, CA 95682

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 5/30/07


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

Executed in Duplicate

Bond No. 82044781
Premium: \$71,529.00/2yrs.

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 July 10, 2007, and identified as project West Valley Village, Unit 3A (TM 99-1359-3A) 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 Federal Insurance Company, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Obligee, in the penal sum of **Four Million Seven Hundred Sixty-Eight Thousand Five Hundred Ninety-Two Dollars and Ninety-Eight Cents (\$4,768,592.98)** 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

Performance Bond (continued)

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.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on May 29th, 2007

"Surety"

Federal Insurance Company

By



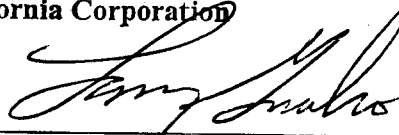
Rhonda C. Abel, Attorney-In-Fact

Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By



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

60

NOTARIES ATTACHED

PRINCIPAL

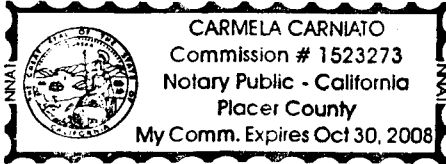
STATE OF CALIFORNIA
COUNTY OF ~~EL DORADO~~ ^{PLACER}

On this 25 day of MAY, 2007, before me a Notary Public, personally appeared LARRY GUALCO, 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



SURETY

STATE OF CALIFORNIA
COUNTY OF EL DORADO

See attached

On this _____ day of _____, 20____, before me a Notary Public, personally appeared _____, 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.

Notary Public in and for said County and State

ACKNOWLEDGEMENT

State of California
County of Orange

On May 29 2007 before me, J. Barragan, Notary Public
(here insert name and title of the officer)

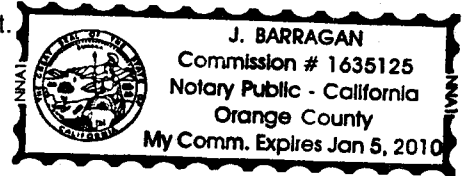
personally appeared Rhonda C. Abel

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 acknowledge 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

J. Barragan



(Seal)

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
 CORPORATE OFFICER

- TITLE(S) _____
- PARTNER(S) LIMITED
 ATTORNEY-IN-FACT GENERAL
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: _____

TITLE OR TYPE OF DOCUMENT _____

NUMBER OF PAGES _____

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

Executed in Duplicate

Bond No. 82044781
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 July 11, 2011, and identified as project **West Valley Village, Unit 3A (TM 99-1359-3A)** 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 Federal Insurance Company (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 **Two Million Three Hundred Eighty-Four Thousand Two Hundred Ninety-Six Dollars and Forty-Nine Cents (\$2,384,296.49)**, 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.

Laborers and Materialmens Bond (continued)

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.

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.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on May 29th, 2007.

"Surety"

Federal Insurance Company

By




Rhonda C. Abel, Attorney-In-Fact
Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By



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

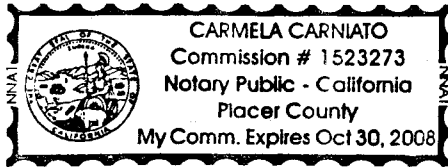
NOTARIES ATTACHED

PRINCIPAL

STATE OF CALIFORNIA
COUNTY OF PLACER

On this 25 day of MAY, 2007, before me a Notary Public, personally appeared LARRY DUALS, 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.



Carmel Carniato
Notary Public in and for said County and State

SURETY

STATE OF CALIFORNIA
COUNTY OF _____

See attached

On this _____ day of _____, 20____, before me a Notary Public, personally appeared _____, 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.

Notary Public in and for said County and State

ACKNOWLEDGEMENT

State of California
County of Orange

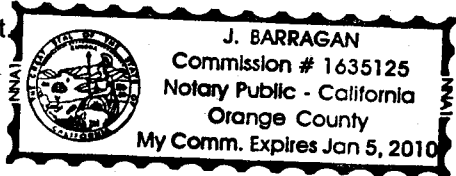
On May 29 2007 before me, J. Barragan, Notary Public
(here insert name and title of the officer)

personally appeared Rhonda C. Abel

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 acknowledge 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 
J. Barragan



(Seal)

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATE OFFICER	<hr/> TITLE OR TYPE OF DOCUMENT
<hr/> TITLE(S) <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> GENERAL <input checked="" type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER: _____ _____ _____	<hr/> NUMBER OF PAGES
SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(IES) _____ _____	<hr/> DATE OF DOCUMENT
_____ _____	<hr/> SIGNER(S) OTHER THAN NAMED ABOVE



**CHUBB
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint Rhonda C. Abel, Jeri Apodaca, Jane Kepner, Nanette Myers, Mike Parizino, Grace Reza, Rachel Rheault, Rosa E. Rivas and James A. Schaller of Irvine, California

each as their true and lawful Attorney- in- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds (other than bail bonds) and undertakings given or executed in the course of its business (but not to include any instruments amending or altering the same, nor consents to the modification or alteration of any instrument referred to in said bonds or obligations).

In Witness Whereof, said **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this 28th day of September, 2005

Kenneth C. Wendel, Assistant Secretary

John P. Smith, Vice President

STATE OF NEW JERSEY ss.

County of Somerset

On this 28th day of September, 2005 before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By- Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with John P. Smith, and knows him to be Vice President of said Companies; and that the signature of John P. Smith, subscribed to said Power of Attorney is in the genuine handwriting of John P. Smith, and was thereto subscribed by authority of said By- Laws and in deponent's presence.

Notarial Seal



**KATHERINE KALBACHER
NOTARY PUBLIC OF NEW JERSEY
No. 2316685
Commission Expires July 8, 2009**

Notary Public

CERTIFICATION

Extract from the By- Laws of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys- in- Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By- Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 29th day of May 2007



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903- 3493 Fax (908) 903- 3656 e-mail: surety@chubb.com