

LABORERS AND MATERIALMEN BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, State of California, and **SERRANO ASSOCIATES, LLC, a Delaware limited liability company** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated Sept. 12, 2006, and identified as project **SERRANO VILLAGE K5 – UNIT 3 (TM 01-1378)** is hereby referred to and made a 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, said Principal and undersigned as corporate surety, are held and firmly bound unto the County of El Dorado for all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Code of Civil Procedure in the sum of **TWO MILLION ONE HUNDRED SIXTY SEVEN THOUSAND TWO HUNDRED NINETY SEVEN AND 00/100 DOLLARS (\$2,167,297.00)** 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 El Dorado County 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 insure 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.

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

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Serrano Associates, LLC, Principal, shall be responsible for the completion of the public improvements as required in the described Subdivision Improvement Agreements.
2. Any claim or demand made by the Obligee shall be made against Serrano Associates, LLC and its surety.
3. Provided, further, that regardless of the period of time that this bond is in force and regardless of the number of demands made against this bond and the bonds listed on Attachment B, the Surety's obligations shall be limited in the cumulative aggregate amount of \$2,167,297.00 plus the costs, expenses and reasonable attorneys' fees to be paid by the Subdivider should the County of El Dorado be required to commence an action to enforce the provisions of the Agreement.
4. The cumulative obligation of the Principal under all of the agreements listed on Attachment B, shall be limited to the public improvements plans, specifications and cost estimates entitled **Serrano Village K5 Phase 1A – 1B** in Attachment A, pages 1 through


9 less the amount certified as partial completion of subdivision improvements certified on April 28, 2006 and accepted by the County of El Dorado.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on May 4, 2006.

“Principal”


SERRANO ASSOCIATES, LLC
a Delaware limited liability company

By: Parker Development Company,
a California Corporation
Managing Member

By: 
Name: William R. Parker
Its: President

“Surety”

THE CONTINENTAL INSURANCE COMPANY

By: 
Katherine G. Zerounian, Attorney-In-Fact

Attachment A

Schedule Of General Sitework Improvements

Owners agree to perform general sitework improvements in SERRANO VILLAGE K5 PHASE 1A - 1B Subdivision 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 General Sitework Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Clear and Grub	39	AC	\$ 2,500.00	\$ 97,500.00
Excavation	180,000	CY	\$ 5.00	\$ 900,000.00

Total General Sitework Improvements Cost	\$997,500.00
Plus 2% Project Administration	\$19,950.00
Plus 5% Construction Staking	\$49,875.00
Plus 10% Contingency	\$99,750.00
Estimated Total General Sitework Improvements Cost	\$1,167,075.00

Attachment A

Schedule Of Surface Improvements

Owners agree to improve all streets and roads for dedication upon the final map of **SERRANO VILLAGE K5 PHASE 1A - 1B** Subdivision 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 Surface Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
3" AC/ 8" AB	195,166	SF	\$ 2.80	\$ 546,464.80
Modified Type 1 Curb and Gutter	14,367	LF	\$ 15.00	\$ 215,505.00
0.1 Grind @ Greenview	62,603	SF	\$.30	\$ 18,780.90
0.1 Overlay @ Greenview	76,297	SF	\$.50	\$ 38,148.50
Sidewalk Ramps	16	EA	\$ 500.00	\$ 8,000.00
Street Signs	7	EA	\$ 250.00	\$ 1,750.00
4" PCC Sidewalk	22,997	SF	\$ 4.00	\$ 91,988.00
Stop signs w/ Stop Bars	7	EA	\$ 500.00	\$ 3,500.00

Total Surface Improvements Cost	\$924,137.20
Plus 2% Project Administration	\$18,482.74
Plus 5% Construction Staking	\$46,206.86
Plus 10% Contingency	\$92,413.72
Estimated Total Surface Improvements Cost	\$1,081,240.52

Attachment A

Schedule Of Storm Drainage Improvements

Owners agree to install storm drainage improvements for **SERRANO VILLAGE K5 PHASE 1A - 1B** Subdivision 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 Storm Drainage Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
12" Storm Drain Pipe - HDPE	338	LF	\$ 35.00	\$ 11,830.00
18" Storm Drain Pipe - HDPE	1,224	LF	\$ 45.00	\$ 55,080.00
24" Storm Drain Pipe - HDPE	203	LF	\$ 55.00	\$ 11,165.00
30" Storm Drain Pipe - HDPE	423	LF	\$ 55.00	\$ 23,265.00
Std. Type "B" Drain Inlet	21	EA	\$ 2,800.00	\$ 58,800.00
48" Storm Drain Manhole	18	EA	\$ 3,500.00	\$ 63,000.00

Total Storm Drainage Improvements Cost	\$223,140.00
Plus 2% Project Administration	\$4,462.80
Plus 5% Construction Staking	\$11,157.00
Plus 10% Contingency	\$22,314.00
Estimated Total Storm Drainage Improvements Cost	\$261,073.80

Attachment A

Schedule Of Sanitary Sewer Improvements

Owners agree to install the sewer collection and disposal system for **SERRANO VILLAGE K5 PHASE 1A - 1B** Subdivision 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 Sanitary Sewer Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6" Sewer Line SDR-35	4,678	LF	\$ 45.00	\$ 210,510.00
6" Sewer Line SDR-26	257	LF	\$ 45.00	\$ 11,565.00
Std. 60" Manhole	2	EA	\$ 5,000.00	\$ 10,000.00
Std. 48" Manhole	21	EA	\$ 3,500.00	\$ 73,500.00
4" Sewer Services	133	EA	\$ 1,000.00	\$ 133,000.00
Sewer Cleanout	4	EA	\$ 1,000.00	\$ 4,000.00
Manhole Lining	1,693	SF	\$ 1.00	\$ 1,693.00

Total Sanitary Sewer Improvements Cost	\$444,268.00
Plus 2% Project Administration	\$8,885.36
Plus 5% Construction Staking	\$22,213.40
Plus 10% Contingency	\$44,426.80
Estimated Total Sanitary Sewer Improvements Cost	\$519,793.56

Attachment A

Schedule Of Water Improvements

Owners agree to install the water supply and distribution system in SERRANO VILLAGE K5 PHASE 1A - 1B Subdivision 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
8" PVC C-900 (CL 150)	5,202	LF	\$ 50.00	\$ 260,100.00
8" Gate Valve	16	EA	\$ 1,000.00	\$ 16,000.00
1" ARV	7	EA	\$ 2,500.00	\$ 17,500.00
2" BOV	6	EA	\$ 2,800.00	\$ 16,800.00
Fire Hydrants	12	EA	\$ 3,000.00	\$ 36,000.00
Water Services	133	EA	\$ 1,200.00	\$ 159,600.00

Total Water Improvements Cost	\$506,000.00
Plus 2% Project Administration	\$10,120.00
Plus 5% Construction Staking	\$25,300.00
Plus 10% Contingency	\$50,600.00
Estimated Total Water Improvements Cost	\$592,020.00

Attachment A

Schedule Of Reclaimed Water Improvements

Owners agree to install the recycled water supply and distribution system in SERRANO VILLAGE K5 PHASE 1A - 1B Subdivision 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 Reclaimed Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6" Purple Plus C-900 (CL 150)	5,287	LF	\$ 35.00	\$ 185,045.00
6" Gate Valve	16	EA	\$ 700.00	\$ 11,200.00
2" BOV	7	EA	\$ 2,800.00	\$ 19,600.00
1" ARV	7	EA	\$ 2,500.00	\$ 17,500.00
Recycled Water Services	133	EA	\$ 1,200.00	\$ 159,600.00

Total Reclaimed Water Improvements Cost	\$392,945.00
Plus 2% Project Administration	\$7,858.90
Plus 5% Construction Staking	\$19,647.25
Plus 10% Contingency	\$39,294.50
Estimated Total Reclaimed Water Improvements Cost	\$459,745.65

Attachment A

Schedule Of Erosion Control Improvements

Owners agree to install erosion control improvements for **SERRANO VILLAGE K5 PHASE 1A - 1B** Subdivision 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 Erosion Control Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Fiber Waddle	1,957	LF	\$ 3.00	\$ 5,871.00
Hydroseed	54,000	SF	\$ 0.05	\$ 2,700.00
Silt Fence	1,840	LF	\$ 3.00	\$ 5,520.00
Dust Control	1	LS	\$ 20,000.00	\$ 20,000.00
SWPP Compliance	1	LS	\$ 15,000.00	\$ 15,000.00

Total Erosion Control Improvements Cost	\$49,091.00
Plus 2% Project Administration	\$981.82
Plus 5% Construction Staking	\$2,454.55
Plus 10% Contingency	\$4,909.10
Estimated Total Erosion Control Improvements Cost	\$57,436.47

Attachment A

Schedule Of Miscellaneous Improvements

Owners agree to install miscellaneous improvements for **SERRANO VILLAGE K5 PHASE 1A - 1B** Subdivision 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 Miscellaneous Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Joint Trench	8,385	LF	\$ 20.00	\$ 167,700.00

Total Utility Improvements Cost	\$167,700.00
Plus 2% Project Administration	\$3,354.00
Plus 5% Construction Staking	\$8,385.00
Plus 10% Contingency	\$16,770.00
Estimated Total Utility Improvements Cost	\$196,209.00

Attachment A

Certificate Of Partial Completion Of Subdivision Improvements

I hereby certify that the following improvements in the SERRANO VILLAGE K5 UNIT 3 Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
General Sitework	\$ 1,167,075.00	90%	\$ 116,707.50
Surface Improvements	\$ 1,081,240.52	0%	\$ 1,081,240.52
Storm Drainage	\$ 261,073.80	0%	\$ 261,073.80
Sanitary Sewer	\$ 519,793.56	0%	\$ 519,793.56
Water	\$ 592,020.00	0%	\$ 592,020.00
Reclaimed Water	\$ 459,745.65	0%	\$ 459,745.65
Erosion Control	\$ 57,436.47	0%	\$ 57,436.47
Miscellaneous	\$ <u>196,209.00</u>	0%	\$ <u>196,209.00</u>
Totals	\$ <u>4,334,594.00</u>		\$ <u>3,284,226.50</u>

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **FOUR MILLION THREE HUNDRED THIRTY FOUR THOUSAND FIVE HUNDRED NINETY FOUR AND 00/100 dollars (\$4,334,594.00).**

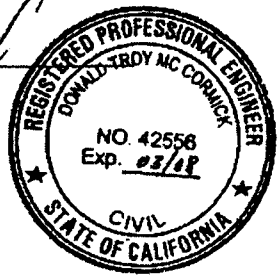
The Performance Bond is for the amount of **THREE MILLION TWO HUNDRED EIGHTY FOUR THOUSAND TWO HUNDRED TWENTY SIX AND 50/100 dollars (\$3,284,226.50).** (100% of Remaining Amount Total, Column 3)

The Labor and Materialmens Bond is for the amount of **TWO MILLION ONE HUNDRED SIXTY SEVEN THOUSAND TWO HUNDRED NINETY SEVEN AND 00/100 dollars (\$2,167,297.00).** (50% of The Total Amount, Column 1)

DATED: 04/28/06



Donald T. McCormick
R.E.Y. Engineers
105 Lake Forest Way, Suite C
Folsom, CA 95630



ACCEPTED BY THE COUNTY OF EL DORADO:

DATED: _____

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

Attachment B

It is hereby understood and agreed that this addendum is affixed to and a part of bond number 929374865 which is issued on behalf of the County of El Dorado, a political subdivision of the State of California.

The cumulative liability of the following Laborers and Materialmen Bonds shall not exceed \$2,167,297.00 and shall incorporate the following Subdivisions Improvement Agreements, tracts of land and bond security as required by Section 16.16.050 of the El Dorado County Ordinance Code as listed below:

<u>Owner/Subdivider</u>	<u>Date of Agreement</u>	<u>Tract Description</u>	<u>Bond No.</u>
1 Serrano Associates, LLC and Toll CA X L.P.	May 1, 2006	Serrano Village K5 Unit 3	929374865

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

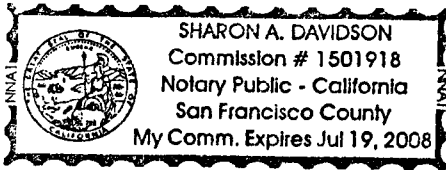
State of California }
County of SAN FRANCISCO } SS.

On MAY 4, 2006, before me, SHARON A. DAVIDSON, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared KATHERINE G. ZEROUNIAN
Name(s) of Signer(s)

- personally known to me
- ~~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.

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: _____

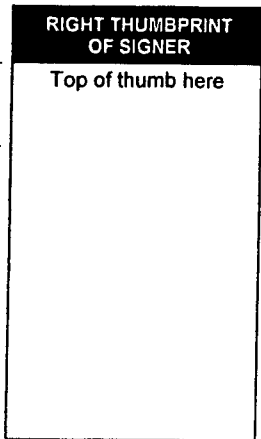
Signer(s) Other Than Name Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a South Carolina corporation, is a duly organized and existing corporation having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

John T Lettieri, Mark Roppo, Katherine G Zerounian, Paul S Rodriguez, Tom Branigan, Individually

of San Francisco, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Board of Directors of the corporation.

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 1st day of September, 2005.

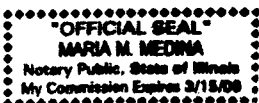


The Continental Insurance Company

Michael Gengler Senior Vice President

State of Illinois, County of Cook, ss:

On this 1st day of September, 2005, before me personally came Michael Gengler to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of The Continental Insurance Company, a South Carolina corporation, described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.



My Commission Expires March 15, 2009

Maria M. Medina Notary Public

CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of The Continental Insurance Company, a South Carolina corporation, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4TH day of MAY, 2006.



The Continental Insurance Company

Mary A. Ribikawskis Assistant Secretary

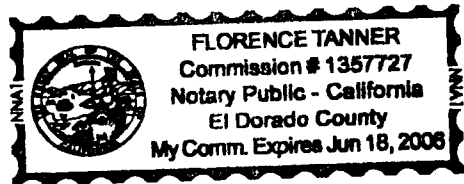
ACKNOWLEDGMENT

State of California)
)ss.
County of El Dorado)

On May 5, 2006 before me, Florence Tanner, Notary Public personally appeared William R. Parker, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Florence Tanner
Signature of Notary Public



Title or Type of Document: **Labor and Material Bond**
Serrano, Village K5 – Unit 3