

VICINITY MAP

7-3 2011
ORIGINAL

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

THIS AGREEMENT, made and entered into by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California, (hereinafter referred to as "County"), and **LESARRA ATTACHED HOMES, L.P.**, a Nevada limited partnership duly qualified to conduct business in the State of California, whose principal place of business is 8700 Technology Way, Reno, Nevada 89521 (hereinafter referred to as "Owner"); concerning **LESARRA ATTACHED HOMES** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 3 day of July, 2007.

RECITALS

Owner is vested with fee title to Subdivision; a tract of land located in the County of El Dorado, State of California, and described as **Lesarra Condominiums, TM 04-1390**. Owner desires to construct on said property certain public improvements as hereinafter described, in connection with the Subdivision.

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

AGREEMENT

OWNER WILL:

1. Make or cause to be made all those public improvements in Subdivision required by Section 16.16.010 of the El Dorado County Ordinance Code (hereinafter referred to as "Code") and shown or described in the improvement plans, specifications and cost estimates entitled **El Dorado Hills Lesarra Attached Homes 2160 Valley View Parkway Site Improvement Plans** which were approved by the Development Services Department on December 13, 2006. Attached hereto are Exhibit A, marked "Schedule of Earthwork Improvements;" Exhibit B, marked "Schedule of Valley View Parkway Improvements;" Exhibit C, marked "Schedule of Site Work Improvements;" Exhibit D, marked "Schedule of Private Access Road Improvements;" Exhibit E, marked "Schedule of Sanitary Sewer Improvements," Exhibit F, marked "Schedule of Storm Drain Improvements," and Exhibit G, marked "Schedule of Miscellaneous 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 the El Dorado County Board of Supervisors.

4. Install or cause to be installed, modify or cause to be modified, any and all erosion and sediment control features, whether temporary or permanent, deemed necessary by the County Engineer to ensure compliance with the Clean Water Act, the Statewide General Permit, and County's, Grading, Erosion and Sediment Control Ordinances. Failure to comply with this provision shall constitute a material breach of this Agreement.

5. Post security acceptable to County as provided in Section 16.16.050 of the Code. In the event that the Sureties issuing the posted securities are subsequently downgraded to a rating unacceptable to County in its sole discretion, Owner shall, upon twenty (20) days written notice by County, post replacement securities that are acceptable to County.

6. Provide for and pay the costs of related civil engineering services, including the costs of inspection and utility relocation when required, and attorneys' fees, costs, and expenses of legal services.

7. Provide deposit for and pay to County all costs of construction oversight, inspection, administration and acceptance of the work by County in accordance with the County Engineer Fee Schedule adopted by Resolution of the Board of Supervisors of El Dorado County.

8. Have as-built plans prepared by a civil engineer acceptable to County's Department of Transportation and filed with the Department of Transportation as provided in Section 16.16.060 of the Code.

9. Repair at Owner's sole cost and expense, any defects, in workmanship or materials, which appear in the work within one (1) year following acceptance of the work by County.

10. To the fullest extent allowed by law, defend, indemnify and hold County harmless against and from any and all claims, suits, losses, damages and liability for damages of every name, kind and description, including attorneys fees and costs incurred, brought for, or on account of, injuries to or death of any person, including but not limited to workers, County employees, and the public, or damage to property, or any other economic or consequential losses, which are claimed to or in any way arise out of or are connected with Owner's work, design, operation, construction of the improvements, or performance of this Agreement, regardless of the existence or degree of fault or negligence on the part of County, Owner, any Contractor(s), Subcontractor(s) and employee(s) of any of these, except for the sole, or active negligence of County, its officers and employees, or as expressly provided by statute. This duty of Owner to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

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

11. Enter into another agreement with County for all road improvements to be performed on County property. Such agreement shall also 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 the County's Risk Management Division.

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

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.

COUNTY WILL:

14. 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.

15. 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.

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

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

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

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

20. 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 County to secure the repair of any hidden defects in workmanship or materials which may appear.

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

ADDITIONAL PROVISIONS:

22. The estimated cost of installing all of the improvements is **TWO MILLION NINE HUNDRED FIFTY-SIX THOUSAND FOUR HUNDRED EIGHT-NINE DOLLARS (\$2,956,489).**

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

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

25. 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.

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

27. 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.: Chuck S. Pazzi,
Supervising Civil Engineer

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:

Lesarra Attached Homes, L.P.
c/o Pacific West Communities, TM
8700 Technology Way
Reno, Nevada 89521
Attn.: Mike Daniels, Engineer

or to such other location as Owner directs.

28. The County officer or employee with responsibility for administering this Agreement is Chuck S. Pazzi, Supervising Civil Engineer, Department of Transportation, or successor.

29. 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.

30. 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.

--C O U N T Y O F E L D O R A D O--

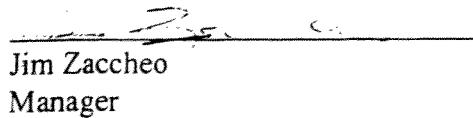
By:  Dated: 7/3/07
HELEN K. BAUMANN
Chairman
Board of Supervisors
"County"

Attest:
Cindy Keck
Clerk of the Board of Supervisors

By:  Dated: 7/3/07
Cindy Keck
Deputy Clerk

-- L E S A R R A A T T A C H E D H O M E S, L. P.
A Nevada Limited Partnership --

By: Lesarra Associates LLC
A Nevada Limited Liability Company
General Partner

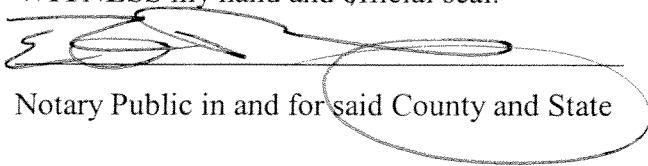
By:  Date: 4/23/07
Jim Zaccheo
Manager

STATE OF CALIFORNIA

COUNTY OF EL DORADO

On this 28th day of April, 2007, before me a Notary Public, personally appeared Jim Bachelder, 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



ELLEN H. RILEY
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 92-2262-2 - Expires October 8, 2009

Exhibit A

Schedule Of Earthwork Improvements

Owner agrees to install all of the earthwork improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Earthwork Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|------------|--------------------|
| Excavation & Embankment | 38,500 | CY | \$5.00 | \$192,500 |
| Winterization | 1 | LS | \$7,500.00 | \$7,500 |
| Rockery Wall | 12,500 | SF | \$12.00 | \$150,000 |
| Masonry Wall | 22,000 | SF | \$25.00 | \$550,000 |
| Subtotal Earthwork Improvements | | | | \$900,000 |
| Project Administration | | 2% | | \$18,000 |
| Engineering & Staking | | 10% | | \$90,000 |
| Contingency | | 10% | | \$90,000 |
| Inspection | | 4% | | \$36,000 |
| Total Earthwork Improvements | | | | \$1,134,000 |

Exhibit B

Schedule Of Valley View Parkway Improvements

Owner agrees to install the Valley View Parkway improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Valley View Parkway Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|------------|-----------------|
| 4" AC on 8" Base | 1,450 | SF | \$5.20 | \$7,540 |
| Curb & Gutter | 150 | LF | \$30.00 | \$4,500 |
| 6' Sidewalk | 150 | LF | \$36.00 | \$5,400 |
| Handicap Ramp | 1 | EA | \$750.00 | \$750 |
| A7 Driveway | 1 | EA | \$8,500.00 | \$8,500 |
| Subtotal Valley View Parkway Improvements | | | | \$26,690 |
| Project Administration | | 2% | | \$534 |
| Engineering & Staking | | 10% | | \$2,669 |
| Contingency | | 10% | | \$2,669 |
| Inspection | | 4% | | \$1,068 |
| Total Valley View Parkway Improvements | | | | \$33,629 |

Exhibit C

Schedule Of Site Work Improvements

Owner agrees to install all of the site work improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Site Work Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|------------|------------------|
| Fine Grade | 129,000 | SF | \$0.35 | \$45,150 |
| 3" AC on 8" Base | 84,700 | SF | \$4.00 | \$338,800 |
| 3" AC on 6" Base | 36,300 | SF | \$3.75 | \$136,125 |
| Extruded Curb | 4,950 | LF | \$15.00 | \$74,250 |
| Valley Gutter | 1,615 | LF | \$20.00 | \$32,300 |
| 4' Sidewalk | 1,500 | LF | \$24.00 | \$36,000 |
| 6' Sidewalk | 750 | LF | \$36.00 | \$27,000 |
| Handicap Ramp | 26 | EA | \$750.00 | \$19,500 |
| A7 Driveway | 2 | EA | \$5,000.00 | \$10,000 |
| Subtotal Site Work Improvements | | | | \$719,125 |
| Project Administration | | 2% | | \$14,383 |
| Engineering & Staking | | 10% | | \$71,913 |
| Contingency | | 10% | | \$71,913 |
| Inspection | | 4% | | \$28,765 |
| Total Site Work Improvements | | | | \$906,098 |

Exhibit D

Schedule Of Private Access Road Improvements

Owner agrees to install the private access road improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Private Access Road Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|------------|-----------------|
| 3" AC on 7" Base | 1,200 | SF | \$4.35 | \$5,220 |
| Curb & Gutter | 150 | LF | \$30.00 | \$4,500 |
| Striping | 1 | LS | \$4,500.00 | \$4,500 |
| Subtotal Private Access Road Improvements | | | | \$14,220 |
| Project Administration | | 2% | | \$284 |
| Engineering & Staking | | 10% | | \$1,422 |
| Contingency | | 10% | | \$1,422 |
| Inspection | | 4% | | \$569 |
| Total Private Access Road Improvements | | | | \$17,917 |

Exhibit E

Schedule Of Sanitary Sewer Improvements

Owner agrees to install the sewer collection and disposal system improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Sanitary Sewer Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|---|----------|-------|------------|------------------|
| 6" Sewer | 3,009 | LF | \$40.00 | \$120,360 |
| Sewer Lateral | 22 | EA | \$750.00 | \$16,500 |
| SSMH | 25 | EA | \$3,500.00 | \$87,500 |
| Subtotal Sanitary Sewer Improvements | | | | \$224,360 |
| Project Administration | | 2% | | \$4,487 |
| Engineering & Staking | | 10% | | \$22,436 |
| Contingency | | 10% | | \$22,436 |
| Inspection | | 4% | | \$8,974 |
| Total Sanitary Sewer Improvements | | | | \$282,694 |

Exhibit F

Schedule Of Storm Drain Improvements

Owner agrees to install all of the storm drain improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Storm Drain Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|------------|------------------|
| 12" Drain | 4,283 | LF | \$50.00 | \$214,150 |
| 18" Drain | 75 | LF | \$55.00 | \$4,125 |
| 24" Drain | 1,000 | LF | \$60.00 | \$60,000 |
| Area Drain | 47 | EA | \$250.00 | \$11,750 |
| DI TYPE VF / VJ / VC | 35 | EA | \$1,250.00 | \$43,750 |
| SDMH | 22 | EA | \$4,000.00 | \$88,000 |
| CDS Unit | 1 | EA | \$30,000 | \$30,000 |
| 24" Outfall | 1 | EA | \$4,500 | \$4,500 |
| Subtotal Storm Drain Improvements | | | | \$456,275 |
| Project Administration | | 2% | | \$9,126 |
| Engineering & Staking | | 10% | | \$45,628 |
| Contingency | | 10% | | \$45,628 |
| Inspection | | 4% | | \$18,251 |
| Total Storm Drain Improvements | | | | \$574,907 |

Exhibit G

Schedule Of Miscellaneous Improvements

Owner agrees to install the miscellaneous improvements in the **Lesarra Attached Homes** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Development Services Department, and as set forth in the following Schedule of Miscellaneous Improvements:

| Item Description | Quantity | Units | Unit Cost | Total Cost |
|--|----------|-------|-----------|----------------|
| Survey Monuments | 13 | EA | \$350.00 | \$4,550 |
| Street Light | 1 | EA | \$1,200 | \$1,200 |
| Subtotal Miscellaneous Improvements | | | | \$5,750 |
| Project Administration | | 2% | | \$115 |
| Engineering & Staking | | 10% | | \$575 |
| Contingency | | 10% | | \$575 |
| Inspection | | 4% | | \$230 |
| Total Miscellaneous Improvements | | | | \$7,245 |

Certificate Of Partial Completion Of Subdivision Improvements

I hereby certify that the following improvements in the **Lesarra Attached Homes** Subdivision have been completed, to wit:

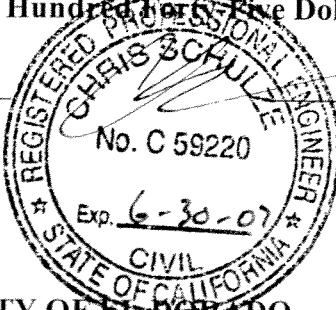
| | <u>Total Amount</u> | <u>Percent Complete</u> | <u>Remaining Amount</u> |
|---|---------------------|-------------------------|-------------------------|
| Earthwork Improvements | \$1,134,000 | 90 | \$113,400 |
| Valley View Parkway Improvements | \$33,629 | 0 | \$33,629 |
| Site Work Improvements | \$906,098 | 5 | \$860,793 |
| Private Access Road Improvements | \$17,917 | 0 | \$17,917 |
| Sanitary Sewer Improvements | \$282,694 | 50 | \$141,347 |
| Storm Drain Improvements | \$574,907 | 50 | \$287,453 |
| Miscellaneous Improvements | \$7,245 | 40 | \$4,347 |
| Totals | \$2,956,489 | | \$1,458,886 |

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **One Million Four Hundred Fifty-Eight Thousand Eight Hundred Eighty-Six Dollars (\$1,458,886)**.

The Performance Bond is for the amount of **One Million Four Hundred Fifty-Eight Thousand Eight Hundred Eighty-Six Dollars (\$1,458,886)**.

The Labor and Materialmens Bond is for the amount of **One Million Four Hundred Seventy-Eight Thousand Two Hundred Forty-Five Dollars (\$1,478,245)**.

DATED: 5-1-2007



Chris Schulze, RCE 59220
TSD Engineering, Inc.
31 Natoma Street, Suite 160
Folsom, CA 95630

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 5/7/07



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

Bond No. BDS30526

Premium \$29,565.00

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, the State of California, and **LESARRA ATTACHED HOMES, L.P., a Nevada limited partnership** (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 3, 2007, and identified as project Lesarra Attached Homes (TM 04-1390) 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 Western Insurance Company, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Obligee, in the penal sum of **One Million Four Hundred Fifty-Eight Thousand Eight Hundred Eighty-Six Dollars (\$1,458,886.00)** 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 April 25, 2007.

“Surety”

Western Insurance Company

“Principal”

LESARRA ATTACHED HOMES, L.P.
a Nevada Limited Partnership

By: Lesarra Associates LLC
a Nevada Limited Liability Company
General Partner

By Clovia L. Lehto
Clovia L Lehto Attorney-in-Fact
CLOVIA L. LEHTO
Print Name

By Jim Zacchico
Jim Zacchico, Manager
8700 Technology Way
Reno, Nevada 89521

NOTARIES ATTACHED

WESTERN INSURANCE COMPANY
POWER OF ATTORNEY

308244

KNOW ALL MEN BY THESE PRESENTS: That WESTERN INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Nevada and having its principal office at the City of Reno, in the State of Nevada, does hereby constitute and appoint

Dick L. Rottman, Bradley A. Pearce, Roger A. Hill, Janice L. Bowman,
 R. Scott Rottman, Clovia L. Lehto, Amy J. Simpson, Melissa C. Mello

Of the STATE OF NEVADA its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said WESTERN INSURANCE COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its President and Secretary, this 19th day of June, 2006.

WESTERN INSURANCE COMPANY



(Signed) By

President

(Signed) By

Secretary

STATE OF NEVADA)

SS:

COUNTY OF WASHOE)

On this 19th day of June, 2006, before me personally came DICK L. ROTTMAN, PRESIDENT of the WESTERN INSURANCE COMPANY and CAROL B. INGALLS, SECRETARY of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said DICK L. ROTTMAN and CAROL B. INGALLS were respectively the PRESIDENT and the SECRETARY of the said WESTERN INSURANCE COMPANY, the corporation described in which executed the foregoing Power of Attorney, that they each know the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as PRESIDENT and SECRETARY, respectively, of the Company.

My Commission expires the 31st day of March, 2010.



(Signed)

Patricia A. Letson Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the WESTERN INSURANCE COMPANY on June 19, 2006.

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by person or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) 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, jointly with the Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and, unless subsequently revoked and subject to any limitations set forth therein, 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 validly attached.

RESOLVED, that Attorney(s)-in-Fact shall have the power and authority, unless subsequently revoked and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, CAROL B. INGALLS, Secretary of the WESTERN INSURANCE COMPANY, do hereby certify that the foregoing is a true excerpt from the Resolution of the said Company as adopted by its Board of Directors on June 19, 2006 and that this Resolution is in full force and effect.

I, the undersigned Secretary of the WESTERN INSURANCE COMPANY do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

30th in Testimony Whereof, I have hereunto set my hand and the seal of the WESTERN INSURANCE COMPANY on this day of April 2007.

Secretary



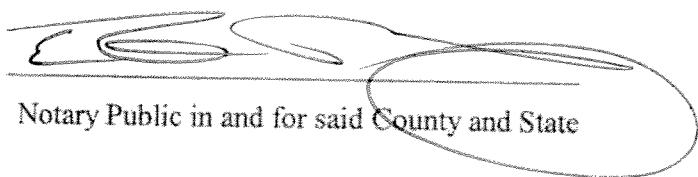
PRINCIPAL

STATE OF ~~CALIFORNIA~~ NEVADA

COUNTY OF ~~CLARK~~ WASHOE

On this 26th day of April, 2007, before me a Notary Public, personally appeared Jim Zaccaro, 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



SURETY

STATE OF ~~CALIFORNIA~~ Nevada

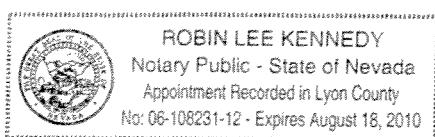
COUNTY OF ~~CLARK~~ Washoe

On this 25th day of April, 2007, before me a Notary Public, personally appeared Clovia L Lehto, 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.



Robin Lee Kennedy



Notary Public in and for said County and State

WESTERN INSURANCE COMPANY
POWER OF ATTORNEY

308226

KNOW ALL MEN BY THESE PRESENTS: That WESTERN INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Nevada and having its principal office at the City of Reno, in the State of Nevada, does hereby constitute and appoint

Dick L. Rottman, Bradley A. Pearce, Roger A. Hill, Janice L. Bowman,
 R. Scott Rottman, Clovia L. Lehto, Amy J. Simpson, Melissa C. Mello

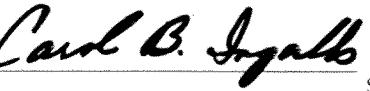
Of the STATE OF NEVADA its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said WESTERN INSURANCE COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its President and Secretary, this 19th day of June, 2006.

WESTERN INSURANCE COMPANY



(Signed) By 
 President

(Signed) By 
 Secretary

STATE OF NEVADA)

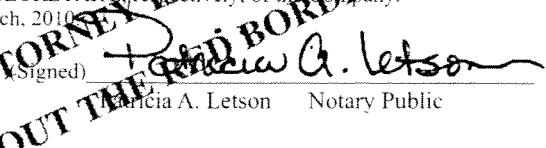
SS:

COUNTY OF WASHOE)

On this 19th day of June, 2006, before me personally came DICK L. ROTTMAN, PRESIDENT of the WESTERN INSURANCE COMPANY and CAROL B. INGALLS, SECRETARY of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said DICK L. ROTTMAN and CAROL B. INGALLS were respectively the PRESIDENT and the SECRETARY of the said WESTERN INSURANCE COMPANY, the corporation described in which executed the foregoing Power of Attorney, that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as PRESIDENT and SECRETARY, respectively, of the Company.

My Commission expires the 31st day of March, 2010.



(Signed) 
 Patricia A. Letson Notary Public

This Power of Attorney is granted under and by authority of the following Resolutions adopted by the Board of Directors of the WESTERN INSURANCE COMPANY on June 19, 2006.

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by person or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) 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, jointly with the Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and, unless subsequently revoked and subject to any limitations set forth therein, 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 validly attached.

RESOLVED, that Attorney(s)-in-Fact shall have the power and authority, unless subsequently revoked and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, CAROL B. INGALLS, Secretary of the WESTERN INSURANCE COMPANY, do hereby certify that the foregoing is a true excerpt from the Resolution of the said Company as adopted by its Board of Directors on June 19, 2006 and that this Resolution is in full force and effect.

I, the undersigned Secretary of the WESTERN INSURANCE COMPANY do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

25th In Testimony Whereof, I have hereunto set my hand and the seal of the WESTERN INSURANCE COMPANY on this day of April, 2007.


 Carol B. Ingalls
 Secretary



ANNUAL RESOLUTIONS
OF THE MEMBERS
OF
LESARRA ASSOCIATES, LLC

The undersigned, the sole Members of Lesarra Associates, LLC, a Nevada limited liability company, hereby consent to the adoption by the Members of the following resolutions, and waive notice of the time, place, and purpose of a meeting of the Members to consider the adoption of the resolutions:

RESOLVED, that the following persons are hereby nominated and elected to hold the office of Manager until the next annual meeting of the Members, or until his other successor is duly elected and qualified:

William D. Pennington II
Jim Zacheo
Dane Hillyard

RESOLVED FURTHER, that the Members have reviewed the results of the financial operations of the Company for the year ended December 31, 2006, and the Members hereby approve the results of the financial operations of the Company and ratify and approve all of the acts and transactions of the Managers of the Company during the year ended December 31, 2006.

Dated: January 8, 2007.

~~JLP Venture Capital, LLC,
a Nevada limited liability company~~

By: William D. Pennington, Manager

Dated: January 8, 2007.

~~Nexstar Communities, LLC,
a Nevada limited liability company~~

By: Dane Hillyard, Manager

Bond No. BDS30526
Premium see Performance Bond

LABORERS AND MATERIALMENS BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, the State of California, and **LESARRA ATTACHED HOMES, L.P., a Nevada limited partnership** (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, 3, 2007, and identified as project **Lesarra Attached Homes (TM 04-1390)** 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 Western 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 **One Million Four Hundred Seventy-Eight Thousand Two Hundred Forty-Five Dollars** (\$1,478,245.00), 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 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 April 25, 2007.

“Surety”

Western Insurance Company

“Principal”

LESARRA ATTACHED HOMES, L.P.
a Nevada Limited Partnership

By: Lesarra Associates LLC

a Nevada Limited Liability Company
General Partner

By



Clovia L. Lehto Attorney-in-Fact
Print Name

By



Jim Zaccetti, Manager
8700 Technology Way
Reno, Nevada 89521

NOTARIES ATTACHED

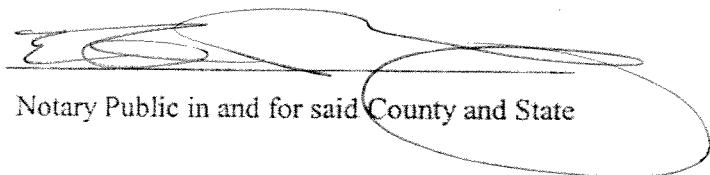
PRINCIPAL

STATE OF ~~CALIFORNIA~~ NEVADA

COUNTY OF WASHOE

On this 26th day of APRIL, 2007, before me a Notary Public, personally appeared Jim Falcone, 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



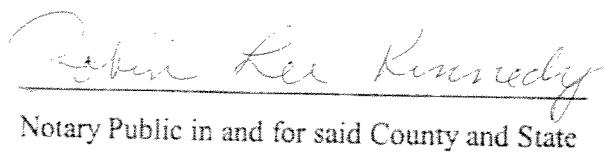
SURETY

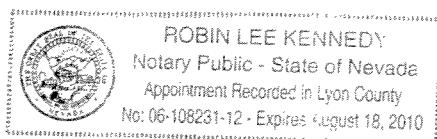
STATE OF ~~CALIFORNIA~~ Nevada

COUNTY OF Washoe

On this 25th day of April, 2007, before me a Notary Public, personally appeared Clovia L Lehto, 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



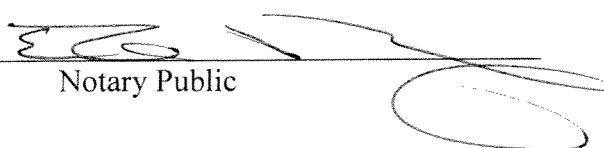
ALL-PURPOSE ACKNOWLEDGMENT

State of Nevada

County of Washoe

On 4/30/07 before me, Ellen H. Riley, personally appeared Jim Zacheo, 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.

Signature 

Notary Public



WESTERN INSURANCE COMPANY
POWER OF ATTORNEY

308228

KNOW ALL MEN BY THESE PRESENTS: That WESTERN INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Nevada and having its principal office at the City of Reno, in the State of Nevada, does hereby constitute and appoint

Dick L. Rottman, Bradley A. Pearce, Roger A. Hill, Janice L. Bowman,
 R. Scott Rottman, Clovia L. Lehto, Amy J. Simpson, Melissa C. Mello

Of the STATE OF NEVADA its true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof on behalf of the Company in its business of guaranteeing the fidelity of persons; guaranteeing the performance of contracts; and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, the said WESTERN INSURANCE COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its President and Secretary, this 19th day of June, 2006.

WESTERN INSURANCE COMPANY



(Signed) By

President

(Signed) By

Secretary

STATE OF NEVADA)

SS:

COUNTY OF WASHOE)

On this 19th day of June, 2006, before me personally came DICK L. ROTTMAN, PRESIDENT of the WESTERN INSURANCE COMPANY and CAROL B. INGALLS, SECRETARY of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said, that they, the said DICK L. ROTTMAN and CAROL B. INGALLS were respectively the PRESIDENT and the SECRETARY of the said WESTERN INSURANCE COMPANY, the corporation described in which executed the foregoing Power of Attorney, that they each know the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as PRESIDENT and SECRETARY, respectively, of the Company.

My Commission expires the 31st day of March, 2010.



(Signed)

Patricia A. Letson Notary Public

**WARNING: THIS POWER OF ATTORNEY IS NOT VALID
WITHOUT THE NOTARY PUBLIC BORDER**

This Power of Attorney is granted and by authority of the following Resolutions adopted by the Board of Directors of the WESTERN INSURANCE COMPANY on June 19, 2006.

RESOLVED, that in connection with the fidelity and surety insurance business of the Company, all bonds, undertakings, contracts and other instruments relating to said business may be signed, executed, and acknowledged by person or entities appointed as Attorney(s)-in-Fact pursuant to a Power of Attorney issued in accordance with these resolutions. Said Power(s) 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, jointly with the Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the foregoing officers and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Attorney(s)-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and, unless subsequently revoked and subject to any limitations set forth therein, 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 validly attached.

RESOLVED, that Attorney(s)-in-Fact shall have the power and authority, unless subsequently revoked and, in any case, subject to the terms and limitations of the Power of Attorney issued to them, to execute and deliver on behalf of the Company and to attach the seal of the Company to any and all bonds and undertakings, and other writings obligatory in the nature thereof, and any such instrument executed by such Attorney(s)-in-Fact shall be as binding upon the Company as if signed by an Executive Officer and sealed and attested to by the Secretary of the Company.

I, CAROL B. INGALLS, Secretary of the WESTERN INSURANCE COMPANY, do hereby certify that the foregoing is a true excerpt from the Resolution of the said Company as adopted by its Board of Directors on June 19, 2006 and that this Resolution is in full force and effect.

I, the undersigned Secretary of the WESTERN INSURANCE COMPANY do hereby certify that the foregoing Power of Attorney is in full force and effect and has not been revoked.

25th day of April 2007.

Secretary



Date: April 30, 2007

RIDER

Obligee:
El Dorado County
4950 Hillsdale Circle Suite 100
El Dorado Hills, CA 95762

Re: **Bond Number BDS30526**

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements, or warranties of the above-mentioned bond, other than stated as below.

GENTLEMEN:

This rider is effective April 25, 2007 and is to be attached to and form a part of the above captioned bond. This Rider is on behalf of Lesarra Attached Homes, LP, and in favor of the Obligee stated above. In consideration of the premium charged, it is understood and agreed, effective from above date, that:

AMEND laborers and materialmens bond effective date to April 30, 2007

Provided, however, that the liability of the company under the attached bond as changed by this order shall not be cumulative.

Signed this 30th day of April 2007

'Signed this 30th day of April, 2007

WESTERN INSURANCE COMPANY

By: 
Clovia L Lehto Attorney-In-Fact

LESARRA ATTACHED HOMES, LP
a Nevada limited partnership

By: LESARRA ASSOCIATES, LLC
a Nevada limited liability company
General Partner

By: 
Jim Zaccheo, Manager

ALL-PURPOSE ACKNOWLEDGEMENT

State of Nevada

County of Washoe

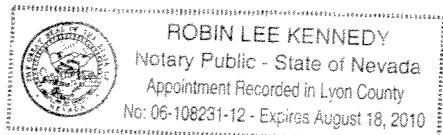
On April 30, 2007 before me, Robin Lee Kennedy,

Notary Public, personally appeared Clovia L Lehto
Name(s) of Document Signer(s)

Personally known to me (or proved to me on the basis of satisfactory evidence)
to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed
the instrument.

WITNESS my hand and official seal

Robin Lee Kennedy
Signature of Notary



(Affix seal in the above blank space)