

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **SERRANO ASSOCIATES, LLC** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated Oct. 4, 2011, and identified as project **SERRANO VILLAGE K6, UNIT 2 (TM 01-1378-K6)** 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 Developers Surety and Indemnity Company, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Oblige, in the penal sum of **Four Hundred Thirty Thousand Eight Hundred Eighteen Dollars and 12/100 (\$430,818.12)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

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

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

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

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on June 6, 2011.

"Surety"

Developers Surety and Indemnity Company

By



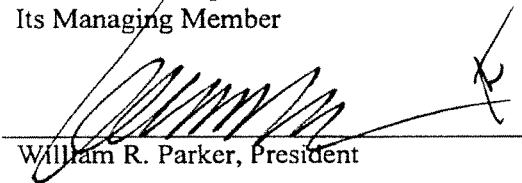
Billy G. Bergan, Attorney-In-Fact
Print Name

"Principal"

SERRANO ASSOCIATES, LLC
a Delaware Limited Liability Company

By Parker Development Company
a California Corporation
Its Managing Member

By



William R. Parker, President

4525 Serrano Parkway
El Dorado Hills, California 95762

NOTARY ACKNOWLEDGMENTS ATTACHED

PRINCIPAL

ACKNOWLEDGMENT

State of California

County of El Dorado

On June 16, 2011 before me, Florence Tanner, Notary Public
(here insert name and title of the officer)

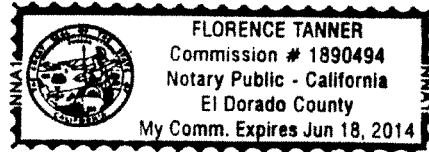
personally appeared William R. Parker

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/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.

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

WITNESS my hand and official seal.

Signature Florence Tanner



(Seal)

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF Sacramento

ss.

ON June 7, 2011 BEFORE ME, Leticia Castro, a Notary Public NOTARY PUBLIC

Date

Name

PERSONALLY APPEARED Billy G. Bergan



WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON (S) WHOSE NAME (S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT ~~HE/SHE/THEY~~ EXECUTED THE SAME IN ~~HIS/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.

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

WITNESS MY HAND AND OFFICIAL SEAL.

Leticia Castro
Signature of Notary

OPTIONAL INFORMATION

The information below is not required by law, but it may prove to be important to persons relying on the document and could prevent fraudulent removal and reattachment of this form to some other document.

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT:

DOCUMENT DATE: _____ NUMBER OF PAGES _____

SIGNER (S) OTHER THAN NAMED ABOVE:

CAPACITY (IES) CLAIMED BY SIGNER (S)

SIGNER'S NAME: _____

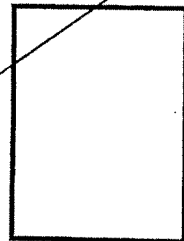
SIGNER'S NAME: _____

INDIVIDUAL
 CORPORATE OFFICER
TITLE (S): _____
 PARTNER
 LIMITED GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE
 GUARDIAN OR CONSERVATOR
 OTHER: _____

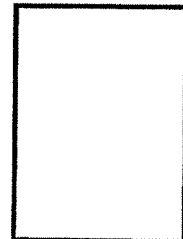
INDIVIDUAL
 CORPORATE OFFICER
TITLE (S): _____
 PARTNER
 LIMITED GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE
 GUARDIAN OR CONSERVATOR
 OTHER: _____

SIGNER IS REPRESENTING:

SIGNER IS REPRESENTING:



RIGHT THUMBPRINT OF SIGNER



RIGHT THUMBPRINT OF SIGNER

**POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA
PO BOX 19725, IRVINE, CA 92623 (949) 263-3300**

KNOW ALL MEN BY THESE PRESENTS, that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each, hereby make, constitute and appoint:

Billy G. Bergan, R. W. Reynolds, Lezah Price, Kevin J. Vallne, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Board of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of November 1, 2000:

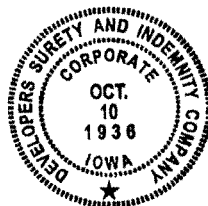
RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the attorney(s) named in the Powers of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporation when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective Executive Vice President and attested by their respective Secretary this 1st day of December, 2005.

By: [Signature]
David H. Rhodes, Executive Vice-President

By: [Signature]
Walter A. Crowell, Secretary



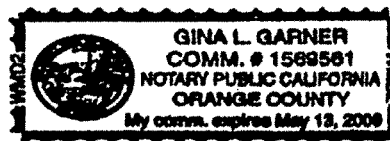
STATE OF CALIFORNIA]
COUNTY OF ORANGE]

On December 1, 2005 before me, Gina L. Garner, (here insert name and title of the officer), personally appeared David H. Rhodes and Walter A. Crowell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature [Signature]

(SEAL)



CERTIFICATE

The undersigned, as Assistant Secretary, of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked, and furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney, are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, the 7th day of JUNE, 2011.

By: [Signature]
Albert Hillebrand, Assistant Secretary