

**ROAD IMPROVEMENT AGREEMENT FOR TRAFFIC SIGNAL AT WHITE ROCK ROAD AT
VALLEY VIEW PARKWAY**

BETWEEN THE COUNTY AND THE DEVELOPER

AGMT # 05-807

THIS ROAD IMPROVEMENT AGREEMENT, hereinafter called "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 **WEST VALLEY, LLC**, a California Limited Liability Company duly qualified to conduct business in the State of California, whose principal place of business is 700 NW 107th Avenue, Suite 400, Miami Florida 33172 and whose local office is at 1075 Creekside Ridge Drive, Suite 110, Roseville, Ca 95678-1936 (hereinafter referred to as "Developer") concerning the construction of a traffic signal and road improvements at White Rock Road and Valley View Parkway (hereinafter referred to as "Project") in accordance with the improvement plans entitled **IMPROVEMENT PLANS FOR WHITE ROCK ROAD AT VALLEY VIEW PARKWAY (CRAIN & ASSOCIATES)**, and cost estimates prepared by Bernard B. Brauner, Registered Civil Engineer, and approved by Elizabeth B. Diamond, Interim Director of Transportation (hereinafter referred to as "Director") El Dorado County Department of Transportation (hereinafter referred to as "Department").

WITNESSETH

WHEREAS, Developer has prepared improvement plans, cost estimates and contract documents for the construction of the Project that have been approved by Director; and

WHEREAS, it is the intent of the parties hereto that the performance of Developer's obligation shall be in conformance with the terms and conditions of this Agreement and shall be in conformity with all applicable state and local laws, rules and regulations;

NOW, THEREFORE, the parties hereto in consideration of the recitals, terms and conditions herein, do hereby agree as follows:

SECTION 1. THE WORK

Developer will, at his own cost and his expense, in a workmanlike manner, faithfully and fully construct or cause to be constructed a traffic signal and road improvements at the intersection of White Rock Road and Valley View Parkway and will perform the requirements of this Agreement in accordance with the plans, change orders, and itemized cost estimates approved by Director and hereby made a part of this Agreement for all purposes as if fully incorporated herein. All construction work shall be in accordance with all applicable state and local rules, regulations, and ordinances, including but not limited to, applicable Public Contract Code sections and County bidding requirements, Labor Code requirements inclusive of prevailing wage, State licensing regulations and County policies.

An itemized account of the estimated cost of said improvements is set forth in Exhibit A, marked "Construction Cost Estimate," attached hereto and incorporated by reference herein.

County will require Developer 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 reasonably deemed by the County Engineer for the Department of Transportation to be necessary or advisable for the proper completion or construction of the

whole work contemplated, provided the amount of such changes in the improvements does not exceed ten percent (10%) of the total estimated cost of the improvements.

SECTION 2. TRAFFIC CONTROL

A Traffic Control Plan shall be prepared by a Registered Civil Engineer and submitted to the Department for review and approval prior to the start of work on the Project.

The Traffic Control Plan shall address access to adjacent properties and the safe and convenient passage of public traffic through the work area. Road closure will not be permitted, and two (2) lanes of traffic must be open at the end of each working day. The Traffic Control Plan shall include proposed flagging, signage, protective barriers and limits on excavation within four (4) feet of the travel ways open to traffic. The Plan shall also include the proposed staging of the improvements.

SECTION 3. TIME

Developer shall cause the commencement of items of work after receiving a Notice to Proceed from the Department and shall complete the Project no later than **December 31, 2005** subject to extensions for delays not within the control of Developer. Construction activities shall be between 7:00 a.m. and 7:00 p.m. Mondays through Fridays; and 9:00 a.m. and 5:00 p.m. on Saturdays.

SECTION 4. WARRANTY

Developer warrants the materials and workmanship utilized on this Project for a period of one (1) year and shall make such replacements and repairs during such one (1) year period, at his sole cost and expense, as are necessary due to defects. County will retain a portion of the security posted in the amount of ten percent (10%) of the total value of work performed, in the form of a Performance Bond 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.

SECTION 5. PERFORMANCE BOND

Developer shall deliver to Department a performance bond issued by a surety company, acceptable to County, naming County as obligee, in the sum of **One Hundred Fifty-Eight Thousand, Four Hundred Twenty-Five Dollars (\$158,425.00)**, based on one hundred percent (100%) of the improvement costs, one hundred percent (100%) of the erosion control costs, and one hundred percent (100%) of the project administration, staking, and contingency estimates conditioned upon the faithful performance of this Agreement on or before the completion date specified above, and in the form approved by County.

The performance bond required by this Section is a condition precedent of County entering into this Agreement. Developer shall ensure that the contractor awarded the work provide payment and performance bonds that name County as an additional obligee, and that include a one (1) year warranty provision in the performance bond against defects in materials and workmanship. The bond forms shall be County's approved forms and shall be included in the bid specifications. After contract award, Developer shall submit for County's review and approval the executed bonds together with certificates of insurance from the contractor naming the County as an additional named insured.

SECTION 6. INDEMNIFICATION

To the fullest extent allowed by law, Developer shall 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 economic or consequential losses, which are claimed to or in any way arise out of or are connected with Developer's work, 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, Developer, 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 Developer to indemnify and hold County harmless includes the duties to defend set forth in California Civil Code Section 2778.

This duty to indemnify is separate and apart from the insurance requirements herein and shall not be limited thereto.

SECTION 7. ATTORNEY FEES

Developer shall pay costs and reasonable attorney fees should County be required to commence an action to enforce the provisions of this Agreement or in enforcing the security obligations provided herein.

SECTION 8. INSURANCE

GENERAL INSURANCE REQUIREMENTS: Developer shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Developer maintains insurance that meets the following requirements. In lieu of this requirement, Developer may have Contractor provide proof of a policy of insurance satisfactory to the El Dorado County Risk Manager and documentation evidencing that Contractor maintains said insurance so long as Contractor's insurance meets these same requirements and standards, and subject to Contractor assuming the same obligations as Developer as follows:

1. Full Workers' Compensation and Employers' Liability Insurance covering all employees performing work under this Agreement as required by law in the State of California.
2. Commercial General Liability Insurance of not less than Two Million Dollars (\$2,000,000) combined single limit per occurrence for bodily injury and property damage, including but not limited to endorsements for the following coverage's: premises, personal injury, operations, products and completed operations, blanket contractual, and independent contractors liability.
3. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required in the event motor vehicles are used by Developer in performance of the Agreement.
4. In the event Developer or his agent(s) are licensed professional(s) and are performing professional services under this contract, professional liability insurance is required, with a limit of liability of not less than One Million Dollars (\$1,000,000) per occurrence.
5. Explosion, Collapse, and Underground (XCU) coverage is required when the scope of work includes XCU exposure.

PROOF OF INSURANCE REQUIREMENTS:

1. Developer shall furnish proof of coverage satisfactory to the El Dorado County Risk Manager as evidence that the insurance required herein is being maintained. The insurance will be issued by an insurance company acceptable to the Risk Manager, or be provided through partial or total self-insurance likewise acceptable to the Risk Manager.

2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all liability policies except Workers' Compensation and Professional Liability insurance policies. Proof that County is named additional insured shall be made by providing the Risk Manager with a certified copy, or other acceptable evidence, of an endorsement to insurance policy naming County an additional insured.

3. In the event Developer cannot provide an occurrence policy, Developer shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.

4. Any deductibles or self-insured retentions must be declared to and approved by County. At the option of County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees, and volunteers; or Developer shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

INSURANCE NOTIFICATION REQUIREMENTS:

1. The insurance required herein shall provide that no cancellation or material change in any policy shall become effective except upon thirty (30) days prior written notice to County at the office of the Department of Transportation, 2850 Fairlane Court, Placerville, CA 95667.

2. Developer agrees that the insurance required herein shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Developer shall immediately provide a new certificate of insurance as evidence of the required insurance coverage. In the event Developer fails to keep in effect at all times insurance coverage as herein provided, County may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event. New certificates of insurance are subject to the approval of the Risk Manager, and Developer agrees that no work or services shall be performed prior to the giving of such approval.

ADDITIONAL STANDARDS: Certificates shall meet such additional standards as may be determined by Department, either independently or in consultation with the Risk Manager, as essential for protection of County.

COMMENCEMENT OF PERFORMANCE: Developer shall not commence performance of this Agreement unless and until compliance with each and every requirement of the insurance provisions is achieved.

MATERIAL BREACH: Failure of Developer to maintain the insurance required herein, or to comply with any of the requirements of the insurance provisions, shall constitute a material breach of the entire Agreement.

REPORTING PROVISIONS: Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to County, its officers, officials, employees, or volunteers.

PRIMARY COVERAGE: Developer's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of Developer's insurance and shall not contribute with it.

PREMIUM PAYMENTS: The insurance companies shall have no recourse against the County of El Dorado, its officers, agents, employees, or any of them for payment of any premiums or assessments under any policy issued by any insurance company.

DEVELOPER'S OBLIGATIONS: Developer's indemnity and other obligations shall not be limited by the insurance required herein and shall survive the expiration of this Agreement.

SECTION 9. RESPONSIBILITY OF ENGINEER

Developer shall employ an engineer to administer the construction of the Project, which includes, but is not limited to, construction staking, preparing and approving change orders, and keeping abreast of the various construction activities. County's Department of Transportation shall be notified in advance of terminating the services of the engineer. Stakes or marks shall be set by the engineer in accordance with the requirements of the Department in order to complete the work as specified in this Agreement. Changes in the work shall be described by change orders, drawings, and written descriptions, which shall be prepared by the engineer and approved by Department. Developer shall employ an individual or firm acceptable to Department to manage the construction of improvements contemplated herein. The individual or firm so employed shall act as Developer's representative to ensure full compliance with the terms and conditions set forth in the plans, specifications, all permits and any other agreements, notices or directives related to Project and entered into or issued by other agencies, utilities or firms.

SECTION 10. INSPECTION

An authorized representative of County will perform construction inspection and material testing in accordance with the State of California, Department of Transportation, Standard Specifications, dated July 2002. All testing shall be accomplished to the reasonable satisfaction of County.

SECTION 11. RECORD DRAWINGS

Developer shall have an engineer prepare Record Drawings describing the finished work. The Record Drawings shall be submitted to Department at the completion of the work.

SECTION 12. FEES

Developer shall pay all fees in accordance with County's Community Development Services fee schedules, including but not limited to application, plan checking, construction oversight, inspection, administration and acceptance of the work by County.

SECTION 13. PUBLIC UTILITIES

Developer shall investigate and determine if existing public and private utilities conflict with the construction of the Project. Developer shall make all necessary arrangements

with the owners of such utilities for their protection, relocation, or removal. Developer shall pay all costs of protection, relocation, or removal of utilities. In the event that the utility companies do not recognize this Project as a County project for which the utility companies bear one hundred percent (100%) of the cost of relocation, then, as between County and Developer, Developer shall pay all costs of protection, relocation or removal of utilities. Notwithstanding the aforementioned, nothing in this provision shall be construed to prevent Developer from making a claim to owner(s) of said utilities for reimbursement for relocation costs.

SECTION 14. RIGHT-OF-WAY CLEARANCE

Developer shall obtain fee title for right-of-way purposes for the Project and arrange to have ownership of such land granted to County by way of Grant Deeds or Irrevocable Offers of Dedication with definite and certain legal descriptions. Easements may be provided in lieu of fee title when acceptable to County. Said right-of-way and slope easements shall be sufficient to accommodate all cuts, fills, and appurtenances which are included in the project and are, where applicable, to be accepted for maintenance by County.

A Record of Survey, the purpose of which is to show the right-of-way acquired and granted to County, shall be obtained by Developer and filed with the County Surveyor upon completion of the right-of-way acquisition. The Record of Survey shall show all new property lines and monuments for the tracts granted to County. Monuments will be of the type and placed in locations required by County in accordance with the Land Surveyors' Act.

Developer shall obtain agreements of entry from adjacent property owners for any work that will be performed outside County road right-of-way, such as grading existing driveways to conform with new road grades.

SECTION 15. CONTRACT ADMINISTRATOR

The County Officer or employee with responsibility for administering this Agreement is Charles Collins, Senior Civil Engineer, Department of Transportation, or successor.

SECTION 16. ACCEPTANCE

Upon completion of the Project and upon receipt by the County Board of Supervisors of a certification from Department that all work has been completed and the conditions of this Agreement fulfilled, the Board of Supervisors will accept the a traffic signal and road improvements at White Rock Road and Valley View Parkway for maintenance.

SECTION 17. REIMBURSEMENT TO COUNTY

County shall be entitled to costs and expenses incurred by County for construction oversight, inspection, administration and acceptance of the work performed pursuant to this Agreement.

SECTION 18. THE PROJECT/ DEVELOPER STATUS

Developer is constructing and completing the Project to provide a traffic signal and road improvements at White Rock Road and Valley View Parkway and is acting as an independent agent and not an agent of County.

Developer is constructing and completing the Project to provide a traffic signal and road improvements at White Rock Road and Valley View Parkway and is acting as an independent agent and not an agent of County.

SECTION 19. NOTICE TO PARTIES

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:

To County:

With a Copy to:

County of El Dorado
Department of Transportation
2850 Fairlane Court
Placerville, CA 95667
Attn: Charles Collins,
Senior 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 locations as County directs.

To Developer:

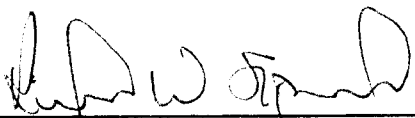
West Valley, LLC.
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678
Attn: Larry Gualco
Vice President

or to such other locations as Developer directs

SECTION 20. AUTHORIZED SIGNATURES

The parties to this Agreement represent that the undersigned individuals executing this Agreement of 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.

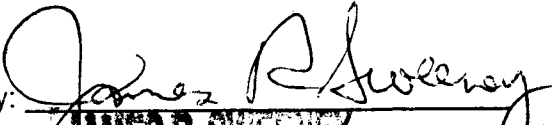
Requesting Department Concurrence:

By: 
Richard W. Shepard
Director of Transportation


Dated: Dec 1 2005

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

COUNTY OF EL DORADO

By:  Dated: 12/13/05
JAMES R. SWEENEY FIRST VICE-CHAIRMAN
Board of Supervisors
"County"


Attest:
Cindy Keck,
Clerk of the Board of Supervisors

By:  Dated: 12/13/05
Deputy Clerk

WEST VALLEY, LLC


West Valley, LLC
A California Limited Liability Company

By: AKT Investments, Inc.
A California Corporation
Manager

By: 
Mark Enes
Executive Vice President
Manager

Dated: 8/11/05

By: Lennar Communities
A California Corporation
Manager

By: 
Larry Gualco
Vice President
Manager

Dated: 8/11/05

R I D E R

To be attached to and form part of:

Bond Number 08821694
dated August 4, 2005

issued by the Fidelity and Deposit Company of Maryland
in the amount of Performance \$158,425.00 Payment \$79,212.50

on behalf of West Valley, LLC
(Principal)

and in favor of County of El Dorado, State of California Department of Transportation
(Obligee)

Now therefore, it is agreed that in consideration of the premium charged, the attached bond shall be amended as follows:

Effective Date:

From: August 4, 2005

To: August 11, 2005

It is further understood and agreed that all other terms and conditions of this bond shall remain unchanged.

This Rider is to be Effective this 11th day of August, 2005 .

Signed, Sealed & Dated this 19th day of October, 2005 .

West Valley, LLC
See attached signature page

By: _____

FIDELITY AND DEPOSIT COMPANY OF MARYLAND
(Surety)

By: Jeri Apodaca
Jeri Apodaca, Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Placer

} ss.

On October 21, 2005 before me, Gail Lackhoff Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Larry Gualco
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.

Gail Lackhoff
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: Rider to Bond No. 08821694

Document Date: _____ Number of Pages: _____

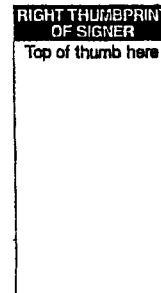
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

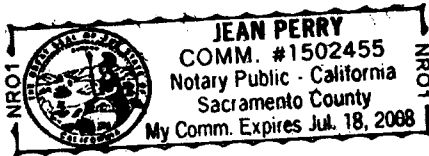
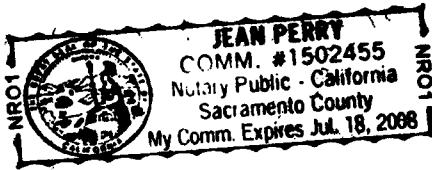
State of California

County of Sacramento } SS.

On 10/28/05 before me, JEAN PERRY
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared MARK ENES
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.

Jean Perry
Signature of Notary Public

OPTIONAL

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Description of Attached Document

Title or Type of Document: Eider to Bond No. 08821694

Document Date: _____ Number of Pages: _____

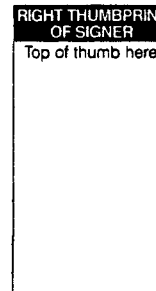
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



County of El Dorado, State of California
Department of Transportation

PERFORMANCE BOND

Bond No. 08821694
Premium: \$1,505.00

KNOW ALL MEN BY THESE PRESENT, that we West Valley, LLC
the Developer in the Agreement hereto annexed, as Principal, and Fidelity and Deposit Company of Maryland
as Surety, are held firmly bound unto the County of El Dorado, a Political Subdivision of the State of California, hereinafter called the "Obligee" in the
sum of One Hundred Fifty Eight Thousand Four Hundred Twenty Five* DOLLARS, * and No/100---
(\$ 158,425.00-----) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, jointly and
severally, firmly by these present.

Signed, sealed and dated: August 4, 2005

The condition of the above obligation is that if said Principal as Developer in the Agreement hereto annexed shall faithfully perform each and all of the conditions of said Agreement to be performed by him, and shall furnish all tools, equipment, apparatus, facilities, transportation, labor and material, other than material, if any, agreed to be furnished by the Obligee, necessary to perform and complete, and to perform and complete in a good and workmanlike manner, the work of Valley View - ** (project name) in strict conformity with the terms and conditions set forth in the Agreement hereto annexed, then this obligation shall be null and void; otherwise bond shall remain in full force and effect and the said Surety will complete the work under its own supervision, by Contract or otherwise, and pay all costs thereof for the balance due under terms of the Agreement, and the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed there under shall in any wise affect its obligation 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.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit, including a reasonable attorney's fee to be fixed by the court.

This guarantee shall insure the Obligee during the work required by any Agreement 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.

No right of action shall accrue under this bond to or for the use of any person other than the Obligee named herein.

Dated: August 4th, 20 05

Correspondence or Claims relating to this bond should be sent to the Surety at the following address:

801 N. Brand Blvd., Penthouse Suite
Glendale, CA 91203

See attached signature block

Fidelity and Deposit Company of Maryland
PRINCIPAL
SURETY

Jeri Apodaca
Jeri Apodaca, ATTORNEY-IN-FACT

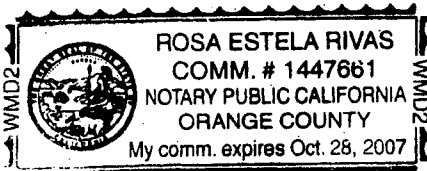
NOTE: Signatures of those executing for the surety must be properly acknowledged, and a Power of Attorney attached.

CERTIFICATE OF ACKNOWLEDGMENT

State of California
County of Orange SS


On this 4th day of August in the year 20 05, before me Rosa Estela Rivas, personally appeared Jeri Apodaca, personally known to be (or proved to me on the basis of ~~satisfactory evidence~~) to be the person whose name is subscribed to this instrument as the attorney in fact of Fidelity and Deposit Company of Maryland, and acknowledged to me that he subscribed the name of the said company thereto as surety, and his own name as attorney-in-fact.

(SEAL)



Rosa Estela Rivas
Notary Public

West Valley, LLC, a California limited liability company
By: AKT Investments, Inc., a California corporation
Manager

By: 

Dated: 8/11/05

By: Lennar Communities, Inc., a California corporation
Manager

By: 

Dated: 8/11/05

County of El Dorado, State of California
Department of Transportation

PAYMENT BOND

(Section 3247, Civil Code)

Premium included in Performance
Bond

Bond No. 08821694

WHEREAS, the County of El Dorado, Department of Transportation, hereafter referred to as "Obligee", and West Valley, LLC hereafter referred to as "Principal", have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20___, and identified as project Valley View - White Rock Rd. & Valley View is hereby referred to and made part hereof.

Parkway, Traffic Signal Improvements

AND, WHEREAS, said Principal is required to furnish a bond in connection with said agreement, guaranteeing the faithful performance thereof; NOW, THEREFORE, we the undersigned Principal and Surety are held and firmly bound unto the Obligee, in the sum of Seventy Nine Thousand Two Hundred Twelve and 50/100 Dollars, (\$ 79,212.50) to be paid to the Obligee, for which payment we bind ourselves, jointly and severally.

THE CONDITION OF THIS OBLIGATION IS SUCH,

That if said Principal or its subcontractors shall fail to pay any of the persons named in Civil Code Section 3181, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by such claimant, or any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Principal and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor, that the surety herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, the surety will pay a reasonable attorney's fee to be fixed by the court.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 3181 as to give a right of action to such persons or their assigns in any suit brought upon this bond.

Dated: August 4th, 2005

Correspondence or Claims relating to this bond should be sent to the Surety at the following address:

801 N. Brand Blvd., Penthouse Suite
Glendale, CA 91203

See attached signature block

Fidelity and Deposit Company of Maryland
PRINCIPAL
SURETY

Jeri Apodaca
Jeri Apodaca, ATTORNEY-IN-FACT

NOTE: Signatures of those executing for the surety must be properly acknowledged, and a Power of Attorney attached.

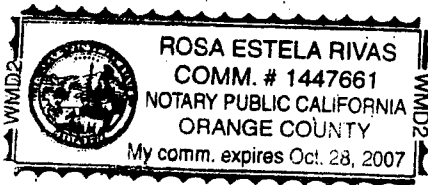
CERTIFICATE OF ACKNOWLEDGMENT

State of California
County of Orange SS

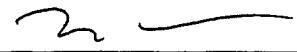
On this 4th day of August in the year 2005, before me Rosa Estela Rivas, personally appeared Jeri Apodaca, personally known to be (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument as the attorney in fact of Fidelity and Deposit Company of Maryland, and acknowledged to me that he subscribed the name of the said company thereto as surety, and his own name as attorney-in-fact.

(SEAL)

Rosa Estela Rivas
Notary Public



West Valley, LLC, a California limited liability company
By: AKT Investments, Inc., a California corporation
Manager

By: 

Dated: 8/11/05

By: Lennar Communities, Inc., a California corporation
Manager

By: 

Dated: 8/11/05

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento } SS.

On 8/11/05 before me, Eric Richins
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Mark Enes
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.

[Signature]
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

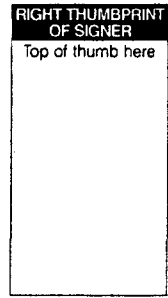
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Placer } ss.

On August 11, 2005 before me, Gail Lackhoff Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Larry Gualco
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.

Gail Lackhoff
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.

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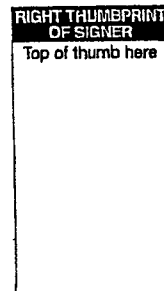
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Signer's Name: _____

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

Signer Is Representing: _____



Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint Jeri APODACA, of Irvine, California, its true and lawful agent and Attorney-in-Fact to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Jeri APODACA, dated September 27, 2001.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 14th day of April, A.D. 2003.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. E. Smith

T. E. Smith

Assistant Secretary

Paul C. Rogers

By:

Paul C. Rogers

Vice President

State of Maryland }
City of Baltimore } ss:

On this 14th day of April, A.D. 2003, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself deposeth and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Sandra Lynn Mooney

Sandra Lynn Mooney

Notary Public

My Commission Expires: January 1, 2004

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 19th day of October, 2005.


Assistant Secretary

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint Jeri APODACA, of Irvine, California, its true and lawful agent and attorney-in-fact to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed, any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of Jeri APODACA, dated September 27, 2001.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 14th day of April, A.D. 2003.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



T. E. Smith

T. E. Smith

Assistant Secretary

Paul C. Rogers

By:

Paul C. Rogers

Vice President

State of Maryland }
City of Baltimore } ss:

On this 14th day of April, A.D. 2003, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Sandra Lynn Mooney

Sandra Lynn Mooney

Notary Public

My Commission Expires: January 1, 2004

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

this 4th day of August, 2005.



Assistant Secretary



ZURICH

THIS IMPORTANT DISCLOSURE NOTICE IS PART OF YOUR BOND

Fidelity and Deposit Company of Maryland, Colonial American Casualty and Surety Company, Zurich American Insurance Company, and American Guarantee and Liability Insurance Company are making the following informational disclosures in compliance with The Terrorism Risk Insurance Act of 2002. No action is required on your part.

Disclosure of Terrorism Premium

The premium charge for risk of loss resulting from acts of terrorism (as defined in the Act) under this bond is \$ waived. This amount is reflected in the total premium for this bond.

Disclosure of Availability of Coverage for Terrorism Losses

As required by the Terrorism Risk Insurance Act of 2002, we have made available to you coverage for losses resulting from acts of terrorism (as defined in the Act) with terms, amounts, and limitations that do not differ materially as those for losses arising from events other than acts of terrorism.

Disclosure of Federal Share of Insurance Company's Terrorism Losses

The Terrorism Risk Insurance Act of 2002 establishes a mechanism by which the United States government will share in insurance company losses resulting from acts of terrorism (as defined in the Act) after a insurance company has paid losses in excess of an annual aggregate deductible. For 2002, the insurance company deductible is 1% of direct earned premium in the prior year; for 2003, 7% of direct earned premium in the prior year; for 2004, 10% of direct earned premium in the prior year; and for 2005, 15% of direct earned premium in the prior year. The federal share of an insurance company's losses above its deductible is 90%. In the event the United States government participates in losses, the United States government may direct insurance companies to collect a terrorism surcharge from policyholders. The Act does not currently provide for insurance industry or United States government participation in terrorism losses that exceed \$100 billion in any one calendar year.

Definition of Act of Terrorism

The Terrorism Risk Insurance Act defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. to be an act of terrorism;
2. to be a violent act or an act that is dangerous to human life, property or infrastructure;
3. to have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

But, no act shall be certified by the Secretary as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

These disclosures are informational only and do not modify your bond or affect your rights under the bond.