

ORIGINAL

**ROAD IMPROVEMENT AGREEMENT
FOR WEST VALLEY COLLECTOR ROADS
BETWEEN THE COUNTY AND THE DEVELOPER**

AGMT #06-1216

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 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 address is 1075 Creekside Ridge Drive, Suite 110, Roseville, California 95678 (hereinafter referred to as "Developer") concerning the road improvements for the **West Valley Collector Roads** (hereinafter referred to as "Project") in accordance with the improvement plans entitled **Plans for the Improvement and Grading of West Valley Collector Roads** and cost estimates prepared by R.E.Y. Engineers, Inc., Donald T. McCormick, Registered Civil Engineer, and approved by Richard W. Shepard, P.E., Director of Transportation (hereinafter referred to as "Director") El Dorado County Department of Transportation (hereinafter referred to as "Department").

RECITALS

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 obligations 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 its own cost and expense, in a workmanlike manner, faithfully and fully construct the road improvements referred to as the West Valley Collector Roads (Blackstone Parkway, Royal Oaks Drive, Pavillion Drive and Cornerstone Drive) as required under the findings and mitigation measures of the Conditions of Approval #TM 99-1359 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. Developer's obligations herein are for the completion of the improvements and shall not be relieved by contracting for the improvements.

An itemized account of the estimated cost of said improvements is set forth in Exhibit A, marked "Schedule of Earthwork Improvements;" Exhibit B, marked "Schedule of Street Improvements;" Exhibit C, marked "Schedule of Storm Drainage Improvements;" Exhibit D, marked "Schedule of Sanitary Sewer Improvements;" Exhibit E, marked "Schedule of Water Improvements;" and Exhibit F, marked

“Schedule of Recycled Water Improvements,” all of which Exhibits are 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 Director to be necessary or advisable for the proper completion or construction of the whole work contemplated. Developer shall be responsible for all design and engineering services of the Project, at the location and as generally depicted in the plans, specifications and contract documents ultimately approved by the County. The design shall be prepared in accordance with all applicable laws, statutes, orders, map conditions, and with County standards for the Project. Upon completion of the work, Developer shall provide proof of adequate professional liability insurance of the engineer running this to Project, and in favor of the County. Developer shall further provide for the complete assignment of ownership of all plans and specifications to the benefit of the County.

SECTION 2. TRAFFIC CONTROL

A Traffic Control Plan that meets County Standards 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 travel ways open to traffic. The Plan shall also include any proposed staging of the improvements.

SECTION 3. TIME

Developer shall cause the commencement of items of work after approval of the plans for the Project by the Department (which plans were approved on January 31, 2006) and shall complete the Project no later than two (2) years from the date of approval of the plans, subject to extensions for delays not within the control of the 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 and on federally recognized holidays.

SECTION 4. WARRANTY

Developer warrants the materials and workmanship utilized on this Project for a period of one (1) year from the date of County’s acceptance of the Project and shall make such replacements and repairs during such one (1) year period, at its 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 AND LABORERS AND MATERIALMENS BONDS

Developer shall deliver to Department a Performance Bond issued by a surety company acceptable to County, naming County as obligee, in the sum of **Nine Million Three Hundred Thirty-One Thousand Two Hundred Sixty-Nine and 93/100 dollars (\$9,331,269.93)** conditioned upon the faithful performance of Developer's obligation for the full construction of the road improvements referred to as the West Valley Collector Roads as required under this Agreement on or before the completion date specified above, and in the form approved by County.

Developer shall deliver to Department a Laborers and Materialmens Bond issued by a surety company acceptable to County, naming County as obligee, in the sum) **Nine Million Three Hundred Thirty-One Thousand Two Hundred Sixty-Nine and 93/100 dollars (\$9,331,269.93)**, conditioned upon the faithful performance of Developer's obligation for the full construction of the road improvements referred to as the West Valley Collector Roads as required under this Agreement on or before the completion date specified above, and in the form approved by County.

The Bonds required by this Section are a condition precedent to County entering into this Agreement. Developer shall include a one (1) year warranty provision in the Performance Bond against defects in materials and workmanship. The forms shall be County's approved forms and shall be approved in advance by the County. Developer shall submit for County's review and approval the executed bonds together with the certificates of insurance required herein naming 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, 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, 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 Management Division 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 County's Risk Management Division 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 coverages: 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 its agent(s) are licensed professionals 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).
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 County's Risk Management Division as evidence that the insurance required herein is being maintained. The insurance will be issued by an insurance company acceptable to the Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the Risk Management Division.
2. The County of El Dorado, its officers, officials, employees, and volunteers shall be included as additional insured, but only insofar as the operations under this Agreement inclusive of the obligation to design and construct the Project are concerned. This provision shall apply to all general and excess liability insurance policies. Proof that County is named additional insured shall be made by providing the Risk Management Division with a certified copy, or other acceptable evidence, of an endorsement to the insurance policies 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 Management Division, 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 Management Division, 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 the Project and entered into or issued by other agencies, utilities or firms. The Department shall have full access to the engineer and the improvement plans to ensure that the Project is being constructed in accordance with the approved plans and County specifications. The cost associated with County's utilization of the engineer shall be a Project cost for which Developer is responsible in accordance with this Agreement.

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 Department's 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 the owner 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 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. NO DEVELOPER REIMBURSEMENT

The Parties agree and acknowledge that the Project costs associated with the improvements contemplated herein are not eligible for reimbursement under County's traffic impact fee programs and all costs shall be funded by Developer.

SECTION 16. CONTRACT ADMINISTRATOR

The County Officer or employee with responsibility for administering this Agreement is James W. Ware, Deputy Director, Transportation Planning and Land Development, Department of Transportation, or successor.

SECTION 17. ACCEPTANCE

Upon completion of the Project and upon receipt by County's Board of Supervisors of a certification from Department that all work has been completed and that the conditions of this Agreement have been fulfilled, the Board of Supervisors will accept the Project road improvements conditioned upon the establishment of a Road Zone of Benefit or other entity, for maintenance, to be established in accordance with Condition of Approval #22.

SECTION 18. REIMBURSEMENT TO COUNTY

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

SECTION 19. THE PROJECT/ DEVELOPER STATUS

Developer is constructing and completing, or providing financing for the Project improvements as described herein and is acting as independent agent and not as an agent of County.

SECTION 20. 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:

County of El Dorado
Department of Transportation
2850 Fairlane Court
Placerville, CA 95667

Attn: James W. Ware,
Deputy Director,
Transportation Planning & Land Development

With a Copy to:

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 Developer shall be in duplicate and addressed as follows:

AKT Investments, Inc.
7700 College Town Drive, Suite 101
Sacramento, CA 95826

Attn: Mark Enes,
Executive Vice President

Lennar Communities, Inc.
1075 Creekside Ridge Drive, Suite 110
Roseville, CA 95678

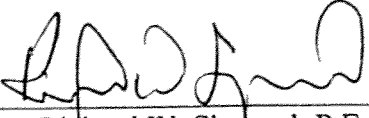
Attn: Larry Gualco,
Vice President

or to such other location as Developer directs.

SECTION 21. AUTHORIZED SIGNATURES

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.


Requesting Department Concurrence:

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

Dated: 12/5/06


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: 
JAMES R. SWEENEY
Board of Supervisors
"County"

Dated: 12/12/06

Attest:
Cindy Keck,
Clerk of the Board of Supervisors


By: 
Deputy Clerk

Dated: 12/12/06

-- WEST VALLEY, LLC --

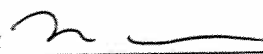
WEST VALLEY, LLC
a Limited Liability Company

By: Lennar Communities, Inc.
A California corporation
Its Manager

By: 
Larry Gualco
Vice President

Dated: 11/30/06

By: AKT Investments, Inc.
A California corporation
Its Manager

By: 
Mark Enes
Executive Vice President

Dated: 11/30/06

By: 
Corporate Secretary

Dated: 11/30/06

ROAD IMPROVEMENT AGREEMENT
FOR WEST VALLEY COLLECTOR ROADS
BETWEEN THE COUNTY AND THE DEVELOPER

AGMT #06-1216

Corporate Secretary Signature for Lennar Communities Inc.

Brenda Ascherin

Brenda Ascherin
Corporate Secretary

11/30/06

Date

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

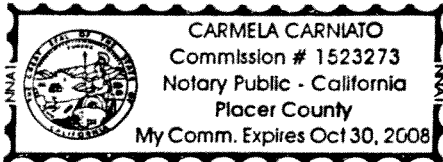
State of California }
County of PLACER } ss.

On 11-30-06 before me, CARMELA CARNIATO
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.

Carmela Carniato
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: _____

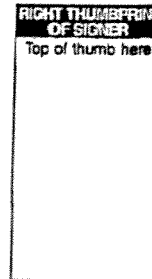
Signer(s) Other Than Named Above: _____

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: _____

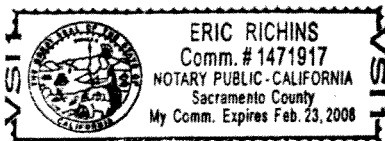


ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Sacramento } SS.

On Nov. 30, 2006 before me, Eric Richins, Notary Public,
(DATE) (NOTARY)
personally appeared Jean Perry
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.

[Signature]
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)

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

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

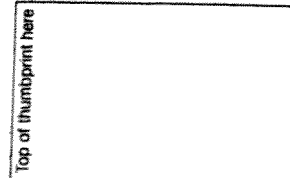
NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER

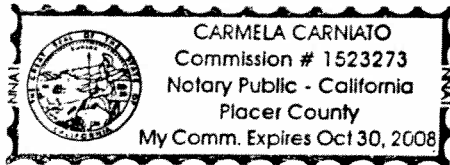


CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Placer } ss.

On 11-30-06 before me, Carmela Carniato
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(x) whose name(x) 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(x), or the entity upon behalf of which the person(x) acted, executed the instrument.

WITNESS my hand and official seal.

Carmela Carniato
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: _____

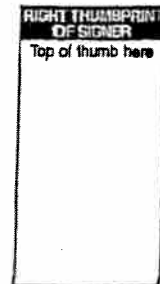
Signer(s) Other Than Named Above: _____

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: _____



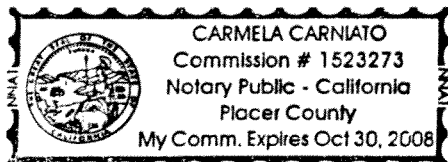
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of PLACER } ss.

On 11-30-06 before me, CARMELA CARNIATO
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared BRENDA ASCHERIN
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.

Carmela Carniato
Signature of Notary Public

OPTIONAL

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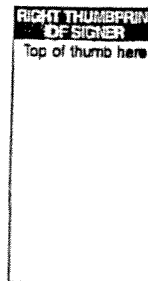
Signer(s) Other Than Named Above: _____

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: _____



STATE OF CALIFORNIA)

COUNTY OF _____)

On this _____ day of _____, 200_, before me, _____, a
Notary Public, personally appeared _____
_____,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s)
whose name is/are subscribed to the within instrument, and acknowledged 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.

Notary Public in and for said County and State

Address of Developer:

WEST VALLEY, LLC
1075 Creekside Ridge Drive, Suite 110
Roseville, California 95678

Exhibit A

Schedule of Earthwork Improvements

Owner agrees to install the earthwork improvements in the **West Valley Collector Roads** as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Earthwork Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Clear & Grub	44.97	ac	\$5,000.00	\$224,850.00
Excavation	166,555.00	cy	\$3.50	\$582,942.50
Import	133,666.00	cy	\$10.00	\$1,336,660.00
Fiber Waddle	20,200.00	lf	\$1.50	\$30,300.00
Silt Fence	17,904.00	lf	\$3.00	\$53,712.00
Street Check Dam	51.00	ea	\$500.00	\$25,500.00
Remaining Erosoion Control Measures	1.00	ls	\$25,500.00	\$25,500.00
Rockery Retaining Walls	3,190.00	sf (face)	\$20.00	\$63,800.00

Sub Total	\$2,343,264.50
Construction Staking 15%	\$351,489.68
Contingency 10%	\$234,326.45
Total Earthwork Improvements Cost	\$2,929,080.63

Exhibit B

Schedule of Street Improvements

Owner agrees to improve all streets and roads for dedication upon the final map of the **West Valley Collector Roads** as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Street Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
4" AC / 9.5" AB	408,111.00	sf	\$3.50	\$1,428,388.50
3" AC / 8" AB	227,528.00	sf	\$2.50	\$568,820.00
Type 2 Curb and Gutter	32,197.00	lf	\$18.00	\$579,546.00
6" Median Curb	17,215.00	lf	\$16.00	\$275,440.00
4" PCC Sidewalk	8,258.00	sf	\$4.50	\$37,161.00
Timber Street Barricade	608.00	lf	\$1,000.00	\$608,000.00
Street Signs	19.00	ea	\$250.00	\$4,750.00
Stop Signs w/ Stop Bars	13.00	ea	\$500.00	\$6,500.00
Sidewalk Ramps	38.00	ea	\$750.00	\$28,500.00
Striping	1.00	job	\$38,000.00	\$38,000.00

Sub Total	\$3,575,105.50
Construction Staking 15%	\$536,265.83
Contingency 10%	\$357,510.55
Total Street Improvements Cost	\$4,468,881.88

Exhibit C

Schedule of Storm Drainage Improvements

Owner agrees to install the storm drainage system in the West Valley Collector Roads as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Storm Drainage Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
12" HDPE	2,289.95	lf	\$35.00	\$80,148.25
18" HDPE	7,093.74	lf	\$45.00	\$319,218.30
24" HDPE	2,686.08	lf	\$55.00	\$147,734.40
30" HDPE	43.48	lf	\$65.00	\$2,826.20
36" HDPE	1,511.55	lf	\$75.00	\$113,366.25
Type B Drain Inlet	78.00	ea	\$2,000.00	\$156,000.00
36" OMP	11.00	ea	\$2,500.00	\$27,500.00
48" Storm Drain Manhole	69.00	ea	\$2,900.00	\$200,100.00
Inlet/Outfall Protection	10.00	ea	\$500.00	\$5,000.00
Con-Span - 2nd Street-Sta. 66+14.50 (28' span x 10' rise)	141.00	lf	\$4,084.46	\$575,908.86
Con-Span - 2nd Street-Sta. 22+38 (24' span x 10' rise)	114.00	lf	\$2,498.15	\$284,789.10
Con-Span - 2nd Street-Sta. 47+68 (28' span x 10' rise)	149.00	lf	\$2,735.09	\$407,528.41
Con-Span - 8A Street (36' span x 11' rise)	175.00	lf	\$4,832.41	\$845,671.75
Con-Span - 3rd Street (28' span x 10' rise)	81.00	lf	\$3,512.60	\$284,520.60

Sub Total	\$3,450,312.12
Construction Staking 15%	\$517,546.82
Contingency 10%	\$345,031.21
Total Storm Drainage Improvements Cost	\$4,312,890.15

Exhibit D

Schedule of Sanitary Sewer Improvements

Owner agrees to install the sanitary sewer collection and disposal system in the **West Valley Collector Roads** as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Sanitary Sewer Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6" PVC SDR-35	2,735.56	lf	\$45.00	\$123,100.20
8" PVC SDR-35	3,455.21	lf	\$55.00	\$190,036.55
10" PVC SDR-35	3,739.88	lf	\$65.00	\$243,092.20
12" PVC SDR-35	87.17	lf	\$75.00	\$6,537.75
18" PVC SDR-35	2,643.21	lf	\$95.00	\$251,104.95
6" PVC SDR-26	2,237.04	lf	\$55.00	\$123,037.20
8" PVC SDR-26	2,825.07	lf	\$65.00	\$183,629.55
10" PVC SDR-26	496.88	lf	\$75.00	\$37,266.00
10" PVC C-900 (CL150)	5,016.85	lf	\$50.00	\$250,842.50
48" Sanitary Sewer Manhole	36.00	ea	\$3,500.00	\$126,000.00
60" Sanitary Sewer Manhole	22.00	ea	\$6,500.00	\$143,000.00
Manhole Interior Lining	2,030.00	sf	\$1.00	\$2,030.00
Clean-out to grade	13.00	ea	\$1,000.00	\$13,000.00
Sanitary Sewer Service	17.00	ea	\$1,000.00	\$17,000.00
2" ARV (SSFM)	2.00	ea	\$2,800.00	\$5,600.00
4" Blow Off (SSFM)	2.00	ea	\$9,600.00	\$19,200.00

Sub Total	\$1,734,476.90
Construction Staking 15%	\$260,171.54
Contingency 10%	\$173,447.69
Total Sanitary Sewer Improvements Cost	\$2,168,096.13

Exhibit E

Schedule of Water Improvements

Owner agrees to install the water supply and distribution system in the **West Valley Collector Roads** as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
8" PVC C-900 (CL 150)	2,739.34	lf	\$40.00	\$109,573.60
12" PVC C-900 (CL 150)	78.76	lf	\$60.00	\$4,725.60
16" D.I.P.	9,998.19	lf	\$90.00	\$899,837.10
18" D.I.P.	3,069.12	lf	\$100.00	\$306,912.00
8" Gate Valve	19.00	ea	\$1,000.00	\$19,000.00
12" Gate Valve	1.00	ea	\$1,500.00	\$1,500.00
16" Butterfly Valve	30.00	ea	\$3,500.00	\$105,000.00
18" Butterflay Valve	4.00	ea	\$4,000.00	\$16,000.00
Fire Hydrant Assembly	19.00	ea	\$2,600.00	\$49,400.00
1" ARV	2.00	ea	\$1,200.00	\$2,400.00
2" Blow Off	14.00	ea	\$2,800.00	\$39,200.00
4" Blow Off	1.00	ea	\$9,600.00	\$9,600.00
Water Service	1.00	ea	\$1,000.00	\$1,000.00

Sub Total	\$1,564,148.30
Construction Staking 15%	\$234,622.25
Contingency 10%	\$156,414.83
Total Water Improvements Cost	\$1,955,185.38

Exhibit F

Schedule of Recycled Water Improvements

Owner agrees to install the recycled water supply and distribution system in the **West Valley Collector Roads** as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Director of Transportation, and as set forth in the following Schedule of Recycled Water Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
6" Purple Plus C-900 (CL 150)	6,238.91	lf	\$35.00	\$218,361.85
12" Purple Plus C-900 (CL 150)	8,893.73	lf	\$65.00	\$578,092.45
6" Gate Valve	17.00	ea	\$750.00	\$12,750.00
12" Gate Valve	25.00	ea	\$1,500.00	\$37,500.00
1" ARV	2.00	ea	\$1,200.00	\$2,400.00
2" ARV	3.00	ea	\$3,600.00	\$10,800.00
2" Blow Off	13.00	ea	\$2,800.00	\$36,400.00
4" Blow Off	5.00	ea	\$9,600.00	\$48,000.00

Sub Total	\$944,304.30
Construction Staking 15%	\$141,645.65
Contingency 10%	\$94,430.43
Total Recycled Water Improvements Cost	\$1,180,380.38

Certificate of Partial Completion of Improvements

I hereby certify that the following improvements for the West Valley Collector Roads have been completed, to wit:

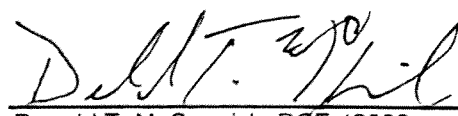
	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Schedule of Earthwork Improvements	\$ 2,929,080.63	78%	\$ 644,397.74
Schedule of Street Improvements	\$ 4,468,881.88	0%	\$ 4,468,881.88
Schedule of Storm Drainage Improvements	\$ 4,312,890.15	80%	\$ 862,578.03
Schedule of Sanitary Sewer Improvements	\$ 2,168,096.13	60%	\$ 867,238.45
Schedule of Water Improvements	\$ 1,955,185.38	15%	\$ 1,661,907.57
Schedule of Recycled Water Improvements	\$ 1,180,380.38	30%	\$ 826,266.26
Totals	\$ 17,014,514.55		\$ 9,331,269.93

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **NINE MILLION THREE HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED SIXTY-NINE AND 93/100 DOLLARS (\$9,331,269.93)**.

The Performance Bond is for the amount of **NINE MILLION THREE HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED SIXTY-NINE AND 93/100 DOLLARS (\$9,331,269.93)**. (100% of Remaining Amount Total, Column 3)

The Laborers and Materialmens Bond is for the amount of **NINE MILLION THREE HUNDRED THIRTY-ONE THOUSAND TWO HUNDRED SIXTY-NINE AND 93/100 DOLLARS (\$9,331,269.93)**. (100% of Remaining Amount Total, Column 3)

DATED: 11/30/06



Donald T. McCormick, RCE 42556
R.E.Y. Engineers, Inc.
105 Lake Forest Way, Suite C
Folsom, CA 95630



ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 12/5/06



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

EXECUTED IN DUPLICATE

County of El Dorado, State of California
Department of Transportation

PERFORMANCE BOND

Bond No.82044760
Premium: \$139,969.00/2yrs.

KNOW ALL MEN BY THESE PRESENTS, that we WEST VALLEY, LLC a California limited liability company, the Developer in the Contract hereto annexed, as Principal, and Federal Insurance Company 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 **Nine Million Three Hundred Thirty-One Thousand Two Hundred Sixty-Nine Dollars and Ninety-Three Cents, (\$9,331,269.93)** lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, jointly and severally, firmly by these presents.

Signed, sealed and dated: December 1st 2006

The condition of the above obligation is that if said Principal as Developer in the Contract hereto annexed shall faithfully perform each and all of the conditions of said Contract 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 for the **Road Improvement Agreement for West Valley Collector Roads Between the County and the Developer, Agreement #06-1216, in conjunction with the Plans for the Improvement and Grading of West Valley Collector Roads**, in strict conformity with the terms and conditions set forth in the Contract hereto annexed, then this obligation shall be null and void; otherwise this bond shall remain in full force and effect and the said Surety will complete the Contract work under its own supervision, by Contract or otherwise, and pay all costs thereof for the balance due under terms of the Contract, 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 Contract or to the work to be performed thereunder 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 Contract 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 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.

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

Dated: December 1st, 20 06

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

Federal Insurance Company

801 S. Figueroa St.

Los Angeles, CA 90017

WEST VALLEY, LLC
a Limited Liability Company

By: Lennar Communities, Inc.
A California corporation
[Signature] Its Manager
By: Larry Gualco, Vice President PRINCIPAL

By: AKT Investments, Inc.
A California corporation
Its Manager
[Signature]
By: Mark Enes, Executive Vice President. PRINCIPAL

By: [Signature]
Corporate Secretary JOAN PERRY

Federal Insurance Company
SURETY

[Signature]
Rosa E. Rivas, ATTORNEY-IN-FACT

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


NOTARY ACKNOWLEDGMENTS ATTACHED

County of El Dorado, State of California
Department of Transportation

PERFORMANCE BOND

Bond No. 82044760

Corporate Secretary Signature for Lennar Communities Inc.



Brenda Ascherin
Corporate Secretary

11/30/06

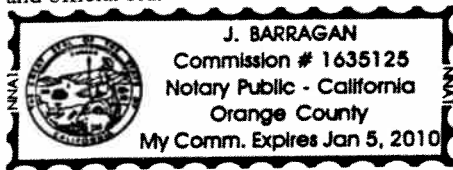
Date

CERTIFICATE OF ACKNOWLEDGMENT FOR SURETY

State of California
County of Orange

On this 1st day of December in the year 2006, before me J. Barragan, personally appeared Rosa E. Rivas, 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 Federal Insurance Company, and acknowledged to me that he subscribed the name of the said company thereto as Surety, and his own name as attorney-in-fact.

WITNESS my hand and official seal



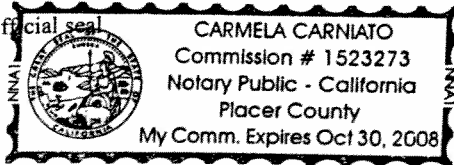
J. Barragan
Notary Public in and for said County and State

CERTIFICATE OF ACKNOWLEDGMENT FOR PRINCIPAL

STATE OF CALIFORNIA
COUNTY OF PLACER

On this 30 day of NOVEMBER, 2006, before me a Notary Public, personally appeared LARRY GNALEC, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name is subscribed to this instrument, and acknowledged that he ~~(she or they)~~ executed it.

WITNESS my hand and official seal



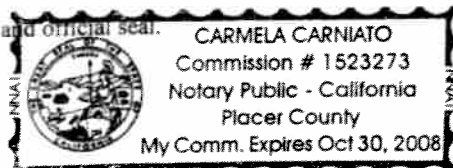
Carmela Carniato
Notary Public in and for said County and State

CERTIFICATE OF ACKNOWLEDGMENT FOR PRINCIPAL

STATE OF CALIFORNIA
COUNTY OF PLACER

On this 20 day of 11, 2006, before me a Notary Public, personally appeared MARK EVES, personally known to me ~~(or proved to me on the basis of satisfactory evidence)~~ to be the person(s) whose name is subscribed to this instrument, and acknowledged that he ~~(she or they)~~ executed it.

WITNESS my hand and official seal



Carmela Carniato
Notary Public in and for said County and State

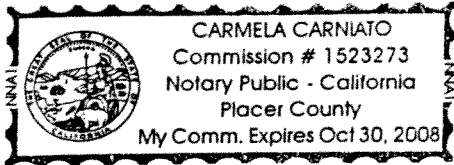
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of PLACER } ss.

On 11-30-06 before me, CARME LA CARNIATO
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared BRENDA ASCHERIN
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.

Carmela Carniato
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: _____

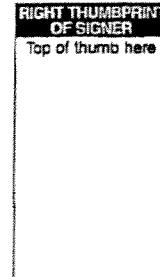
Signer(s) Other Than Named Above: _____

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: _____



ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Sacramento } SS.

On Nov. 30 2006 before me, Eric Richins, Notary Public,
(DATE) (NOTARY)
personally appeared Jean Perry
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 signatures(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]
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

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

DESCRIPTION OF ATTACHED DOCUMENT

_____ TITLE OR TYPE OF DOCUMENT

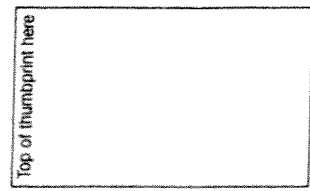
_____ NUMBER OF PAGES

_____ DATE OF DOCUMENT

_____ OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER





**CHUBB
Surety**

**POWER
OF
ATTORNEY**

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

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

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

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

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

Kenneth C. Wendel, Assistant Secretary

John P. Smith, Vice President

STATE OF NEW JERSEY ss.

County of Somerset

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

Notarial Seal



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

Notary Public

CERTIFICATION

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

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

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

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

Given under my hand and seals of said Companies at Warren, NJ this 1st day of December 2006



Kenneth C. Wendel, Assistant Secretary

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

EXECUTED IN DUPLICATE

Bond No. 82044760

Premium: **Included in Performance Bond**

LABORERS AND MATERIALMENS BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, the State of California, and West Valley, LLC a California Limited Liability Company (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2006, and identified as project Road Improvement Agreement for West Valley Collector Roads Between the County and the Developer, Agreement #06-1216, and the Plans for the Improvement and Grading of West Valley Collector Roads is hereby referred to and made part hereof; and

Whereas, under the terms of said agreement, Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of El Dorado to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

Now, therefore, we, the Principal and Federal Insurance Company (hereinafter designated "Surety"), are held firmly bound unto the County of El Dorado and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of **Nine Million Three Hundred Thirty-One Thousand Two Hundred Sixty-Nine and 93/100 dollars (\$9,331,269.93)**, 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

Laborers and Materialmens Bond (continued)

with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement 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 December 1st, 2006.

“Surety”

Federal Insurance Company
801 S. Figueroa St.
Los Angeles, CS 90017

“Principal”

WEST VALLEY, LLC
a Limited Liability Company

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

By Rosa E. Rivas
Rosa E. Rivas, Attorney-In-Fact
Rosa E. Rivas
Print Name

By Larry Gualco
Larry Gualco
Vice President

By: AKT Investments, Inc.
a California corporation
Its Manager

By Mark Enes
Mark Enes
Executive Vice President

By Jean Perry
Corporate Secretary JEAN PERRY

NOTARIES ATTACHED

Bond No. 82044760

LABORERS AND MATERIALMENS BOND FORM

Corporate Secretary Signature for Lennar Communities Inc.

Brenda Ascherin

Brenda Ascherin
Corporate Secretary

11/30/06

Date

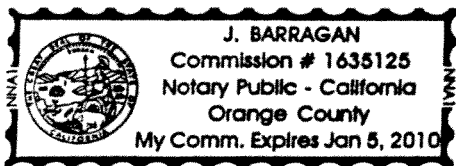
SURETY

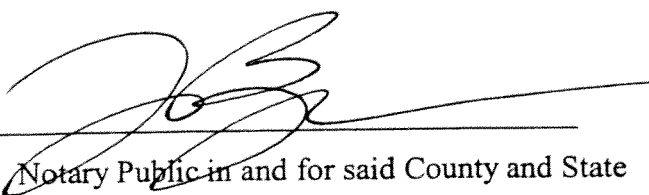
STATE OF CALIFORNIA

COUNTY OF ~~EL DORADO~~ Orange

On this 1st day of December, 2006, before me a Notary Public, personally appeared Rosa E. Rivas, 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

PRINCIPAL

STATE OF CALIFORNIA

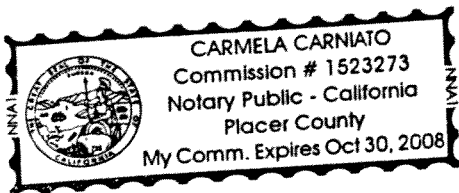
COUNTY OF ~~EL DORADO~~ PLACER

On this 30 day of November, 2006, before me a Notary Public, personally appeared LARRY SWALCO, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.

Carmela Carniato

Notary Public in and for said County and State



PRINCIPAL

STATE OF CALIFORNIA

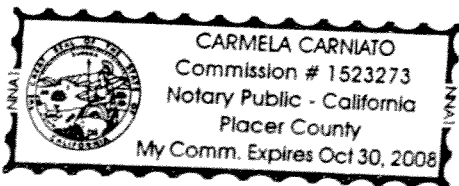
COUNTY OF ~~EL DORADO~~ PLACER

On this 30 day of 11, 2006, before me a Notary Public, personally appeared MARK EVES, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.

Carmela Carniato

Notary Public in and for said County and State



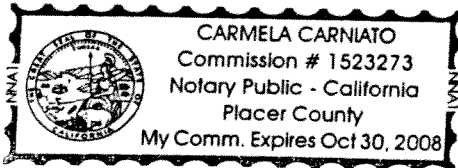
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of PLACER } ss.

On 11-30-06 before me, Carmela Carniato
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
personally appeared Brenda Ascherin
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.

Carmela Carniato
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: _____

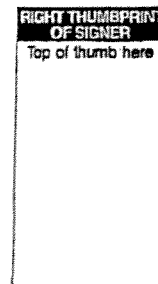
Signer(s) Other Than Named Above: _____

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: _____



ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Sacramento } SS.

On Nov. 30, 2006 before me, Eric Richins, Notary Public,
(DATE) (NOTARY)
personally appeared Jean Perry
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 signatures(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]
NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

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

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

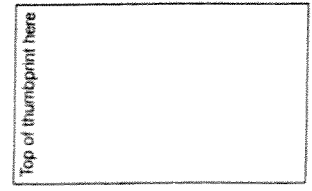
NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER





**CHUBB
Surety**

**POWER
OF
ATTORNEY**

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

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

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

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

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

Kenneth C. Wendel, Assistant Secretary

John P. Smith, Vice President

STATE OF NEW JERSEY ss.

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

Notarial Seal



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

Notary Public

CERTIFICATION

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

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

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

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

Given under my hand and seals of said Companies at Warren, NJ this 1st day of December 2006



Kenneth C. Wendel, Assistant Secretary

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