

**AMENDMENT I TO ROAD IMPROVEMENT AGREEMENT FOR
INTERSECTION AND TRAFFIC SIGNALS AT GREEN VALLEY ROAD AND
SILVER SPRINGS PARKWAY AND GREEN VALLEY ROAD AND DEER
VALLEY ROAD BETWEEN COUNTY AND SILVER SPRINGS, LLC**

AGMT #06-1111

Amendment I

THIS AMENDMENT I to that certain Road Improvement Agreement, hereinafter referred to as the "Agreement") made and entered into on October 31, 2006 by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California (hereinafter referred to as "County") and **SILVER SPRINGS, LLC**, a California limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 2999 Oak Road, Suite 400, Walnut Creek, California 94597 (hereinafter referred to as "Developer") concerning the construction of traffic signals and road improvements on Green Valley Road at Silver Springs Parkway and Deer Valley Road (hereinafter referred to as "Project") in accordance with the improvement plans entitled **Green Valley Road / Silver Springs Parkway Intersection and Green Valley Road / Deer Valley Road Turn Lanes**, and cost estimates prepared by Stantec Consulting Inc., Cariann E. Oliver, P.E., 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, County and Developer entered into that certain Road Improvement Agreement on October 31, 2006, a copy of which Agreement is incorporated herein and made by reference a part hereof; and

WHEREAS, pursuant to Section 5 of the Agreement, Developer provided to County a performance bond and a laborers and materialmens bond (hereinafter collectively referred to as the "Original Bonds") naming County as obligee as required in the Agreement, and in reliance in part on the Original Bonds, County entered into this Agreement; and

WHEREAS, Developer has requested to substitute a new performance bond and a new laborers and materialmens bond in place of and instead of the Original Bonds; and

WHEREAS, County will agree to the substitution of new bonds for the Original Bonds provided that certain conditions are satisfied, including that Owner warrants and represents that no work has been done, no labor has yet been engaged or contracted for and no materials have been ordered, secured or provided with respect to the Project and Owner submits for approval an updated engineer's estimate for the costs of the improvements that are the subject of the Agreement reflecting same, and provided that the new surety issues new bonds as security for 100% of the entire work and provided

that the new surety expressly accepts all obligations retroactively to October 31, 2006, the date of approval of the Agreement;

NOW, THEREFORE, the parties hereto in consideration of the recitals, terms and conditions herein, do hereby agree to amend the terms of the Agreement in this Amendment I to Road Improvement Agreement #06-1111 as follows:

Section 1 is hereby amended to read 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 traffic signals and road improvements at the intersections of Green Valley Road with Silver Springs Parkway and Deer Valley Road and will perform the requirements of this Agreement in accordance with the plans, change orders and itemized cost estimates, as amended, 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 no limited to, applicable Public Contract Code sections and County bidding requirements, Labor Code requirements inclusive 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 "Silver Springs, LLC Green Valley/Silver Springs Intersection Opinion of Probable Cost", in Amended Exhibit A, marked "Silver Springs, LLC Green Valley/Silver Springs Intersection Amended Opinion of Probable Cost," and Exhibit B, marked "Silver Springs, LLC Green Valley Road / Deer Valley Road Turn Lanes Opinion of Probable Cost," and in Amended Exhibit B, marked "Silver Springs, LLC Green Valley Road / Deer Valley Road Turn Lanes Amended Opinion of Probable Cost" all of which Exhibits are attached hereto and incorporated by reference herein. An updated Certificate of Partial Completion indicating that no improvements have been completed is attached hereto and is incorporated herein and made by reference a part hereof.

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 whole work by Developer, or the submittal of the improvement plans with a bid ready package as provided hereinbelow, Developer shall provide proof of adequate professional liability insurance of the engineer running to this 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 5 is hereby amended to read as follows:

SECTION 5. PERFORMANCE AND LABORERS AND MATERIALMENS BONDS

Developer warrants and represents that as of the effective date of this Amendment, no work has proceeded and that no labor has been engaged or contracted for and that no materials have been ordered, secured or provided with respect to the Project.

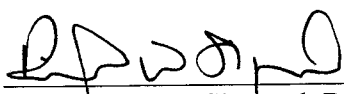
Developer shall deliver to Department bonds covering 100% of the entire work as follows:

1. The Performance Bond shall be in the sum of **One Million Six Hundred Ninety Five Thousand Eight Hundred Two Dollars (\$1,695,802.00)**, conditioned upon the faithful performance of the Agreement on or before the completion date specified therein, and in the form approved by County.
2. The Laborers and Materialmens Bond shall be in the sum of **One Million Six Hundred Ninety Five Thousand Eight Hundred Two Dollars (\$1,695,802.00)**, conditioned upon the faithful performance of the Agreement on or before the completion date specified therein, 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 ensure that the contractor awarded the work shall provide Performance and Labor and Materialmens 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 forms shall be County's approved forms and shall be included in 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 County as an additional named insured.

Except as herein amended, all other parts and sections of that certain Road Improvement Agreement dated October 31, 2006, shall remain unchanged and in full force and effect.

Requesting Department Concurrence:

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

Dated: 6/12/07

IN WITNESS WHEREOF, the parties have executed this Amendment I to that certain Road Improvement Agreement #AGMT 06-111, on the dates indicated below, the latest of which shall be deemed to be the effective date of this Amendment.

-- COUNTY OF EL DORADO --

By: _____

Dated: _____

Board of Supervisors
"County"

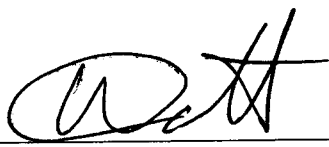
Attest:
Cindy Keck,
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Dated: _____

-- SILVER SPRINGS, LLC --

SILVER SPRINGS, LLC
a California limited liability company
By: Sorrento, Inc., a California Corporation,
Its Managing Member

By: 
William C. Scott, Jr.
Chief Financial Officer

Dated: 6-4-07

STATE OF CALIFORNIA)

(

COUNTY OF Contra Costa)

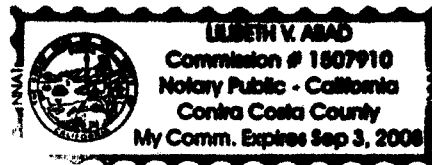
On this 4th day of June 2007, before me, Lilibeth V. Abad, a Notary Public,
personally appeared William C. Scott, Jr.

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.

Lilibeth V. Abad

Notary Public in and for said County and State





Stantec

Silver Springs LLC
Green Valley Road/Silver Springs Parkway Intersection
Amended Exhibit A

Amended Opinion of Probable Costs

Description	Quantity	Unit	Unit Price	Cost	Total
Earthworks					\$116,290
1 Clearing and Grubbing	1	l.s.	\$8,000.00	\$8,000	
2 Import	5,500	yd ³	\$15.00	\$82,500	
3 Mobilization/Demobilization	1	each	\$15,000.00	\$15,000	
4 Keystone retaining Wall	64	ft ²	\$35.00	\$2,240	
5 Rock lined ditch	570	l.f.	\$15.00	\$8,550	
Street					\$518,106
6 Asphalt Concrete (Type A)	1,779	ton	\$90.00	\$160,110	
7 Class 2 Aggregate Base	643	yd ³	\$81.00	\$52,083	
8 Minor Concrete (Sidewalk)	92	yd	\$450	\$41,400	
9 Minor Concrete (Curb and Gutter)	1,225	l.f.	\$30.00	\$36,750	
10 Place Asphalt Concrete Dike (Type A)	200	l.f.	\$2.00	\$400	
11 Saw Cut Asphalt Concrete Pavement	1,222	l.f.	\$2.25	\$2,750	
12 Remove Asphalt Concrete Surfacing	12,007	ft ²	\$1.80	\$21,613	
13 Remove Asphalt Concrete Dike	200	l.f.	\$2.00	\$400	
14 Road Barricade	60	l.f.	\$35.00	\$2,100	
15 Sidewalk Barricade	2	each	\$250	\$500	
16 Traffic Signal ⁽³⁾	1	l.s.	\$200,000.00	\$200,000	
Drainage					\$6,785
17 35"x24" CMP	61	l.f.	\$85.00	\$5,185	
18 18" Corrugated Steel Pipe	12	l.f.	\$50.00	\$600	
19 Erosion Control Pipe Discharge	1	each	\$1,000.00	\$1,000	
Water					\$9,400
20 12" PVC C-900 Water Main	80	l.f.	\$55.00	\$4,400	
21 2" Blow off Valve	1	each	\$5,000	\$5,000	
Improvements (misc)					\$21,290
22 Remove Fence	930	l.f.	\$5.00	\$4,650	
23 Fence (Type BW, 5 STRAND, METAL POST)	820	l.f.	\$20.00	\$16,400	
24 Fence (Type WM, METAL) on wall	16	l.f.	\$15.00	\$240	
Striping and Signage					\$49,163
25 Thermoplastic Pavement Marking	620	ft ²	\$1.50	\$930	
26 Remove Pavement Marking	1,483	ft ²	\$1.00	\$1,483	
27 Remove Pavement Marker	2,775	ft	\$3.00	\$8,325	
28 Paint Traffic Stripe	3,260	ft	\$0.13	\$424	
29 Pavement Marker	175	ea	\$4.00	\$700	
30 Object Marker, Type K	1	ea	\$45.00	\$45	
31 Roadside Sign - One Post	5	ea	\$285.00	\$1,425	
32 Remove Roadside Sign	1	ea	\$100.00	\$100	
33 Paint curb red	445	l.f.	\$0.25	\$111	
34 Traffic Control	1	each	\$10,000.00	\$10,000	
35 Temporary Railing (Type K)	1,220	l.f.	\$21.00	\$25,620	



Stantec

**Silver Springs LLC
Green Valley Road/Silver Springs Parkway Intersection
County of El Dorado
Amended Exhibit A**

Amended Opinion of Probable Costs

Description	Quantity	Unit	Unit Price	Cost	Total
Erosion Control					\$6,300
36 Fiber Rolls	1,200	l.f.	\$3.50	\$4,200	
37 Hydroseed	1	l. s.	\$2,000.00	\$2,000	
38 Temporary Gravel Bag Berm	1	each	\$100.00	\$100	
Total					\$727,334
4.0% Construction Survey					\$29,094
10.0% Construction Administration, Management, Testing and Inspection					\$72,733
10.0% Contingency					<u>\$72,733</u>
Grand Total					<u>\$901,894</u>

Note: Earthwork quantities do not account for shrinkage or expansion

0 Schematic Estimate 0 50% Estimate 0 90% Estimate ® Final Estimate 0 Other

Notes:

- 1 It is recognized that Stantec has no control over the costs of materials, equipment, labor, or the contractor's method of determining bid prices. Prices will vary from any statement of probable costs.
- 2 The earthwork and export quantities are based upon the plans and include road undercut. An expansion / shrinkage factor was not applied.
- 3 This cost was provided by Fehr & Peers





Stantec

13 Mar 2007

Silver Springs LLC
Green Valley Road / Deer Valley Road Turn Lanes

Amended Exhibit B
Amended Opinion of Probable Costs

Table with 6 columns: Description, Quantity, Unit, Unit Price, Cost, Total. Rows include Earthworks, Street, Drainage, Improvements (misc), Striping and Signage, Erosion Control, and Grand Total.

Note: Earthwork quantities do not account for shrinkage or expansion

0 Schematic Estimate 0 50% Estimate 0 90% Estimate @ Final Estimate 0 Other

Notes:

- 1 It is recognized that Stantec has no control over the costs of materials, equipment, labor, or the contractor's method of determining bid prices. Prices will vary from any statement of probable costs.
2 The earthwork and export quantities are based upon the plans and include road undercut. An expansion / shrinkage factor was not applied.



UPDATED CERTIFICATE OF PARTIAL COMPLETION

I hereby certify that the following improvements in the **Green Valley Road / Silver Springs Parkway Intersection and Green Valley Road / Deer Valley Road Turn Lanes** Projects have been completed, to wit:

Green Valley Road/Silver Springs Parkway Intersection:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Earthwork	\$116,290	0%	\$116,290
Street	\$518,106	0%	\$518,106
Drainage	\$6,785	0%	\$6,785
Water	\$9,400	0%	\$9,400
Misc. Improvements	\$21,290	0%	\$21,290
Striping & Signage	\$49,163	0%	\$49,163
Erosion Control	\$6,300	0%	\$6,300
Subtotal	\$727,334		\$727,334
4% Construction Survey	\$29,093	0%	\$29,094
10% Construction Administration, Management, Testing & Inspection	\$72,733	0%	\$72,733
10% Contingency	\$72,733	0%	\$72,733
Totals	\$901,894		\$901,894

Green Valley Road/Deer Valley Road Turn Lanes:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Earthwork	\$116,600	0%	\$116,600
Street	\$384,624	0%	\$384,624
Drainage	\$10,875	0%	\$10,875
Misc. Improvements	\$31,750	0%	\$31,750
Striping & Signage	\$88,399	0%	\$88,399
Erosion Control	\$8,000	0%	\$8,000
Subtotal	\$640,248		\$640,248
4% Construction Survey	\$25,610	0%	\$25,610
10% Construction Administration, Management, Testing & Inspection	\$64,025	0%	\$64,025
10% Contingency	\$64,025	0%	\$64,025
Totals	\$793,908		\$793,908

Grand Total

\$1,695,802

\$1,695,802

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner and Subdivider to be **One Million Six Hundred Ninety Five Thousand Eight Hundred Two dollars (\$1,695,802.00)**.

The Performance Bond is for the amount of **One Million Six Hundred Ninety Five Thousand Eight Hundred Two dollars (\$1,695,802.00)**. (100% of Remaining Amount Total, Column 3)

The Laborers and Materialmens Bond is for the amount of **One Million Six Hundred Ninety Five Thousand Eight Hundred Two dollars (\$1,695,802.00)**. (100% of the Total Amount, Column 1)

DATED: 06.04.07



Cariann Oliver

Cariann E. Oliver
Stantec Consulting Inc.
2590 Venture Oaks Way
Sacramento, CA 95833

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 6/12/07

Richard W. Shepard

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

County of El Dorado

PERFORMANCE BOND

Premium: \$15,262.00

Bond No. 070003259

KNOW ALL MEN BY THESE PRESENTS, that we Silver Springs, LLC

the Developer in the Contract hereto annexed, as Principal, and Liberty Mutual 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 One Million Six Hundred Ninety-Five Thousand Eight Hundred Two Dollars, (\$1,695,802) 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: June 5, 2007

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 Intersection Improvements, Traffic Signals and Frontage Improvements at Green Valley Road and Silver Springs Parkway and Intersection Improvements at Green Valley Road and Deer Valley Road pursuant to Road Improvement Agreement #06-1111, 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: June 5, 2007

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

c/o M.B. McGowan & Associates Insurance Agency, Inc.

7250 Redwood Blvd., Suite 110

Novato, CA 94945

Silver Springs, LLC

[Signature]

PRINCIPAL Liberty Mutual Insurance Company

[Signature]

SURETY Debbie L. Welsh, 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.

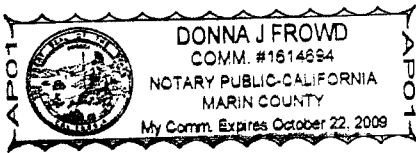
NOTARY ACKNOWLEDGMENTS ATTACHED

CERTIFICATE OF ACKNOWLEDGMENT FOR SURETY

State of California
County of Marin

On this 5th day of June in the year 2007, before me Donna J. Frowd, Notary Public, personally appeared Debbie L. Welsh, 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 Liberty Mutual 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



Donna J. Frowd

Notary Public in and for said County and State
Donna J. Frowd, Notary Public

CERTIFICATE OF ACKNOWLEDGMENT FOR PRINCIPAL

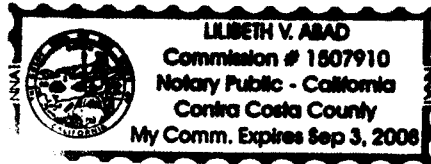
STATE OF CALIFORNIA
COUNTY OF Contra Costa

On this 5th day of June, 2007, before me a Notary Public, personally appeared William C. Scott, Jr., 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.

Lilbeth V. Abad

Notary Public in and for said County and State



THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint MICHAEL B. MCGOWAN, SUSAN J. MCGOWAN, DONNA L. WELSH, DONNA J. FROWD, WILLIAM P. MCGOWAN, DEBBIE L. WELSH, ALL OF THE CITY OF NOVATO, STATE OF CALIFORNIA.....

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding SEVENTY-FIVE MILLION AND 00/100***** DOLLARS (\$ 75,000,000.00*****) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 23rd day of June, 2005.

LIBERTY MUTUAL INSURANCE COMPANY

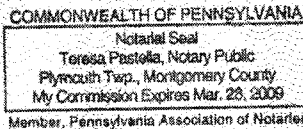
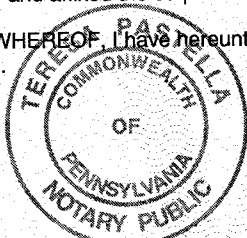
By Garnet W. Elliott, Assistant Secretary



COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 23rd day of June, 2005, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



By Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, 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 5th day of June, 2007.



By David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

Bond No. 070003259
Premium Included in Performance Bond

LABORERS AND MATERIALMENS BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and Silver Springs, 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 October 31, 2006, and identified as project "**ROAD IMPROVEMENT AGREEMENT FOR INTERSECTION AND TRAFFIC SIGNALS AT GREEN VALLEY ROAD AND SILVER SPRINGS PARKWAY AND GREEN VALLEY ROAD AND DEER VALLEY ROAD BETWEEN COUNTY AND SILVER SPRINGS, LLC,**" – AGMT #06-1111, 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 Liberty Mutual Insurance Company (hereinafter designated "Surety"), are held firmly bound unto the County of El Dorado and all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of **One Million Six Hundred Ninety Five Thousand Eight Hundred Two Dollars (\$1,695,802)**, 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.

Laborers and Materialmens Bond (continued)

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

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 June 5, 20 07.

“Surety”

Liberty Mutual Insurance Company

By

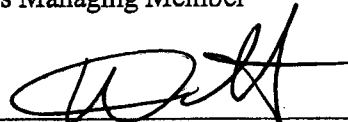


Debbie L. Welsh, Attorney-in-Fact
Print Name

“Principal”

Silver Springs, LLC
a California Limited Liability Company
By: Sorrento, Inc., a California Corporation
Its Managing Member

By



William C. Scott, Jr.,
Chief Financial Officer
2999 Oak Road, Suite 400
Walnut Creek, CA 94597

NOTARIES ATTACHED

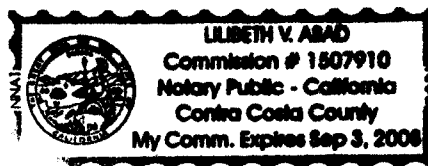
PRINCIPAL

STATE OF CALIFORNIA
COUNTY OF Contra Costa

On this 5th day of June, 2007, before me a Notary Public, personally appeared William C. Scott, Jr., 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.

Lilbeth V. Abad
Notary Public in and for said County and State



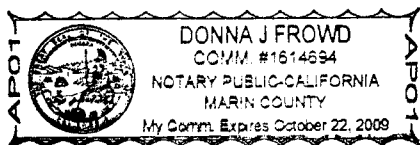
SURETY

STATE OF CALIFORNIA
COUNTY OF MARIN

On this 5th day of June, 2007, before me a Notary Public, personally appeared Debbie L. Welsh, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(x) whose name is subscribed to this instrument, and acknowledged that ~~xx~~ (she ~~xxxx~~) executed it.

WITNESS my hand and official seal.

Donna J. Frowd
Notary Public in and for said County and State
Donna J. Frowd, Notary Public



THIS POWER OF ATTORNEY IS NOT VALID UNLESS IT IS PRINTED ON RED BACKGROUND.

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

LIBERTY MUTUAL INSURANCE COMPANY
BOSTON, MASSACHUSETTS
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Liberty Mutual Insurance Company (the "Company"), a Massachusetts stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint MICHAEL B. MCGOWAN, SUSAN J. MCGOWAN, DONNA L. WELSH, DONNA J. FROWD, WILLIAM P. MCGOWAN, DEBBIE L. WELSH, ALL OF THE CITY OF NOVATO, STATE OF CALIFORNIA.....

each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding SEVENTY-FIVE MILLION AND 00/100***** DOLLARS (\$ 75,000,000.00****) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article XIII, Section 5 of the By-Laws, Garnet W. Elliott, Assistant Secretary of Liberty Mutual Insurance Company, is hereby authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Liberty Mutual Insurance Company has been affixed thereto in Plymouth Meeting, Pennsylvania this 23rd day of June, 2005.

LIBERTY MUTUAL INSURANCE COMPANY

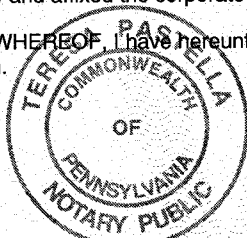
By Garnet W. Elliott, Assistant Secretary



COMMONWEALTH OF PENNSYLVANIA ss
COUNTY OF MONTGOMERY

On this 23rd day of June, 2005, before me, a Notary Public, personally came Garnet W. Elliott, to me known, and acknowledged that he is an Assistant Secretary of Liberty Mutual Insurance Company; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Liberty Mutual Insurance Company thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Plymouth Twp., Montgomery County
My Commission Expires Mar. 28, 2009
Member, Pennsylvania Association of Notaries

By Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of Liberty Mutual Insurance Company, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Assistant Secretary specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article XIII, Section 5 of the By-laws of Liberty Mutual Insurance Company.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Liberty Mutual Insurance Company at a meeting duly called and held on the 12th day of March, 1980.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, 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 5th day of June, 2007.



By David M. Carey, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

SURETY RIDER

To be attached to and form a part of

Bond No. 070003259

Type of Bond: Performance Bond and Laborers and Materialsmen Bond Form

dated effective June 5, 2007
(MONTH-DAY-YEAR)

executed by Silver Springs, LLC, as Principal,
(PRINCIPAL)

and by Liberty Mutual Insurance Company, as Surety,

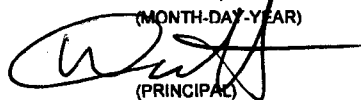
in favor of County of El Dorado
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing Surety accepts all obligations retroactively to October 31, 2006, the date of approval of the Agreement.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.


This rider is effective October 31, 2006
(MONTH-DAY-YEAR)

Signed and Sealed June 5, 2007
(MONTH-DAY-YEAR)


(PRINCIPAL)

By: Silver Springs, LLC
(PRINCIPAL)

Liberty Mutual Insurance Company
(SURETY)

By: 
(ATTORNEY-IN-FACT)
Debbie L. Welsh

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

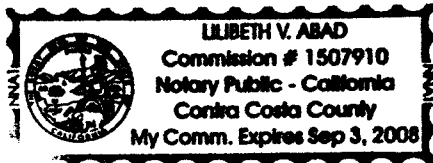
County of Contra Costa } SS.

On June 5, 2007, before me, Lilibeth V. Abad, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared William C. Scott, Jr.
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.

Lilibeth V. Abad
Signature of Notary Public

Place Notary Seal Above

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: Surety Rider

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of CALIFORNIA)

County of MARIN)

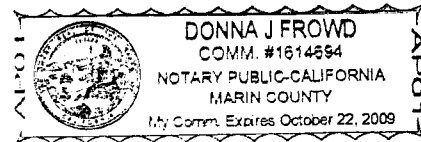
On June 5, 2007 before me, DONNA J. FROWD, NOTARY PUBLIC
(here insert name and title of the officer)

personally appeared DEBBIE L. WELSH

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.

Donna J. Frowd
Signature of Notary Public



(Seal)

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document