

**ROAD IMPROVEMENT AGREEMENT
FOR GREEN VALLEY ROAD AT CAMBRIDGE ROAD
BETWEEN THE COUNTY AND THE DEVELOPER**

AGMT #06-1185

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 **GREEN VALLEY STATION, LLC**, a Limited Liability Company duly qualified to conduct business in the State of California, whose principal place of business is 10301 Placer Lane, Suite 100, Sacramento, California 95827 (hereinafter referred to as "Developer") concerning the road improvements at the Green Valley Road/Cambridge Road Intersection (hereinafter referred to as "Project") in accordance with the improvement plans entitled **Green Valley Station Lot "B" Grading & Utility Plan** and cost estimates prepared by Carlton Engineering, Inc., Jeff Thompson, P.E., Registered Civil Engineer, and approved by James W. Ware, Deputy Director, Transportation Planning and Land Development (hereinafter referred to as "Deputy 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 the Deputy 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 his own cost and his expense, in a workmanlike manner, faithfully and fully construct the road improvements at the intersection of Green Valley Road and Cambridge Road as required under the findings and mitigation measures of the Conditions of Approval #PD05-0004 and will perform the requirements of this Agreement in accordance with the plans, change orders, and itemized cost estimates approved by the Deputy Director and hereby made a part of this Agreement for all purposes as if fully incorporated herein. All construction work shall be in accordance with all applicable state and local rules, regulations, and ordinances, including but not limited to, applicable Public Contract Code sections and County bidding requirements, Labor Code requirements inclusive of prevailing wage, State licensing regulations and County policies.

An itemized account of the estimated cost of said improvements is set forth in Exhibit A, marked "Opinion of Probable Cost" 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 Deputy 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 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, 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 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 receiving a Notice to Proceed from the Department and shall complete the Project no later than one (1) year from the Notice to Proceed, subject to extensions for delays not within the control of Developer. Construction activities shall be between 7:00 a.m. and 7:00 p.m. Mondays through Fridays; and 8:00 a.m. and 5:00 p.m. on weekends 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 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 PAYMENT 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 **Three Hundred Fifty-Seven Thousand Eight Hundred Eighty-Two dollars and Ninety-Four cents (\$357,882.94)** conditioned upon the

faithful performance of this Agreement on or before the completion date specified above, and in the form approved by County.

Developer shall deliver to Department a Payment Bond issued by a surety company acceptable to County, naming County as obligee, in the sum of **Three Hundred Fifty-Seven Thousand Eight Hundred Eight-Two dollars and Ninety Four cents (\$357,882.94)**, conditioned upon the faithful performance of 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 ensure that the contractor awarded the work provide Performance and Payment 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.

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 County's 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 Developers 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 liability and automobile policies except Workers' Compensation and Professional 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 Developers 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 Developers' 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 owners 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

Pursuant to the Conditions of Approval for this Project, 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 for maintenance.

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 an 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.

To Developer:

Green Valley Station, LLC
10301 Placer Lane, Suite 100
Sacramento, CA 95827

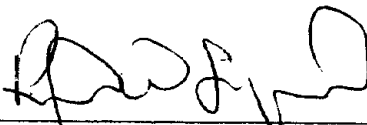
Attn: Brian Norwood,
Managing Partner

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.

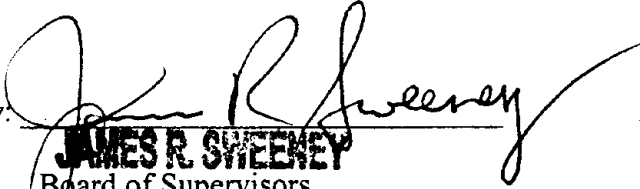
Requesting Department Concurrence:

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

Dated: 10/3/04

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

--COUNTY OF EL DORADO--

By:  _____ Dated: 12/5/06
JAMES R. SWEENEY
Board of Supervisors
"County"

Attest:
Cindy Keck,
Clerk of the Board of Supervisors

By:  _____ Dated: 12/5/06
Deputy Clerk

--GREEN VALLEY STATION, LLC--

GREEN VALLEY STATION, LLC
a California limited liability company

By:  _____ Dated: 9-22-06
Brian A. Norwood
Managing Partner

STATE OF CALIFORNIA)
(
COUNTY OF Sacramento)

On this 22nd day of September, 2006 before me, Olessya Katsenko a Notary Public, personally appeared Brian A. Norwood.

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.



Olessya Katsenko
Notary Public in and for said County and State

Address of Developer:

Opinion of Probable Cost

Project: Green Valley Station - Offsite
 Job number: 5021-01-04
 Date: 08-09-06 Revised for RIA
 Prepared by: Ernest Chan



Exhibit A

ITEM NO.	ITEM	QUANTITY	UNIT	UNIT COST	TOTAL
1 GRADING & PREPARATION					
1.01	Clearing and Grubbing	2.5	AC	\$1,000.00	\$2,500.00
1.02	Relocate Power Pole	1	LS	\$118,000.00	\$118,000.00
1.03	Remove (E) Curb and Gutter	48	LF	\$10.00	\$480.00
1.04	Remove (E) Pavement	420	SF	\$0.75	\$315.00
1.05	Remove (E) Stair and reconstruct to match grade	1	LS	\$1,000.00	\$1,000.00
1.06	Adjust Telephone Box/Manhole Grade	2	EA	\$500.00	\$1,000.00
1.07	Relocate (E) Sign	1	EA	\$500.00	\$500.00
1.08	Sawcut (E) Pavement	200	LF	\$1.00	\$200.00
1.09	Remove (E) Curb	1160	LF	\$8.00	\$9,280.00
1.10	Relocate (E) Vault	1	EA	\$1,000.00	\$1,000.00
1.12	Remove (E) Driveway	2	EA	\$300.00	\$600.00
1.12	Remove (E) Driveway	2	EA	\$300.00	\$600.00
GRADING & PREPARATION SUBTOTAL					\$135,475.00

2 EROSION CONTROL

2.01	Straw Wattles	1510	LF	\$3.00	\$4,530.00
2.02	Gravel Filled Sandbags around DI's	120	LF	\$5.00	\$600.00
2.03	Erosion Control Maintenance	1	LS	\$5,000.00	\$5,000.00
2.04	Fugitive Dust Control	1	LS	\$2,500.00	\$2,500.00
EROSION CONTROL SUBTOTAL					\$12,630.00

3 PAVING

3.01	Asphalt (3"AC/11"AB)	16221	SF	\$3.10	\$50,285.10
3.02	Type 2 Vertical Curb & Gutter (DOT)	680	LF	\$18.00	\$12,240.00
3.03	Type 3 Barrier Curb (DOT)	1051	LF	\$25.00	\$26,275.00
3.04	Concrete Sidewalk (4")	6455	SF	\$2.75	\$17,751.25
3.05	Driveway (Commercial)	4	EA	\$2,500.00	\$10,000.00
3.06	Concrete Valley Gutter	65	LF	\$40.00	\$2,600.00
3.07	Handicap ramp	13	EA	\$750.00	\$9,750.00
PAVING SUBTOTAL					\$128,901.35

4 DRAINAGE

4.01	36" CMP with connection to Existing	1	LS	\$500.00	\$500.00
4.02	Rock-lined V-ditch	40	LF	\$20.00	\$800.00
4.03	Rip-Rap Outlet Protection	2	EA	\$500.00	\$1,000.00
DRAINAGE SUBTOTAL					\$2,300.00

ITEM NO.	ITEM	QUANTITY	UNIT	UNIT COST	TOTAL
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8 MISCELLANEOUS IMPROVEMENTS

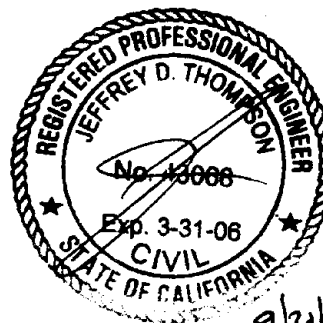
7.01	Bike Lane Sign	4	EA	\$500.00	\$2,000.00
7.02	Striping	1	LS	\$5,000.00	\$5,000.00
MISCELLANEOUS SUBTOTAL					\$7,000.00

PROJECT SUBTOTAL	\$286,306.35
Contingency 15%	\$42,945.95
Construction Management 6%	\$17,178.38
Survey 4%	\$11,452.25
PROJECT TOTAL	\$357,882.94

In providing opinions of probable construction cost, the Client understands that the Consultant has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the Consultant's opinions of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The Consultant makes no warranty, express or implied, that the bids or the negotiated cost of the Work will not vary from the Consultant's opinion of probable construction cost.

Approvals:

	10/11/06
Engineer; Carlton Engineering, Inc.	Date
	10/12/06
El Dorado Department of Transportation	Date



9/21/06