

AGREEMENT TO MAKE SUBDIVISION IMPROVEMENTS
FOR CLASS 1 SUBDIVISION
BETWEEN COUNTY, OWNER AND SUBDIVIDER

THIS 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 **CAMERON PARK SENIOR LIVING, LLC**, a limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 3108 Ponte Morino Drive, Suite 110, Cameron Park, California 95682 (hereinafter referred to as "Owner"); and **PACIFIC OAK DEVELOPMENT, INC.**, a corporation duly qualified to conduct business in the State of California, whose principal place of business is 2452 Bayview Avenue, Carmel, California 93923 (hereinafter referred to as "Subdivider"), concerning **CAMERON PARK CONGREGATE CARE, THE DUETS** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 16th day of September, 2008.

RECITALS

Owner is vested with fee title to the Subdivision, a tract of land located in the County of El Dorado, State of California, and described as **CAMERON PARK CONGREGATE CARE, THE DUETS**. Owner desires Subdivider to construct on said property certain public improvements as hereinafter described in connection with the Subdivision.

In consideration for the complete construction and dedication of all the public improvements specified in this Agreement, the approval and acceptance by County's Board of Supervisors of the Conditions of Approval, and the Final Map to be filed and recorded, the parties agree as follows:

AGREEMENT

SUBDIVIDER WILL:

1. Make or cause to be made all those public improvements in Subdivision required by Section 16.16.010 of the El Dorado County Ordinance Code (hereinafter referred to as "Code") and shown or described in the improvement plans, specifications and cost estimates entitled **CAMERON PARK DUETS IMPROVEMENT PLANS** which were approved by the Department of Transportation on July 26, 2007. Attached hereto are Exhibit A, marked "Schedule of Street Improvements;" Exhibit B, marked "Schedule of Erosion Control Improvements;" Exhibit C, marked "Schedule of Drainage Improvements;" Exhibit D, marked "Schedule of Utility Improvements," and Exhibit E, marked "Schedule of Miscellaneous Improvements;" all of which Exhibits are incorporated herein and made by reference a part hereof. The Exhibits describe quantities, units and costs associated with the improvements to be made.

2. Prior to commencing construction, obtain all necessary environmental clearances, acquire any necessary right-of-way and obtain any necessary permits from any outside agencies.

3. Complete the Subdivision improvements contemplated under this Agreement within two (2) years from the date that the Subdivision Final Map is filed with County's Board of Supervisors.

4. Install or cause to be installed, modify or cause to be modified, any and all erosion and sediment control features, whether temporary or permanent, deemed necessary by the County Engineer to ensure compliance with the Clean Water Act, the Statewide General Permit, and County's Grading, Erosion and Sediment Control Ordinances. Failure to comply with this provision shall constitute a material breach of this Agreement.

5. Post security acceptable to County as provided in Section 16.16.050 of the Code. In the event that the Sureties issuing the posted securities are subsequently downgraded to a rating unacceptable to County in its sole discretion, Subdivider shall, upon twenty (20) days written notice by County, post replacement securities issued by Sureties that are acceptable to County.

6. Provide for and pay the costs of related civil engineering services, including the costs of inspection and utility relocation when required, and attorneys' fees, costs, and expenses of legal services.

7. Provide deposit for and cover all costs of construction oversight, inspection, administration and acceptance of the work by County in accordance with the County Engineer Fee Schedule adopted by Resolution of County's Board of Supervisors.

8. Have as-built plans prepared by a civil engineer acceptable to County's Department of Transportation and filed with the Department of Transportation as provided in Section 16.16.060 of the Code.

9. Repair at Subdivider's sole cost and expense, any defects, in workmanship or materials, which appear in the work within one (1) year following acceptance of the work by County.

10. To the fullest extent allowed by law, 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 other economic or consequential losses, which are claimed to or in any way arise out of or are connected with Subdivider'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, Subdivider, Owner, 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 Subdivider to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

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

OWNER WILL:

11. Enter into another agreement with County for all road improvements to be performed on County property. Such agreement shall include a requirement that Owner furnish insurance and bonds that comply with the standard County insurance and bonding requirements in the amounts stated, to be approved by County's Risk Management Division.

12. Consent to the subject improvements and provide continuous, sufficient access to County, Subdivider, Owner, its successors and assigns, including but not limited to its Surety and Surety's agents, to the Subdivision to enable the public improvements to be constructed and completed. Access shall be continuous until completion of said public improvements and release by County of the security underlying this Agreement.

13. Agree that said agreement to provide continuous, sufficient access is irrevocable and shall run with the land and shall be binding upon and inure to the benefit of the heirs, successors, assigns and personal representatives of Owner.

14. To the fullest extent allowed by law, 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 other economic or consequential losses, which are claimed to or in any way arise out of or are connected with Owner'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, Subdivider, Owner, 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 Owner to indemnify and save County harmless includes the duties to defend set forth in California Civil Code section 2778.

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

COUNTY WILL:

15. Upon execution of this Agreement and receipt of good and sufficient security as required by Section 16.16.050 of the Code and upon compliance with all requirements of law, including all County ordinances, approve the Final Map of the Subdivision.

16. Upon receipt of a certificate from County's Director of Transportation stating that a portion of the public improvements agreed to be performed herein has been completed, describing generally the work so completed and the estimated total cost of completing the remainder of the public improvements agreed upon to be performed herein, accept new security as provided in Section 16.16.040 of the Code.

17. Release the security posted in accordance with Sections 16.16.040 and 16.16.052 of the Code.

18. Require Owner and/or Subdivider 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 deemed by County's Director of Transportation to be necessary or advisable for the proper completion or construction of the whole work contemplated.

19. Require Owner and/or Subdivider to maintain, and to make such alterations, deviations, additions to, or deletions from, the project erosion control features shown and described on the plans, specifications and cost estimate and the Storm Water Pollution Prevention Plan (SWPPP) as may be deemed necessary by County's Director of Transportation to be necessary or advisable for compliance with the Clean Water Act, Statewide General Permit requirements and County's Grading, Erosion and Sediment Control Ordinances.

20. Upon completion of the public improvements agreed to be performed herein, adopt a resolution accepting or rejecting the streets of said Subdivision into the County road system for maintenance.

21. Retain a portion of the security posted in the amount of ten percent (10%) of the estimated cost of all of the improvements for one (1) year following acceptance of the work by the County to secure the repair of any hidden defects in workmanship or materials which may appear.

22. Require Owner and Subdivider to pay County for costs, expenses and reasonable attorneys' fees should County be required to commence an action to enforce the provisions of this Agreement, to enforce the security obligations provided herein, and all attorneys' fees, costs, and expenses of litigation incurred by County even if Owner or Subdivider subsequently proceeds to complete the work.

ADDITIONAL PROVISIONS:

23. The estimated cost of installing all of the improvements is **TWO MILLION EIGHT HUNDRED SIXTY-SEVEN THOUSAND FIVE HUNDRED THIRTY DOLLARS AND SIXTY-EIGHT CENTS (\$2,867,530.68).**

24. Subdivider and Owner shall conform to and abide by all Federal, State and local building, labor and safety laws, ordinances, rules and regulations. All Work and materials shall be in full accordance with the applicable rules and regulations of the State Fire Marshall, safety orders of the Division of Industrial Safety, California Electrical Code, California Building Code, California Plumbing Code, and any and all other applicable laws and regulations. Nothing in this Agreement, including but not limited to the improvement plans and specifications and cost estimates, is to be construed to permit work not conforming to these codes.

25. Inspection of the work and/or materials or statements by any officer, agent, or employee of County indicating the work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said work and/or materials, or

payments therefore, or any combination or all of these acts, shall not relieve Owner or Subdivider of their respective obligations to fulfill this Agreement as prescribed; nor shall County be stopped from bringing any action for damages arising from the failure to comply with any terms and conditions hereof.

26. This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and fully executed by duly authorized officers of the parties hereto.

27. Neither this Agreement, nor any part thereof may be assigned by Owner or Subdivider without the express written approval of County.

28. 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:

County of El Dorado
Department Of Transportation
2850 Fairlane Court
Placerville, CA 95667
Attn.: James W. Ware,
Deputy Director of Engineering
Transportation Planning and
Land Development Division

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 Owner shall be addressed as follows:

Cameron Park Senior Living, LLC
3108 Ponte Morino Drive, Suite 110
Cameron Park, California 95682
Attn.: Erik N. Pilegaard, Manager

or to such other location as Owner directs.

Notices to Subdivider shall be addressed as follows:

Pacific Oak Development, Inc.
3108 Ponte Morino Drive, Suite 110
Cameron Park, California 95682
Attn.: Erik N. Pilegaard, President

or to such other location as Subdivider directs.

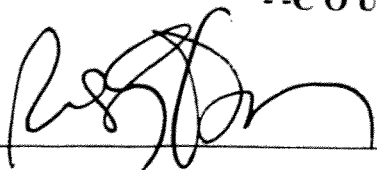
29. The County officer or employee with responsibility for administering this Agreement is James W. Ware, Deputy Director of Engineering, Transportation Planning and Land Development Division, Department of Transportation, or successor.

30. Any action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

31. 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.

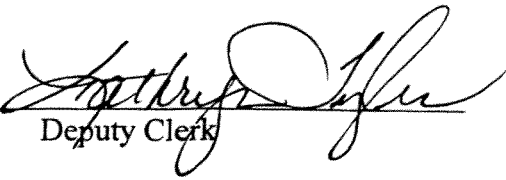
IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

--COUNTY OF EL DORADO--

By: 
RUSTY DUPRAY
Board of Supervisors
"County"


Dated: 9-16-08

Attest:
Cindy Keck
Clerk of the Board of Supervisors

By: 
Deputy Clerk


Dated: 9-16-08

-- CAMERON PARK SENIOR LIVING, LLC --
a Limited Liability Company

By: 
Erik N. Pilegaard
Manager
"Owner"

Dated: 07-03-08

-- PACIFIC OAK DEVELOPMENT, INC. --
a California Corporation

By: 
Erik N. Pilegaard
President and Secretary
"Subdivider"

Dated: 07-03-08

Notary Acknowledgments Attached

OWNER

ACKNOWLEDGMENT

State of California

County of EI Dorado

On July 3, 2010 before me, Nancy J. Hays, Notary Public,
(here insert name and title of the officer)

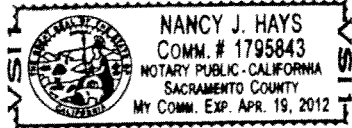
personally appeared Erik N. Pilegaard

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he she/they executed the same in his her/their authorized capacity(ies), and that by his her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Nancy J. Hays



(Seal)

SUBDIVIDER

ACKNOWLEDGMENT

State of California

County of El Dorado

On July 3, 2008 before me, Nancy J. Hays, Notary Public,
(here insert name and title of the officer)

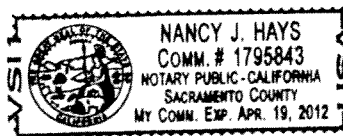
personally appeared Erik N. Pilegaard

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) (is) are subscribed to the within instrument and acknowledged to me that (he) she/they executed the same in (his) her/their authorized capacity(ies), and that by (his) her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Nancy J. Hays



(Seal)

Exhibit A

SCHEDULE OF STREET IMPROVEMENTS

Owner and Subdivider agree to improve all streets and roads for dedication upon the final map of the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Department of Transportation, and as set forth in the following Schedule of Street Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Mobilization	1	LS	\$12,000.00	\$12,000.00
Finish Grading	192,000	SF	\$0.25	\$48,000.00
Paving (3"AC/8"AB)	70,050	SF	\$4.80	\$336,240.00
Rolled Curb & Gutter	3,780	LF	\$30.00	\$113,400.00
Vertical Curb & Gutter	450	LF	\$30.00	\$13,500.00
Concrete Sidewalk (4")	8,740	SF	\$6.10	\$53,314.00
Driveway (Commercial)	1	EA	\$3,000.00	\$3,000.00
Sidewalk Ramp	8	EA	\$900.00	\$7,200.00
Paint and Striping	1	LS	\$10,000.00	\$10,000.00
Stop Bar and "STOP" sign	3	EA	\$900.00	\$2,700.00
Street sign	3	EA	\$600.00	\$1,800.00

Total Street Improvements Cost	\$601,154.00
Administration 2%	\$12,023.08
Engineering & Staking 5%	\$30,057.70
Contingency 15%	\$90,173.10
Inspection 4%	<u>\$24,046.16</u>
Estimated Total Street Improvements Costs	\$757,454.04

Exhibit B

SCHEDULE OF EROSION CONTROL IMPROVEMENTS

Owner and Subdivider agree to install the erosion control improvements in the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Department of Transportation, and as set forth in the following Schedule of Erosion Control Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Hydroseed	137,500	SF	\$0.05	\$6,875.00
Straw Wattles	8,600	LF	\$6.00	\$51,600.00
Gravel Filled Sandbags around DI's, along gutter	200	LF	\$6.00	\$1,200.00
Construction Entrance	1	EA	\$2,500.00	\$2,500.00
Erosion Control Maintenance	64	LOT	\$250.00	\$16,000.00
Fugitive Dust Control	64	LOT	\$50.00	\$3,200.00
SWPPP Compliance	64	LOT	\$75.00	\$4,800.00
Gravel Bags along gutter	38	EA	\$6.00	\$228.00
Rock Check	9	EA	\$25.00	\$225.00

Total Erosion Control Improvements Cost	\$86,628.00
Administration 2%	\$1,732.56
Engineering & Staking 5%	\$4,331.40
Contingency 15%	\$12,994.20
Inspection 4%	<u>\$3,465.12</u>
Estimated Total Erosion Control Improvements Costs	\$109,151.28

Exhibit C

SCHEDULE OF DRAINAGE IMPROVEMENTS

Owner and Subdivider agree to install drainage improvements in the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Department of Transportation, and as set forth in the following Schedule of Drainage Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
12" HDPE	127	LF	\$42.00	\$5,334.00
18" HDPE	718	LF	\$48.00	\$34,464.00
Type B DI	11	EA	\$1,800.00	\$19,800.00
36" OCP	1	EA	\$3,200.00	\$3,200.00
Outlet Protection	650	SF	\$10.00	\$6,500.00
TV Storm Drain	845	LF	\$2.00	\$1,690.00

Total Drainage Improvements Cost	\$70,988.00
Administration 2%	\$1,419.76
Engineering & Staking 5%	\$3,549.40
Contingency 15%	\$10,648.20
Inspection 4%	<u>\$2,839.52</u>
Estimated Total Drainage Improvements Costs	\$89,444.88

Exhibit D

SCHEDULE OF UTILITY IMPROVEMENTS

Owner and Subdivider agree to install the utility improvements in the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Department of Transportation, and as set forth in the following Schedule of Utility Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Utility Services	64	EA	\$8,000.00	\$512,000.00
Mainline Trenching (Joint Trench)	64	LOT	\$1,920.00	\$122,880.00
Conduit & Boxes	64	LOT	\$1,440.00	\$92,160.00
Wiring & Transformers	64	LOT	\$1,440.00	\$92,160.00

Total Utility Improvements Cost	\$819,200.00
Administration 2%	\$16,384.00
Engineering & Staking 5%	\$40,960.00
Contingency 15%	\$122,880.00
Inspection 4%	\$32,768.00
Estimated Total Utility Improvements Costs	\$1,032,192.00

Exhibit E

SCHEDULE OF MISCELLANEOUS IMPROVEMENTS

Owner and Subdivider agree to install the miscellaneous improvements in the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the Department of Transportation, and as set forth in the following Schedule of Miscellaneous Improvements:

Item Description	Quantity	Units	Unit Cost	Total Cost
Structural Plate Arch Culvert	320	LF	\$250.00	\$80,000.00
Retaining Wall (Keystone)	8,975	LF	\$32.00	\$287,200.00
Retaining Wall (Rockery)	13,777	SF	\$24.00	\$330,648.00

Total Miscellaneous Improvements Cost	\$697,848.00
Administration 2%	\$13,956.96
Engineering & Staking 5%	\$34,892.40
Contingency 15%	\$104,677.20
Inspection 4%	<u>\$27,913.92</u>
Estimated Total Miscellaneous Improvements Costs	\$879,288.48

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements for the **CAMERON PARK CONGREGATE CARE, THE DUETS** Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Schedule of Street Improvements	\$757,454.04	75%	\$189,363.51
Schedule of Erosion Control Improvements	\$109,151.28	95%	\$5,457.56
Schedule of Drainage Improvements	\$89,444.88	95%	\$4,472.24
Schedule of Utility Improvements	\$1,032,192.00	95%	\$51,609.60
Schedule of Miscellaneous Improvements	\$879,288.48	95%	\$43,964.42
Totals	\$2,867,530.68		\$294,867.34

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner and Subdivider to be **TWO HUNDRED NINETY-FOUR THOUSAND EIGHT HUNDRED SIXTY-SEVEN DOLLARS AND THIRTY-FOUR CENTS (\$294,867.34)**.

The Performance Bond is for the amount of **TWO HUNDRED NINETY-FOUR THOUSAND EIGHT HUNDRED SIXTY-SEVEN DOLLARS AND THIRTY-FOUR CENTS (\$294,867.34)**.

The Laborers and Materialmens Bond is for the amount of **ONE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND SEVEN HUNDRED SIXTY-FIVE DOLLARS AND THIRTY-FOUR CENTS (\$1,433,765.34)**.

DATED: June 4, 2008



Robert E. Scarborough
 Robert E. Scarborough, P.E. 042897
 Carlton Engineering, Inc.
 3883 Ponderosa Road
 Shingle Springs, CA 95682

ACCEPTED BY THE COUNTY OF EI DORADO:

DATED: 7/14/08

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

Bond No. 780045S
Premium: \$24,517.00

CORRECTED DUPLICATE ORIGINAL BOND
PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **PACIFIC OAK DEVELOPMENT, INC.**, a California corporation (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20____, and identified as **Cameron Park Congregate Care, The Duets (TM 05-1400)** is hereby referred to and made part hereof; and

Whereas, Said Principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the Principal and Developers Surety and Indemnity Company, (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Oblige, in the penal sum of **Two Hundred Ninety-Four Thousand Eight Hundred Sixty-Seven Dollars and Thirty-Four Cents (\$294,867.34)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

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

and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

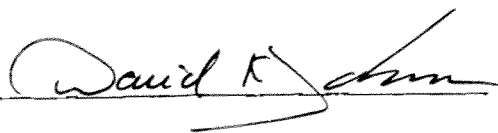
This guarantee shall insure the County of El Dorado during the work required by any Contract and for a period of one (1) year from the date of acceptance of the work against faulty or improper materials or workmanship that may be discovered during that time.

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

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

In witness whereof, this instrument has been duly executed by the Principal and Surety above named on July 7, 2008.

"Surety"
Developers Surety and indemnity Company

By 

David K. Johnson, Attorney-in-Fact
Print Name

"Principal"
PACIFIC OAK DEVELOPMENT, INC.
a California corporation

By 

Erik N. Pilegaard, President
3108 Ponte Morino Drive, Suite 110
Cameron Park, California 95682

NOTARY ACKNOWLEDGMENTS ATTACHED

PRINCIPAL

ACKNOWLEDGMENT

State of California

County of El Dorado

On July 7, 2008 before me, Renee Ford - Notary Public
(here insert name and title of the officer)

personally appeared Erik Pilegaard

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.
Signature Renee Ford



(Seal)

SURETY

ACKNOWLEDGMENT

State of California

County of Sacramento

On July 7, 2008 before me, Monica A. Hutchison, Notary Public
(here insert name and title of the officer)

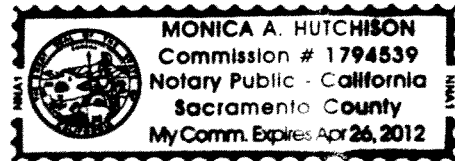
personally appeared David K. Johnson

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Monica A Hutchison



(Seal)

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

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

Stephen D. Bender, David K. Johnson, Monica A. Hutchison, Edward D. Johnson, jointly or severally


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


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

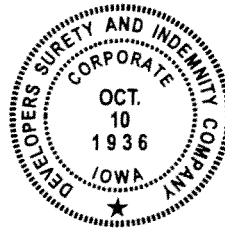
RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the attorney(s) named in the Powers of Attorney to execute, on behalf of the corporations, bonds, undertakings and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

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

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

By: 
David H. Rhodes, Executive Vice-President

By: 
Walter A. Crowell, Secretary



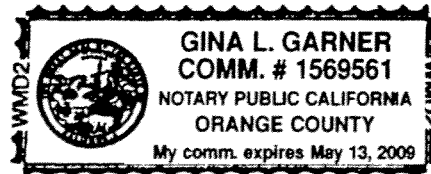
STATE OF CALIFORNIA]
COUNTY OF ORANGE]

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

WITNESS my hand and official seal.

Signature 

(SEAL)



CERTIFICATE

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

This Certificate is executed in the City of Irvine, California, the 7th day of July, 2008.

By: 
Albert Hillebrand, Assistant Secretary

Bond No. 780045S

Premium Included

CORRECTED DUPLICATE ORIGINAL 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 **PACIFIC OAK DEVELOPMENT, INC.**, a California corporation, (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 20____, and identified as **Cameron Park Congregate Care, The Duets (TM 05-1400)** 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 Developers Surety and Indemnity 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 Four Hundred Thirty-Three Thousand Seven Hundred Sixty-Five Dollars and Thirty-Four Cents (\$1,433,765.34)**, 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

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.

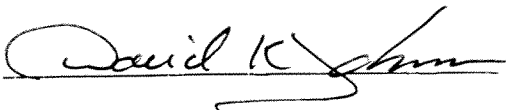
The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration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

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on July 7, 20 08.

"Surety"

Developers Surety and Indemnity Company

By



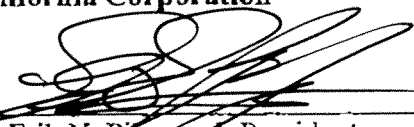
David K. Johnson, Attorney-in-Fact

Print Name

"Principal"

PACIFIC OAK DEVELOPMENT, INC.
a California Corporation

By


Erik N. Pilegaard, President
3108 Ponte Morino Drive, Suite 110
Cameron Park, California 95682

NOTARY ACKNOWLEDGMENTS ATTACHED

PRINCIPAL

ACKNOWLEDGMENT

State of California

County of El Dorado

On July 7, 2008 before me, Renee Ford - Notary Public
(here insert name and title of the officer)

personally appeared Erik Pilegaard

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Renee Ford



(Seal)

SURETY

ACKNOWLEDGMENT

State of California

County of Sacramento

On July 7, 2008 before me, Monica A. Hutchison, Notary Public
(here insert name and title of the officer)

personally appeared David K. Johnson

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Monica A Hutchison



(Seal)

**POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA**

PO BOX 19725, IRVINE, CA 92623 (949) 263-3300

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

Stephen D. Bender, David K. Johnson, Monica A. Hutchison, Edward D. Johnson, jointly or severally


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

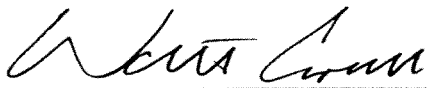
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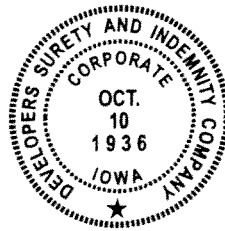
RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the attorney(s) named in the Powers of Attorney to execute, on behalf of the corporations, bonds, undertakings and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

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

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By: 
David H. Rhodes, Executive Vice-President

By: 
Walter A. Crowell, Secretary



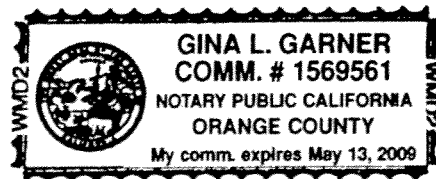
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WITNESS my hand and official seal.

Signature 

(SEAL)



CERTIFICATE

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By: 
Albert Hillebrand, Assistant Secretary