

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 **LANDSOURCE HOLDING COMPANY, LLC**, a Delaware limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 700 NW 107th Avenue, Miami, Florida 33172, and whose local address is 25 Enterprise Drive, #500, Aliso Viejo, California 92656 (hereinafter referred to as "Owner"); and **LENNAR COMMUNITIES, INC.**, a corporation duly qualified to conduct business in the State of California, whose principal place of business is 25 Enterprise Drive, #500, Aliso Viejo, California 92656, and whose local office address is 1075 Creekside Ridge Drive, Suite 110, Roseville, California 95678-1936 (hereinafter referred to as "Subdivider"), concerning **WEST VALLEY VILLAGE, UNIT 18** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 10th day of July, 2007.

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 **West Valley Village, Unit 18, TM 99-1359-18**. 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, 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 **West Valley Village, Unit 18** which were approved by the County Engineer, Department of Transportation, on March 28, 2006. Attached hereto are Exhibit A, marked "Schedule of Street Improvements;" Exhibit B, marked "Schedule of Water Improvements;" Exhibit C, marked "Schedule of Sewer Improvements;" Exhibit D, marked "Schedule of Offsite Sewer Improvements;" Exhibit E, marked "Schedule of Recycled Water Improvements;" and Exhibit F, marked "Schedule of Underground Power And Telephone 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 **FOUR MILLION EIGHT HUNDRED SIXTY-FIVE THOUSAND SEVEN HUNDRED EIGHTY-SIX DOLLARS AND 72/100 (\$4,865,786.72).**

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. West Valley Village is the subject of the Valley View Specific Plan Development Agreement, entered into by predecessors in interest to Owner and County on December 8, 1998 (hereinafter "Development Agreement"). The predecessor in interest West Valley, LLC, a Limited Liability Company entered into that certain Road Improvement Agreement between the County and West Valley, LLC., on December 12, 2006 wherein West Valley, LLC. agreed to construct the road improvements referred to as the West Valley Collector Roads (Blackstone Parkway, Royal Oaks Drive, Pavillion Drive (now called Club View Drive) and Cornerstone Drive), and as shown in the plans titled "Plans for the Improvement and Grading of West Valley Collector Roads" approved by the Director of Transportation (Director) on January 31, 2006, as required under the findings and mitigation measure of the Conditions of Approval, TM# 99-1359 (hereinafter "the Collector Roads") (all incorporated by reference as though fully set forth). Owner is the successor in interest to this Subdivision within West Valley Village. Development of lots within the Subdivision will be partially restricted to coincide with the progress of the construction of the Collector Roads within West Valley Village, as follows:

No occupancy shall be permitted in any structure until sufficient road and signal improvements, as determined by the Director, are constructed to provide safe and unrestricted access to the individual properties. This Subdivision and Subdivision Improvement Agreement will not be deemed complete by the County unless and until the improvements required under the Road Improvement Agreement, inclusive of the Collector Roads, have been substantially completed as determined by the Director, and accepted by the County's Board of Supervisors.

26. 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.

27. 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.

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

29. 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, Transportation
Planning & Land Development

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:

LandSource Holding Company, LLC
25 Enterprise Drive, #500
Aliso Viejo, California 92656
Attn: Larry Gualco

or to such other location as Owner directs.

Notices to Subdivider shall be addressed as follows:

Lennar Communities, Inc.
1075 Creekside Ridge Drive, Suite 110
Roseville, California 95678-1936
Attn.: Larry Gualco, Vice President

or to such other location as Subdivider directs.

30. 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.

31. 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.

32. 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: *Helen K. Baumann* Dated: 7-10-07
Board of Supervisors
"County" **HELEN K. BAUMANN**
Chairman

Attest:
Cindy Keck
Clerk of the Board of Supervisors

By: *Stephan Taylor* Dated: 7-10-07
Deputy Clerk

--LANDSOURCE HOLDING COMPANY, LLC--
a Delaware Limited Liability Company

By: Lennar Homes of California, Inc.
a California Corporation,
its California Manager

(2)
By: *Larry Gualco* Dated: 5/23/07
Larry Gualco
Vice President
"Owner"

By: *Brenda Ascherin* Dated: 5/23/07
Brenda Ascherin
Corporate Secretary

--LENNAR COMMUNITIES, INC.--
a California Corporation

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y

By: Larry Gualco
Larry Gualco
Vice President
"Subdivider"

Dated: 5/23/09

By: Brenda Ascherin
Brenda Ascherin
Corporate Secretary

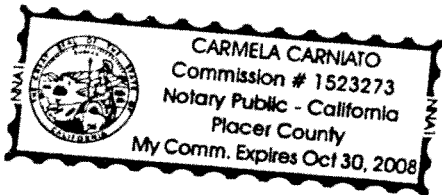
Dated: 5/24/09

STATE OF CALIFORNIA
PLACER
COUNTY OF ~~EL DORADO~~

On this 23 day of MAY, 2007, before me a Notary Public, personally appeared
LARRY Sualco, personally known to me (~~or proved to me on~~
~~the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this
instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.

Carmela Carniato
Notary Public in and for said County and State



STATE OF CALIFORNIA
PLACER
COUNTY OF ~~EL DORADO~~

On this 24 day of MAY, 2007, before me a Notary Public, personally appeared
BRENDA Ascherin, personally known to me (~~or proved to me on~~
~~the basis of satisfactory evidence~~) to be the person(s) whose name is subscribed to this
instrument, and acknowledged that he (~~she or they~~) executed it.

WITNESS my hand and official seal.

Carmela Carniato
Notary Public in and for said County and State

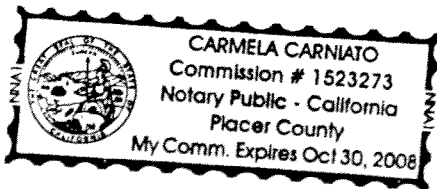


Exhibit A

SCHEDULE OF STREET IMPROVEMENTS

Owner and Subdivider agree to improve all streets and roads for dedication upon the final map of the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Street Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
3" AC	129,430	sf	\$1.30	\$168,259.00
8" AB	129,430	sf	\$1.50	194,145.00
Type 1 Vert. Curb & Gutter	7,715	lf	\$15.00	115,725.00
Type 2 Vert. Curb & Gutter	595	lf	\$18.00	10,710.00
Sidewalk	33,940	sf	\$5.00	169,700.00
Extra for Handicapped Ramp	25	ea	\$1,000.00	25,000.00
Stop Sign & Pavement Marking	2	ea	\$2,500.00	5,000.00
Street Sign	9	ea	\$500.00	4,500.00
Retaining Wall-Keystone/Versa Lok	12,100	sf	\$40.00	484,000.00
Retaining Wall-Rockery	3,405	sf	\$70.00	238,350.00
Subtotal Street Improvements				\$1,415,389.00
Project Administration		2%		\$28,307.78
Engineering and Staking		5%		\$70,769.45
Contingency		15%		\$212,308.35
Inspection		4%		\$56,615.56
Total Street Improvements				\$1,783,390.14

Exhibit B

SCHEDULE OF WATER IMPROVEMENTS

Owner and Subdivider agree to install the water supply and distribution system for the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Water Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
8" Line Incl. Fittings (SDR-35)	4,508	lf	\$40.00	\$180,320.00
8" Gate Valve	27	ea	\$900.00	\$24,300.00
8" x 6" Reducer	3	ea	\$600.00	\$1,800.00
Fire Hydrant	10	ea	\$2,500.00	\$25,000.00
1" ARV	2	ea	\$1,200.00	\$2,400.00
2" BOV	4	ea	\$1,000.00	\$4,000.00
Service – water	107	ea	\$900.00	\$96,300.00
Connect to E Water Line	2	ea	\$1,500.00	\$3,000.00
Subtotal Water Improvements				\$337,120.00
Project Administration		2%		\$6,742.40
Engineering and Staking		5%		\$16,856.00
Contingency		15%		\$50,568.00
Inspection		4%		\$13,484.80
Total Water Improvements				\$424,771.20

Exhibit C

SCHEDULE OF SEWER IMPROVEMENTS

Owner and Subdivider agree to install the sewer collection and disposal system for the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Sewer Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
6" Line (SDR-26)	749	lf	\$45.00	\$33,705.00
6" Line (SDR-35)	3,027	lf	\$45.00	\$136,215.00
Std. 48" SS Manhole	13	ea	\$3,100.00	\$40,300.00
Std. 48" SS Manhole w/lining	3	ea	\$6,600.00	\$19,800.00
Std. 60" SS Manhole w/lining	1	ea	\$8,500.00	\$8,500.00
Gravity Service – sewer	107	ea	\$1,250.00	\$133,750.00
Backwater Valves	49	ea	\$690.00	\$33,810.00
T.V. Sewers	3,777	lf	\$2.00	\$7,554.00
Subtotal Sewer Improvements				\$413,634.00
Project Administration		2%		\$8,272.68
Engineering and Staking		5%		\$20,681.70
Contingency		15%		\$62,045.10
Inspection		4%		\$16,545.36
Total Sewer Improvements				\$521,178.84

Exhibit D

SCHEDULE OF OFFSITE SEWER IMPROVEMENTS

Owner and Subdivider agree to install the offsite sewer collection and disposal system for the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Offsite Sewer Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
8" Line (SDR-26)	517	lf	\$50.00	\$25,850.00
8" Line (SDR-35)	428	lf	\$50.00	\$21,400.00
Std. 48" SS Manhole	1	ea	\$3,100.00	\$3,100.00
Std. 48" SS Manhole w/lining	1	ea	\$6,600.00	\$6,600.00
Std. 60" SS Manhole w/lining	1	ea	\$12,500.00	\$12,500.00
Jack & Bore	130	lf	\$300.00	\$39,000.00
16" Min. Steel Casing	130	lf	\$99.25	\$12,902.50
Connect to E Sewer Line	1	ea	\$3,000.00	\$3,000.00
T.V. Sewers	945	lf	\$2.00	\$1,890.00
Subtotal Sewer Improvements				\$126,242.50
Project Administration		2%		\$2,524.85
Engineering and Staking		5%		\$6,312.12
Contingency		15%		\$18,936.37
Inspection		4%		\$5,049.70
Total Sewer Improvements				\$159,065.54

Exhibit E

SCHEDULE OF RECYCLED WATER IMPROVEMENTS

Owner and Subdivider agree to install the recycled water supply and distribution system in the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Recycled Water Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
6" Line Incl. Fitting	4,430	lf	\$35.00	\$155,050.00
6" Gate Valve	27	ea	\$800.00	\$21,600.00
1" ARV	2	ea	\$1,200.00	\$2,400.00
2" BOV	7	ea	\$1,000.00	\$7,000.00
Service – recycled water	107	ea	\$900.00	\$96,300.00
Connect to E Recycled Water Line	2	ea	\$1,500.00	\$3,000.00
Subtotal Recycled Water Improvements				\$285,350.00
Project Administration		2%		\$5,707.00
Engineering and Staking		5%		\$14,267.50
Contingency		15%		\$42,802.50
Inspection		4%		\$11,414.00
Total Recycled Water Improvements				\$359,541.00

Exhibit F

SCHEDULE OF UNDERGROUND POWER AND TELEPHONE IMPROVEMENTS

Owner and Subdivider agree to install the underground utility improvements in the **West Valley Village, Unit 18** Subdivision as required by the El Dorado County Subdivision Ordinance in accordance with the plans and specifications thereof approved by the County Engineer, and as set forth in the following Schedule of Underground Power and Telephone Improvements:

Item Description	Quantity	Unit	Unit Cost	Total Cost
Mainline Trenching	107	Lots	\$1,600.00	\$171,200.00
Conduit and Boxes	107	Lots	\$1,200.00	\$128,400.00
Wiring and Transformers	107	Lots	\$1,200.00	\$128,400.00
Utility Service	107	Lots	\$8,000.00	\$856,000.00
Subtotal Power & Telephone Improvements				\$1,284,000.00
Project Administration		2%		\$25,680.00
Engineering and Staking		5%		\$64,200.00
Contingency		15%		\$192,600.00
Inspection		4%		\$51,360.00
Total Power & Telephone Improvements				\$1,617,840.00

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements in the **West Valley Village, Unit 18, TM 99-1359-18**, Subdivision have been completed, to wit:

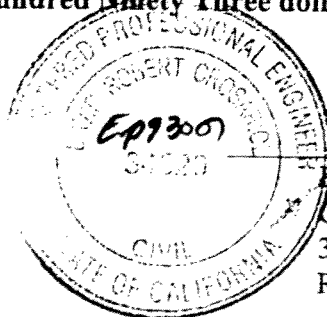
	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Street Improvements	\$1,783,390.14	0%	\$1,783,390.14
Water Improvements	\$424,771.20	25%	\$318,578.40
Sewer Improvements	\$521,178.84	25%	\$390,884.13
Offsite Sewer Improvements	\$159,065.54	75%	\$39,766.38
Recycled Water Improvements	\$359,541.00	25%	\$269,655.75
Power/Telephone Improvements	\$1,617,840.00	25%	\$1,213,380.00
Totals	\$4,865,786.72		\$4,015,654.80

I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **Four Million Fifteen Thousand Six Hundred Fifty-Four dollars and Eighty cents (\$4,015,654.80)**.

The Performance Bond is for the amount of **Four Million Fifteen Thousand Six Hundred Fifty-Four dollars and Eighty cents (\$4,015,654.80)**.

The Laborers and Materialmens Bond is for the amount of **Two Million, Four Hundred Thirty Two Thousand, Eight Hundred Ninety Three dollars and Thirty-Six cents (\$2,432,893.36)**.

DATED: 5-28-07



David R. Crosariol, RCE 34520
Cooper Thorne & Associates, Inc.
3233 Monier Circle, Suite 1
Rancho Cordova, Ca 95742

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 5/30/07

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

"Executed In Duplicate"

Bond No. 94-89-03
Premium: \$52,204.00/2 yrs.

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, a political subdivision of the State of California, and **LENNAR COMMUNITIES, 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 July 16, 2007, and identified as project **West Valley Village, Unit 18 (TM 99-1359-18)** 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 National Union Fire Insurance Company of Pittsburgh, PA (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Obligee, in the penal sum of **Four Million Fifteen Thousand, Six Hundred Fifty-Four Dollars and Eighty Cents (\$4,015,654.80)** 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

Performance Bond (continued)

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 May 29, 2007.

"Surety"

National Union Fire Insurance
Company of Pittsburgh, PA

By

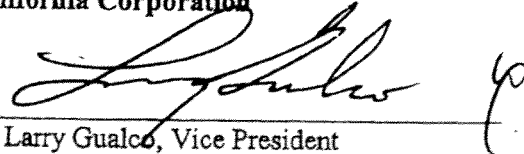


Rhonda C. Abel, Attorney-In-Fact
Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By



Larry Gualco, Vice President
1075 Creekside Ridge Drive, Suite 220
Roseville, California 95678

NOTARIES ATTACHED

PRINCIPAL

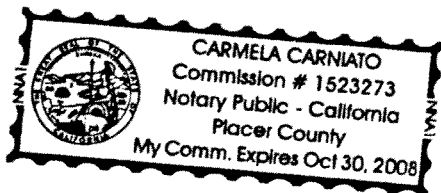
STATE OF CALIFORNIA
COUNTY OF ~~EL DORADO~~ ^{PLACER}

On this 25 day of May, 2007, before me a Notary Public, personally appeared LARRY DUALCO, 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.

Carmel Carniato

Notary Public in and for said County and State



SURETY

STATE OF CALIFORNIA (See attached acknowledgement)

COUNTY OF EL DORADO

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

WITNESS my hand and official seal.

Notary Public in and for said County and State

ACKNOWLEDGEMENT

State of California
County of Orange

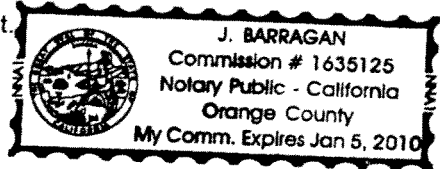
On May 29 2007 before me, J. Barragan, Notary Public
(here insert name and title of the officer)

personally appeared Rhonda C. Abel

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 acknowledge 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 J. Barragan



(Seal)

OPTIONAL

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

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

TITLE OR TYPE OF DOCUMENT

TITLE(S)

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

NUMBER OF PAGES

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

"Executed In Duplicate"

Bond No. 94-89-03
Premium Included In Bond
Performance

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 LENNAR COMMUNITIES, 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 July 10, 2007, and identified as project West Valley Village, Unit 18 (TM 99-1359-18) 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 National Union Fire Insurance Company of Pittsburgh, PA (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 **Two Million Four Hundred Thirty-Two Thousand Eight Hundred Ninety-Three Dollars and Thirty-Six Cents (\$2,432,893.36)**, 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.

Laborers and Materialmens Bond (continued)

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 May 29, 20 07.

"Surety"

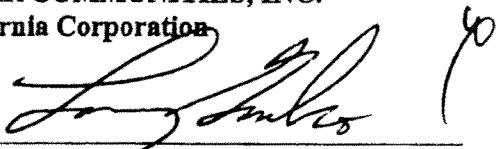
National Union Fire Insurance
Company of Pittsburgh, PA

By 

Rhonda C. Abel, Attorney-In-Fact
Print Name

"Principal"

LENNAR COMMUNITIES, INC.
a California Corporation

By 

Larry Gualco, Vice President
1075 Creekside Ridge Drive, Suite 110
Roseville, California 95678

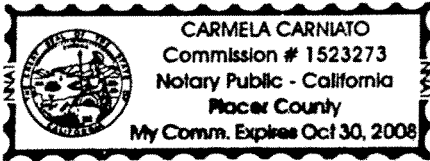
-NOTARIES ATTACHED-

PRINCIPAL

STATE OF CALIFORNIA
COUNTY OF ~~EL DORADO~~ ^{PLACER}

On this 25 day of MAY, 2007, before me a Notary Public, personally appeared LARRY DUNSTON, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name is subscribed to this instrument, and acknowledged that he (she or they) executed it.

WITNESS my hand and official seal.



Carmela Carniato
Notary Public in and for said County and State

SURETY

STATE OF CALIFORNIA (See attached acknowledgement)
COUNTY OF EL DORADO

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

WITNESS my hand and official seal.

Notary Public in and for said County and State

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aigproducercompensation.com or by calling AIG at 1-800-706-3102.

OFAC TERRITORY RIDER

Payment of loss under this bond shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

POWER OF ATTORNEY

American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, PA.

Power No. 18381

Principal Bond Office: 175 Water Street, New York, NY 10038

No. 05-B-01111

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, PA., a Pennsylvania corporation, does each hereby appoint

--Rhonda C. Abel, Jeri Apodaca, Jane Kepner, Nanette Myers, Mike Parizino, Rachelle Rheault, Rosa E. Rivas, James A. Schaller: of Irvine, California--

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. have each executed these presents



this 21st day of February, 2007

Vincent P. Forte (signature)

Vincent P. Forte, Vice President

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss.

Juliana E. Hallenbeck (signature)

JULIANA E. HALLENBECK
NOTARY PUBLIC, STATE OF NEW YORK
No. 01-MA6125671
QUALIFIED IN BRONX COUNTY
MY COMMISSION EXPIRES APRIL 18, 2009

On this 21st day of February, 2007 before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

CERTIFICATE

Exerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, PA. on May 18, 1976:

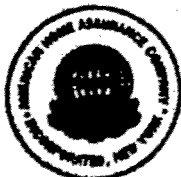
"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company 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 or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance and other contract of indemnity and writing obligatory in the nature thereof.

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, PA. do hereby certify that the foregoing exerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation



this 29 day of May, 2007

Elizabeth M. Tuck (signature)

Elizabeth M. Tuck, Secretary