

ORIGINAL

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 SERRANO ASSOCIATES, LLC, a Delaware limited liability company duly qualified to conduct business in the State of California, whose principal place of business is 4525 Serrano Parkway, El Dorado Hills, California 95762 and STANDARD PACIFIC CORP., a Delaware corporation duly qualified to conduct business in the State of California, whose principal place of business is 26 Technology Drive, Irvine, California 92618, whose local office address is 3650 Industrial Boulevard, Suite 140, West Sacramento, California 95691 (hereinafter referred to as "Owners"); and SERRANO ASSOCIATES, LLC, a Delaware limited liability company duly qualified to conduct business in the State of California, whose principal place of business is 4525 Serrano Parkway, El Dorado Hills, California 95762 (hereinafter referred to as "Subdivider"), concerning SERRANO VILLAGE K6, UNIT 2 (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 14th day of October, 2011.

RECITALS

Owners are vested with fee title to the Subdivision, a tract of land located in the County of El Dorado, State of California, and described as SERRANO VILLAGE K6, UNIT 2 TM 01-1378-K6. Owners desire 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 **PLANS FOR THE IMPROVEMENT AND GRADING OF SERRANO - VILLAGE K6** which were approved by the County Engineer, Department of Transportation, on January 7, 2007. Attached hereto are Exhibit A, marked "Schedule of General Sitework and Miscellaneous Improvements;" Exhibit B, marked "Schedule of Street Improvements;" Exhibit C, marked "Schedule of Storm Drainage Improvements;" Exhibit D, marked "Schedule of Sanitary Sewer Improvements;" Exhibit E, marked "Schedule of Potable Water Improvements;" and Exhibit F, marked "Schedule of Recycled Water 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 (a) related civil engineering services, including the costs of inspection and utility relocation when required, and (b) attorneys' fee, costs, and expenses of legal services incurred by the County in conjunction with this Agreement.

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 the Board of Supervisors of El Dorado County.

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, Owners, 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.

OWNERS WILL:

11. Consent to the subject improvements and provide continuous, sufficient access to County, Subdivider, Owners, 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.

12. 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 Owners.

13. 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 Owners' 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, Owners, 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 Owners 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:

14. 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.

15. 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.

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

17. Require Owners 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, provided the amount of such changes in the improvements does not exceed ten percent (10%) of the total estimated cost of the public improvements.

18. Require Owners 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 estimates 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.

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

20. 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.

21. If any legal action, including arbitration or an action for declaratory relief, is brought by either party to this Agreement to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs from the other party, in addition to any other relief to which that party is entitled.

ADDITIONAL PROVISIONS:

22. The estimated cost of installing all of the improvements is **TWO MILLION ONE HUNDRED FIFTY-FOUR THOUSAND NINETY DOLLARS AND SIXTY-FOUR CENTS (\$2,154,090.64).**

23. Subdivider and Owners 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 Marshal, 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.

24. 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 Owners 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.

25. 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.

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

27. 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, California 95667

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

Attn.: Craig D. McKibbin,
Deputy Director , Engineering
Transportation Planning &
Land Development Division

Attn.: Janel Gifford, P.E.
Office Engineer/Contract Services Unit

or to such other location as County directs.

Notices to Owners shall be addressed as follows:

Serrano Associates, LLC
4525 Serrano Parkway
El Dorado Hills, California 95762

Standard Pacific Corp.
3650 Industrial Boulevard, Suite 140
West Sacramento, California 95691

Attn.: Thomas M. Howard,
Vice President of Construction

Attn: Eric Anderson
Director of Land Development

or to such other location as Owners direct.

Notices to Subdivider shall be addressed as follows:

Serrano Associates, LLC
4525 Serrano Parkway
El Dorado Hills, California 95762

Attn.: Thomas M. Howard,
Vice President of Construction

or to such other location as Subdivider directs.

28. The County officer or employee with responsibility for administering this Agreement is Craig McKibbin, Deputy Director, Engineering, Transportation Planning & Land Development Division, Department of Transportation, or successor.

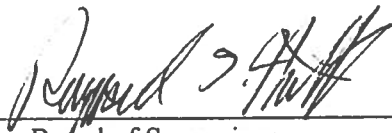
29. Any action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California.

30. This document and the documents referred to herein and exhibits attached hereto are the entire Agreement between the parties concerning the subject matter hereof.

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: 
Board of Supervisors
"County"

Dated: 10-4-11

Raymond J. Nutting


Attest:
Suzanne Allen de Sanchez
Clerk of the Board of Supervisors

By: 
Deputy Clerk


Dated: 10-4-11

--SERRANO ASSOCIATES, LLC--
a Delaware Limited Liability Company

By: Parker Development Company
a California Corporation
Its Managing Member

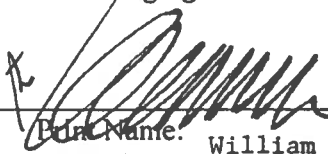
By:  Dated: 6-6-11
Print Name: William R. Parker, President
Print Title:
"Owner"

--STANDARD PACIFIC CORP.--
a Delaware Corporation

By:  Dated: 6-7-11
Print Name: Eric Anderson, Director of Land Development, Authorized Representative
Print Title:
"Owner"

**--SERRANO ASSOCIATES, LLC--
a Delaware Limited Liability Company**

By: Parker Development Company
a California Corporation
Its Managing Member

By:  _____ Dated: 6-6-11
Print Name: William R. Parker, President
Print Title:
"Subdivider"

Notary Acknowledgments Attached

OWNER

ACKNOWLEDGMENT

State of California
County of El Dorado

On June 6, 2011 before me, Florence Tanner, Notary Public
(here insert name and title of the officer)

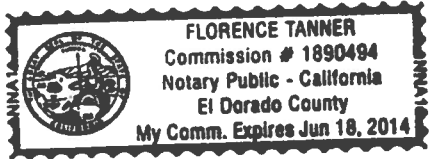
personally appeared William R. Parker

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 Florence Tanner



(Seal)

OWNER

ACKNOWLEDGMENT

State of California
County of Yolo

On 4/17/11 before me, Ginger Harper, Notary Public
(here insert name and title of the officer)

personally appeared Eric Anderson

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 Ginger Harper



(Seal)

SUBDIVIDER

ACKNOWLEDGMENT

State of California

County of El Dorado

On June 6, 2011 before me, Florence Tanner, Notary Public
(here insert name and title of the officer)

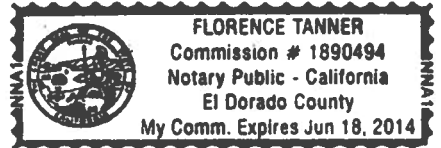
personally appeared William R. Parker

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 Florence Tanner



(Seal)