

ORIGINAL

AGREEMENT TO MAKE SUBDIVISION IMPROVEMENTS FOR CLASS 1 SUBDIVISION BETWEEN COUNTY, OWNERS 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 **TAYLOR MORRISON OF CALIFORNIA, LLC**, a California limited liability company, duly qualified to conduct business in the State of California, whose principal place of business is 81 Blue Ravine Road, Suite 220, Folsom, California, 95630 (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 K5 – UNIT 7, TM 10-1496-R** (hereinafter referred to as "Subdivision"); the Final Map of which was filed with the El Dorado County Board of Supervisors on the 10 day of June, 2014.

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 K5 – UNIT 7, TM 10-1496-R**. 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 K5, Ph 2, pages C1-C8, C10, C11, C12, C13A, C14A, C15, C19, C20, C23, C25, C26, C27A, C28A, C29, C30 and RW1-RW5** which were approved by the County Engineer, Community Development Agency, Transportation Division, on August 9, 2013 and Exhibit A Cost Estimate. Attached hereto are Exhibit A, marked "Engineers Cost Estimate;" Exhibit B, marked "Certification of Partial Completion of Subdivision 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' fees, 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 County's Board of Supervisors.

8. Have as-built plans prepared by a civil engineer acceptable to County's Community Development Agency, Transportation Division and filed with the Transportation Division Director 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 and its officers, agents, employees and representatives 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, agents, employees, and representatives, 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. Enter into another agreement with County for all road improvements to be performed on County property. Such agreement shall include a requirement that Owners 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's, its successors and assigns, including but not limited to their 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 Owners.

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, 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:

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 the County Engineer 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 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 the County Engineer 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.

19. 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 estimate and the Storm Water Pollution Prevention Plan (SWPPP) as may be deemed necessary by the County Engineer 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. 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:

23. The estimated cost of installing all of the improvements is **THREE MILLION ONE HUNDRED THIRTY THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS AND NO CENTS (\$3,130,224.00).**

24. 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.

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 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.

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 Owners 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
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, CA 95667
Attn.: Bard R. Lower
Transportation Division Director

County of El Dorado
Community Development Agency
Transportation Division
2850 Fairlane Court
Placerville, CA 95667
Attn.: Dave Spiegelberg
Senior Civil Engineer

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

Taylor Morrison of California, LLC
81 Blue Ravine Road, Suite 220
Folsom, California 95630
Attn.: Kenneth Dar Ahrens,
Division President, Northern California Division

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

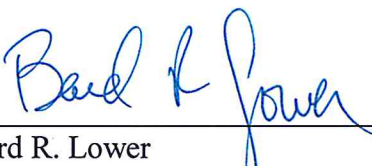
or to such other location as Subdivider directs.

29. The County officer or employee with responsibility for administering this Agreement is Bard R. Lower, Transportation Division Director, Community Development Agency, 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.

Requesting Division and Contract Administrator Concurrence:

By: 
Bard R. Lower
Transportation Division Director
Community Development Agency

Dated: 4/1/14

Requesting Department Concurrence:

By: 
Steven M. Pedretti, Director
Community Development Agency


Dated: 4/2/14

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

--COUNTY OF EL DORADO--

By:  Dated: 6-10-14
Board of Supervisors
"County" **Norma Santiago**, Chair


Attest:
James S. Mitrising
Clerk of the Board of Supervisors

By:  Dated: 6-10-14
Deputy Clerk

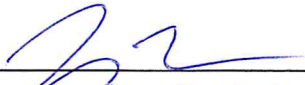
OWNERS

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


By: Parker Development Company
a California Corporation
its Managing Member

By:  Dated: 3-17-14
William R. Parker
President
"Owner"

--TAYLOR MORRISON OF CALIFORNIA, LLC--
--a California Limited Liability Company--

By: 
Print Name: JAY PAWLEK
Title: VICE PRESIDENT

Dated: 3/19/2014


By: 
Print Name: KENNETH DAR ATKINS
Title: VICE PRESIDENT
"Owner"

Dated: 3/19/2014

SUBDIVIDER

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

By: Parker Development Company
a California Corporation
its Managing Member

By: 
Att William R. Parker
President
"Subdivider"

Dated: 3-17-14

Notary Acknowledgments Attached

OWNER

ACKNOWLEDGMENT

State of California

County of El Dorado

On 3-17-14 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 SACRAMENTO

On 3/19/2014 before me, Kathleen Lopez, Notary Public,
(here insert name and title of the officer)

personally appeared Jay Pawlek

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 Kathleen Lopez



(Seal)

OWNER

ACKNOWLEDGMENT

State of California

County of SACRAMENTO

On 3/19/2014 before me, Kathleen Lopez, Notary Public
(here insert name and title of the officer)

personally appeared Kenneth Dar Ahrens

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 Kathleen Lopez



(Seal)

SUBDIVIDER

ACKNOWLEDGMENT

State of California

County of El Dorado

On 3-17-14 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)

Exhibit A

Engineer's Cost Estimate

Project: Serrano Village K5, Ph2 - Units 5, 6 & 7 w/ Entire Site Grading
 Job number: 2677.183
 Date: 2/13/2014
 Plan Set Date: 8/10/2013
 Prepared by: EL
 Reviewed by: DS

R.E.Y. ENGINEERS, INC.
 Civil Engineers | Land Surveyors | LIDAR
 905 Sutter Street, Suite 200 Folsom, CA 95630
 Phone: (916) 366-3040 Fax: (916) 366-3303
 www.reyengineers.com



1 GRADING & PREPARATION

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1.01	Clearing and Grubbing	1	LS	\$10,000.00	\$10,000.00
1.02	Tree Removal	3	EA	\$1,000.00	\$3,000.00
1.03	Excavation	43,000	CY	\$5.70	\$245,100.00
1.04	Retaining Wall (CMU up to 30 ft)	330	SF	\$40.00	\$13,200.00
1.05	Retaining Wall (Keystone, Versa Loc)	7,767	SF	\$80.00	\$621,360.00
GRADING SUBTOTAL					\$892,660.00

2 EROSION CONTROL

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
2.01	Hydroseed - Permanent	129,105	SF	\$0.41	\$52,933.05
2.02	Straw Wattles - Temporary	19,761	LF	\$3.50	\$69,163.50
2.03	Road Check Dams - Temporary	4	EA	\$2,500.00	\$10,000.00
2.04	Drainage Inlet Protection - Temporary	17	EA	\$9.15	\$155.55
2.05	Construction Entrance	2	EA	\$1,000.00	\$2,000.00
2.06	Concrete Washout	1	EA	\$5,000.00	\$5,000.00
2.07	Fugitive Dust Control	1	LS	\$15,000.00	\$15,000.00
2.08	SWPPP Compliance	1	LS	\$10,000.00	\$10,000.00
EROSION CONTROL SUBTOTAL					\$164,252.10

3 PAVING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
3.01	Asphalt (3" AC/8" AB)	76,137	SF	\$4.80	\$365,457.60
3.02	Rolled Curb & Gutter (Modified Type 1)	4,367	LF	\$20.00	\$87,340.00
3.03	Concrete Sidewalk (4")	8,428	SF	\$6.10	\$51,410.80
3.04	Pedestrian Ramp	6	EA	\$2,000.00	\$12,000.00
3.05	Sawcut Existing Pavement (\$100 Min.)	35	LF	\$4.55	\$159.25
3.06	Remove Existing Pavement	70	SY	\$5.00	\$350.00
3.07	Pedestrian Path (4"/4")	124	SF	\$6.10	\$756.40
PAVING SUBTOTAL					\$517,474.05

4 DRAINAGE

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
4.01	12" HDPE	121	LF	\$50.80	\$6,146.80
4.02	18" HDPE	623	LF	\$55.90	\$34,825.70
4.03	24" HDPE	219	LF	\$61.00	\$13,359.00
4.04	30" HDPE	245	LF	\$66.05	\$16,182.25
4.05	Type B DI	5	EA	\$1,016.00	\$5,080.00
4.06	Reinforced Type B DI (Caltrans Type GO)	3	EA	\$1,828.80	\$5,486.40
4.07	TV Camera Inspection	1,208	LF	\$2.05	\$2,476.40
4.08	48" Manhole	9	EA	\$3,048.00	\$27,432.00
4.09	Connect to Existing Manhole	1	EA	\$2,000.00	\$2,000.00
DRAINAGE SUBTOTAL					\$112,988.55

Exhibit A

5 SEWER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
5.01	6" PVC, SDR 35	2,111	LF	\$40.65	\$85,812.15
5.02	48" Manhole	4	EA	\$2,540.00	\$10,160.00
5.03	48" Manhole w/ Lining	5	EA	\$3,556.00	\$17,780.00
5.04	Sewer Service (4")	50	EA	\$508.00	\$25,400.00
5.05	TV Camera Inspection	2,111	LF	\$2.05	\$4,327.55
5.06	6" Sewer Clean Out	1	EA	\$650.00	\$650.00
5.07	Connect to Existing Sewerline	1	EA	\$1,200.00	\$1,200.00
SEWER SUBTOTAL					\$145,329.70

6 WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
6.01	8" PVC, C900, CL150	2,161	LF	\$40.65	\$87,844.65
6.02	8" Gate Valve	9	EA	\$1,200.00	\$10,800.00
6.03	2" Blow Off	1	EA	\$711.12	\$711.12
6.04	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
6.05	Fire Hydrant & Appurtenances	6	EA	\$2,540.00	\$15,240.00
6.06	Remove Ex. ARV, Connect to Ex. Waterline	1	EA	\$2,500.00	\$2,500.00
6.07	1" Service	50	EA	\$457.20	\$22,860.00
6.08	Temp 2" Blow Off	1	EA	\$711.20	\$711.20
6.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
WATER SUBTOTAL					\$144,062.57

7 RECLAIMED WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
7.01	6" Purple Plus PVC, C900, CL150	1,300	LF	\$35.60	\$46,280.00
7.02	8" Purple Plus PVC, C900, CL150	974	LF	\$40.65	\$39,593.10
7.03	6" Gate Valve	3	EA	\$905.50	\$2,716.50
7.04	8" Gate Valve	6	EA	\$1,200.00	\$7,200.00
7.05	2" Blow Off	3	EA	\$711.12	\$2,133.36
7.06	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
7.07	Remove Ex. BO & ARV, Connect to Ex. Reclaimed Water	1	EA	\$2,500.00	\$2,500.00
7.08	1" Service	52	EA	\$457.20	\$23,774.40
7.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
7.10	Temp 2" Blow Off (Reuse Removed BO)	1	EA	\$500.00	\$500.00
RECLAIMED WATER SUBTOTAL					\$128,092.96

8 UTILITY IMPROVEMENTS

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Utility Services	50	EA LOT	\$8,128.00	\$406,400.00
8.02	Joint Utility Trench	3,600	LF	\$10.20	\$36,720.00
8.03	Conduit Services	50	EA LOT	\$1,219.20	\$60,960.00
8.04	Wiring/Transformers	50	EA LOT	\$1,219.20	\$60,960.00
UTILITY SUBTOTAL					\$565,040.00

Exhibit A

8 MISCELLANEOUS ROAD IMPROVEMENTS

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Stop Bar and "STOP" sign	3	EA	\$762.00	\$2,286.00
8.02	Street Sign	3	EA	\$406.40	\$1,219.20
8.03	Construction Area Signs	1	LS	\$2,000.00	\$2,000.00
MISCELLANEOUS SUBTOTAL					\$5,505.20

SUMMARY OF COSTS	
1. GRADING & PREPARATION	\$892,660.00
2. EROSION CONTROL	\$164,252.10
3. PAVING	\$517,474.05
4. DRAINAGE	\$112,988.55
5. SEWER	\$145,329.70
6. WATER	\$144,062.57
7. RECLAIMED WATER	\$128,092.96
8. UTILITY IMPROVEMENTS	\$565,040.00
8. MISCELLANEOUS ROAD IMPROVEMENTS	\$5,505.20

PROJECT SUBTOTAL	\$2,675,405.13
CONTINGENCY (10%)	\$267,540.51
CONSTRUCTION STAKING (5%)	\$133,770.26
PROJECT ADMINISTRATION (2%)	\$53,508.10
TOTAL ESTIMATED COST OF PROJECT	\$3,130,224.00

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

Approved by:



 El Dorado Department of Transportation

03/06/14

 Date





 R.E.Y. Engineers, Inc.

02/13/2014

 Date

Exhibit B

Certificate Of Partial Completion Of Subdivision Improvements

I hereby certify that the following improvements in the Serrano Village K5 – Unit 7 Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Grading and Preparation	\$ 1,044,412.20	80%	\$ 208,882.44
Erosion Control	\$ 192,174.96	60%	\$ 76,869.98
Paving	\$ 605,444.64	0%	\$ 605,444.64
Drainage	\$ 132,196.60	80%	\$ 26,439.32
Sewer	\$ 170,035.75	80%	\$ 34,007.15
Water	\$ 168,553.21	80%	\$ 33,710.64
Reclaimed Water	\$ 149,868.76	80%	\$ 29,973.75
Utility Improvements	\$ 661,096.80	80%	\$ 132,219.36
Misc. Road Improvements	\$ 6,441.08	0%	\$ 6,441.08
Totals	\$ 3,130,224.00		\$ 1,153,988.37

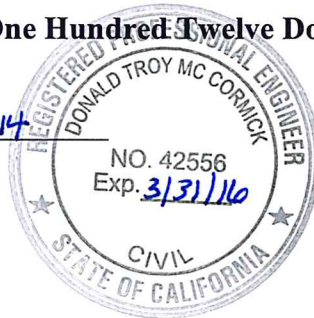
I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owner to be **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and Thirty-Seven Cents (\$1,153,988.37)**.

The Performance Bond is for the amount of **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and Thirty-Seven Cents (\$1,153,988.37)**.

The Labor and Materialmens Bond is for the amount of **One Million Five Hundred Sixty-Five Thousand One Hundred Twelve Dollars and No Cents (\$1,565,112.00)**.

DATED: _____

3/14/14



Donald T. McCormick

Donald T. McCormick, RCE Number 42556
R.E.Y. Engineers, Inc.
905 Sutter Street, Suite 200
Folsom, CA 95630

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: _____

04/07/14

John H. Kahling, IV

John H. Kahling, IV, P.E.
Deputy Director, Engineering
Community Development Agency
Transportation Division

Bond # 0638884-02
Premium Included in Premium
For Perf. bond

LABORERS AND MATERIALMEN BOND FORM

Whereas, the Board of Supervisors of the County of El Dorado, State of California, and Serrano Associates, LLC (hereinafter designated as "principal") have entered into an agreement whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated March 17, 2014, and identified as project **SERRANO VILLAGE K5 - UNIT 7** is hereby referred to and made a 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, said principal and undersigned as corporate surety, are held and firmly bound unto the County of El Dorado for all contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Code of Civil Procedure in the sum of **ONE MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND ONE HUNDRED TWELVE DOLLARS AND NO CENTS (\$1,565,112.00)** 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 El Dorado County in successfully enforcing such obligation, to be

Laborers and Materialmen Bond (Continued)

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 insure 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 of 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.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Serrano Associates, LLC, Principal, shall be responsible for the completion of the public improvements as required in the described Subdivision Improvement Agreements.
2. Any claim or demand made by the Obligee shall be made against Serrano Associates, LLC and its surety.
3. Provided, further, that regardless of the period of time that this bond is in force and regardless of the number of demands made against this bond and the bonds listed on Attachment C, the Surety's obligations shall be limited in the cumulative aggregate amount of \$1,565,112.00 plus the costs, expenses and reasonable attorneys' fees to be paid by the Subdivider should the County of El Dorado be required to commence an action to enforce the provisions of the Agreement.

Laborers and Materialmen Bond (Continued)

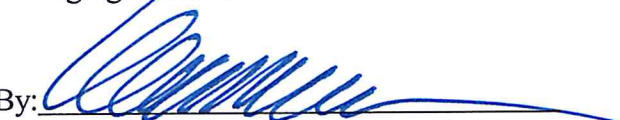
4. The cumulative obligation of the Principal under all of the agreements listed on Attachment C, shall be limited to the public improvements plans, specifications and cost estimates entitled **Serrano Village K5 – Units 5 through 7** listed in Attachment A, less the amount certified as partial completion of subdivision improvements certified on March 14, 2014 and accepted by the County of El Dorado listed in Attachment B.

In witness whereof, this instrument has been duly executed by the principal and surety above named on March 17, 2014.

PRINCIPAL


SERRANO ASSOCIATES, LLC
a Delaware limited liability company

By: Parker Development Company,
a California Corporation
Managing Member

By: 
Name: William R. Parker
Its: President

SURETY

**INTERNATIONAL FIDELITY INSURANCE
COMPANY**

By: 
Nathan Varnold, Attorney in Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of El Dorado

On 3-17-14 before me, Florence Tanner Notary Public
Date Here Insert Name and Title of the Officer

personally appeared William R. Parker
Name(s) of Signer(s)

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
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Laborers + materialsman Bond Serrano Village KS Unit 7

Document Date: 3-17-14 Number of Pages: 3

Signer(s) Other Than Named Above: Nathan Varnold

Capacity(ies) Claimed by Signer(s)

Signer's Name: William R. Parker

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: Serrano Associates, LLC

Signer's Name: _____

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

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

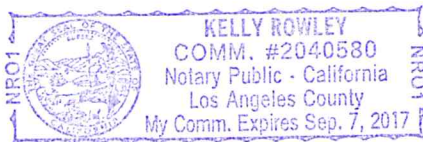
State of California

County of San Francisco

On MAR 17 2014 before me, Kelly Rowley Notary Public, personally appeared Nathan Varnold 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 Kelly Rowley
Kelly Rowley, Notary Public

(SEAL)

POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and ALLEGHENY CASUALTY COMPANY a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

TRACY ASTON, JAMES ROSS, EDWARD C. SPECTOR, SIMONE GERHARD, DARAVY MADY, LISA K. CRAIL,
NATHAN VARNOLD, TOM BRANIGAN, PAUL RODRIGUEZ, ASHRAF ELMASRY

Los Angeles, CA.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

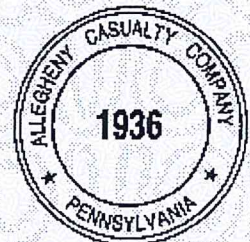
"RESOLVED, that (1) the President, Vice President, Executive Vice President or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 12th day of March, 2012.



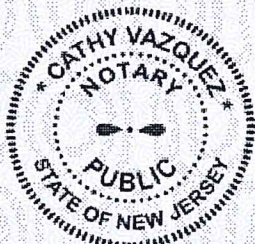
STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Executive Vice President/Chief Operating Officer
(International Fidelity Insurance Company)
and President (Allegheny Casualty Company)



On this 12th day of March 2012, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 2014

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this

MAR 17 2014

day of

MARIA BRANCO, Assistant Secretary

Attachment A

Engineer's Cost Estimate

Project: Serrano Village K5, Ph2 - Units 5, 6 & 7 w/ Entire Site Grading
 Job number: 2677.183
 Date: 2/13/2014
 Plan Set Date: 8/10/2013
 Prepared by: EL
 Reviewed by: DS

R.E.Y. ENGINEERS, INC.
 Civil Engineers | Land Surveyors | LiDAR
 905 Sutter Street, Suite 200 Folsom, CA 95630
 Phone: (916) 366-3040 Fax: (916) 366-3303
 www.reyengineers.com



1 GRADING & PREPARATION

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1.01	Clearing and Grubbing	1	LS	\$10,000.00	\$10,000.00
1.02	Tree Removal	3	EA	\$1,000.00	\$3,000.00
1.03	Excavation	43,000	CY	\$5.70	\$245,100.00
1.04	Retaining Wall (CMU up to 30 ft)	330	SF	\$40.00	\$13,200.00
1.05	Retaining Wall (Keystone, Versa Loc)	7,767	SF	\$80.00	\$621,360.00
GRADING SUBTOTAL					\$892,660.00

2 EROSION CONTROL

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
2.01	Hydroseed - Permanent	129,105	SF	\$0.41	\$52,933.05
2.02	Straw Wattles - Temporary	19,761	LF	\$3.50	\$69,163.50
2.03	Road Check Dams - Temporary	4	EA	\$2,500.00	\$10,000.00
2.04	Drainage Inlet Protection - Temporary	17	EA	\$9.15	\$155.55
2.05	Construction Entrance	2	EA	\$1,000.00	\$2,000.00
2.06	Concrete Washout	1	EA	\$5,000.00	\$5,000.00
2.07	Fugitive Dust Control	1	LS	\$15,000.00	\$15,000.00
2.08	SWPPP Compliance	1	LS	\$10,000.00	\$10,000.00
EROSION CONTROL SUBTOTAL					\$164,252.10

3 PAVING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
3.01	Asphalt (3"AC/8"AB)	76,137	SF	\$4.80	\$365,457.60
3.02	Rolled Curb & Gutter (Modified Type I)	4,367	LF	\$20.00	\$87,340.00
3.03	Concrete Sidewalk (4")	8,428	SF	\$6.10	\$51,410.80
3.04	Pedestrian Ramp	6	EA	\$2,000.00	\$12,000.00
3.05	Sawcut Existing Pavement (\$100 Min.)	35	LF	\$4.55	\$159.25
3.06	Remove Existing Pavement	70	SY	\$5.00	\$350.00
3.07	Pedestrian Path (4"/4")	124	SF	\$6.10	\$756.40
PAVING SUBTOTAL					\$517,474.05

4 DRAINAGE

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
4.01	12" HDPE	121	LF	\$50.80	\$6,146.80
4.02	18" HDPE	623	LF	\$55.90	\$34,825.70
4.03	24" HDPE	219	LF	\$61.00	\$13,359.00
4.04	30" HDPE	245	LF	\$66.05	\$16,182.25
4.05	Type B DI	5	EA	\$1,016.00	\$5,080.00
4.06	Reinforced Type B DI (Caltrans Type GO)	3	EA	\$1,828.80	\$5,486.40
4.07	TV Camera Inspection	1,208	LF	\$2.05	\$2,476.40
4.08	48" Manhole	9	EA	\$3,048.00	\$27,432.00
4.09	Connect to Existing Manhole	1	EA	\$2,000.00	\$2,000.00
DRAINAGE SUBTOTAL					\$112,988.55

Attachment A

5 SEWER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
5.01	6" PVC, SDR 35	2,111	LF	\$40.65	\$85,812.15
5.02	48" Manhole	4	EA	\$2,540.00	\$10,160.00
5.03	48" Manhole w/ Lining	5	EA	\$3,556.00	\$17,780.00
5.04	Sewer Service (4")	50	EA	\$508.00	\$25,400.00
5.05	TV Camera Inspection	2,111	LF	\$2.05	\$4,327.55
5.06	6" Sewer Clean Out	1	EA	\$650.00	\$650.00
5.07	Connect to Existing Sewerline	1	EA	\$1,200.00	\$1,200.00
SEWER SUBTOTAL					\$145,329.70

6 WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
6.01	8" PVC, C900, CL150	2,161	LF	\$40.65	\$87,844.65
6.02	8" Gate Valve	9	EA	\$1,200.00	\$10,800.00
6.03	2" Blow Off	1	EA	\$711.12	\$711.12
6.04	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
6.05	Fire Hydrant & Appurtenances	6	EA	\$2,540.00	\$15,240.00
6.06	Remove Ex. ARV, Connect to Ex. Waterline	1	EA	\$2,500.00	\$2,500.00
6.07	1" Service	50	EA	\$457.20	\$22,860.00
6.08	Temp 2" Blow Off	1	EA	\$711.20	\$711.20
6.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
WATER SUBTOTAL					\$144,062.57

7 RECLAIMED WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
7.01	6" Purple Plus PVC, C900, CL150	1,300	LF	\$35.60	\$46,280.00
7.02	8" Purple Plus PVC, C900, CL150	974	LF	\$40.65	\$39,593.10
7.03	6" Gate Valve	3	EA	\$905.50	\$2,716.50
7.04	8" Gate Valve	6	EA	\$1,200.00	\$7,200.00
7.05	2" Blow Off	3	EA	\$711.12	\$2,133.36
7.06	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
7.07	Remove Ex. BO & ARV, Connect to Ex. Reclaimed Water	1	EA	\$2,500.00	\$2,500.00
7.08	1" Service	52	EA	\$457.20	\$23,774.40
7.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
7.10	Temp 2" Blow Off (Reuse Removed BO)	1	EA	\$500.00	\$500.00
RECLAIMED WATER SUBTOTAL					\$128,092.96

8 UTILITY IMPROVEMENTS

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Utility Services	50	EA LOT	\$8,128.00	\$406,400.00
8.02	Joint Utility Trench	3,600	LF	\$10.20	\$36,720.00
8.03	Conduit Services	50	EA LOT	\$1,219.20	\$60,960.00
8.04	Wiring/Transformers	50	EA LOT	\$1,219.20	\$60,960.00
UTILITY SUBTOTAL					\$565,040.00

Attachment A

8 MISCELLANEOUS ROAD IMPROVEMENTS

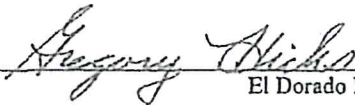
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Stop Bar and "STOP" sign	3	EA	\$762.00	\$2,286.00
8.02	Street Sign	3	EA	\$406.40	\$1,219.20
8.03	Construction Area Signs	1	LS	\$2,000.00	\$2,000.00
MISCELLANEOUS SUBTOTAL					\$5,505.20

SUMMARY OF COSTS	
1. GRADING & PREPARATION	\$892,660.00
2. EROSION CONTROL	\$164,252.10
3. PAVING	\$517,474.05
4. DRAINAGE	\$112,988.55
5. SEWER	\$145,329.70
6. WATER	\$144,062.57
7. RECLAIMED WATER	\$128,092.96
8. UTILITY IMPROVEMENTS	\$565,040.00
8. MISCELLANEOUS ROAD IMPROVEMENTS	\$5,505.20

PROJECT SUBTOTAL	\$2,675,405.13
CONTINGENCY (10%)	\$267,540.51
CONSTRUCTION STAKING (5%)	\$133,770.26
PROJECT ADMINISTRATION (2%)	\$53,508.10
TOTAL ESTIMATED COST OF PROJECT	\$3,130,224.00

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

Approved by:



 El Dorado Department of Transportation

03/06/14

 Date





 R.E.Y. Engineers, Inc.

02/13/2014

 Date

Attachment B

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements in the Serrano Village K5 – Units 5 through 7 Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Grading and Preparation	\$ 1,044,412.20	80%	\$ 208,882.44
Erosion Control	\$ 192,174.96	60%	\$ 76,869.98
Paving	\$ 605,444.64	0%	\$ 605,444.64
Drainage	\$ 132,196.60	80%	\$ 26,439.32
Sewer	\$ 170,035.75	80%	\$ 34,007.15
Water	\$ 168,553.21	80%	\$ 33,710.64
Reclaimed Water	\$ 149,868.76	80%	\$ 29,973.75
Utility Improvements	\$ 661,096.80	80%	\$ 132,219.36
Misc. Road Improvements	\$ 6,441.08	0%	\$ 6,441.08
Totals	\$ 3,130,224.00		\$ 1,153,988.37

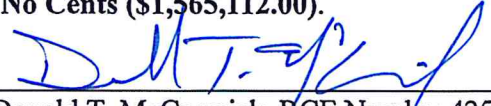
I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owners to be **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and 37 Cents (\$1,153,988.37)**.

The Performance Bond is for the amount of **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and 37 Cents (\$1,153,988.37)**.

The Labor and Materialmens Bond is for the amount of **One Million Five Hundred Sixty-Five Thousand One Hundred Twelve Dollars and No Cents (\$1,565,112.00)**.

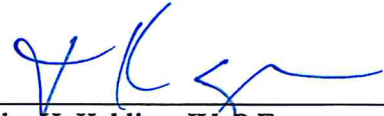
DATED: 3/14/14




 Donald T. McCormick, RCE Number 42556
 R.E.Y. Engineers, Inc.
 905 Sutter Street, Suite 200
 Folsom, CA 95630

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 09/07/14


 John H. Kahling, IV, P.E.
 Deputy Director, Engineering
 Community Development Agency
 Transportation Division

Attachment C

It is hereby understood and agreed that this addendum is affixed to and a part of bond number 0638884-02 which is issued on behalf of the County of El Dorado, a political subdivision of the State of California.

The cumulative liability of the following Laborers and Materialmen Bonds shall not exceed \$1,565,112.00 and shall incorporate the following Subdivisions Improvement Agreements, tracts of land and bond security as required by Section 16.16.050 of the El Dorado County Ordinance Code as listed below:

	<u>Owner/Subdivider</u>	<u>Date of Agreement</u>	<u>Tract Description</u>	<u>Bond No.</u>
1	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 5	0638884
2	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 6	0638884-01
3	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 7	0638884-02

PERFORMANCE BOND AGREEMENT FORM

Whereas, the Board of Supervisors of the County of El Dorado, State of California, and **SERRANO ASSOCIATES, LLC, a Delaware limited liability company** (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which said agreement, dated March 17, 2014 and identified as project **SERRANO VILLAGE K5 – UNIT 7(TM 10-1496R)** is hereby referred to and made a 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 **INTERNATIONAL FIDELITY INSURANCE COMPANY** (hereinafter designated as "Surety"), are held and firmly bound unto the County of El Dorado, as Oblige, in the penal sum of **ONE MILLION ONE HUNDRED FIFTY-THREE THOUSAND NINE HUNDRED EIGHTY-EIGHT DOLLARS AND THIRTY-SEVEN CENTS (\$1,153,988.37)** 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 conditions of this obligation is such that if the above bound Principal, his or its heirs, executors, 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 of 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 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.

As 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 El Dorado County 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 to be performed thereunder or the specifications accompanying the same shall in any ways 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.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Serrano Associates, LLC, Principal, shall be responsible for the completion of the public improvements as required in the described Subdivision Improvement Agreements.
2. Any claim or demand made by the Obligee shall be made against Serrano Associates, LLC and its surety.
3. Provided, further, that regardless of the period of time that this bond is in force and regardless of the number of demands made against this bond and the bonds listed on Attachment C, the Surety's obligations shall be limited in the cumulative aggregate amount of \$1,153,988.37 plus the costs, expenses and reasonable attorneys' fees to be paid by the Subdivider should the County of El Dorado be required to commence an action to enforce the provisions of the Agreement.
4. The cumulative obligation of the Principal under all of the agreements listed on Attachment C, shall be limited to the public improvements plans, specifications and cost estimates entitled **Serrano Village K5 – Units 5 through 7**, listed in Attachment A, less

Performance Bond (Continued)

the amount certified as partial completion of subdivision improvements certified on March 14, 2014 and accepted by the County of El Dorado, listed in Attachment B.

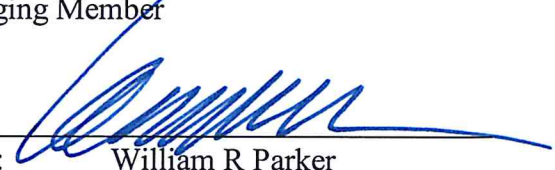
In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on March 17, 2014.

“Principal”

SERRANO ASSOCIATES, LLC
a Delaware limited liability company

By: Parker Development Company,
a California Corporation
Managing Member

AA

By: 
Name: William R Parker
Its: President

“Surety”

**INTERNATIONAL FIDELITY INSURANCE
COMPANY**

By: 
Nathan Varnold, Attorney in Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
 County of El Dorado }
 On 3-17-14 before me, Florence Tanner, Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared William R. Parker
Name(s) of Signer(s)

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.

Place Notary Seal Above

Signature: Florence Tanner
Signature of Notary Public

OPTIONAL

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

Description of Attached Document

Title or Type of Document: Performance Bond - Serrano Village KS Unit 7
 Document Date: 3-17-14 Number of Pages: 3
 Signer(s) Other Than Named Above: Nathan Varnold

Capacity(ies) Claimed by Signer(s)

Signer's Name: William R. Parker
 Corporate Officer — Title(s): _____
 Individual
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: Serrano Associates, LLC

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

RIGHT THUMBPRINT OF SIGNER
 Top of thumb here

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco

On MAR 17 2014 before me, Kelly Rowley Notary Public, personally appeared Nathan Varnold 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 Kelly Rowley
Kelly Rowley, Notary Public

(SEAL)

POWER OF ATTORNEY

INTERNATIONAL FIDELITY INSURANCE COMPANY ALLEGHENY CASUALTY COMPANY

ONE NEWARK CENTER, 20TH FLOOR NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and ALLEGHENY CASUALTY COMPANY a corporation organized and existing under the laws of the State of Pennsylvania, having their principal office in the City of Newark, New Jersey, do hereby constitute and appoint

TRACY ASTON, JAMES ROSS, EDWARD C. SPECTOR, SIMONE GERHARD, DARAVY MADY, LISA K. CRAIL,
NATHAN VARNOLD, TOM BRANIGAN, PAUL RODRIGUEZ, ASHRAF ELMASRY

Los Angeles, CA.

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 20th day of July, 2010 and by the Board of Directors of ALLEGHENY CASUALTY COMPANY at a meeting duly held on the 15th day of August, 2000:

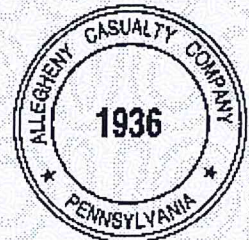
"RESOLVED, that (1) the President, Vice President, Executive Vice President or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY have each executed and attested these presents on this 12th day of March, 2012.



STATE OF NEW JERSEY
County of Essex

ROBERT W. MINSTER
Executive Vice President/Chief Operating Officer
(International Fidelity Insurance Company)
and President (Allegheny Casualty Company)



On this 12th day of March 2012, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.

IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.



A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Mar. 27, 2014

CERTIFICATION

I, the undersigned officer of INTERNATIONAL FIDELITY INSURANCE COMPANY and ALLEGHENY CASUALTY COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of

MAR 17 2014

MARIA BRANCO, Assistant Secretary

Attachment A

Engineer's Cost Estimate

Project: Serrano Village K5, Ph2 - Units 5, 6 & 7 w/ Entire Site Grading
 Job number: 2677.183
 Date: 2/13/2014
 Plan Set Date: 8/10/2013
 Prepared by: EL
 Reviewed by: DS

R.E.Y. ENGINEERS, INC.
 Civil Engineers | Land Surveyors | LiDAR
 905 Sutter Street, Suite 200 Folsom, CA 95630
 Phone: (916) 366-3040 Fax: (916) 366-3303
 www.reyengineers.com



1 GRADING & PREPARATION

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
1.01	Clearing and Grubbing	1	LS	\$10,000.00	\$10,000.00
1.02	Tree Removal	3	EA	\$1,000.00	\$3,000.00
1.03	Excavation	43,000	CY	\$5.70	\$245,100.00
1.04	Retaining Wall (CMU up to 30 ft)	330	SF	\$40.00	\$13,200.00
1.05	Retaining Wall (Keystone, Versa Loc)	7,767	SF	\$80.00	\$621,360.00
GRADING SUBTOTAL					\$892,660.00

2 EROSION CONTROL

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
2.01	Hydroseed - Permanent	129,105	SF	\$0.41	\$52,933.05
2.02	Straw Wattles - Temporary	19,761	LF	\$3.50	\$69,163.50
2.03	Road Check Dams - Temporary	4	EA	\$2,500.00	\$10,000.00
2.04	Drainage Inlet Protection - Temporary	17	EA	\$9.15	\$155.55
2.05	Construction Entrance	2	EA	\$1,000.00	\$2,000.00
2.06	Concrete Washout	1	EA	\$5,000.00	\$5,000.00
2.07	Fugitive Dust Control	1	LS	\$15,000.00	\$15,000.00
2.08	SWPPP Compliance	1	LS	\$10,000.00	\$10,000.00
EROSION CONTROL SUBTOTAL					\$164,252.10

3 PAVING

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
3.01	Asphalt (3"AC/8"AB)	76,137	SF	\$4.80	\$365,457.60
3.02	Rolled Curb & Gutter (Modified Type 1)	4,367	LF	\$20.00	\$87,340.00
3.03	Concrete Sidewalk (4")	8,428	SF	\$6.10	\$51,410.80
3.04	Pedestrian Ramp	6	EA	\$2,000.00	\$12,000.00
3.05	Sawcut Existing Pavement (\$100 Min.)	35	LF	\$4.55	\$159.25
3.06	Remove Existing Pavement	70	SY	\$5.00	\$350.00
3.07	Pedestrian Path (4"/4")	124	SF	\$6.10	\$756.40
PAVING SUBTOTAL					\$517,474.05

4 DRAINAGE

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
4.01	12" HDPE	121	LF	\$50.80	\$6,146.80
4.02	18" HDPE	623	LF	\$55.90	\$34,825.70
4.03	24" HDPE	219	LF	\$61.00	\$13,359.00
4.04	30" HDPE	245	LF	\$66.05	\$16,182.25
4.05	Type B DI	5	EA	\$1,016.00	\$5,080.00
4.06	Reinforced Type B DI (Caltrans Type GO)	3	EA	\$1,828.80	\$5,486.40
4.07	TV Camera Inspection	1,208	LF	\$2.05	\$2,476.40
4.08	48" Manhole	9	EA	\$3,048.00	\$27,432.00
4.09	Connect to Existing Manhole	1	EA	\$2,000.00	\$2,000.00
DRAINAGE SUBTOTAL					\$112,988.55

Attachment A

5 SEWER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
5.01	6" PVC, SDR 35	2,111	LF	\$40.65	\$85,812.15
5.02	48" Manhole	4	EA	\$2,540.00	\$10,160.00
5.03	48" Manhole w/ Lining	5	EA	\$3,556.00	\$17,780.00
5.04	Sewer Service (4")	50	EA	\$508.00	\$25,400.00
5.05	TV Camera Inspection	2,111	LF	\$2.05	\$4,327.55
5.06	6" Sewer Clean Out	1	EA	\$650.00	\$650.00
5.07	Connect to Existing Sewerline	1	EA	\$1,200.00	\$1,200.00
SEWER SUBTOTAL					\$145,329.70

6 WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
6.01	8" PVC, C900, CL150	2,161	LF	\$40.65	\$87,844.65
6.02	8" Gate Valve	9	EA	\$1,200.00	\$10,800.00
6.03	2" Blow Off	1	EA	\$711.12	\$711.12
6.04	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
6.05	Fire Hydrant & Appurtenances	6	EA	\$2,540.00	\$15,240.00
6.06	Remove Ex. ARV, Connect to Ex. Waterline	1	EA	\$2,500.00	\$2,500.00
6.07	1" Service	50	EA	\$457.20	\$22,860.00
6.08	Temp 2" Blow Off	1	EA	\$711.20	\$711.20
6.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
WATER SUBTOTAL					\$144,062.57

7 RECLAIMED WATER

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
7.01	6" Purple Plus PVC, C900, CL150	1,300	LF	\$35.60	\$46,280.00
7.02	8" Purple Plus PVC, C900, CL150	974	LF	\$40.65	\$39,593.10
7.03	6" Gate Valve	3	EA	\$905.50	\$2,716.50
7.04	8" Gate Valve	6	EA	\$1,200.00	\$7,200.00
7.05	2" Blow Off	3	EA	\$711.12	\$2,133.36
7.06	1" Air Release Valve	3	EA	\$965.20	\$2,895.60
7.07	Remove Ex. BO & ARV, Connect to Ex. Reclaimed Water	1	EA	\$2,500.00	\$2,500.00
7.08	1" Service	52	EA	\$457.20	\$23,774.40
7.09	Temp 1" Air Release Valve (Reuse Removed ARV)	1	EA	\$500.00	\$500.00
7.10	Temp 2" Blow Off (Reuse Removed BO)	1	EA	\$500.00	\$500.00
RECLAIMED WATER SUBTOTAL					\$128,092.96

8 UTILITY IMPROVEMENTS

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Utility Services	50	EA LOT	\$8,128.00	\$406,400.00
8.02	Joint Utility Trench	3,600	LF	\$10.20	\$36,720.00
8.03	Conduit Services	50	EA LOT	\$1,219.20	\$60,960.00
8.04	Wiring/Transformers	50	EA LOT	\$1,219.20	\$60,960.00
UTILITY SUBTOTAL					\$565,040.00

Attachment A

8 MISCELLANEOUS ROAD IMPROVEMENTS

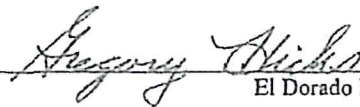
ITEM NO.	DESCRIPTION	QUANTITY	UNIT	UNIT COST	TOTAL
8.01	Stop Bar and "STOP" sign	3	EA	\$762.00	\$2,286.00
8.02	Street Sign	3	EA	\$406.40	\$1,219.20
8.03	Construction Area Signs	1	LS	\$2,000.00	\$2,000.00
MISCELLANEOUS SUBTOTAL					\$5,505.20

SUMMARY OF COSTS	
1. GRADING & PREPARATION	\$892,660.00
2. EROSION CONTROL	\$164,252.10
3. PAVING	\$517,474.05
4. DRAINAGE	\$112,988.55
5. SEWER	\$145,329.70
6. WATER	\$144,062.57
7. RECLAIMED WATER	\$128,092.96
8. UTILITY IMPROVEMENTS	\$565,040.00
8. MISCELLANEOUS ROAD IMPROVEMENTS	\$5,505.20

PROJECT SUBTOTAL	\$2,675,405.13
CONTINGENCY (10%)	\$267,540.51
CONSTRUCTION STAKING (5%)	\$133,770.26
PROJECT ADMINISTRATION (2%)	\$53,508.10
TOTAL ESTIMATED COST OF PROJECT	\$3,130,224.00

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

Approved by:




 El Dorado Department of Transportation

03/06/14

 Date





 R.E.Y. Engineers, Inc.

02/13/2014

 Date

Attachment B

CERTIFICATION OF PARTIAL COMPLETION OF SUBDIVISION IMPROVEMENTS

I hereby certify that the following improvements in the Serrano Village K5 – Units 5 through 7 Subdivision have been completed, to wit:

	<u>Total Amount</u>	<u>Percent Complete</u>	<u>Remaining Amount</u>
Grading and Preparation	\$ 1,044,412.20	80%	\$ 208,882.44
Erosion Control	\$ 192,174.96	60%	\$ 76,869.98
Paving	\$ 605,444.64	0%	\$ 605,444.64
Drainage	\$ 132,196.60	80%	\$ 26,439.32
Sewer	\$ 170,035.75	80%	\$ 34,007.15
Water	\$ 168,553.21	80%	\$ 33,710.64
Reclaimed Water	\$ 149,868.76	80%	\$ 29,973.75
Utility Improvements	\$ 661,096.80	80%	\$ 132,219.36
Misc. Road Improvements	\$ 6,441.08	0%	\$ 6,441.08
Totals	\$ 3,130,224.00		\$ 1,153,988.37

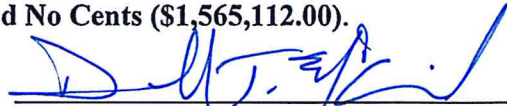
I estimate the total cost of completing the remainder of the improvements, agreed to be performed by the Owners to be **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and 37 Cents (\$1,153,988.37)**.

The Performance Bond is for the amount of **One Million One Hundred Fifty-Three Thousand Nine Hundred Eighty-Eight Dollars and 37 Cents (\$1,153,988.37)**.

The Labor and Materialmens Bond is for the amount of **One Million Five Hundred Sixty-Five Thousand One Hundred Twelve Dollars and No Cents (\$1,565,112.00)**.


DATED: 3/14/14




Donald T. McCormick, RCE Number 42556
R.E.Y. Engineers, Inc.
905 Sutter Street, Suite 200
Folsom, CA 95630

ACCEPTED BY THE COUNTY OF EL DORADO

DATED: 04/07/14


John H. Kahling, IV, P.E.
Deputy Director, Engineering
Community Development Agency
Transportation Division

Attachment C

It is hereby understood and agreed that this addendum is affixed to and a part of bond number 0638884-02 which is issued on behalf of the County of El Dorado, a political subdivision of the State of California.

The cumulative liability of the following Performance Bonds shall not exceed \$1,153,988.37 and shall incorporate the following Subdivisions Improvement Agreements, tracts of land and bond security as required by Section 16.16.050 of the El Dorado County Ordinance Code as listed below:

	<u>Owner/Subdivider</u>	<u>Date of Agreement</u>	<u>Tract Description</u>	<u>Bond No.</u>
1	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 5	0638884
2	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 6	0638884-01
3	Serrano Associates, LLC and Taylor Morrison of California, LLC	March 17, 2014	Serrano Village K5 - Unit 7	0638884-02