

**UNANIMOUS WRITTEN CONSENT OF MEMBERS
OF
SERRANO ASSOCIATES, LLC
AUTHORIZING ENTRY INTO SETTLEMENT AGREEMENT**

The undersigned, being all of the Members of SERRANO ASSOCIATES, LLC, a Delaware limited liability company ("Serrano"), hereby certify that Serrano is organized and existing under and by virtue of the laws of the State of Delaware and is duly authorized to transact business in the State of California.


The undersigned further certify that each of them has reviewed and hereby approves that certain Settlement Agreement by and between the COUNTY OF EL DORADO and Serrano pertaining to CFD 1992-1 dated August 22, 2011, and we hereby authorize the Managing Member, Parker Development Company, to execute said Settlement Agreement on behalf of Serrano, as required by Section 2.03 of our Limited Liability Company Agreement.

Executed this 22nd day of August, 2011.

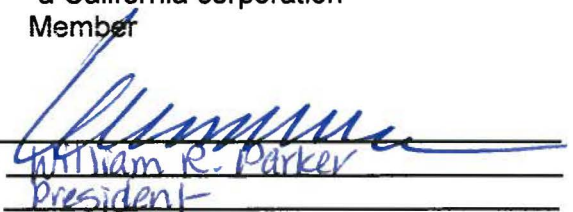
SERRANO:

SERRANO ASSOCIATES, LLC,
a Delaware limited liability company

By: PARKER DEVELOPMENT COMPANY,
a California corporation
Its: Managing Member

By: 
Its: President

By: W.R. PARKER, INC.,
a California corporation
Its: Member

By: 
Its: President

By: CATELLUS SERRANO, LLC,
a Delaware limited liability company
Its: Member

By: 
Its: EVP

SECOND AMENDMENT TO INDENTURE

By and Between

THE COUNTY OF EL DORADO

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

As Successor to

BNY WESTERN TRUST COMPANY,

as Fiscal Agent

Pertaining to

Community Facilities District No. 1992-1

(El Dorado Hills Development)

Dated as of August 23, 2011

This Second Amendment to Indenture (this "Second Amendment"), dated as of August 23, 2010, by and between the County of El Dorado (the "County") and The Bank of New York Mellon Trust Company, N.A., as successor to BNY Western Trust Company, as Fiscal Agent (the "Fiscal Agent"), is hereby entered into to provide for the amendment of that certain Indenture, dated as of August 1, 1999, by and between the County and BNY Western Trust Company, as amended by that certain First Amendment to Indenture, dated as of May 1, 2004, by and between the County and the BNY Western Trust Company, and as supplemented by that certain First Supplemental Indenture, dated as of May 1, 2004, by and between the County and BNY Western Trust Company (as so amended and supplemented, the "Original Indenture") in order to permit money held in certain funds and accounts under the Indenture to be applied to the payment of debt service on bonds (the "Bonds") issued by the County for the benefit of Community Facilities District No. 1992-1 (El Dorado Hills Development), County of El Dorado, State of California (the "CFD"), which amendment the County finds desirable and necessary and which does not adversely affect the interests of the owners of the Bonds.

Section 1. Recitals.

(a) The CFD was formed by the County on February 23, 1993 pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the "Act").

(b) On December 14, 1993, the then owner of all of the land with the CFD and the sole qualified elector thereof, voted in favor of (i) the issuance of up to \$60,000,000 principal amount of Bonds and (ii) the rate and method of apportionment of a special tax to be levied on the taxable property within the CFD.

(c) On May 10, 1994 and on September 20, 1994, following mailed ballot elections held pursuant to the Act, this Board of Supervisors adopted resolutions altering the rate and method of apportionment of such special tax (as so altered, the "RMA").

(d) The County has issued three series of Bonds (in 1994, 1999, and 2004, respectively), of which Bonds of the latter two series remain outstanding.

(e) The RMA requires that the special tax be levied on the taxable property in the CFD in an aggregate amount equal to "Annual Costs" as defined therein.

(f) The levy of the special tax has resulted in the accumulation of surplus tax amounts that, by the terms of the Indenture, are not available to reduce the amount of Annual Costs in subsequent years.

(g) The Board of Supervisors wishes to take action to reduce the burden on the owners of property within the CFD by preventing the continued levy of more special taxes than are needed to meet the needs of the CFD.

(h) "Debt Service," the primary component of Annual Costs, is defined in the RMA as scheduled debt service on the Bonds "less any applicable credits that may be available from any other sources available to the County to pay principal and interest for the previous or current Fiscal Year or Bond Year."

(i) Various provisions of the Indenture may be amended to provide that surplus money held in funds and accounts established by the Indenture be made available for the payment of debt service on the Bonds.

(j) Pursuant to Section 8.0 of the Indenture, the Indenture may be amended by a supplemental resolution or indenture for the purpose of adding any provision that the County may deem desirable or necessary and that does not adversely affect the interests of the owners of the Bonds.

(k) Because the Indenture provides that such surplus funds are eventually transferred into the Facilities Account where they may be used by the County to redeem Bonds or to acquire additional facilities, the owners of the Bonds have no reasonable expectation that those funds would be available to pay current debt service on the Bonds and, consequently, amending the Indenture to permit use of the surplus to reduce tax levies would not adversely affect the interest of the owners of the Bonds.

Section 2. Sections of Original Indenture Amended. Any provision of the Original Indenture, specifically including but not limited to Sections 3.4, 3.5, 3.8, 3.8.1 and 3.8.2 to the contrary notwithstanding, except as hereinafter provided, on the effective date hereof and on July 20th of each fiscal year thereafter :

(i) after first fully funding the Redemption Account and replenishing the Reserve Account pursuant to priorities "First" and "Second" under Section 3.4, the Fiscal Agent shall transfer to the Redemption Account all amounts remaining on deposit in the Special Tax Fund (such amounts remaining on deposit in the Special Tax Fund is referred to as "Remaining Amounts") other than:

(A) the amount specified by the County to the Fiscal Agent that is necessary to increase the balance in the Expense Account of the CFD Fund to the amount of the expenses of CFD 1992-1 for the current fiscal year (as estimated by the County), which amount the Fiscal Agent shall transfer to the County for deposit into the Expense Account. For fiscal year 2011-2012, that amount is stipulated to be \$71,570.49;

(B) an amount equal to \$200,000.00 or such other amount as may be specified from time to time by the Board of Supervisors of the County and communicated to the Fiscal Agent in a written instruction from a County Representative not later than July 6th of each fiscal year;

(C) an additional amount equal to \$9,023,864.02 to be withheld only from the transfer to occur on the effective date hereof, which amount represents proceeds derived from the sale of the Bonds and investment earnings thereon, which amount shall be transferred to the County for deposit in the Facilities Account of the CFD Fund; and,

(ii) the County shall transfer to the Fiscal Agent for deposit in the Redemption Account all amounts on deposit in the CFD Fund and each of its accounts other than the Expense Account (including earnings derived from the investment of such amounts), except:

(A) any amount therein received on account of prepayments by property owners of the special tax obligation, which, to the extent so determined by the Auditor/Controller

pursuant to priority "Fourth" under Section 3.8, will be transferred to the Fiscal Agent for deposit in the Prepayment Account;

(B) proceeds derived from the sale of the Bonds and investment earnings thereon, including the amount transferred pursuant to Section 2(i)(C); and

(C) unless and until so directed by the Board of Supervisors, the sum of \$1,969,124.23 which is currently held by the County under the Indenture. Said moneys may be used to redeem Bonds in accordance with Section 3.9, to finance authorized improvements, or any use permitted under the Indenture, including refunding taxes to a maximum of \$233,545.86 for fiscal year 2010-2011.

Immediately upon receipt of the amount transferred to it by the County pursuant to the foregoing, the Fiscal Agent shall deposit it in the Redemption Account.

At any time before July 7th of any fiscal year, starting in 2012, the Board of Supervisors of the County may direct the Fiscal Agent, by a written instruction from a County Representative, to not make the transfer to the Redemption Account of Remaining Amounts that is otherwise scheduled for July 20th of the fiscal year and may, at any time before the transfer is made, direct County officers to not make the transfer that is provided for in Section 2(ii) and that is otherwise scheduled for July 20th of that fiscal year. Nothing in this Section 2 of this Second Amendment shall relieve the County of its obligation to transfer moneys in the CFD Fund, as received and as needed, to the Fiscal Agent for deposit in the Special Tax Fund in accordance with priority "First" of Section 3.8 of the Original Indenture.

Section 3. Original Indenture Not Otherwise Altered. In all other respects not specified by this Second Amendment, the terms and provisions of the Original Indenture shall remain unaltered and shall remain in full force and effect.

Section 4. Counterparts. This Second Amendment may be executed in more than one copy, and any copy, bearing original signatures, may serve as an original counterpart of this Second Amendment.


Section 5. Effective Date. This Second Amendment shall be effective as of the date first written above. The County shall take into account the transfers to the Redemption Account provided for in Section 2 when levying the special tax for fiscal year 2011-2012, and for subsequent fiscal years. The County shall deem the amount of \$233,545.86 to have been transferred to the Redemption Account on June 30, 2010, recalculate the taxes for 2010-2011 accordingly, and process

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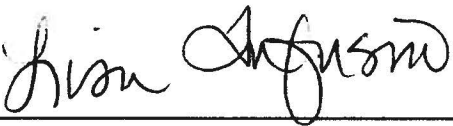
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a tax refund in that amount payable out of the Facilities Account of the CFD Fund, but only if the County shall have obtained a final judgment in a validation action declaring that such retroactive application of this Second Amendment is lawful and valid.

COUNTY OF EL DORADO

By 
Chief Administrative Officer

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Fiscal Agent

By 
Authorized Officer