

BOND# 5026126

Premium: Included in cost of performance bond.

SECURITY BOND FOR LABORERS AND MATERIALMEN

WHEREAS, the Board of Supervisors of the County of Monterey, State of California, and William Lyon Homes, Inc. (hereinafter designated as

(Name of Subdivider) "principal") have entered into an agreement whereby principal agrees to install and complete certain designated improvements, which said agreement, dated 6-22-07, ~~X2008~~, and East Garrison Phase I offsite Improvements - Street Work (Reservation identified as Road and Inter-Garrison Road - North), Storm Drain (Reservation Road\* (Name of Subdivision or Project). \*and Inter-Garrison Road - North), Misc.

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 Monterey 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 the undersigned as corporate surety, are held firmly bound unto the County of Monterey and all contractor's, sub-contractor's, 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 Nine Hundred Twenty Seven\*\* Dollars (\$ 1,927,750.00 ), 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 County in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

\*\*Thousand Seven Hundred Fifty Dollars and 00/100.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

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 anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension, of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

In witness whereof, this instrument has been duly executed by the principal and surety above named, on June 7th, 2007

BY \_\_\_\_\_  
General Partner

NAME OF PRINCIPAL  
William Lyon Homes, Inc.  
BY [Signature]  
Principal General Partner

BY \_\_\_\_\_  
General Partner

BY \_\_\_\_\_  
General Partner

NAME OF SURETY  
Bond Safeguard Insurance Company  
BY [Signature]  
Janina Monroe, Attorney-in-Fact

(To be followed by appropriate acknowledgements of the signatures of those signing for the Principal and the Surety.)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On JUN 07 2007 before me, Paris Shahabi, Notary Public  
Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Janina Monroe  
Names of Signer(s)

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



WITNESS my hand and official seal.

*Paris Shahabi*  
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: \_\_\_\_\_

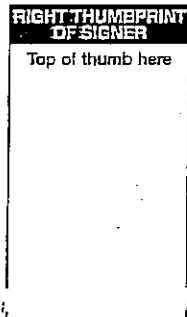
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

Signer(s) Other Than Named Above: \_\_\_\_\_

Capacity(ies) Claimed by Signer(s)

Signer's Name: \_\_\_\_\_

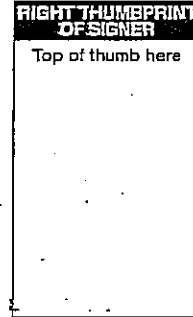
- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

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



Signer Is Representing: \_\_\_\_\_



# Bond Safeguard INSURANCE COMPANY

KNOW ALL MEN BY THESE PRESENTS, that BOND SAFEGUARD INSURANCE COMPANY, an Illinois Corporation with its principal office in Lombard, Illinois, does hereby constitute and appoint: Keith W. Newell, Janina Monroe, Thomas G. McCall,

Paul Boucher, Maria A. Quiroz \*\*\*\*\*

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surely, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of BOND SAFEGUARD INSURANCE COMPANY on the 7th day of November, 2001 as follows:

Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond, \$ 4,500,000.00 Four million five hundred thousand dollars \*\*\*\*\*

which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Vice President, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, BOND SAFEGUARD INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate seal to be affixed this 7<sup>th</sup> day of November, 2001.



BOND SAFEGUARD INSURANCE COMPANY

BY David E. Campbell  
David E. Campbell  
President

### ACKNOWLEDGEMENT

On this 7th day of November, 2001, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of BOND SAFEGUARD INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

"OFFICIAL SEAL"  
MAUREEN K. AYE  
Notary Public, State of Illinois  
My Commission Expires 09/21/09

Maureen K. Aye  
Maureen K. Aye  
Notary Public

### CERTIFICATE

I, the undersigned, Secretary of BOND SAFEGUARD INSURANCE COMPANY, An Illinois Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Lombard, Illinois this \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_



Donald D. Buchanan  
Donald D. Buchanan  
Secretary



**Carlson, Barbee  
& Gibson, Inc.**

CIVIL ENGINEERS → SURVEYORS → PLANNERS

BOND ESTIMATE  
MONTEREY COUNTY  
EAST GARRISON  
PHASE I OFF-SITE  
MONTEREY COUNTY, CALIFORNIA

May 29, 2007  
Job No.: 1208-00

Item	Description	Quantity	Unit	Unit Price	Amount
<b>CONSTRUCTION COSTS</b>					
<u>STREET WORK - RESERVATION ROAD (Inter.G. to Entry - 4,000 LF)</u>					
1	Demolition Existing Pavement & Median	33,000	SF	\$ 2.33	\$ 76,890
2	Earthwork - Soil Import	5,000	CY	\$ 15.00	\$ 75,000
3	Erosion Control (Including Hydro-seed of All Disturbed Areas)	1	LS	\$ 50,000.00	\$ 50,000
4	Saw Cut & Conform to Exist. Pavement	12,700	LF	\$ 3.50	\$ 44,450
5	Fine Grading	100,000	SF	\$ 0.40	\$ 40,000
6	2" AC Overlay	203,000	SF	\$ 1.40	\$ 284,200
7	0.33' AC Paving	51,000	SF	\$ 2.77	\$ 141,270
8	0.38' Aggregate Base	51,000	SF	\$ 0.90	\$ 45,900
9	12" Deep Lift AC	8,250	SF	\$ 8.40	\$ 69,300
10	Fog Seal	254,000	SF	\$ 0.10	\$ 25,400
11	Curb & Gutter (With cushion)	4,650	LF	\$ 17.00	\$ 79,050
12	Curb (With cushion)	5,230	LF	\$ 15.00	\$ 78,450
13	AC Berm	560	LF	\$ 15.00	\$ 8,400
14	Driveway Conform	2	ES	\$ 10,000.00	\$ 20,000
15	Traffic / Street Name Signs	29	EA	\$ 600.00	\$ 17,400
16	Striping	18,800	LF	\$ 5.00	\$ 94,000
17	Monuments	5	EA	\$ 300.00	\$ 1,500
18	Pavement Markings	28	EA	\$ 500.00	\$ 14,000
19	Traffic Signal & Flashing Beacon	2	EA	\$ 275,000.00	\$ 550,000
20	Traffic Control	1	LS	\$ 200,000.00	\$ 200,000
Subtotal Street Work - Reservation Road					\$ 1,915,210
<u>STREET WORK - INTER GARRISON ROAD (North) (Reservation Rd to Ex Inter Garrison Rd - 3,700 LF, 66'-70' Wide)</u>					
21	Rough Grading	50,000	CY	\$ 3.00	\$ 150,000
22	Fine Grading	135,000	SF	\$ 0.40	\$ 54,000
23	Erosion Control	25	AC	\$ 1,000.00	\$ 25,000
24	0.21' AC Paving	3,300	SF	\$ 2.77	\$ 9,141
25	0.33' AC Paving	105,800	SF	\$ 2.77	\$ 293,066
26	0.35' AC Paving	3,300	SF	\$ 0.63	\$ 2,079
27	0.38' AC Paving	105,800	SF	\$ 0.68	\$ 71,944
28	AC Berm	265	LF	\$ 15.00	\$ 3,975
29	Curb (With cushion)	3,100	LF	\$ 15.00	\$ 46,500
30	Curb & Gutter (With cushion)	3,150	LF	\$ 17.00	\$ 53,550
31	Sidewalk	6,000	SF	\$ 3.50	\$ 21,000
32	Handicap Ramp (With cushion)	4	EA	\$ 1,600.00	\$ 6,400
33	Driveway Ramp (With cushion)	1	EA	\$ 1,200.00	\$ 1,200
34	Fog Seal	109,100	SF	\$ 0.05	\$ 5,455
35	Traffic / Street Name Signs	30	EA	\$ 600.00	\$ 18,000
36	Traffic Messages	15	EA	\$ 250.00	\$ 3,750

6111 BOLLINGER CANYON ROAD, SUITE 150 • SAN RAMON, CALIFORNIA 94583 • (925) 866-0322 • FAX (925) 866-8575  
SAN RAMON • LATHROP

**Carlson, Barbee & Gibson, Inc.**

Item	Description	Quantity	Unit	Unit Price	Amount
<u>STREET WORK - INTER-GARRISON ROAD (North) - CONTINUED</u>					
37	Striping	7,300	LF	\$ 5.00	\$ 36,500
38	Monuments	9	EA	\$ 300.00	\$ 2,700
39	Electroliers - Double Head	10	EA	\$ 3,200.00	\$ 32,000
Subtotal: Street Work - Inter-Garrison Road (North)					\$ 836,260
<u>STORM DRAIN - RESERVATION ROAD</u>					
40	Catch Basin - Type II	12	EA	\$ 2,500.00	\$ 30,000
42	Catch Basin - Type III (With MH base)	2	EA	\$ 3,500.00	\$ 7,000
43	Field Inlets	1	EA	\$ 2,500.00	\$ 2,500
44	18" ADS - N12	2,250	LF	\$ 75.00	\$ 168,750
45	18" PVC C905 Force Main (Phase 1 Off-Site)	2,950	LF	\$ 100.00	\$ 295,000
46	Outfall Structure	54	CY	\$ 625.00	\$ 3,375
47	Outfall Protection Type 3	44	TON	\$ 180.00	\$ 7,920
48	Connect to Existing Storm Drain Pipe	2	EA	\$ 5,000.00	\$ 10,000
Subtotal: Storm Drain - Reservation Road					\$ 524,545
<u>STORM DRAIN - INTER-GARRISON ROAD (North)</u>					
49	Manhole	1	EA	\$ 3,000.00	\$ 3,000
50	Catch Basin - Type II	9	EA	\$ 2,500.00	\$ 22,500
51	Catch Basin - Type III (With MH base)	3	EA	\$ 3,500.00	\$ 10,500
52	18" ADS - N12	1,205	LF	\$ 75.00	\$ 90,375
53	30" ADS - N12	550	LF	\$ 125.00	\$ 68,750
54	Outfall Protection Type 1	29	TON	\$ 180.00	\$ 5,220
55	Outfall Protection Type 2	11	TON	\$ 180.00	\$ 1,980
56	Inlet Structure / Riser	1	EA	\$ 5,000.00	\$ 5,000
Subtotal: Storm Drain - Inter-Garrison Road (North)					\$ 207,325
<u>MISCELLANEOUS</u>					
57	Detention Basin Fence - Black Vinyl Chain Link	1,460	LF	\$ 15.00	\$ 21,900
Subtotal Miscellaneous					\$ 21,900
<b>TOTAL MONTEREY COUNTY PHASE 1 OFF-SITE BOND AMOUNT (to the nearest \$1,000)</b>					<b>\$ 3,505,000</b>

+ 10 %