

Bond# 5026126  
Premium: \$19,278.00  
1 year term

SECURITY BOND FOR FAITHFUL PERFORMANCE

WHEREAS, THE BOARD OF Supervisors of the County of Monterey, State of

California, and William Lyon Homes, Inc.  
(Name of Subdivider)

hereinafter designated as "principal" have entered into an agreement whereby principal agrees to install and complete certain designated improvements, which said agreement, dated 6-22-07,

2003, and identified as East Garrison Phase I Offsite Improvements - Street Work\*  
(Name of Subdivision or Project)

\*(Reservation Road, and Inter-Garrison Road -North), Storm Drain (Reservation Road and Inter-Garrison Road -North), Misc. 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 a Faithful Performance of said agreement.

NOW, THEREFORE, we, the principal and Bond Safeguard Insurance Company

\_\_\_\_\_  
(Name of Bonding Company)

as surety are held and firmly bound unto County of Monterey, hereinafter called "County", in the penal Three Million Eight Hundred Fifty Five Thousand Five\*\* dollars (\$ 3,855,500.00)

lawful money of the United States, for the payments of which sum will and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents. \*\*Hundred Dollars and 00/100.

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and will and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless County, its officers, agents 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 a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney" fees, incurred by County in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of said agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition.

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

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

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

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

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

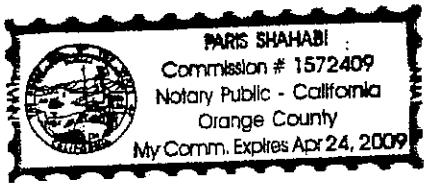
State of California

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: \_\_\_\_\_

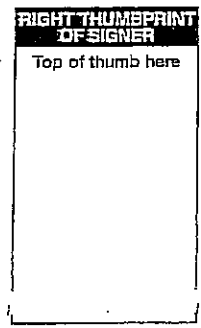
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

Capacity(ies) Claimed by Signer(s)

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

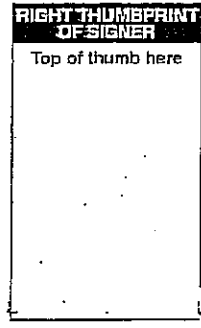
- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF Contra Costa County

On June 7, 2007, before me, Cathy Silva Cardoso, Notary Public, personally appeared, Kevin Ebrahimi, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Signature            Cathy Silva Cardoso  
  Cathy Silva Cardoso, Notary Public

Commission # 1698712  
My Commission Expires on **October 13, 2010**  
Principal County of Business is **Contra Costa County**

# 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

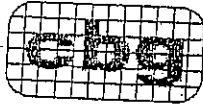
### CERTIFICATE

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>					
<b>STREET WORK - RESERVATION ROAD (Inter.G. to Entry - 4,000 LF)</b>					
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	LS	\$ 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

### STREET WORK - INTER-GARRISON ROAD (North) (Reservation Rd to Ex Inter-Garrison Rd - 1,700 LF, 66'-78' Wide)

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

0 - Keep if NOT CONSTRUCTED

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
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STREET WORK - INTER-GARRISON ROAD (North) - CONTINUED

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

40 STORM DRAIN - RESERVATION ROAD

41 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	5.4	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

STORM DRAIN - INTER-GARRISON ROAD (North)

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

MISCELLANEOUS

57 Detention Basin 1 Fence - Black Vinyl Chain Link	1,460	LF	\$ 15.00	\$ 21,900
Subtotal Miscellaneous				\$ 21,900

TOTAL MONTEREY COUNTY PHASE 1 OFF-SITE BOND AMOUNT (to the nearest \$1,000) \$ 3,505,000

+ 10%