

Bond# 5026132
Premium: \$28,701.00
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 1 Onsite Improvements - Street Work
(Name of Subdivision or Project)

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
Five Million Seven Hundred Forty Thousand Two* dollars (\$ 5,740,256.50)
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 Fifty Six Dollars and 50/100.

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

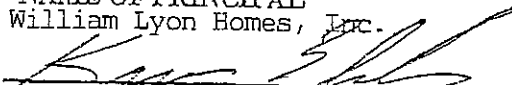
General Partner

BY

General Partner

BY

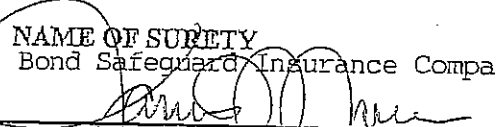
NAME OF PRINCIPAL
William Lyon Homes, Inc.



Principal General Partner

BY

NAME OF SURETY
Bond Safeguard Insurance Company



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

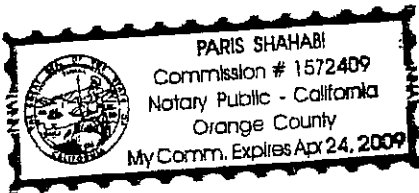
State of California

County of Orange

On JUN 6 7 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: _____

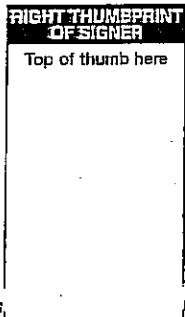
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

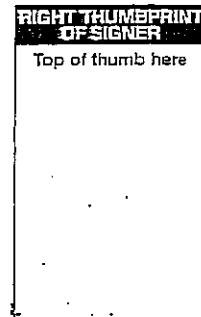
- Individual
- Corporate Officer
- Title(s): _____
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



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: _____



Carlison, Barbee & Gibson, Inc.

CIVIL ENGINEERS • SURVEYORS • PLANNERS

ENGINEER'S BOND ESTIMATE MONTEREY COUNTY PHASE I ON-SITE EAST GARRISON MONTEREY COUNTY, CALIFORNIA

May 31, 2007
Job No.: 1208-00

Item	Description	Quantity	Unit	Unit Price	Amount
CONSTRUCTION COSTS					
<u>STREET WORK - (Phase I On-Site)</u>					
1	Fine Grading	1,212,500	SF	\$ 0.40	\$ 485,000
2	0.21' AC Paving	144,100	SF	\$ 1.76	\$ 253,616
3	0.25' AC Paving	341,800	SF	\$ 2.10	\$ 717,780
4	0.29' AC Paving	207,000	SF	\$ 2.44	\$ 505,080
5	0.33' AC Paving	21,600	SF	\$ 2.77	\$ 59,832
6	0.35' Aggregate Base	692,900	SF	\$ 0.63	\$ 436,527
7	0.38' Aggregate Base	21,600	SF	\$ 0.68	\$ 14,688
8	Decorative Pavement (10' Band at Lanes)	6,000	SF	\$ 15.00	\$ 90,000
9	Curb & Gutter (w/Cushion)	31,600	LF	\$ 17.00	\$ 537,200
10	Curb (w/ Cushion)	2,500	LF	\$ 15.00	\$ 37,500
11	AC Berm	1,330	LF	\$ 15.00	\$ 19,950
12	Rolled Curb (w/Cushion)	21,490	LF	\$ 19.00	\$ 408,310
13	24" Valley Gutter	440	LF	\$ 17.00	\$ 7,480
14	Sidewalk (w/Cushion)	136,480	SF	\$ 3.50	\$ 477,680
15	Handicap Ramp (w/Cushion)	97	EA	\$ 1,600.00	\$ 155,200
16	Driveway Apron (w/Cushion)	74	EA	\$ 1,200.00	\$ 88,800
17	Driveway Apron on Existing Curb	1	EA	\$ 2,400.00	\$ 2,400
18	Curb Drains	484	EA	\$ 38.00	\$ 18,392
19	Fog Seal	714,500	SF	\$ 0.05	\$ 35,725
20	Traffic / Street Name Signs	240	EA	\$ 600.00	\$ 144,000
21	Pavement Markings	67	EA	\$ 250.00	\$ 16,750
22	Striping	18,921	LF	\$ 5.00	\$ 94,605
23	Painted Curb	1,400	LF	\$ 5.00	\$ 7,000
24	Monuments	52	EA	\$ 300.00	\$ 15,600
25	Electrolliers - Post Top	131	EA	\$ 3,300.00	\$ 432,300
26	Electrolliers - Post Top w/ Banner	6	EA	\$ 3,800.00	\$ 22,800
27	Electrolliers - Post Top w/ Banner & Flower Pot	29	EA	\$ 4,000.00	\$ 116,000
28	Electrolliers - Single Cobra Head	7	EA	\$ 2,600.00	\$ 18,200

Subtotal Street Work

\$ 5,218,415

x 1.1 =

\$ 5,740,256.5

WEEKLY
+ ESTIMATE

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