

BOND# 5026133

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 identified as East Garrison - Phase I Onsite Improvements - Storm Drain, Storm Drain Force Main/Pump Station, Misc. (Name of Subdivision or Project)

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 Two Million Eighty Seven Thousand Five\* Dollars (\$ 2,087,536.00 ), 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.

\*Hundred Thirty Six 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.

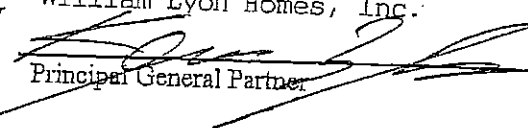
The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of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

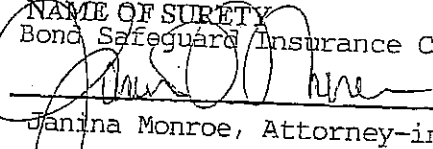
In witness whereof, this instrument has been duly executed by the principal and surety above named, on June 7th, 2007

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

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

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

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

NAME OF SURETY  
Bond Safeguard Insurance Company  
BY   
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)

[X] 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

Handwritten signature of 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:

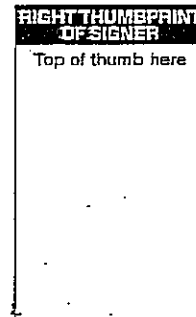
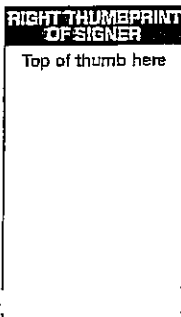
Capacity(ies) Claimed by Signer(s)

Signer's Name:

Signer's Name:

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

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



Signer Is Representing:

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 JUN 07 2007, 20\_\_\_\_



Donald D. Buchanan  
Donald D. Buchanan  
Secretary

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

Item	Description	Quantity	Unit	Unit Price	Amount
<b>STORM DRAIN - (Phase I On-Site)</b>					
29	Manholes	28	EA	\$ 3,000.00	\$ 84,000
30	Catch Basins - Type I	86	EA	\$ 2,500.00	\$ 215,000
31	Catch Basins - Type III	19	EA	\$ 3,000.00	\$ 57,000
32	Catch Basins - Type III (w/MH-Base)	23	EA	\$ 3,500.00	\$ 80,500
33	Field Inlets	74	EA	\$ 2,500.00	\$ 185,000
34	Field Inlets (w/MH-Base)	4	EA	\$ 3,500.00	\$ 14,000
35	18" ADS-N12	10,680	LF	\$ 75.00	\$ 801,000
36	24" ADS-N12	2,534	LF	\$ 100.00	\$ 253,400
37	30" ADS-N12	2,325	LF	\$ 125.00	\$ 290,625
38	36" ADS-N12	2,015	LF	\$ 150.00	\$ 302,250
39	42" ADS-N12	1,491	LF	\$ 175.00	\$ 260,925
40	Outfall Protection Type 1	1	EA	\$ 10,000.00	\$ 10,000
41	Outfall Protection Type 2	1	EA	\$ 4,000.00	\$ 4,000
42	Outfall Protection Type 3	1	EA	\$ 2,000.00	\$ 2,000
43	Outfall Protection Type 4	2	EA	\$ 5,000.00	\$ 10,000
44	Outfall Protection Type 5	1	EA	\$ 7,000.00	\$ 7,000
45	Outfall Protection Type 6	1	EA	\$ 8,000.00	\$ 8,000
46	Basin 2A Riser Structure 1	1	LS	\$ 25,000.00	\$ 25,000
47	Basin 2A Riser Structure 2	1	LS	\$ 45,000.00	\$ 45,000
48	Basin 2B Infiltration Well	1	LS	\$ 67,000.00	\$ 67,000
49	Basin 2B Structure 2	1	LS	\$ 34,000.00	\$ 34,000
50	Basin 3 Riser Structure 1	1	LS	\$ 40,000.00	\$ 40,000
51	Basin 3 Outlet Structure 2	1	LS	\$ 30,000.00	\$ 30,000
52	Connect to Exist. SD pipe	2	EA	\$ 5,000.00	\$ 10,000
<b>Subtotal Storm Drain</b>					<b>\$ 2,835,700</b>
<b>STORM DRAIN FORCE MAIN / PUMP STATION</b>					
53	160 HP Pumps and Motors	1	LS	\$ 140,000.00	\$ 140,000
54	Pump install and piping	1	LS	\$ 50,000.00	\$ 50,000
55	Wetwell	1	LS	\$ 100,000.00	\$ 100,000
56	Site Excavation	1	LS	\$ 50,000.00	\$ 50,000
57	Electrical Controls & Power	1	LS	\$ 300,000.00	\$ 300,000
58	Diesel EG-set	1	LS	\$ 150,000.00	\$ 150,000
59	18" PVC C905 Force Main (Phase I On-Site)	1,340	LF	\$ 100.00	\$ 134,000
<b>Subtotal Storm Drain Force Main / Pump Station</b>					<b>\$ 924,000</b>
<b>MISCELLANEOUS</b>					
60	Detention Basin 2 Fence - Black Vinyl Chain Link	980	LF	\$ 15.00	\$ 14,700
61	Detention Basin 3 Fence - Chain Link	1,010	LF	\$ 12.00	\$ 12,120
62	Gates	3	EA	\$ 3,000.00	\$ 9,000
<b>Subtotal Miscellaneous</b>					<b>\$ 35,820</b>
<b>TOTAL PHASE I ON-SITE BOND AMOUNT (to the nearest \$1,000)</b>					<b>\$ 3,795,520</b>

3,795,520  
x 1.1  
= 4,175,072