

Bond# 5026133  
Premium: \$20,875.00  
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

East Garrison - Phase I Onsite Improvements - Storm Drain,  
2003, and identified as Storm Drain Force Main/Pump Station, Misc.  
(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 Four Million One Hundred Seventy Five Thousand\* dollars (\$ 4,175,072.00) 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. \*Seventy Two 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

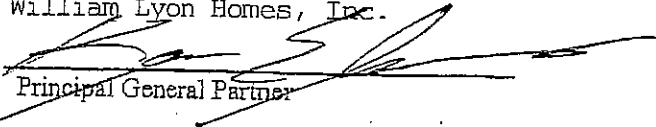
\_\_\_\_\_  
General Partner

BY

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

BY

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

NAME OF PRINCIPAL  
William Lyon Homes, Inc.  
BY   
\_\_\_\_\_  
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 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: \_\_\_\_\_

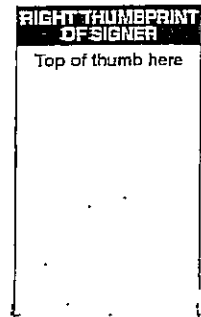
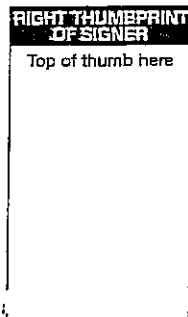
Capacity(ies) Claimed by Signer(s)

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

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

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

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- 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><u>STORM DRAIN - (Phase I On-Site)</u></b>					
29	Manholes	28	EA	\$ 3,000.00	\$ 84,000
30	Catch Basins - Type II	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
Subtotal Storm Drain					\$ 2,835,700
<b><u>STORM DRAIN FORCE MAIN/ PUMP STATION</u></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
Subtotal Storm Drain Force Main / Pump Station					\$ 924,000
<b><u>MISCELLANEOUS</u></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
Subtotal Miscellaneous					\$ 35,820
<b>TOTAL PHASE 1 ON-SITE BOND AMOUNT (to the nearest \$1,000)</b>					\$ 9,014,000

2,835,700  
 924,000  
 35,820  
 -----  
 3,795,520  
 X 1.1  
 -----  
 \$ 4,175,072

KEEP ALL  
NO CHANGES