

# Attachment 2

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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.

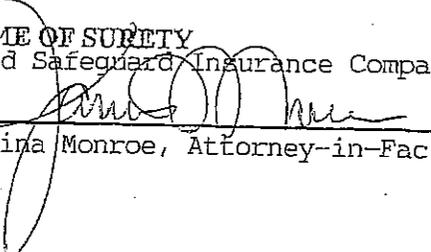
In witness whereof, this instrument has been duly executed by the principal and surety above named, on June 7th, 2007, ~~XXXXX~~

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

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

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

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

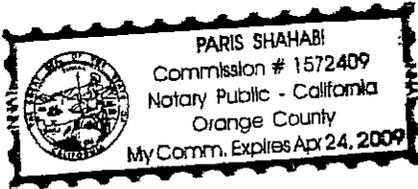
State of California

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)

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: \_\_\_\_\_

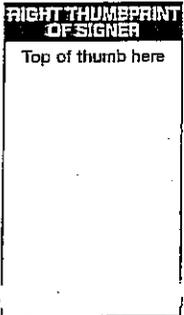
Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

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

Capacity(ies) Claimed by Signer(s)

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

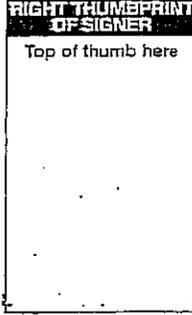
- Individual
- Corporate Officer
- Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



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
<b>CONSTRUCTION COSTS</b>					
<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

WEEK PRICE  
+ ESTIMATE

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

BOND# 5026132

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 ~~2008~~, 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, 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 Eight Hundred Seventy Thousand\* Dollars (\$ 2,870,128.25), 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.

\*One Hundred Twenty Eight Dollars and 25/100.

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.

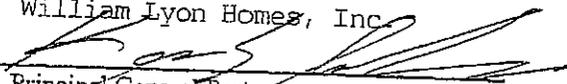
The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of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

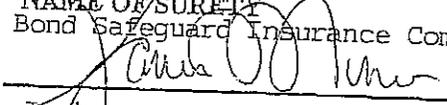
In witness whereof, this instrument has been duly executed by the principal and surety above named, on June 7th, 2007

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   
Jarina 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

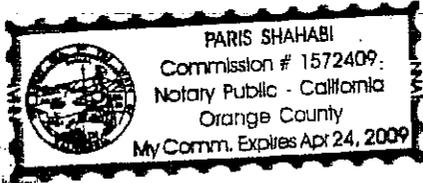
State of California

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

[Signature]  
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: \_\_\_\_\_

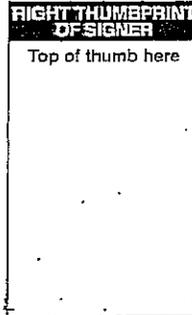
Capacity(ies) Claimed by Signer(s)

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: \_\_\_\_\_

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, \$5,800,000.00 Five million eight 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 7th 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

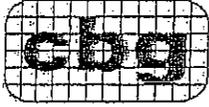
**CERTIFICATE**

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 JUN 07 2007 Day of \_\_\_\_\_, 20\_\_\_\_



Donald D. Buchanan  
Donald D. Buchanan  
Secretary



**Carlson, 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	Price	Amount
<b>CONSTRUCTION COSTS</b>					
<b>STREET WORK -- (Phase I: On-Site)</b>					
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
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Subtotal Street Work

\$ 5,218,415

x 1.1 =

\$ 5,740,256

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