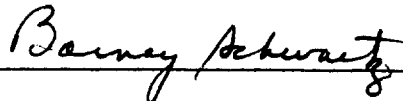


RESOLUTION NO. 2342

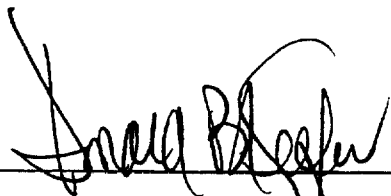
RESOLVED, that the Mayor and City Clerk of the City of El Paso de Robles be and they are hereby authorized and directed to execute the within and foregoing Agreement, dated September 4, 1979 between LAZZCO, INCORPORATED, a California Corporation, SUBDIVIDER, and the CITY OF EL PASO DE ROBLES, a Municipal Corporation, CITY.

PASSED AND ADOPTED this 4th day of September, 1979.



MAYOR

ATTEST:



CITY CLERK

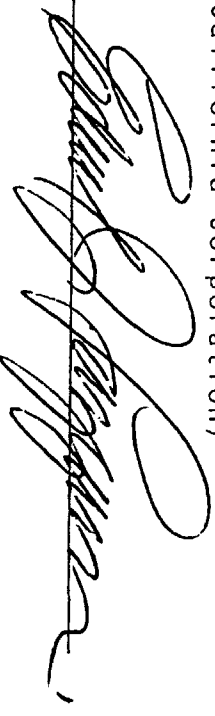
fees.

17. This agreement is made and executed in duplicate, and either copy shall be for all purposes, deemed an original.

IN WITNESS WHEREOF, SUBDIVIDER has caused this instrument to be executed and CITY has caused this instrument to be executed by its Mayor and its corporate seal to be affixed thereto, pursuant to Resolution of the Council of said CITY first passed and adopted the day and year hereinbefore written.

LAZZCO DEVELOPMENT COMPANY "SUBDIVIDER"
(A California Corporation)

BY



CITY OF EL PASO DE ROBLES "CITY"
A Municipal Corporation

BY



ATTEST:



CITY CLERK

ESTIMATE OF FEES: TRACT 829

RECREATION

46 LOTS @ \$300.00/LOT \$13,800.00

STREET TREES

52 TREES @ \$100.00/TREE \$5,200.00

DRAINAGE FEES

\$500.00/ACRE WAIVED

TOTAL \$19,000.00

Subdivision Bond — California
Faithful Performance — Public Work

Bond No. 9SM 553 220

PR 3450

AMERICAN MOTORISTS INSURANCE COMPANY



Direct all correspondence to:
AL BARKER, BONDS
717 Hearst Building
Market and Third
San Francisco, Calif. 94103

Home Office: Sheridan Road at Lawrence Avenue, Chicago, Illinois 60640

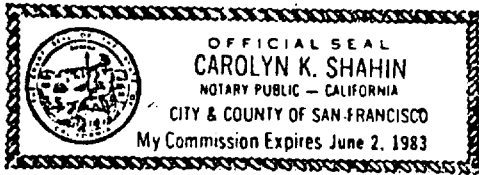
SUBDIVISION BOND

Know All Men by These Presents: That LAZZCO, INC.

as Principal, and the American Motorists Insurance Company,
a corporation organized and existing under the laws of the State of Illinois and authorized to transact surety
business in the State of California, as Surety, are held and firmly bound unto CITY OF EL PASO
DE BORLES

STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO) ss.

ON AUG 22 1979 19 , before
me a Notary Public in and for said State, personally appeared
Anthony F. Angelicola



known to me to be the person whose name is subscribed to the
within Instrument as the Attorney-in-Fact of AMERICAN
MOTORISTS INSURANCE COMPANY, and acknowledged to
me that he subscribed the name of said Company thereto as
Surety, and his own name as Attorney-in-Fact.

Carolyn K. Shahin
Notary Public

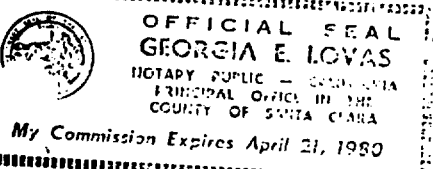
Attention shall be void; otherwise to remain in full force and

STATE OF CALIFORNIA,

County of Santa Clara } ss.
On this 23rd day of August
hundred and 79 in the year one thousand nine
a Notary Public, State of California, duly commissioned and sworn, personally appeared
Edward J. ...
known to me to be the President & Secretary
of the corporation described in and that executed the within instrument, and also known to me to be
the person who executed the within instrument on behalf of the corporation therein named, and
acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the
City County of Santa Clara the day and year in this certificate
first above written.

Georgia E. ...
Notary Public, State of California



Direct of ...
AL BARNER, BONDS
717 ... Building
Market Street
San Francisco, Calif. 94103

BOND NO. 9SM 553 220

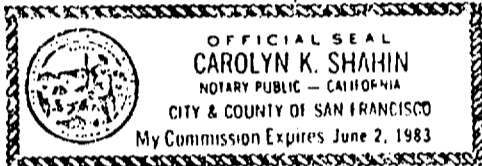
KNOW ALL MEN BY THESE PRESENTS:

That We, LAZZCO, INC.
as Principals, and AMERICAN MOTORISTS INSURANCE CO. as Surety, are
held and firmly bound unto the CITY OF EL PASO DE ROBLES,
in the sum of ONE HUNDRED SEVENTY-TWO THOUSAND FIVE HUNDRED AND NO/100
(\$172,500.00****), lawful money of the United States, for the payment
of which sum, well and truly to be made, we bind ourselves, jointly
and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT,

the above said Principals have agreed to provide certain

STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO) ss.



ON AUG 22 1979 19 , before
me a Notary Public in and for said State, personally appeared
Anthony F. Angelicola

known to me to be the person whose name is subscribed to the
within Instrument as the Attorney-in-Fact of AMERICAN
MOTORISTS INSURANCE COMPANY, and acknowledged to
me that he subscribed the name of said Company thereto as
Surety, and his own name as Attorney-in-Fact.

Carolyn K. Shahin
Notary Public

This bond is executed and filed to comply with Section 11612 of the
Business and Professions Code of California as improvement security
and shall inure to the benefit of any and all contractors, their
sub-contractors and persons renting equipment or furnishing labor
or materials to them for the improvement.

IN WITNESS WHEREOF, the above-bounden parties have executed this
instrument on this 22nd Day of August, 1979, the
corporate seal of each corporate party being hereto affixed and
these presents duly signed by its undersigned representative, pursuant
to authority of its governing body.

PRINCIPAL:

SURETY:

LAZZCO, INC.

AMERICAN MOTORISTS INS. CO.

BY: Paul J. Pappalardo Pres.

BY: Anthony F. Angelicola

Anthony F. Angelicola

Atty-In-Fact

BY: Gladys Martinez

AMERICAN MOTORISTS INSURANCE COMPANY

Home Office: Long Grove, IL 60049



POWER OF ATTORNEY

Know All Men By These Presents:

That the American Motorists Insurance Company, a corporation organized and existing under the laws of the State of Illinois, and having its principal office in Long Grove, Illinois, does hereby appoint

Anthony Angelicola and Carolyn Kliebert both of San Francisco, California (EACH)*****

its true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending December 31, 1980, unless sooner revoked for and on its behalf as surety, and as its act and deed: **Any and all bonds and undertakings provided the amount of no one bond or undertaking exceeds FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)*******

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the American Motorists Insurance Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said American Motorists Insurance Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF DECEMBER 31, 1980

This Power of Attorney is executed by authority of a resolution adopted by the Board of Directors of said American Motorists Insurance Company on May 15, 1939 at Chicago, Illinois, a true and accurate copy of which is hereinafter set forth and is hereby certified to by the undersigned Secretary or Assistant Secretary as being in full force and effect:

"VOTED, That the President or any Vice President or Secretary or any Assistant Secretary shall have power and authority to appoint agents and attorneys in fact, and to authorize them to execute on behalf of the company, and attach the seal of the company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and any such officer of the company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Board of Directors of the company at a meeting duly called and held on the 22nd day of May, 1963:

"VOTED, That the signature of the President, any Vice President, Secretary or Assistant Secretary, and the Seal of the Company, and the certification by any Secretary or Assistant Secretary, may be affixed by facsimile on any power of attorney executed pursuant to resolution adopted by the Board of Directors on May 16, 1962, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

In Testimony Whereof, the American Motorists Insurance Company has caused this instrument to be signed and its corporate seal to be affixed by its authorized officers, this 1st day of August, 1978.

Attested and Certified:

AMERICAN MOTORISTS INSURANCE COMPANY

C. G. Swan



By *H. L. Kennicott, Jr.*

C. G. Swan, Secretary

H. L. Kennicott, Jr., Vice President

STATE OF ILLINOIS } ss
COUNTY OF MCHENRY

I, Jo Anne Krein, a Notary Public, do hereby certify that H. L. Kennicott, Jr. and C. G. Swan personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the American Motorists Insurance Company, a Corporation of the State of Illinois, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary act for the uses and purposes therein set forth



Jo Anne Krein

Jo Anne Krein, Notary Public

My commission expires: March 21, 1982

CERTIFICATION

I, Sven L. Johanson, Secretary of the American Motorists Insurance Company, do hereby certify that the attached Power of Attorney dated August 1, 1978 on behalf of Anthony Angelicola and

Carolyn Kliebert of San Francisco, CA (EACH)***** is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said H. L. Kennicott, Jr. and C. G. Swan who executed the Power of Attorney as Vice President and Secretary respectively were on the date of the execution of the attached Power of Attorney the duly elected Vice President and Secretary of the American Motorists Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the American Motorists Insurance Company on this _____ day of AUG 22 1979, 19____.



Sven L. Johanson

Sven L. Johanson, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

OCORO

NAME AND ADDRESS OF AGENCY

WINN & CO. INSURANCE BROKERS
 P.O. BOX 220 / HOLLISTER, CA 95023
 x P.O. BOX 1398 / GILROY, CA 95020

COMPANIES AFFORDING COVERAGES

- COMPANY LETTER **A** Unigard Mutual Ins. Co.
- COMPANY LETTER **B** Mission Ins. Co.
- COMPANY LETTER **C** Insurance Co. of North America
- COMPANY LETTER **D**
- COMPANY LETTER **E**

NAME AND ADDRESS OF INSURED

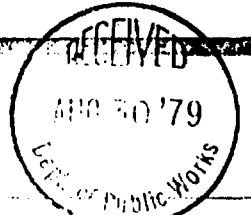
Lazzco, Inc., Etal
 P.O. Box 901
 Morgan Hill, CA 95037

This is to certify that policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

COMPANY LETTER	TYPE OF INSURANCE	POLICY NUMBER	POLICY EXPIRATION DATE	Limits of Liability in Thousands (000)		
					EACH OCCURRENCE	AGGREGATE
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMPREHENSIVE FORM <input checked="" type="checkbox"/> PREMISES - OPERATIONS <input type="checkbox"/> EXPLOSION AND COLLAPSE HAZARD <input type="checkbox"/> UNDERGROUND HAZARD <input checked="" type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS HAZARD <input checked="" type="checkbox"/> CONTRACTUAL INSURANCE <input checked="" type="checkbox"/> BROAD FORM PROPERTY DAMAGE <input checked="" type="checkbox"/> INDEPENDENT CONTRACTOR <input checked="" type="checkbox"/> PERSONAL INJURY	MP50-5811	3/9/80	BODILY INJURY	\$	\$
				PROPERTY DAMAGE	\$	\$
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 500	\$ 500
				PERSONAL INJURY		\$ Incl.
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> COMPREHENSIVE FORM <input checked="" type="checkbox"/> OWNED <input checked="" type="checkbox"/> HIRED <input checked="" type="checkbox"/> NON OWNED	MP50-5811	3/9/80	BODILY INJURY (EACH PERSON)	\$	
				BODILY INJURY (EACH ACCIDENT)	\$	
				PROPERTY DAMAGE	\$	
				BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 500	
B	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	M846520	3/9/80	BODILY INJURY AND PROPERTY DAMAGE COMBINED	\$ 1,000	
				STATUTORY		
C	WORKERS' COMPENSATION and EMPLOYERS' LIABILITY OTHER	C15083505	4/1/80		\$ 100 (EACH ACCIDENT)	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES

Tract 829 Sunrise Village Paso Robles, CA



Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER
 City of Paso Robles
 P.O. Box 307
 Paso Robles, CA 93446
 Attn: John McCarthy, City Engineer

DATE ISSUED 8/27/79

John B. Winn
 CITY ENGINEER

STATE OF CALIFORNIA)
COUNTY OF SAN LUIS OBISPO (SS.
CITY OF EL PASO DE ROBLES)

I, Donald B. Keefer, City Clerk of the
City of El Paso de Robles, California, do hereby certify that the
foregoing Resolution No. 2342 was duly and regularly adopted,
passed and approved by the City Council of the City of El Paso de Robles,
California, at a regular meeting of said City Council held at
the regular meeting place thereof, on the 4th day of September, 1979,
by the following vote:

AYES: Councilmen....Hanson, Hurst, Minshull, Stemper and Schwartz.....

.....

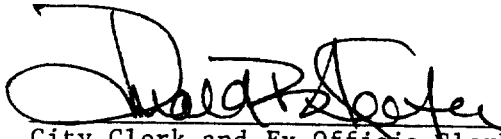
NOES: Councilmen.....None.....

.....

ABSENT: Councilmen.....None.....

.....

Dated this 5th day of September, 1979.


City Clerk and Ex-Officio Clerk of the City
Council, City of El Paso de Robles, State
of California.

SUBDIVISION AGREEMENT

TRACT NO. 829

THIS AGREEMENT is entered into this 4th day of September, 1979, between, LAZZCO INCORPORATED, A CALIFORNIA CORPORATION, DEVELOPER and SUBDIVIDER, hereinafter called SUBDIVIDER, and the CITY OF EL PASO DE ROBLES, a Municipal Corporation, hereinafter called CITY:

WITNESSETH:

WHEREAS, SUBDIVIDER is now the owner of and desires to subdivide into lots, certain real property known as Tract No. 829, a subdivision in the City of El Paso de Robles, San Luis Obispo County, California and is required to comply with the provisions of Title 22, Municipal Code of the City of El Paso de Robles, being the Subdivision Ordinance of said CITY:

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. SUBDIVIDER agrees that it will, at its own cost and expense, and in good workmanlike manner, in strict accordance with all ordinances, laws, rules and regulations of CITY, and within one (1) year from the date of this agreement, complete all of the following improvements in and upon the aforesaid subdivision. Tract No. 829, in accordance with improvement plans, specifications and any Change Orders, filed with and approved by the City Engineer of the CITY and in the manner hereinafter in the agreement provided, to wit:

A. PLANS AND SPECIFICATIONS:

A-1 All improvement plans shall be submitted to the Office of the City Engineer for approval.

A-2 All improvements shall be placed to the City of Paso Robles specifications, standards and the approved plans, and all work to be done in conformance with the "Standard Specifications For Public Works Construction," 1976 Edition, Published by Building News, Incorporated.

A-3 A composite map of all underground construction shall be submitted as approved by all of the utility companies.

A-4 A mylar copy of the recorded map and one print shall be furnished to the CITY. As-built drawings shall be furnished to the CITY after the project is completed.

B. GRADING:

B-1 Site grading of all lots shall be not less than one-half of one percent. Site grading shall include grading to sub-grade for streets. The grading of streets shall not exceed one-tenth (1/10th) of a foot below the sub-grade.

B-2 All lots shall be graded to drain to the streets or to an approved drainage facility.

B-3 Soil conservation shall be maintained during construction to prevent erosion, landslides, and other damage to adjacent property. Method of protection may be obtained from the U.S. Soil Conservation Service.

B-4 All top soil removed shall be stockpiled and distributed over individual lots. All slopes shall be supported with hydromulch or equal.

C. UTILITIES:

C-1 SUBDIVIDER shall provide all utilities underground; electricity, water, gas, telephone, cable television, street lights, at no cost to CITY. SUBDIVIDER shall install all sanitary sewers, storm sewers, water, gas and all other underground utilities, at no cost to the CITY and subject to inspection by CITY.

C-2 All underground utilities and improvements shall be installed prior to construction of any street improvements.

C-3 All utilities to be installed to the boundary of the SUBDIVISION on all streets.

C-4 An underground street light system to serve the tract shall be installed with the system and locations to be approved by the Pacific Gas and Electric Company and the City Engineer.

C-5 SUBDIVIDER shall provide a six foot (6') Public Utilities Easement adjacent to all road right of ways in this subdivision.

D. Drainage:

D-1 SUBDIVIDER shall install all necessary storm drain facilities within the tract, and from the tract, and according to

accepted engineering practices.

D-2 All streets shall conform to the direction of the drainage.

E. STREETS:

E-1 SUBDIVIDER shall install street name signs and required traffic signs as well as any necessary traffic striping.

2. SUBDIVIDER agrees to pay promptly, upon receipt of bill from CITY, all costs of any engineering and inspection services by theCITY, pertaining to Tract No. 829.

3. It is expressly agreed that SUBDIVIDER has furnished or will forthwith furnish to CITY, a written statement from the Pacific Gas and Electric Company, Pacific Telephone and Telegraph Company, the Southern California Gas Company and from Sonic Cable Corporation, specifying the terms of the installation of their services required for said subdivision. The terms thereof shall guarantee the installation of said services as required, at no cost to the CITY, and shall be subject to the approval of the CITY ENGINEER and the CITY ATTORNEY of said CITY.

4. SUBDIVIDER agrees that it has filed, or will forthwith

file, with said City Clerk, a Performance Bond in the amount of THREE HUNDRED FORTY FIVE THOUSAND DOLLARS (\$345,000.00) and a bond in 50 percent of the same amount to guarantee payment of all labor and material, to guarantee SUBDIVIDER'S compliance with all of the terms of the Agreement, and to guarantee the completion of the improvements specified under Paragraph No. 1, and to guarantee that all of said work shall be completed within one (1) year from the date of this agreement.

5. Upon final completion and acceptance of the work, CITY will release all but ten (10) percent of the improvement security, that amount being deemed sufficient to guarantee faithful performance by the SUBDIVIDER of his obligation to remedy any defects in the improvements arising from within the period of one year (1) following the completion and acceptance thereof against any defective work or labor done, or defective materials furnished in the performance of this agreement.

6. Bonds required under this agreement shall not be effective unless and until first approved in writing by the CITY ENGINEER and the CITY ATTORNEY of said CITY.

7. SUBDIVIDER agrees that he will install street trees as approved by the CITY ENGINEER and maintain them for a period of one

year after the houses are occupied, or SUBDIVIDER agrees that he will forthwith deposit with CITY CLERK of CITY, fees to discharge the obligation of SUBDIVIDER for the installation of all street trees to be planted in said subdivision by CITY.

8. SUBDIVIDER agrees that he will forthwith deposit with said CITY CLERK, fees as a contribution of the SUBDIVIDER towards the cost of recreation facilities to be afforded the properties of the SUBDIVIDER, and other properties in the general vicinity by the CITY.

9. SUBDIVIDER understands there will be a fee per sewer connection at the time of submitting a request to connect to the sanitary sewer main.

10. SUBDIVIDER agrees to pay a water meter installation fee, plus the cost of the meter at the time of submitting the request for water meter installation by the CITY.

11. SUBDIVIDER understands there will be a fee per water connection at the time that each building is connected to the water main.

12. SUBDIVIDER agrees that he will forthwith deposit with

CITY CLERK of CITY, fees as a contribution of the SUBDIVIDER towards the cost of future on and off site storm drain facilities.

13. SUBDIVIDER agrees to pay any other applicable fee required by CITY ordinance or resolution.

14. SUBDIVIDER does hold and save CITY harmless from any and all claims arising from entry and construction on public property by SUBDIVIDER or SUBDIVIDER'S operations and does hereby agree to defend and indemnify CITY against all suits, costs, losses, awards or judgments arising therefrom. SUBDIVIDER will advise its insurance carrier of this indemnity provision and the Certificate of Insurance will provide that it includes the contractual liability assumed in the Agreement to indemnify.

15. SUBDIVIDER will provide CITY with a Certificate of Liability Insurance showing CITY as an additional insured, without reduction or offset by reason of insurance which the CITY has in effect. Said insurance policy shall be in such form and with such companies as are satisfactory to the CITY. Limits of liability shall not be less than \$500,000.00 for each occurrence, \$1,000,000.00 aggregate, and \$25,000.00 property damage.

16. In the event a dispute arises in this agreement, the prevailing party shall be entitled to recover reasonable attorney's