

| <u>PRINCIPAL</u>                              | <u>TITLE COMPANY</u>             | <u>SURETY</u>                                  |
|---|----------------------------------|--|
| Shapell Industries,<br>Inc., a Delaware Corp. | First American Title Company     | National Fire<br>Insurance Company of Hartford |
| 100 N. Milpitas Blvd.                         | 6683 Owens Drive                 | 2355 E. Camelback Road, Suite 500              |
| Milpitas                                      | Pleasanton                       | Phoenix  |
| CA 95035                                      | CA 94588                         | AZ 85016                                       |
| Attn: Dave Suico                              | Attn: Bernadette Tuazon-Salas BT | Attn: Bond Department                          |
| 408-946-1550                                  | 925-738-4043 925-738-4041        | 602-212-3200                                   |

Order Number: 0192-2703853

**BOND NO.** 929467106

**PREMIUM:** \$1,913.00

Tax Year 2009/2010

**BOND AGAINST TAXES**

Gale Ranch III, 97 Lots

**KNOW ALL MEN BY THESE PRESENTS:**

THAT Shapell Industries, Inc., a Delaware Corp., as Principal and (Surety) National Fire Insurance Company of Hartford, a corporation organized and existing under the laws of the State of IL and authorized to transact surety business in California as surety are held and firmly bound unto the County of Contra Costa, State of California, in the penal sum of Two Hundred Fifty Five Thousand One Hundred Dollars and 00/100 Dollars (\$ 255,100.00), to be paid to said County of Contra Costa, for the payment of which will and truly be made, we and each of us bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

Sealed with our Seals and dated this 26th day of January 2009.

The conditions of the above obligation is such that WHEREAS, the above bounded principal is about to file a map entitled Subdivision 8952, Parcel Number 222-270-006

and covering a subdivision of a tract of land in said County of Contra Costa, and there are certain liens for taxes and special assessments collected as taxes, against the said tract of land covered by said map, which taxes and special assessments collected as taxes, are not as yet due or payable.

NOW, THEREFORE, if the said Shapell Industries, Inc., a Delaware Corp. shall pay all of taxes and special assessments collected as taxes which are a lien against said tract of land covered by said map, at the time of the filing of said map of said tract, then this obligation shall be void and of no effect, otherwise it shall remain in full force and effect.

(Approved Stamp)

By: \_\_\_\_\_

KEN COX  
ASSISTANT SECRETARY

(Attach Acknowledgement  
by Principal)

(Attach Acknowledgement  
by Surety)

DATE: 02/05/09  
BOND REVIEWED AND APPROVED  
CONTRA COSTA COUNTY  
TREASURER - TAX COLLECTOR  
BY: \_\_\_\_\_

Shapell Industries, Inc., a Delaware Corp.

By: \_\_\_\_\_  
Principal  
ROBERT D. MOORE  
ASSISTANT VICE PRESIDENT

National Fire Insurance Company of Hartford

By: \_\_\_\_\_  
Surety  
Pamela L. Stocks  
Attorney-in-Fact

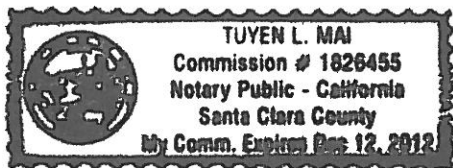
## CALIFORNIA ALL PURPOSE ACKNOWLEDGMENT

State of California


County of Santa Clara

On **January 30, 2009**, before me, **Tuyen L. Mai**, Notary Public personally appeared **Robert D. Moore and Ken Cox** who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



WITNESS my hand and official seal.

  
\_\_\_\_\_  
Signature of Notary Public

### Optional Information

Title or Type of Document: **Bond Against Taxes: Tax Year 2009/2010**

Capacity Claimed by Signer: **Assistant Vice President and Assistant Secretary of Shapell Industries, Inc.**

# POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company (herein called "the CNA Companies"), are duly organized and existing insurance companies having their principal offices in the City of Chicago, and State of Illinois, and that they do by virtue of the signatures and seals herein affixed hereby make, constitute and appoint

**Pamela L. Stocks , Individually**

of **Sherman Oaks** **CA** their true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on their behalf bonds, undertakings and other obligatory instruments of similar nature

**- In Unlimited Amounts -**

Surety Bond Number: 929467106

Principal: Shapell Industries, Inc., a Delaware Corp.

Obligee: County of Contra Costa

and to bind them thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of their insurance companies and all the acts of said Attorney, pursuant to the authority hereby given is hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law and Resolutions, printed on the reverse hereof, duly adopted, as indicated, by the Boards of Directors of the insurance companies.

In Witness Whereof, the CNA Companies have caused these presents to be signed by their Senior Vice President and their corporate seals to be hereto affixed on this 25th day of July, 2008.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

Robert M. Mann Senior Vice President

State of Illinois, County of Cook, ss:

On this 25th day of July, 2008, before me personally came Robert M. Mann to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company described in and which executed the above instrument; that he knows the seals of said insurance companies; that the seals affixed to the said instrument are such corporate seals; that they were so affixed pursuant to authority given by the Boards of Directors of said insurance companies and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said insurance companies.



My Commission Expires September 17, 2009

Eliza Price Notary Public

## CERTIFICATE

I, Mary A. Ribikawskis, Assistant Secretary of Continental Casualty Company, an Illinois insurance company, National Fire Insurance Company of Hartford, an Illinois insurance company, and American Casualty Company of Reading, Pennsylvania, a Pennsylvania insurance company do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors of the insurance companies printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said insurance companies this 26th day of January, 2009.



Continental Casualty Company  
National Fire Insurance Company of Hartford  
American Casualty Company of Reading, Pennsylvania

Mary A. Ribikawskis Assistant Secretary

## Authorizing By-Laws and Resolutions

ADOPTED BY THE BOARD OF DIRECTORS OF CONTINENTAL CASUALTY COMPANY:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

### "Article IX—Execution of Documents

Section 3. Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior or Group Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17<sup>th</sup> day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 3 of Article IX of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any 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 certified by 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."

ADOPTED BY THE BOARD OF DIRECTORS OF AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

### "Article VI—Execution of Documents

Section 3 Appointment of Attorney-in-fact. The Chairman of the Board of Directors, the President or any Executive or Senior Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority, shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The President or any Executive, Senior Vice President or the Board of Directors may at any time revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17<sup>th</sup> day of February, 1993.

"Resolved, that the signature of the President or any Executive, Senior or Group Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to Section 2 of Article VI of the By-Laws, and the signature of the Secretary or an Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any 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 certified by 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."

ADOPTED BY THE BOARD OF DIRECTORS OF NATIONAL FIRE INSURANCE COMPANY OF HARTFORD:

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the Board of Directors of the Company.

### "Article VII—Execution of Documents

Section 3. Appointment of Attorney-in-Fact. The Chairman of the Board of Directors, the President or any Executive or Senior Vice President may, from time to time, appoint by written certificates attorneys-in-fact to act in behalf of the Company in the execution of policies of insurance, bonds, undertakings and other obligatory instruments of like nature. Such attorneys-in-fact, subject to the limitations set forth in their respective certificates of authority shall have full power to bind the Company by their signature and execution of any such instruments and to attach the seal of the Company thereto. The Chairman of the Board of Directors, the President or any Executive, Senior Vice President or the Board of Directors, may, at any time, revoke all power and authority previously given to any attorney-in-fact."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 17<sup>th</sup> day of February, 1993.

"RESOLVED: That the signature of the President, an Executive Vice President or any Senior or Group Vice President and the seal of the Insurance Company may be affixed by facsimile on any power of attorney granted pursuant to the Resolution adopted by this Board of Directors on February 17, 1993 and the signature of a Secretary or an Assistant Secretary and the seal of the Insurance Company may be affixed by facsimile to any certificate of any such power, and any power or certificate bearing such facsimile signature and seal shall be valid and binding on the Insurance Company. Any such power so executed and sealed and certified by 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 Insurance Company."



# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

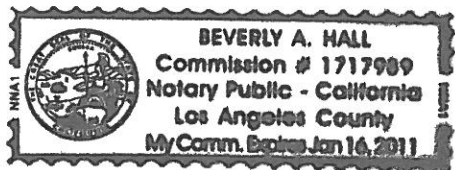
On January 26, 2009  
Date

before me, Beverly A. Hall, Notary Public

Here Insert Name and Title of the Officer

personally appeared Pamela L. Stocks

Name(s) of Signer(s)



Notary Seal

who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Beverly A. Hall  
Signature of Notary Public