

Bond No.: 2177749

Development: _____

**IMPROVEMENT SECURITY BOND
FOR ROAD IMPROVEMENT AGREEMENT**
(Performance, Guarantee, and Payment)
(California Government Code §§ 66499 - 66499.10)

1. **RECITAL OF ROAD IMPROVEMENT AGREEMENT:** The Developer (Principal) has executed an agreement (Road Improvement Agreement) with the County to install and pay for street, drainage and other improvements on, or along RA 1250 to complete said work within the time specified for completion in the Road Improvement Agreement, all in accordance with State and local laws and rulings.
2. **OBLIGATION:** Shapell Industries Inc., as Principal and North American Specialty Insurance Company, a corporation organized under the laws of the State of New Hampshire, and authorized to transact surety business in California, as Surety, hereby jointly and severally bind ourselves, our heirs, executors, administrators, successors and assigns to the County of Contra Costa, California to pay as follows:
 - A. **Performance:** Six Hundred Twenty One Thousand and 00/100 Dollars (\$ 621,000.00) for itself or any city assignee under the above County Road Improvement Agreement, plus
 - B. **Payment:** One Million Three Hundred Fourteen Thousand and 00/100 Dollars (\$ 1,314,000.00) to secure the claims to which reference is made in Title 15 §§ et seq. of the Civil Code of the State of California.
3. **CONDITION:**
 - A. The Condition of this obligation as to Section (2.A.) above is such that if the above bonded Principal, or principal's heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided on it or its 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 the County of Contra Costa or city assignee, 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 part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included reasonable costs, expenses and fees, including reasonable attorney's fees, incurred by the County of Contra Costa or city assignee, in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

- B. The condition of this obligation, as to Section (2.B.) above, is such that said Principal and the undersigned as corporate surety are held firmly bound unto the County of Contra Costa and all contractors, subcontractors, laborers, material men and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code, for materials furnished, labor of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor and that said undersigned surety will pay the same in an amount not exceeding the amount herein above set forth and also, incase suit is brought upon this bond, will pay, in addition to the fact amount thereof, reasonable costs, expenses and fees, including reasonable attorney's fees, incurred by the County of Contra Costa or city assignee, in successfully enforcing such obligation, to be awarded and fixed by the court, all to be taxed as costs and to be included in the judgement therein rendered.

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 of the State of California, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the work under the conditions 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.

- C. No alteration of said Road Improvement Agreement or any plan or specification of said work agreed to by the Principal and the County shall relieve the Surety from liability on this bond and consent is hereby given to make such alteration without further notice to or consent by the Surety and the Surety hereby waives the provisions of California Civil Code Section 2819 and holds itself bound without regard to and independently of any action against Principal whenever taken.

4. SIGNED AND SEALED:

The undersigned executed this document on AUGUST 26, 2015.

PRINCIPAL: Shapell Industries Inc.
Address: 6800 Kell Center Parkway #320
City: Pleasanton, CA 94566
By: R.M. Nelson
Print Name: RICHARD M. NELSON
Title: DIVISION PRESIDENT

SURETY: North American Specialty Insurance Company
Address: 475 North Martingale Road, Suite 850
City: Schaumburg IL 60173
By: [Signature]
Print Name: Daniel P. Dunigan
Title: Attorney-in-Fact

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Alameda)

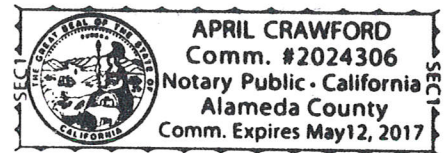
On August 27st, 2015 before me, April Crawford, Notary Public-----
(insert name and title of the officer)

personally appeared Richard M. Nelson, who proved to me on the basis of satisfactory evidence 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.

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 April Crawford (Seal)



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

Civil Code § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of PENNSYLVANIA

County of CHESTER

On AUGUST 26, 2015 before me, ARLENE OSTROFF, Notary Public

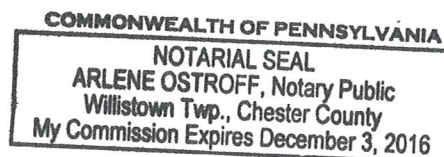
personally appeared DANIEL P. DUNIGAN

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 *Arlene Ostroff*



Place Notary Public Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to the 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 Name: _____

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

Signer is representing _____
NORTH AMERICAN SPECIALTY INSURANCE COMPANY

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

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

Signer is representing _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of New Hampshire and having its principal office in the City of Schaumburg, Illinois, each does hereby make, constitute and appoint:

WILLIAM F. SIMKISS, DANIEL P. DUNIGAN, BRIAN C. BLOCK,
JOSEPH W. KOLOK JR., JAMES L. HAHN, and RICHARD J. DECKER

JOINTLY OR SEVERALLY

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:


FIFTY MILLION (\$50,000,000.00) DOLLARS

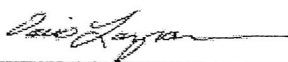
This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 9th of May, 2012:

"RESOLVED, that any two of the Presidents, any Managing Director, any Senior Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



By 
Steven P. Anderson, Senior Vice President of Washington International Insurance Company
& Senior Vice President of North American Specialty Insurance Company

By 
David M. Layman, Vice President of Washington International Insurance Company
& Vice President of North American Specialty Insurance Company



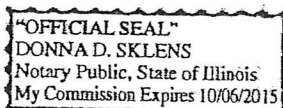
IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 7th day of June, 2013.

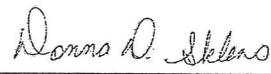
North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Cook

SS:

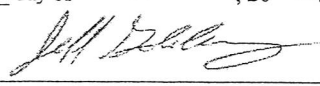
On this 7th day of June, 2013, before me, a Notary Public personally appeared Steven P. Anderson, Senior Vice President of Washington International Insurance Company and Senior Vice President of North American Specialty Insurance Company and David M. Layman, Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.




Donna D. Sklens, Notary Public

I, Jeffrey Goldberg, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this 26th day of AUGUST, 2015.


Jeffrey Goldberg, Vice President & Assistant Secretary of
Washington International Insurance Company & North American Specialty Insurance Company



NORTH AMERICAN SPECIALTY INSURANCE COMPANY
A New Hampshire Corporation

BALANCE SHEET AS OF DECEMBER 31, 2014
(Statutory Basis)

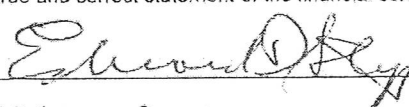
Valuation of securities on National Association of Insurance Commissioner Basis

ASSETS

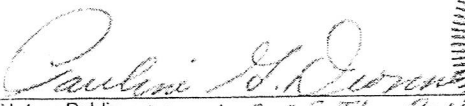
LIABILITIES

Cash	108,806,410	Reserve for Unearned Premiums	6,287,571
Bonds	293,429,658	Reserve for Losses and Loss Adjustment Expenses	34,942,556
Other Invested Assets	80,024,884	Funds Withheld	10,710,249
Other Admitted Assets	65,029,709	Taxes and Other Liabilities	111,129,612
		Surplus	384,220,673
TOTAL ADMITTED ASSETS	547,290,661	TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS	547,290,661

The undersigned, being duly sworn, says: That he is Vice President/Treasurer of North American Specialty Insurance Company, Schaumburg, Illinois that said company is a corporation duly organized, existing by virtue of the Laws of the State of New Hampshire and that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress approved; July 1947 6 U.S.C. sec. 6-13; and that to the best of his knowledge and belief the above statement is a full, true and correct statement of the financial condition of the said Company on the 31st day of December, 2014.


Edward D. Stys
North American Specialty Insurance Company

Subscribed and sworn before me,
this 19 day of March, 2015


Notary Public

