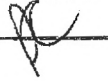


WLA  
CD#11

APPROVED FOR THE  
CITY ENGINEER BY

BOND CONTROL



ACCEPTED  
RISK MANAGEMENT  
CITY ADMINISTRATIVE OFFICE

CA0140012

1/10/14

City of Los Angeles  
DEPARTMENT OF PUBLIC WORKS  
SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT

THIS AGREEMENT AND CONTRACT, made and entered into, by and between the CITY OF LOS ANGELES, hereinafter designated as the CITY; and **MREC TRAMONTO, LLC**

hereinafter designated as SUBDIVIDER; WITNESSETH:

ONE: For, and in consideration of the approval of the final map of that certain division of land known as:

**TRAMONTO DR(17331-17333) E/S S/O LOS LIONES DR (TR 52928)**

and for acceptance of the dedication therein by the CITY, the SUBDIVIDER hereby agrees, at his own costs and expense, to construct and install all public improvements required in and adjoining and covered by the final map which are shown on plans, profiles and specifications, previously supplied to the City Engineer; and to furnish all equipment, labor and materials necessary to construct, install and complete the required improvements in a good and workmanlike manner. The estimated cost for completion of the above-mentioned work and improvement is the sum of **EIGHTY EIGHT THOUSAND AND NO/100 Dollars (\$88,000.00)**.

TWO: It is agreed that the SUBDIVIDER has furnished to the City Engineer all necessary final plans, profiles and standard specifications for the required public improvements; or, that in lieu of such final plans, profiles and specifications, the City Engineer has been furnished preliminary plans that are of sufficient detail so as to be approved by the City Engineer for use in the preparation of the estimated cost of the required improvements. In consideration of the acceptance of such preliminary plans by the City Engineer, the SUBDIVIDER hereby agrees to furnish all necessary final plans, profiles and specifications in a form that will be sufficient to be processed and approved by the City Engineer not later than six (6) months from the date the final map of said subdivision of land is filed for record with the County Recorder, County of Los Angeles, State of California.

THREE: The SUBDIVIDER agrees to perform all of the above-mentioned work under permit or permits to be issued by the Board of Public Works, hereinafter designated as the BOARD. All work shall be performed in accordance with the standards and specifications of the BOARD, as amended, and to the approval of the City Engineer. The SUBDIVIDER further agrees to pay for such inspection of work and improvements as may be required by the BOARD, and the performance of the work shall be further conditioned upon due compliance with all of the provisions of Article 7 of Chapter 1, and Sections 62.105 through 62.117, inclusive, of the Los Angeles Municipal Code, as amended.

Continuation Sheet For:

**SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT**

FOUR: In the event said work is required to be performed under Class "B" Permit as defined in Section 62.106 of the Municipal Code, the SUBDIVIDER hereby agrees to obtain said permit from the City Engineer, including payment of all necessary fees as required under the provisions of Sections 62.110 and 62.111 of said Code, prior to certification of the final map by the City Engineer.

FIVE: If the planting of street trees is required under the conditions of approval established by the Advisory Agency, the SUBDIVIDER shall install all required trees and shall pay all maintenance fees for each tree required to be planted by the SUBDIVIDER, in accordance with the maintenance fee schedule set forth in Section 62.176 of the Municipal Code. Said fees shall be paid to the Bureau of Engineering of the DEPARTMENT OF PUBLIC WORKS and shall be included in the permit fee deposit for the permit type determined by the Bureau of Engineering.

SIX: The SUBDIVIDER agrees to perform any changes or alterations required by the CITY in the construction and installation of the required improvements, provided that all such changes or alterations do not exceed ten (10) percent of the original estimated cost of such improvements; and the SUBDIVIDER further agrees; to install such devices for the abatement of erosion or flood hazard as may be required under the provisions of Section 61.02 of the Municipal Code; the costs of each of the above to be borne by the SUBDIVIDER.

SEVEN: The SUBDIVIDER expressly agrees to perform the above-mentioned work in a diligent and workmanlike manner so as to complete the construction and installation of all required public improvements on or before twenty-four (24) months from the date the final map is filed for record with the County Recorder, County of Los Angeles, State of California; or within any lawful extension of said term, or as otherwise provided by law. The SUBDIVIDER acknowledges that in the event any extension of term is granted, the City Engineer may impose additional conditions in accordance with Section 17.08G-3 of the Municipal Code.

EIGHT: The SUBDIVIDER agrees to warrant all work performed against any defective workmanship, or labor done, or defective materials furnished in the performance of the work required by this contract. The term of this warranty shall expire one year from the date of acceptance of the completed improvements by the City Engineer, all as required under Chapter 5 of Division 2 of Title 7 of the State of California Government Code, known as the "Subdivision Map Act," and as amended. The estimated amount sufficient for warranty is the sum of NONE.

NINE: The CITY shall not, nor shall any officer or employee thereof, be liable or responsible for any accident, loss or damage happening or occurring from or to the works specified in this contract prior to the completion and acceptance of the same by the City Engineer; nor shall the CITY, nor any officer or employee thereof, be liable for any persons or property injured by reason of the nature of said work, or by reason of the acts or omissions of the SUBDIVIDER, his agents or employees, in the performance of said work; but all of said liabilities shall be assumed by the SUBDIVIDER. The SUBDIVIDER further agrees to protect, defend and hold harmless the CITY and its officers and employees from all loss, liability or claim because of, or arising out of, the acts or omissions of the SUBDIVIDER, or his agents and employees, in the performance of this contract, or arising out of the use of any patent or patented article in the construction of said work.

Continuation Sheet For:

**SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT**

TEN: It is agreed that the SUBDIVIDER has filed or deposited with the CITY a good and sufficient IMPROVEMENT SECURITY in accordance with the provisions of Section 17.08G of the Municipal Code of the CITY, in an amount equal to or greater than the estimated cost of construction and installation of the required improvements and an amount sufficient to act as warranty for said improvements as defined in Article Eight hereof, together with reasonable attorney's fees which may be incurred by the CITY in enforcing the terms and conditions of this contract. IN ADDITION TO the Improvement Security, it is further agreed that the SUBDIVIDER has filed or deposited a good and sufficient PAYMENT SECURITY for labor and materials in an amount not less than fifty (50) percent of the amount of the Improvement Security, 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. If the sureties or security on either said Improvement Security or Payment Security, or both, in the opinion of the CITY become insufficient, in any respect, the SUBDIVIDER hereby agrees to furnish sufficient additional security within ten (10) days after receiving notice from the CITY that said extant securities are insufficient.

ELEVEN: It is further understood and agreed, that in the event it is deemed necessary to extend the time for the performance of the work contemplated to be done under this contract, such extensions of time may be granted by the City Engineer or by the BOARD, or both, either at their own option or upon request of the SUBDIVIDER, and such extensions shall in no way affect the validity of this contract, the Subdivision Cash or Negotiable Security Improvement and Warranty Performance Agreement executed in connection herewith or release the Surety on any Surety Bond or Bonds. Such extensions of time may be conditioned upon a construction schedule to be specified by the City Engineer, and/or a revision of the Improvement Security based on revised estimated improvement costs, and/or revision of the plans, profiles and specifications used for the construction and installation of the required improvements to comply with the standards and specifications of the BOARD in effect at the time such extension of time is granted.

TWELVE: The SUBDIVIDER further agrees to maintain the aforesaid Improvement and Payment Security in full force and effect, during the term of this contract, including any extensions of time as may be granted thereto.

THIRTEEN: If the SUBDIVIDER neglects, refuses or fails to prosecute the required work with such diligence as to insure its completion within the time specified herein, or within such extension of said time as may have been granted by the City Engineer or by the BOARD, or both, or if the SUBDIVIDER neglects, refuses or fails to perform satisfactorily any of the provisions of the improvement construction permit, plans and profiles, or specifications, or any other act required under this agreement and contract, the BOARD may declare this agreement and contract in default.

Immediately upon a declaration of default, the Subdivider and Surety shall be liable to City for the ~~cost of construction and installation of the public improvements and for costs and reasonable expense and fees, including reasonable attorneys' fees~~ incurred in enforcing this Agreement and Contract.

A notice of default shall be mailed to the SUBDIVIDER and any Surety and the Board shall cause a demand to be made for payment of any negotiable securities held as Improvement Securities in connection with this Agreement and Contract.

Continuation Sheet For:

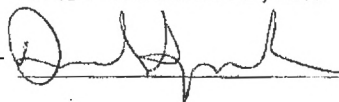
**SUBDIVISION IMPROVEMENT AGREEMENT AND CONTRACT**

In the event of such default, the SUBDIVIDER hereby grants to the CITY and/or the Surety upon any Surety Bond, the irrevocable permission to enter upon the lands of the subject division of land for the purpose of completing the required improvements. The CITY reserves the right if it elects to do the work to exclude the SUBDIVIDER from the site in order to complete the required work either by CITY forces or by separate contract.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named SUBDIVIDER on December 20, 2013.

**MREC TRAMONTO, LLC**

*\*See  
noting  
attachment*



SEE INSTRUCTIONS FOR SIGNATURES AND ACKNOWLEDGMENTS ON "NOTICE TO CLASS B PERMIT AND BOND APPLICANTS" (FORM ENG. 3.693-REVISED)

District Design Office: **WEST LA**

Council District No.: 11

Date Issued: 11/25/2013

Location: 17331 & 17333 TRAMONTO DR. PACIFIC PALISADES, CA 90272

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

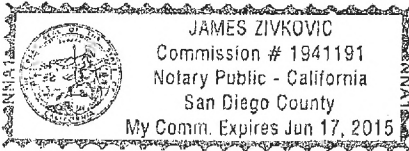
County of San Diego

On 12/20/2013 before me, James Zivkovic, Notary Public

personally appeared Daniel Sparks

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/hers/their authorized capacity(ies), and that by his/hers/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.



Place Notary Seal Above

WITNESS my hand and official seal.

Signature: [Handwritten Signature] Signatures 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: Subdivision Improvement Agreement and Contract

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:

Corporate Officer - Title(s): Corporate Officer - Title(s):

Individual Individual

Partner -- Limited General Partner -- Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: Other:

Signer Is Representing: Signer Is Representing:

APPROVED FOR THE  
CITY ENGINEER BY

City of Los Angeles  
DEPARTMENT OF PUBLIC WORKS  
Office of the City Engineer

BOND CONTROL

1099766  
SURETY'S BOND NO.

**WEST LA**

District/Division Design Office  
Council District No. 11  
Date Issued: 11/25/2013

CA0140012  
CAO-RISK MANAGEMENT NO.

**SUBDIVISION LABOR AND MATERIAL PAYMENT BOND**

1/10/14

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, **MREC TRAMONTO, LLC**

as PRINCIPAL and Lexon Insurance Company a corporation  
incorporated under the laws of the State of Texas and authorized by the  
laws of the State of California to execute bonds and undertakings as sole surety, as SURETY, are  
held and firmly bound unto the City of Los Angeles, in the JUST and FULL SUM of **FORTY  
FOUR THOUSAND AND NO/100 Dollars (\$44,000.00)** , lawful money of the United States, for  
the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors,  
administrators, successors, and assigns, jointly and severally, firmly by these presents.

The CONDITION of the foregoing obligation is such that WHEREAS the PRINCIPAL has entered  
or is about to enter into a contract with the CITY, pursuant to the authority of an act of the  
Legislature of the State of California known as the "Subdivision Map Act" (Division 2, commencing  
with Section 66410, of Title 7 of the Government Code) and amendments thereto, for the  
construction and installation of certain public improvements in accordance with the terms and  
conditions stipulated in said contract, and WHEREAS, pursuant to said Code, the PRINCIPAL  
must give this PAYMENT BOND as a condition to the execution of said contract, and for approval  
by the CITY of that certain division of land known as:

**TRAMONTO DR(17331-17333) E/S S/O LOS LIONES DR (TR 52928)**

NOW, THEREFORE, if said PRINCIPAL fails to pay the Contractor or his Subcontractors, or fails  
to pay persons renting equipment or furnishing labor or materials of any kind for the performance  
of said contract, or fails to pay amounts due under the Unemployment Insurance Act with respect  
to such work or labor, then 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 the CITY 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.

Continuation Sheet For:

**SUBDIVISION LABOR AND MATERIAL PAYMENT BOND**

IT IS EXPRESSLY STIPULATED AND AGREED that this bond shall insure 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 to any suit brought upon this bond.

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.

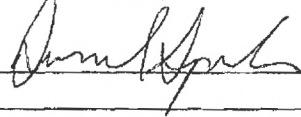
THE SURETY hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed thereunder, or to plans and specifications for the work to be performed, shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration or addition. The provisions of Section 2845 of the Civil Code are not a condition precedent to the SURETY's obligation hereunder and are hereby waived by the SURETY.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named PRINCIPAL and SURETY on November 25, 20 13.

Principal Signatories

**MREC TRAMONTO, LLC**

Principal Signatories

*\* See Attached notary acknowledgment*  
  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SURETY: Lexon Insurance Company

By: Dawson West (Attorney-in-Fact)  
Dawson West

Surety's Address: 10002 Shelbyville Road, Suite 100, Louisville, KY 40223

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Diego

On 12/17/2013

Date

before me,

James Zivkovic, Notary Public

Here Insert Name and Title of the Officer

personally appeared

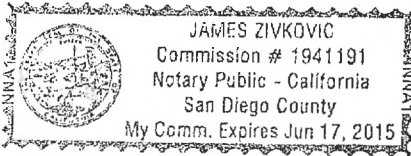
Daniel Sparks

Name(s) of Signer(s)

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:

[Handwritten Signature]

Signature of Notary Public

Place Notary Seal Above

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: Subdivision Labor and Material Payment Bond

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

Signer's Name:

Corporate Officer - Title(s):

Corporate Officer - Title(s):

Individual

Individual

Partner - Limited General

Partner - Limited General

Attorney in Fact

Attorney in Fact

Trustee

Trustee

Guardian or Conservator

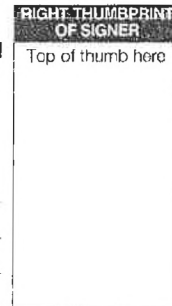
Guardian or Conservator

Other:

Other:

Signer Is Representing:

Signer Is Representing:





STATE OF Kentucky  
COUNTY OF Jefferson

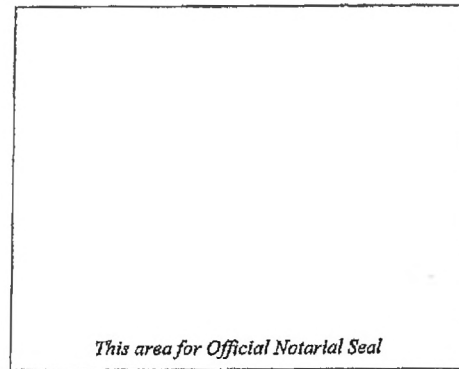
On November 25, 2013, before me, Marie L. Long, Notary Public  
(here insert name and title of the officer)

personally appeared Dawson West, Attorney-in-Fact

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 Marie L Long (SEAL)



**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER
- \_\_\_\_\_ TITLE(S)
- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_ TITLE OF TYPE OF DOCUMENT

\_\_\_\_\_ NUMBER OF PAGES

November 25, 2013 DATE OF DOCUMENT

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)

\_\_\_\_\_

\_\_\_\_\_ SIGNER(S) OTHER THAN NAMED ABOVE

# Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that **LEXON INSURANCE COMPANY**, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint:

Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan,\*\*\*\*\*

Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Jackie C. Koestel, Lynnette Long, Amy Meredith, Deborah Neichter, Sheryon Quinn, Dawson West, Bonnie J. Wortham

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, 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 **LEXON INSURANCE COMPANY** on the 1<sup>st</sup> day of July, 2003 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 not to exceed \$4,000,000.00 Four Million\*\*\*\*\* 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 Assistant Secretary, 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 of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, **LEXON INSURANCE COMPANY** has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21<sup>st</sup> day of September, 2009.



**LEXON INSURANCE COMPANY**

BY   
David E. Campbell  
President

### ACKNOWLEDGEMENT

On this 21<sup>st</sup> day of September, 2009, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of **LEXON 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.



AMY L. TAYLOR  
Notary Public- State of Tennessee  
Davidson County  
My Commission Expires 01-09-16

BY   
Amy L. Taylor  
Notary Public

### CERTIFICATE

I, the undersigned, Assistant Secretary of **LEXON INSURANCE COMPANY**, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing 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 Seal at Mount Juliet, Tennessee this 25<sup>th</sup> Day of November, 20 13.



BY   
Andrew Smith  
Assistant Secretary

"WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties."

City of Los Angeles  
DEPARTMENT OF PUBLIC WORKS  
Office of the City Engineer

APPROVED FOR THE  
CITY ENGINEER BY

BOND CONTROL

1099765  
SURETY'S BOND NO.

**WEST LA**

District/Division Design Office  
Council District No. 11  
Date Issued: 11/25/2013

CA0140012  
CAO-RISK MGMT. NO.  
1/10/14

**SUBDIVISION IMPROVEMENT AND WARRANTY PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, **MREC TRAMONTO, LLC**

as PRINCIPAL and Lexon Insurance Company a corporation  
incorporated under the laws of the State of Texas and authorized by the  
laws of the State of California to execute bonds and undertakings as sole surety, as SURETY, are  
held and firmly bound unto the City of Los Angeles, in the JUST and FULL SUM of **EIGHTY  
EIGHT THOUSAND AND NO/100 Dollars (\$88,000.00)** . , lawful money of the United States, for  
the payment of which sum, well and truly to be made, we bind ourselves, our heirs, executors,  
administrators, successors, and assigns, jointly and severally, firmly by these presents.

The CONDITION of the foregoing obligation is such that WHEREAS the PRINCIPAL has entered  
or is about to enter into the annexed agreement with the CITY, pursuant to the authority of an act  
of the Legislature of the State of California known as the "Subdivision Map Act" (Division 2,  
commencing with Section 66410, of Title 7 of the Government Code) and amendments thereto,  
and pursuant to the provisions of Article 7 of Chapter 1, and Sections 62.105 through 62.117,  
inclusive, of the Municipal Code of the CITY, as amended, for the construction and installation of  
certain public improvements in accordance with the terms and conditions stipulated in said  
agreement, and is required by the CITY to give this bond in connection with the execution of said  
agreement as a contract for approval of that certain division of land known as:

**TRAMONTO DR(17331-17333) E/S S/O LOS LIONES DR (TR 52928)**

NOW, THEREFORE, if the above bounden PRINCIPAL, his or its heirs, executors, administrators,  
or assigns, shall in all things stand to and abide by, and well and truly keep and perform the  
covenants, conditions and provisions in said annexed 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 the CITY, 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.

Continuation Sheet For:

**SUBDIVISION IMPROVEMENT AND WARRANTY PERFORMANCE BOND**

AS PART OF THE OBLIGATION SECURED HEREBY, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the CITY in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered therefor.

THE SURETY hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the annexed agreement, or to the work to be performed thereunder, or to the specifications accompanying the work to be performed, 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 said agreement, or to the work, or to the plans and specifications. The provisions of Section 2945 of the Civil Code are not a condition precedent to the Surety's obligation hereunder, and are hereby waived by the SURETY.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named PRINCIPAL and SURETY on November 25, 20 13.

Principal Signatories

**MREC TRAMONTO, LLC**

*Xsee attached no stamp*

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

SURETY: Lexon Insurance Company

By: [Signature] (Attorney-in-Fact)

Dawson West

Surety's Address: 10002 Shelbyville Road, Suite 100, Louisville, KY 40223

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

CIVIL CODE § 1189

State of California

County of San Diego }

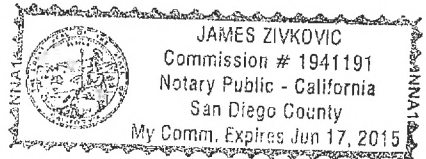
On 12/17/2013 before me, James Zivkovic, Notary public  
Date Here Insert Name and Title of the Officer

personally appeared Daniel Sparks  
Name(s) of Signer(s)

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: [Signature]  
Signature of Notary Public



Place Notary Seal Above

**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: Subdivision Improvement and warranty performance Bond

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

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

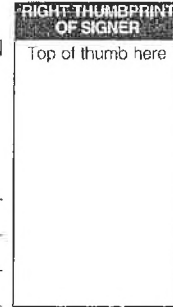
**Capacity(ies) Claimed by Signer(s)**

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



Signer Is Representing: \_\_\_\_\_

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



Signer Is Representing: \_\_\_\_\_

STATE OF Kentucky  
COUNTY OF Jefferson

]

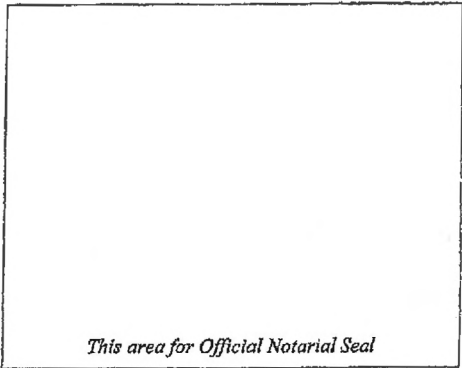
On November 25, 2013, before me, Marie L. Long, Notary Public  
(here insert name and title of the officer)

personally appeared Dawson West, Attorney-in-Fact

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 Marie L. Long (SEAL)



**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

**CAPACITY CLAIMED BY SIGNER**

- INDIVIDUAL
- CORPORATE OFFICER  
\_\_\_\_\_  
TITLE(S)
- PARTNER(S)       LIMITED
- GENERAL
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DESCRIPTION OF ATTACHED DOCUMENT**

\_\_\_\_\_  
TITLE OF TYPE OF DOCUMENT

\_\_\_\_\_  
NUMBER OF PAGES

November 25, 2013  
DATE OF DOCUMENT

**SIGNER IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
SIGNER(S) OTHER THAN NAMED ABOVE

POWER OF ATTORNEY

LX- 078308

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint:

Brook T. Smith, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Barbara Duncan,\*\*\*\*\*

Sandra L. Fusinetti, Mark A. Guidry, Jill Kemp, Jackie C. Koestel, Lynnette Long, Amy Meredith, Deborah Neichter, Sheryon Quinn, Dawson West, Bonnie J. Wortham

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, 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 LEXON INSURANCE COMPANY on the 1st day of July, 2003 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 not to exceed \$4,000,000.00 Four Million\*\*\*\*\* 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 Assistant Secretary, 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 of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



LEXON INSURANCE COMPANY

BY [Signature] David E. Campbell President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who be duly sworn, did depose and say that he is the President of LEXON 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.



AMY L. TAYLOR Notary Public- State of Tennessee Davidson County My Commission Expires 01-09-16

BY [Signature] Amy L. Taylor Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the forgoing 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 Seal at Mount Juliet, Tennessee this 25th Day of November, 2013.



BY [Signature] Andrew Smith Assistant Secretary

“WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files and application for insurance of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”