

**SETTLEMENT AGREEMENT FOR THE
DAY DAWN VISTA PROJECT**

This Settlement Agreement (“Agreement”) is made and entered into this _____ day of _____, 2011, by and between the City of Las Vegas, a municipal corporation in the State of Nevada (“City”) and Developers Surety and Indemnity Company, a California corporation (“DSI”). The City and DSI are individually or collectively referred to herein as the “Party” or “Parties.”

RECITALS

WHEREAS, on May 4, 2005, the City and Day Star Ventures, LLC (“Developer”), entered into an Off-Site Improvements Agreement, attached hereto as Exhibit A and incorporated herein by this reference, to construct off-site improvements associated with construction of Day Dawn Vista (the “Project”); and

WHEREAS, consistent with the City’s Municipal Code, DSI posted an Off-Site Improvements Performance Bond (“Bond”), attached hereto as Exhibit B and incorporated herein by this reference, to guarantee the completion of the improvements should the Developer fail to perform its obligations under the Off-Site Improvements Agreement; and

WHEREAS, the Developer failed to perform its obligations in the Off-Site Improvements Agreement and DSI has agreed, through its contractor KBeech, to complete the Developer’s obligations;

NOW, THEREFORE, in consideration of the foregoing facts and terms, conditions and covenants set forth below, the Parties hereto agree as follows:

**ARTICLE I
ITEMS OF WORK**

DSI, through its contractor KBeech, agrees to complete all items listed in the KBeech construction estimate, attached hereto as Exhibit C and incorporated herein by this reference (the “Work”).

The City agrees that completion of the Work by KBeech and acceptance by the City fulfills the Developers and DSI’s obligations under the Off-Site Improvements Agreement.

**ARTICLE II
WORK WARRANTY**

Upon acceptance of Work by the City and written request by DSI, 90% of the Bond will be released with the 10% remainder to be held by the City for a period of one year after acceptance of the Work (the “Warranty Period”) to insure that the Work does not have any latent defects or damage as determined by the City and that such Work continues to meet City standards. All terms of the Bond remain in effect throughout the Warranty Period.

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ARTICLE II RELEASE

Subject to completion of any Warranty Period repairs required by the City and completion of the Warranty Period, the City agrees to immediately, fully and completely exonerate the remaining 10% of the Bond and to release DSI from all claims, foreseen or unforeseen, related to the Project.

ARTICLE IV REPRESENTATION AND WARRANTY

The Parties hereby represent and warrant they have not heretofore assigned or transferred, or purported to assign or transfer, to any person not a party hereto, claims or rights as to any of the matters released and referenced herein, or any part or portion thereof. The Parties further agree to indemnify and hold each other, their officers, employers, agents, representatives, and consultants harmless from and against any claim, demand, damage, liability, accounting, reckoning, obligations, costs, expense, lien, action or cause of action (including the payment of attorneys' fees and costs actually incurred, whether or not litigation has been commenced), arising out of any such assignment or transfer in violation of this representation and warranty. KBeech further agrees to defend, indemnify and hold the City or its officers harmless from any claims or causes of action, known or unknown, from KBeech's subcontractors of any tier, and material suppliers related to the construction of the items of work contained in Exhibit C. The City agrees to notify KBeech immediately of any claims or causes of action, which are served or received by it. KBeech's obligation to defend the City commences once notified by the City or once it is notified by the claimant or litigant.

ARTICLE V NO ADMISSION OF LIABILITY

It is further understood that this Agreement is a compromise of disputed claims existing between the Parties and the execution of this Agreement is not to be construed as an admission of liability on the part of Parties and the Parties deny liability therefore and that this Agreement intends merely to avoid the cost of further litigation and buy its peace.

ARTICLE VI COVENANT NOT TO SUE

Upon completion of all of the terms of this Agreement by all Parties, including fulfillment of warranty obligations, the Parties covenant and agree they will forever refrain from instituting, prosecuting, maintaining, proceeding on or advising a lawsuit or arbitration action be commenced against the other which arises out of, or is or may be, in whole or in part, based upon, related to, or connected with the Off-Site Improvements Agreement and Bond for the Project.

ARTICLE VII MISCELLANEOUS

1. Each Party has received independent legal advice from its attorney with respect to the advisability of making the settlement provided for herein and the execution of this Agreement.

2. Neither Party, nor any officer, agent, council member, partner, employee, representative, trustee or attorney of or for any Party, has made any statement or representation to the other Party regarding any fact relied upon entering into this Agreement and each Party is not relying upon any statement, representation or promise of the other Party, and officer, agent, council member, partner, employee, representative, trustee or attorney of the Party in executing this Agreement, or in making the settlement provided for herein, except as expressly stated in this Agreement.
3. Each Party to this Agreement has made such investigations of the facts pertaining to this Agreement and the settlement set forth herein, and all of the matters pertaining thereto, as it deems necessary.
4. Each Party, or responsible representative thereof, has read this Agreement and understands the contents thereof. The persons executing this Agreement on behalf of the Party is empowered to do so and thereby bind the Party.
5. In entering into this Agreement and the settlement provided for herein, each Party assumes the risk of any misrepresentation or mistake. This Agreement is intended to be, and hereby is, final and binding upon the Parties, regardless of any claims of misrepresentations, promise made without intent to perform, concealment of act, mistake of fact or law, or of any other circumstance whatsoever.
6. Each Party warrants and represents that (i) this Agreement in its reduction to final written form is a result of extensive good faith arms length negotiations between the Parties through their respective representatives; (ii) said representatives have carefully reviewed and examined this Agreement for execution by the Parties, or any of them; and (iii) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Agreement.
7. The Parties acknowledge that this Agreement represents a good faith settlement between the Parties, and is intended to bar all future claims by the Parties that are related to the Off-Site Improvements Agreement and Bond.
8. The prevailing party in any action brought to enforce the terms of this Agreement shall be entitled to its reasonable attorneys' fees and costs incurred in enforcing this Agreement.
9. This Agreement shall be deemed to have been executed and delivered within the State of Nevada, and the rights and obligations of the Parties hereto shall be construed and enforced in accordance with and governed by the laws of the State of Nevada. Claims to enforce this Agreement are subject to arbitration in accordance with the rules of the American Arbitration Association.
10. This Agreement is the entire agreement between the Parties with respect to the Project, and supersedes all prior and contemporaneous oral and written agreements and discussions.
11. This Agreement is binding upon and shall inure to the benefit of the Parties hereto and each of their present and former respective heirs, successors in interest, agents, employees, servants, principals, council members, assigns, assignors, executors, guarantors, attorney's associates, affiliates and/or any other person or entity otherwise related or connected to the parties to this Agreement.

12. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable for whatever reason, the remaining provisions not so declared shall, nevertheless, continue in full force and effect, without being impaired in any manner whatsoever.
13. Counterparts; Electronic Delivery. This Agreement may be executed in counterparts, all such counterparts will constitute the same Agreement and the signature of any party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter.
14. The Parties hereby certify that each has read all of the Agreement and fully understand the same.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

CITY OF LAS VEGAS

By: _____
Carolyn G. Goodman, Mayor

ATTEST:

By _____
Beverly K. Bridges, MMC, City Clerk Date

APPROVED AS TO FORM:

By _____
Deputy City Attorney Date

**DEVELOPER'S SURETY AND
INDEMNITY COMPANY**

By: _____

Name: _____

Title: _____

NOTARY ACKNOWLEDGEMENTS ON NEXT PAGE

**SETTLEMENT AGREEMENT FOR THE
DAY DAWN VISTA PROJECT**
Notary Acknowledgements

STATE OF NEVADA)
)ss.
COUNTY OF CLARK)

 This instrument was acknowledged before me on the _____ day of _____, 2011 by
Carolyn G. Goodman as Mayor of the City of Las Vegas, a Nevada municipal corporation.

Notary Public

Developers Surety and Indemnity Company
Notary Acknowledgment Attached

EXHIBIT A

OFF-SITE IMPROVEMENTS AGREEMENT

OFF-SITE IMPROVEMENTS AGREEMENT

(Subdivision)

THIS AGREEMENT, made and entered into this 4th day of MAY, 2005, by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada (hereinafter referred to as the "City"), and **DAY STAR VENTURES, LLC 6985 WEST SAHARA AVENUE, #201, LAS VEGAS, NEVADA 89117-2822** (hereinafter referred to as "Owner").

WITNESSETH:

WHEREAS, the Owner is the owner of a certain real property that is located within the corporate boundaries of the City generally located on the **SOUTHWEST CORNER OF FORT APACHE ROAD AND DEER SPRINGS WAY** (the "Property" herein); and

WHEREAS, the Planning Commission of the City, at a meeting thereof that was held **JUNE 10, 2004**, conditionally approved the tentative map of **DAY DAWN VISTA** proposed subdivision of the Property; and

WHEREAS, City of Las Vegas staff on **OCTOBER 4, 2004** received the final map of **DAY DAWN VISTA**, the approval of which is subject to the construction and installation of certain off-site improvements (the "Improvements" herein), as the same are required by Title 18 of the Las Vegas Municipal Code and as the same are generally referenced in the Bond Estimate form that is attached hereto, and by this reference made a part hereof and which will be finally and fully described in the plans and specifications required in paragraph 2, and, as a condition precedent to the recording of such final map, required the execution by the Owner of an agreement that provides for the construction and installation by the Owner of the Improvements; and

WHEREAS, by its execution of this Agreement, the Owner intends to bind and obligate itself and its heirs, successors and assigns to install the Improvements in the manner and at the times that are hereinafter set forth;

NOW, THEREFORE, for and in consideration of the premises, of the mutual promises and agreements that are hereinafter contained and of other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, said parties do hereby agree as follows:

1. COVENANT OF INSTALLATION AND WORKSITE CLEAN-UP: The Owner, for itself, its heirs, successors and assigns, hereby covenants and agrees that:

(A) At its sole cost and expense, the Owner shall install all of the Improvements strictly in accordance with plans and specifications that are approved by the City pursuant to Paragraph 2 hereof.

(B) Prior to the final acceptance of the Improvements by the City, and as a condition thereof, the Owner shall, at its sole cost and expense and to the City's satisfaction, remove all rubbish, trash, debris, surplus material and equipment from the area that is subject to this Agreement and the adjacent properties (collectively, the "Worksite" herein).

2. PLANS AND SPECIFICATIONS: The Owner agrees to submit to the City, and, prior to the commencement of the construction, obtain the approval of the City of the plans and specifications for the Improvements, including without limitation the street plans and profiles, typical street sections, sewer plans and profiles, electric light layout and architectural arrangements of the housing units. The Owner hereby assumes full and complete responsibility for the accuracy of such plans and specifications, and any subsequent approval thereof by the City shall not relieve the Owner of such responsibility.

3. NOTIFICATION AND INSPECTIONS:

(A) The Owner agrees to notify the City Engineer, not less than twenty-four (24) hours in advance of the time when such work is anticipated to commence, of the anticipated date and the hour for the commencement of work with respect to any of the following items:

- (1) Laying of utility lines and storm drains;
- (2) Backfilling of utility line trenches and storm drain trenches;
- (3) Placing concrete for curb, gutter, sidewalk, valley gutter storm drain structures, manholes and street lighting foundations;
- (4) Excavation for roadway;
- (5) Placing of Type I gravel base course;
- (6) Placing of Type II gravel base course;
- (7) Priming base course;
- (8) Placing asphalt concrete surfacing;
- (9) Sealing pavements (fog seal or open grade surfacing; and

(10) Installing street lighting.

(B) If, after such notice has been given, conditions develop that delay the commencement of such work for more than eight (8) hours, the Owner agrees to notify the City Engineer of such delay.

(C) It is understood and agreed that, should the Owner suspend work on any of such items for a period that is longer than overnight, Saturdays, Sundays and holidays excepted, a new notification shall be made to the City Engineer before work may recommence with respect to any of such items.

4. STATEMENT OF INSPECTION: Whenever the City Engineer, or his authorized representative, inspects any of the work that is described in Paragraph 3 above and finds that such work has been performed in a satisfactory manner for incorporation into the completed project, the City Engineer, or his authorized representative, shall issue a statement of inspection which shall permit the Owner to proceed with the next phase of the construction; provided, however, that the inspection and approval of any phase of the work shall not relieve the Owner of its responsibility for the proper construction, installation and maintenance of the work, materials and equipment, in accordance with the standards that are set forth in Paragraph 8 hereof, or abridge the right of the City to require the correction of faulty workmanship or the replacement of defective materials at any time during the course, or subsequent to the completion, of the work, notwithstanding the fact that the construction has proceeded according to plans and specifications that have been approved by the City. Ordinarily, not less than one continuous block of any item of the work will be inspected or approved. Should subsurface conditions, including without limitation excess water, clay salts, voids or similar defects, subsequently be discovered, the City may require the Owner, at the Owner's sole cost and expense, to alter its plans and specifications for any further construction or to correct, change or reconstruct the area that is affected by such conditions, or to take both of such actions.

5. UTILITIES: The Owner agrees, at its sole cost and expense, to make any adjustment in the construction and installation of the Improvements which is necessary in order to accommodate the location of all existing utilities or, in the alternative and with the approval of the utility company that owns such utilities, to adjust such utilities in order to avoid any conflict between them and the Improvements.

6. MAPS AND PLANS: The Owner agrees to furnish the City, upon the completion of

the Improvements, the following information:

- (a) A map which accurately depicts by lettered dimensions the location of all manholes, the location, size and depth of all sewer mains and the location of all laterals and wyes for the connection of house service lines;
- (b) Street plans and profiles;
- (c) Sewer plans and profiles;
- (d) Street section plans;
- (e) Electrical light layout plans; and
- (f) Such other plans, drawings or maps as may be requested by the City Engineer.

7. FINAL APPROVAL:

(A) The City shall not approve or accept the Improvements as a completed project, notwithstanding any prior approval, pursuant to Paragraph 4 above, of any phase of the construction until a final inspection has been made by the City Engineer and he is satisfied that all of the work thereon has been performed in a satisfactory manner. The City hereby reserves the right to require the correction by the Owner of any portion of the Improvements that does not comply with the standards that are set forth in Paragraph 8 hereof.

(B) It is expressly understood and agreed by the Owner that final inspection and the approval by the City of the Improvements do not relieve the Owner of its responsibility for latent defects in the work.

8. STANDARDS OF CONSTRUCTION AND INSTALLATION: The Owner agrees that the construction and installation of the Improvements shall be in accordance with all applicable ordinances and regulations of the City, including without limitation the Uniform Standard Drawings for Public Works Construction, Clark County Area, and the Uniform Standard Specifications for Public Works Construction, Clark County Area, that are in effect on the date of the execution of this Agreement.

9. DATE OF COMPLETION: The construction of the Improvements shall commence within 30 days after the date of approval of the plans and specifications required in paragraph 2 hereof and shall be completed, and all rubbish, trash, debris, surplus material and equipment removed from the Worksite, within 13 months after the execution of this agreement.

10. DEFAULT: In the event the Owner fails to complete the Improvements and the clean-up of the Worksite within the period that is prescribed in Paragraph 9 above, the City may, at its option, proceed to complete the Improvements and to remove all rubbish, trash, debris, surplus material and equipment from the Worksite at the expense of the Owner or pursue its remedies under the performance security that is provided for in Paragraph 11 hereof, or take both of such actions.

11. PERFORMANCE SECURITY:

(A) In order to secure the faithful performance of all of the terms, conditions and covenants of this Agreement, the Owner agrees to execute and deliver to the City a performance bond which is issued by a surety company that is authorized to transact business within the State of Nevada and is in a form that is approved by the City Attorney. Said performance bond shall name the City as the obligee thereof, shall be in a penal sum that is equal to the estimated full cost of the Improvements, plus the estimated cost of the clean-up of the Worksite, shall be conditioned that the Owner shall complete the Improvements and the clean-up of the Worksite within the period that is provided in Paragraph 9 above or, in the event of the default of the Owner so to do, that the proceeds of said bond may, at the option of the City, be used for the payment of the completion of the Improvements and the clean-up of the Worksite upon the City's exercise of its option to complete the same and shall provide that any application to the surety for the release thereof shall not be granted unless such application is accompanied by a written statement by the City Engineer to the effect that all of the work that is required of the Owner hereunder has been completed in a satisfactory manner, is in full accordance with the terms hereof and has been accepted by the City.

(B) In lieu of providing the performance bond that is required by subparagraph (A) of this Paragraph 11, the Owner may:

- (1) Enter into an agreement with the City and a local financial institution that is acceptable to the City, which agreement shall provide, generally, that an amount that is equal to the estimated full cost of the Improvements, plus the estimated cost of the clean-up of the Worksite, has been deposited in or credited to an account with such financial institution and is dedicated specifically and solely for the purpose of securing the completion of the construction and installation of the Improvements and the removal of all rubbish, trash, debris, surplus material and equipment from the Worksite and that such financial institution will not disburse funds from such

- account except upon requests that are signed jointly by the Owner and the City and will retain ten percent (10%) of the funds in such account until it receives a written statement by the City Engineer to the effect that all of the work that is required of the Owner hereunder has been completed in a satisfactory manner, is in full accordance with the terms hereof and has been accepted by the City;
- (2) Deliver to the City a first deed of trust, which names the City as the beneficiary thereof, on real property that is situated within or near the corporate boundaries of the City and has an appraised value that is equal to at least one hundred forty percent (140%) of the estimated full cost of the Improvements, plus the estimated cost of the clean-up of the Worksite, and in which the Owner or the trustor, if someone other than the Owner owns the real property that is subject to such deed of trust, acknowledges that such deed of trust is given to the City as security for the faithful performance by the Owner of all of the terms, conditions and covenants on its part to be performed pursuant to this Agreement; or
- (3) Pursuant to and in accordance with a deposit agreement, deposit with the City, in cash or in government securities that are approved by the City, an amount that is equal to the estimated full cost of the Improvements, plus the estimated cost of the clean-up of the Worksite.

12. DELIVERY: Upon the Owner's delivery to the City of the performance security that is required in Paragraph 11 above, and the acceptance thereof by the City, the City shall perform all such acts as may be appropriate in order to permit the Owner's final map to be recorded in the Office of the County Recorder of Clark County, Nevada.

13. CERTIFICATE OF OCCUPANCY: The City may, at its option, refuse to issue any certificate of occupancy with respect to the Property until such time as the Improvements have been fully constructed and installed and approved and accepted by the City.

14. PERFORMANCE OF ADDITIONAL AGREEMENTS: The Owner further agrees

that, in addition to its performance of all of the terms, conditions and covenants on its part to be performed under this Agreement, it will faithfully comply with all the conditions that may have been imposed by the Planning Commission or the City Council, or both, in order to obtain approval for the final map.

15. RESPONSIBILITY FOR THE WORKSITE: The Owner hereby assumes all responsibility for protecting and caring for the work and maintaining the Worksite and all other areas in which any construction work in connection with the development of the Property is performed in a safe and secure manner from the date of the execution of this Agreement until the date of the final acceptance by the City of the Improvements. The responsibilities that are assumed herein by the Owner shall include without limitation the responsibility to keep the Worksite free and clear of dangerous accumulations of rubbish, trash and debris and to install and maintain, in a sufficient number, proper barricades, traffic controls, lights, excavation covers and similar protection devices.

16. INDEMNIFICATION:

(A) The Owner hereby agrees to protect, indemnify and hold the City, its officers, agents and employees, harmless from and against any and all claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, attorneys' fees and court costs which the City, its officers, employees or agents, may suffer, or which may be sought against, or are recovered or obtainable from, the City, its officers, employees or agents, as a result of, or by reason of, or arising out of or in consequence of any act or omission, negligent or otherwise, of the Owner or its contractor, subcontractors, agents or anyone who is directly or indirectly employed by, or is acting in concert with, the Owner, its contractor, subcontractors or agents in the construction or installation of the Improvements.

(B) In this connection, the Owner expressly agrees, at its sole cost and expense, to defend the City, its officers, employees and agents, in any suit or action that may be brought against it or them, or any of them, by reason of any act or omission, negligent or otherwise, against which the Owner has agreed to indemnify the City, its officers, employees and agents. If the Owner fails so to do, the City shall have the right, but not the obligation to defend same and to charge all of the direct and incidental costs of such defense, including attorneys' fees and court costs, to the Owner, and the City may recover such costs,

or such portion thereof as may be available, from the performance security that it holds pursuant to Paragraph 11 above, if such security has not theretofore been exhausted or released.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives the day and year first above written.

CITY OF LAS VEGAS



OSCAR B. GOODMAN, Mayor
The "City"

Approved as to form:

 5/4/05

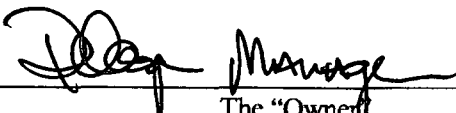
Deputy City Attorney Date

ATTEST:



Barbara Jo Ronemus, City Clerk

DAY STAR VENTURES, LLC

By: 

The "Owner"

6985 WEST SAHARA AVENUE, #201
LAS VEGAS, NEVADA 89117-2822

CERTIFICATE

I, Paul Wagner, certify that I am a (the)
Manager of the limited liability company named as Owner in the foregoing
Agreement; that Paul Wagner, who signed said Agreement on behalf of the Owner was then a
(the) Manager of that company; and that he or she was duly authorized to sign
said Agreement for and in behalf of that company.

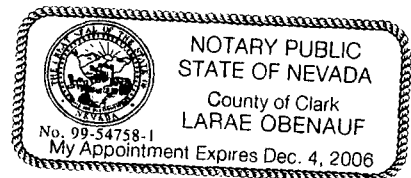
OWNER

[Signature]
(Manager, Agent or Member)

STATE OF Nevada,
COUNTY OF Clark } ss.

On this 3rd day of May, 2005, before me personally
appeared Paul Wagner, known or proved to me to be the person who executed the
above instrument, who acknowledged that he is a (the) Manager
of Day Star Ventures, the company named as Owner above, and that he
executed the foregoing instrument on behalf of said company for the purposes therein stated.

Larae Obenauf
NOTARY PUBLIC
IN AND FOR SAID COUNTY AND STATE



BOND ESTIMATE REPORT

PROJECT NAME DAY DAWN VISTA		DRWG#		PERMIT# 000000		
X STREETS SWC FORT APACHE RD/DEER SPRINGS WY				PROJECT# 7515		
ADDRESS				LOTS 94	ACRES	15.17
ITEM	DESCRIPTION	QUANTITY	UNIT	UN PRICE	LINE COST	
02	8" SEWER	3781.00	LF @	15.00	56,715.00	
06	MANHOLES OVER 6'	13.00	EA @	1800.00	23,400.00	
09	8" WATER	2843.00	LF @	15.00	42,645.00	
13	WATER SERVICE	96.00	EA @	420.00	40,320.00	
14	FIRE HYDRANT	8.00	EA @	1800.00	14,400.00	
16	CURB & GUTTER	8611.00	LF @	4.85	41,763.35	
17	VALLEY GUTTER	3714.00	SF @	4.25	15,784.50	
19	SIDEWALK	43055.00	SF @	1.80	77,499.00	
20	HANDICAP RAMP	19.00	EA @	250.00	4,750.00	
21	SIDEWALK UNDERDRAIN	3.00	EA @	825.00	2,475.00	
22	TYPE I GRAVEL BASE	4882.00	CY @	9.50	46,379.00	
23	TYPE II GRAVEL BASE	2568.00	CY @	9.50	24,396.00	
24	2" A. C. PAVING	10744.00	SY @	4.30	46,199.20	
26	4" A. C. PAVING	5520.00	SY @	7.50	41,400.00	
27	5" A. C. PAVING	3095.00	SY @	9.30	28,783.50	
29	POWER SERVICE-RS	94.00	EA @	575.00	54,050.00	
30	TELEPHONE SERVICE-RS	94.00	EA @	250.00	23,500.00	
32	STREETLIGHT-STD BASE	41.00	EA @	1900.00	77,900.00	
34	SURVEY MONUMENTS	85.00	EA @	465.00	39,525.00	
39	STREET/STOP SIGNS	13.00	EA @	110.00	1,430.00	
40	GAS TO LOTS - RS	94.00	EA @	475.00	44,650.00	
41	CABLE TO LOTS - RS	94.00	EA @	250.00	23,500.00	

BOND ESTIMATE REPORT

PROJECT NAME DAY DAWN VISTA

DRWG#

PERMIT# 000000

X STREETS SWC FORT APACHE RD/DEER SPRINGS WY

PROJECT# 7515

ADDRESS

LOTS 94

ACRES 15.17

ITEM	DESCRIPTION	QUANTITY	UNIT	UN PRICE	LINE COS
42	36" RCP	683.00	LF @	115.00	78,545.00
42	18" RCP	32.00	LF @	85.00	2,720.00
42	18" C905	169.00	LF @	60.00	10,140.00
42	3' DI	3.00	EA @	3300.00	9,900.00
42	15' DI	1.00	EA @	7500.00	7,500.00
42	SDMH	4.00	EA @	2200.00	8,800.00
42	BUS TURNOUT	1720.00	SF @	4.25	7,310.00

	PUBLIC	PRIVATE
ESTIMATED COST	896,379.55	.00
10% CONTINGENCIES	89,637.96	.00
TOTAL	986,017.51	.00

INSPECTION FEES		
FIRST \$25,000.00 (3.0%)	750.00	.00
NEXT \$75,000.00 (2.75%)	2,062.50	.00
OVER \$100,000.00 (1.5%)	13,290.26	.00
TOTAL INSPECTION FEE		16,102.76
PLANS CHECK FEE (\$500 MIN) 1.25%		12,325.22
DAYS WITHOUT PERMIT FEE		.00
SUB. FM \$100.00 + \$10.00/LOT		1,040.00
IMPROVEMENT AGREE FEE (\$100)		100.00
TOTAL FEES ****		29,567.98

GRAND TOTAL
986,017.51

Approved Bond Estimate
\$ 986,000.00

K/By
9/30/04

- 12,568.91
+ 1,650.00 9/30
+ 25.00 ENCH

\$18,674.07 OWING
10/5/04

* Fees paid

Encroachment
w/ M. chad Riggo.

EXHIBIT B

PERFORMANCE BOND

**OFF-SITE IMPROVEMENTS AGREEMENT
PERFORMANCE BOND**

LD PROJECT# 7515
BOND NUMBER 864417S
DATE EXECUTED APRIL 27, 2005

IMPORTANT: SURETY COMPANIES EXECUTING BONDS MUST BE LICENSED TO ISSUE SURETY BY THE STATE OF NEVADA INSURANCE DIVISION PURSUANT TO NEVADA REVISED STATUTE 683A.090 AND BONDS MUST BE ISSUED BY AN APPOINTED AGENT PURSUANT TO NEVADA REVISED STATUTE 683A.280. NOTE: INDIVIDUAL SURETY BONDS ARE NOT ACCEPTABLE.

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned PRINCIPAL AND SURETY, are held and firmly bound unto the City of Las Vegas, Nevada, the obligee of this bond hereinafter referred to as the CITY, in the penal sum of Nine Hundred and Eighty Six Thousand and no/100* *** DOLLARS, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas the PRINCIPAL is entering into a certain contract with the CITY, entitled OFF-SITE IMPROVEMENTS AGREEMENT, a copy of which is attached hereto and incorporated herein;

NOW THEREFORE, if said PRINCIPAL shall well and truly perform and fulfill all undertakings, covenants, terms and conditions and agreements of said contract during the original term of said contract, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, that any modifications in the work to be done or the materials to be furnished, which may be made pursuant to the terms of said Contract, shall not in any way release either said PRINCIPAL or said SURETY hereunder, nor shall any extensions of time granted under the provisions of said Contract release either said PRINCIPAL or said SURETY, and notice of such modifications or extensions of the Contract is hereby waived by said Surety.

SIGNED this 27th day of APRIL, 200 5

Countersigned resident agent in Nevada.
Pursuant to Nevada Revised Statute 680a.300:

STEPHEN A. LEMOND
(Resident Agent)

4087

(State of Nevada, License Number)

STEPHEN A. LEMOND
(Appointed Agent Name)

By: Stephen A. Lemond
(Signature)

Address: 5550 West Flamingo Suite A-1

Las Vegas, Nevada 89103

Telephone: 702-699-5569

SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY

DAY STAR VENTURES, LLC

(PRINCIPAL)

PAUL WAGNER, MANAGER
(Authorized Representative and Title)

By: [Signature]
(Signature)

Surety: Developers Surety and Indemnity Company

12819

(State of Nevada, License Number)

Romeo C. Celaya

(Appointed Agent Name)

By: [Signature]
(Signature)

Address: 950 W. Elliot Road, Suite 103

Tempe, Arizona 85284

Telephone: 1-800-513-3426

ISSUING COMPANY MUST HOLD CERTIFICATES OF AUTHORITY AS ACCEPTABLE SURETY ON FEDERAL BONDS AND AS ACCEPTABLE REINSURING COMPANY WITH LISTING IN THE DEPARTMENT OF TREASURY, FISCAL SERVICE, (DEPARTMENT OF CIRCULAR "570". CURRENT REVISIONS).

PO BOX 19725, IRVINE, CA 92623 (949) 263-3300

Romeo C. Celaya, Randolph Anton, jointly or severally

ID-1380 (Rev. 2/05)



DISCLOSURE RIDER

Terrorism Risk Insurance Act of 2002

The Terrorism Risk Insurance Act of 2002 created a three-year program under which the Federal Government will share in the payment of covered losses caused by certain events of international terrorism. The Act requires that we notify you of certain components of the Act, and the effect, if any, the Act will have on the premium charged for this bond.

Under this program, the Federal Government will cover 90% of the amount of covered losses caused by certified acts of terrorism, as defined by the Act. The coverage is available only when aggregate losses resulting from a certified act of terrorism exceed \$5,000,000.00. Insurance carriers must also meet a variable deductible established by the Act. The Act also establishes a cap of \$100 billion for which the Federal Government or an insurer can be responsible.

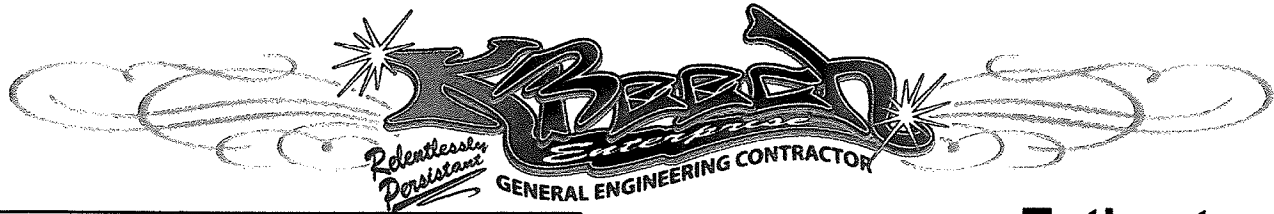
Participation in the program is mandatory for specified lines of property and casualty insurance, including surety insurance. The Act does not, however, create coverage in excess of the amount of the bond, nor does it provide coverage for any losses that are otherwise excluded by the terms of the bond, or by operation of law.

No additional premium has been charged for the terrorism coverage required by the Act.

Developers Surety and Indemnity Company
Indemnity Company of California
17780 Fitch, Suite 200
Irvine, CA 92614
(949) 263 3300
www.InscoDico.com

EXHIBIT C

KBEECH CONSTRUCTION ITEMS AND ESTIMATE



NAME / ADDRESS

The INSCO DICO Group
17780 Fitch, Suite 200
Irvine, CA 92614-6060

Estimate

DATE

ESTIMATE #

6/7/2011

3889R

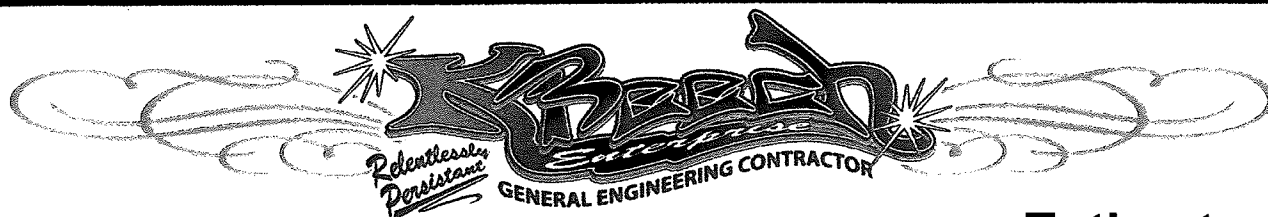
PROJECT

(11987)Day Dawn Vista (Bond)

ITEM	DESCRIPTION	QTY	RATE	TOTAL
Prefinal Clean	Labor for clean up and water truck clean and flow	1		
24" L Curb	24" L Curb or Roll Curb (lf) R/R	792		
4" Sidewalk	4" Sidewalk (sf) R/R	400		
4"sidewalk	4" Sidewalk S.F. subgrade and TYII (New)	18,960		
6" Approach	6" Approach or sidewalk (sf) R/R	304		
6" approach	6" approach S.F. subgrade and TYII (New)	2,540		
ADA H/C RAMP	ADA Case III Handicap Ramp	435		
ADA H/C RAMP	ADA Case III Handicap Ramp. Subgrade and TY II (New)	330		
ADA TILES	ADA Truncated Warning Tiles	10		
ADA H/C RAMP	ADA Case I Handicap Ramps per City of Las Vegas Town Center Standards W/Colored sidewalk (Red)	992		
Misc	Pavers @ ADA's. Per City of Las Vegas Town Center Standards	452		
Valley Gutter	Valley Gutter /Spandrel/Easement (sf) R/R	3,392		
Collar Large	Large collars (ea) R/R	60		
Collars Small	Small collars (ea) R/R	88		
Drop inlet deck/	R/R drop inlet deck/throat	14		
Sidewalk unde	R/R Sidewalk Underdrain (ea)	1		
Welding	Tac Welding Sidewalk Underdrain Plate (2 Hour Minimum)	2		
Utility Lids	Utility Box/Lids (Various)	1		
Blue Dot	Paint/Blue Dot (per f.h.)	2		
Bollards	Place 4", cap, prep, and paint	10		
Silicone	Silicone (lf)	228		
Water Truck	Water Truck (per hour)	21		
Percol	Per Gallon Estimate	6		
Patching	Concrete Patching (Per Hour)	100		
General Labor	General Labor (Per Hour)	125		
Jones Valve	Construction water at site	1		
2" Patching	2" Asphalt Patching Per S.F.	224		
3" Patching	3" Asphalt Patching Per S.F.	208		
4" Patching	4" Asphalt Patching Per S.F.	255		
Slurry Seal	Slurry Seal (per sf)	106,517		
Concrete	City of Las Vegas Standard Drawing Amenity Zone	1,140		
Geotech	Geo-technical required to establish proctors for subgrade at new sidewalk and ADA Ramp locations including testing on interior streets of project, Fort Apache, Deer Springs and Echelon Point. This cost also includes reports.			
Due to unpredictable increases in materials, this estimate will be honored for 30 days.		TOTAL		

ESTIMATE ACCEPTED BY: _____

3903 W. MARTIN AVE LAS VEGAS, NV 89118 • OFFICE 702-260-0349 • FAX 702-260-4562**GENERAL ENGINEERING CONTRACTOR • BOND EXONERATION • CONCRETE DIVISION • LICENSE 0045698 / 0045699 • BONDED • INSURED**

**Estimate**

NAME / ADDRESS
The INSCO DICO Group 17780 Fitch, Suite 200 Irvine, CA 92614-6060

DATE	ESTIMATE #
6/7/2011	3889R

PROJECT

(11987)Day Dawn Vista (Bond)

ITEM	DESCRIPTION	QTY	RATE	TOTAL
Survey	Complete survey monument and submit monument tie map to CLV for approval.			
Electrical	All Electrical corrections to be facilitated by KBeech. The following cost was generated by Street Light Punch-list dated November 10, 2010 by Brad Schirmer CLV inspector. 1) Remove and replace (33) pullboxes/crash caps. 2) Generate and provide traffic as-builts to CLV. 3) (1) 400W head on the S/W corner of Deer Springs and Fort Apache. 4) Boom truck to repair and level street light heads. 5) Missing tracer wire. 6) Pull feeder wire and energize meter pedestal at S/W corner of Deer Springs and Fort Apache.	1		
Miscellaneous	A/C Deviation-The following is to core and isolate thin core #07169D. If the thin area is small, NO corrections will be required. If it is large, CLV will require a A/C patch. The patch size and cost is undetermined at this time. Includes Labor and Materials.	1		
Miscellaneous	A/C Density Deviations-The following is a Penalty cost established upon cores taken with a failing average density on Fort Apache. Required Density percentage is 91.5%, average is 90.2% difference of 1.3%. This penalty will be paid to City of Las Vegas.	1		
Traffic	All Traffic corrections to be completed by Highway Striping and Signs and facilitated by KBeech.	1		
Barricading	Barricading required on Deer Springs, Grand Teton and Echelon Point to be facilitated by KBeech	1		
Televise	Televise Storm and or Sewer lines as per requested. Equipment & Labor billed per hour - includes operator and laborer).	0		
Misc	Storm Drain corrections per CLV punchlist dated 5/23/2011. Clean, chip to inferior product and install approved grout at all joints throughout 18" RCP. Includes labor, materials and equipment.	1		
Vactor Truck	Clean storm drain system and all drop inlets (2 hour minimum. Equipment & Labor billed per hour - includes operator and laborer).	0		
Confined Entry	Access storm drain/sewer man holes/drop inlets and pipe to allow completion of televising. (Per hour)	0		
Dump Fee	Dispose of debris at Apex (per trip)	0		
Water Fee	Water used in jetting Storm Drain Lines. Per 1500 gallons	0		
Due to unpredictable increases in materials, this estimate will be honored for 30 days.		TOTAL		

ESTIMATE ACCEPTED BY: _____

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Estimate

NAME / ADDRESS
The INSCO DICO Group 17780 Fitch, Suite 200 Irvine, CA 92614-6060

DATE	ESTIMATE #
6/7/2011	3889R

PROJECT

(11987)Day Dawn Vista (Bond)

ITEM	DESCRIPTION	QTY	RATE	TOTAL
Final Clean	Labor and water truck for clean up and flow test for final inspection. (Estimated based on prefinal clean costs)	1		
Management	Schedule and attend all inspections and meetings with governmental entities, engineers and contractors. Compile information required for bond exoneration and attend meetings with Developers. Correspondence with warranty subcontractors, organization and distribution of required warranty corrections. Monitoring completion of required warranty corrections for developer. Notification to homeowners of concrete removal and replacement done by KBeech Enterprise. Obtain all required finals (Public Works, LVVWD, Fire, Sanitation, Power, Survey, NDOT, asphalt results, etc. as needed) to enable completion of Bonded line items. (Per Lot fee)			
Miscellaneous	10% Discount given due to the state of the economy for loyal customer. NOTES: EXCLUSIONS 1) Irrigation/landscape 2) Retaining/Block walls 3) Wrought Iron Fencing 4) Items not specifically listed 5) A/C Density Deviations-This item has already been resolved by PM's Jorge Sosa and Steve Combs. After field meetings with our geotek and CLV inspectors to isolate for thin cores we found there were none. And due to insufficient information as Steve pointed out on the low densities all fees and penalties were waived. This line item shows as a negative item.			
Due to unpredictable increases in materials, this estimate will be honored for 30 days.		TOTAL		

ESTIMATE ACCEPTED BY:

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