

Appendix Q

Agency Aon Risk Services

Address 1901 Main Street

Irvine, CA 92614

Bond No. 834487C

Permit No. 199915459-RRS

Premium \$ 8,800.00

PERMIT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That Ashby USA, LLC

as, and hereinafter without regard to gender and number,
called PRINCIPAL, and Developers Surety and Indemnity Company

a corporation authorized to do business in the State of California and presently possessed of authority under Title 8 of the United States Code to do business under Sections 6 to 13 thereof, in the aggregate amounts hereof, as SURETY, are held and firmly bound unto U.S. Army Corps of Engineers
in the sum of

Five hundred fifty thousand and no/100

DOLLARS (\$550,000.00), for the payment of which sums well and truly to be made, the said Principal and their said Surety hereby bind themselves and all and singularly their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

Signed, sealed with our seals, and dated this 6th day of March, 2003.

THE CONDITION OF THIS OBLIGATION is such that if the said Principal shall faithfully perform the covenants, conditions and agreements contained in a certain Permit about to be issued to said Principal, then the obligation with respect to the faithful performance of said Permit shall be void, otherwise to remain in full force and effect.

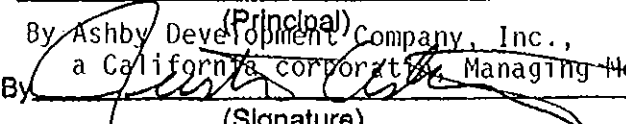
If the said Principal or his subcontractors, their heirs, executors, administrators, successors and assigns shall fail to pay for any materials, provisions, provender, or other supplies or items used in, upon, for or about the performance of the work permitted to be done, or for any work or labor thereon of any kind, then said Surety will pay the same in or to an amount not exceeding the amount hereinabove specified to be for the benefit of laborers and materialmen, and also will pay, in case suit is brought upon this bond, such reasonable attorney's fee as shall be fixed by the court, awarded and taxed as provided by law.

This bond, to the extent of the obligation hereof with respect to laborers and materialmen, shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Division Three, Part 4, Chapter 2 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.

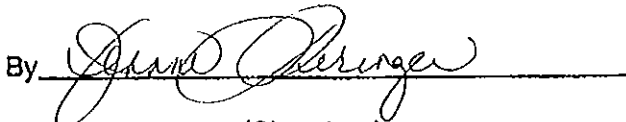
And the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Permit or to the work to be performed thereunder or the specifications accompanying the same shall in any wise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alterations or addition to the terms of the Permit or to the work or to the specifications.

IN WITNESS WHEREOF, the said Principal and Surety have executed this instrument the day and year first hereinabove written.

ASHBY USA, LLC


By (Principal)
Ashby Development Company, Inc.,
a California corporation, Managing Member

(Signature)

JUSTIN K. ASHBY, PRESIDENT
(Print Name & Title)

By 
(Signature)

JEANINE DERINGER, SECRETARY
(Print Name & Title)

DEVELOPERS SURETY AND INDEMNITY COMPANY
Surety

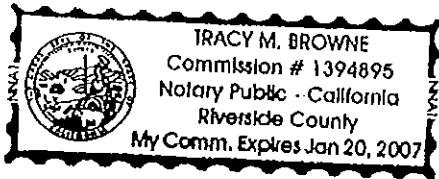
By 
Rhonda C. Abel Attorney-in-Fact

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Riverside } ss.

On 3-7-03 before me, Tracy M. Browne, Notary Public
Date Name and Title of Officer (e.g., Jane Doe, Notary Public)
personally appeared Justin K. Ashby & Jeanne Deringer
Name(s) of Signer(s)

personally known to me
 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.

Tracy M. Browne
Signature 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: Permit Performance Bond - 404 Perm

Document Date: 3-6-03 Number of Pages: 2

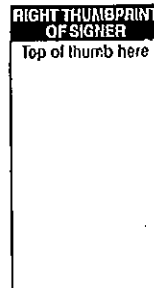
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



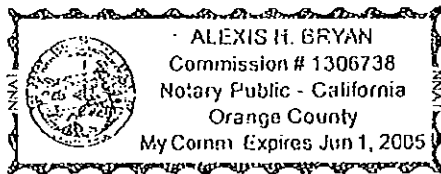
State of California

County of Orange

On March 6, 2003 before me, Alexis H. Bryan, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Rhonda C. Abel
NAME(S) OF SIGNER(S)

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.

Alexis H. Bryan
SIGNATURE OF NOTARY

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

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

TITLE OR TYPE OF DOCUMENT

- _____
TITLE(S)
- PARTNER(S) LIMITED
 - TRUSTEE(S) GENERAL

NUMBER OF PAGES

- ATTORNEY-IN-FACT
- GUARDIAN/CONSERVATOR
- OTHER: _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA
PO BOX 19725, IRVINE, CA 92623 • (949) 263-3300

KNOW ALL MEN BY THESE PRESENTS, that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each severally, but not jointly, hereby make, constitute and appoint:

***Rhonda C. Abel, Suzanne Xiros, James A. Schaller, Mike Parizino, Linda Enright, Patricia H. Brebner, Jane Kepner, Nanette Mariella-Myers, Jeri Apodaca, jointly or severally ***

as the true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

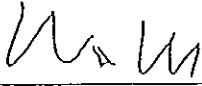
This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Board of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of November 1, 2000:

RESOLVED, that the Chairman of the Board, the President and any Vice President of the corporation be, and that each of them hereby is, authorized to execute Powers of Attorney, qualifying the attorney(s) named in the Powers of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers 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 shall be valid and binding upon the corporation when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective Executive Vice President and attested by their respective Secretary this 8th day of November, 2000.

By: 
David H. Rhodes, Executive Vice President

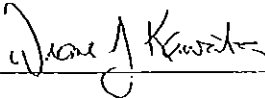
By: 
Walter A. Crowell, Secretary

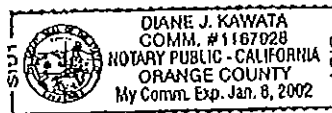


STATE OF CALIFORNIA)
)SS.
COUNTY OF ORANGE)

On November 8, 2000, before me, Diane J. Kawata, personally appeared David H. Rhodes and Walter A. Crowell, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Signature 



CERTIFICATE

The undersigned, as Chief Operating Officer of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked, and furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney, are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, the 6th day of March, 2003.


David G. Lane, Chief Operating Officer