THE INSCO DICO GROUP

SUBDIVISION
PERFORMANCE BOND

Bond No. 579652S

KNOW ALL MEN BY THESE PRESENTS:

THAT we, Timber Ridge Properties, LLC, 9812 – 190th Avenue SE, Snohomish, WA 98290, as Principal, and Indemnity Company of California, a corporation organized and doing business under and by virtue of the laws of the State of California and duly licensed to conduct surety business in the State of Washington, as Surety, are held and firmly bound unto the City of Sultan, PO Box 1199, Sultan, WA 98294, as Obligee, in the sum of Two Hundred Eighty Eight Thousand and 00/100ths ($288,000.00) Dollars for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally firmly by these presents.

THE CONDITION OF THE OBLIGATION IS SUCH THAT:

WHEREAS, the above named Principal entered into an agreement with said Obligee to complete remaining plat improvements per the engineer's cost estimate dated August 6, 2007 for the plat of Timber Ridge Estates.

NOW, THEREFORE, the condition of this obligation is such, that if the above Principal shall well and truly perform said agreement or agreements during the original term thereof, or any extension of said term that may be granted by the Obligee with or without notice to the Surety, and upon receipt of a written discharge from the Obligee, then this obligation shall be void, otherwise to remain in full force and effect.

IN WITNESS WHEREOF, the seal and signature of said Principal is hereto affixed and the corporate seal and the name of the said Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact this 15th day of August, 2007.

Timber Ridge Properties, LLC

By: _____
Rodney D. Friese, Manager

Indemnity Company of California

By: _____
Jake W. Murphree, Attorney-in-Fact

Attachment 3

Insco Insurance Services, Inc.
9750 Third Avenue NE • Suite 305 • Seattle, WA 98115
(206) 525-8201 • (800) 522-8201 • Fax (206) 525-8288 • http://www.InscoDico.com
Underwriting Manager for:
Developers Surety and Indemnity Company • Indemnity Company of California

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, hereby make, constitute and appoint:

Jake W. Murphree, Karen L. Staffanson, Dan Bouc, April Conover, Elliott W. Wolffe, jointly or severally

as their 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 1st day of December, 2005.

By: _____
David H. Rhodes, Executive Vice-President

By: _____
Walter A. Crowell, Secretary

DEVELOPERS SURETY AND INDEMNITY COMPANY CORPORATE OCT. 10 1936 IOWA

INDEMNITY COMPANY OF CALIFORNIA INCORPORATED OCT. 5 1967 CALIFORNIA

STATE OF CALIFORNIA]
COUNTY OF ORANGE

On December 1, 2005 before me, Gina L. Garner, Notary Public (here insert name and title of the officer), 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 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 _____ (SEAL)

WMD2 GINA L. GARNER COMM. # 1569561 NOTARY PUBLIC CALIFORNIA ORANGE COUNTY My comm. expires May 13, 2009 WMD2

CERTIFICATE

The undersigned, as Assistant Secretary, 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 15th day of August, 2007.

By _____
Albert Hillebrand, Assistant Secretary

ID-1380 (Rev. 12/05)

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