Robert J. Moore (CA State Bar No. 77495)
David B. Zolkin (CA State Bar No. 155410)
MILBANK, TWEED, HADLEY & McCLOY LLP
601 South Figueroa Street, 30th Floor
Los Angeles, California 90017
Telephone: (213) 892-4000
Facsimile: (213) 629-5063

Counsel for Chapter 11 Trustee

Lenard E. Schwartzer, Nevada Bar No. 0399
Jeanette E. McPherson, Nevada Bar No. 5423
SCHWARTZER & McPHERSON LAW FIRM
2850 South Jones Boulevard, Suite 1
Las Vegas, Nevada 89146-5308
Telephone: (702) 228-7590
Facsimile: (702) 892-0122
E-Mail: bkfilings@s-mlaw.com

Local Counsel for Chapter 11 Trustee

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re: SOUTH EDGE, LLC, Debtor.	Chapter 11 Case No. BK-10-32968 **OBJECTION OF THE CHAPTER 11 TRUSTEE TO THE PROOFS OF CLAIM FILED BY BOND SAFEGUARD/LEXON INSURANCE COMPANY** **Date: November 7, 2011** **Hearing Time: 9:30 a.m.** **Courtroom: Courtroom #3** **Foley Federal Building** **300 Las Vegas Boulevard** **Las Vegas, Nevada 89101**

TO THE HONORABLE BRUCE A. MARKELL, UNITED STATES BANKRUPTCY JUDGE:

Cynthia Nelson, the chapter 11 trustee (the "Trustee") in the chapter 11 bankruptcy case (the "Chapter 11 Case") of South Edge, LLC ("South Edge" or the "Debtor"), hereby submits this objection (the "Objection"), seeking entry of an order to (i) disallow in their entirety the claims filed on June 29, 2011 by Bond Safeguard/Lexon Insurance Company ("Bond Safeguard") in the amounts of: (a) $236,330.58 [Claim18-1] ("Claim 18"), (b) $240,505.97 [Claim 19-1] ("Claim 19"), (c) $432,054.48 [Claim 20] ("Claim 20"), (d) $78,766.15 [Claim 21], ("Claim 21"), (e) $646,744.29 [Claim 23-2] ("Claim 23-2"), (f) $106,674.00 [Claim 30-1]

("Claim 30"), (g) $9,713.40 [Claim 31-1] ("Claim 31"), (h) $9,713.40 [Claim 32-1] ("Claim 32"), and (i) $7,890.00 [Claim 33-1] ("Claim 33" and collectively, the "Claims"). In support of the Objection, the Trustee respectfully states as follows:

I.

Jurisdiction and Background

1. This Court has jurisdiction over this Objection pursuant to 28 U.S.C. §1332. This is a core proceeding within the meaning of 28 U.S.C §157(b)(2). Venue of these proceedings and this Objection is proper under 28 U.S.C. §§1408 and 1409. The statutory bases for the relief requested herein are Bankruptcy Code sections 105(a) and 502 Bankruptcy Rule 3007 and Local Rule 3007.

2. On or about May 18, 2006, South Edge and Bond Safeguard entered into several agreements pursuant to which Bond Safeguard issued surety bonds on the behalf of South Edge to secure South Edge's performance under separate agreements between South Edge and each of (i) the City of Henderson (the "COH"), (ii) Southwest Iron, LLC ("Southwest Iron"), (iii) Highway Striping & Signs ("Highway"), and (iv) Southwest Gas Corporation ("Southwest Gas").

A. City of Henderson, Southwest Iron and Highway Bond Related Claims

3. On June 29, 2011, Bond Safeguard filed two identical proofs of claim, Claim 23-1 and Claim 23-2, in connection with the bond issued for the benefit of the COH and in the amount of $646,744.29. On June 29, 2011, Bond Safeguard filed the following proofs of claim in connection with the bonds issued for the benefit of Southwest Iron: Claim 30 in the amount of $106,674.00, Claim 31 in the amount of $9,713.40, Claim 32 in the amount of $9,713.40. On the same date, Bond Safeguard also filed Claim 33 in connection with the bond issued for the benefit of Highway in the amount of $7,890.00. True and correct copies of Claim 23-1 and Claim 23-2 are collectively attached hereto as Exhibit 1. True and correct copies of Claim 30, Claim 31 and Claim 32 are collectively attached hereto as Exhibit 2. A true and correct copy of Claim 33 is attached hereto as Exhibit 3.

4. To the best of the Trustee's knowledge, as of the date hereof, neither Southwest Iron nor Highway have ever made demand on any of the bonds issued by Bond Safeguard that form the bases for Claims 30 - 33.

B. Southwest Gas Bond Related Claims

5. On June 29, 2011, Bond Safeguard filed the following proofs of claim in connection with the bonds issued for the benefit of Southwest Gas: Claim 18 in the amount of $236,330.58, Claim 19 in the amount of $240,505.97, Claim 20 in the amount of $432,054.48, and Claim 21 in the amount of $78,766.15. True and correct copies of Claim 18, Claim 19, Claim 20, and Claim 21 are attached hereto as Exhibit 4.

6. The Trustee understands that Southwest Gas made demands ("Demands") on Bond Safeguard in connection with the bonds issued in its favor (#5022147, #5028056, #5028057 and #5025484, collectively the "Southwest Gas Bonds"), in the aggregate amount of $570,780.

7. On April 26, 2011, the Settlement Agreement, Release and Assignment (the "Southwest Gas Bond Agreement"), attached hereto as Exhibit 5, became effective by and among Southwest Gas, Bond Safeguard, and the following members of the Debtor: KB Homes Nevada, Inc. ("KB Homes"), Coleman Toll Limited Partnership ("Coleman-Toll"), Pardee Homes of Nevada ("Pardee"), Meritage Homes of Nevada, Inc. ("Meritage"), and Beazer Homes Holdings Corp. ("Beazer", and together with KB Homes, Coleman-Toll, Pardee, and Meritage, the "Builders").

8. Pursuant to the Southwest Gas Bond Agreement, the Builders immediately paid to Southwest Gas the aggregate amount of $400,116.78 in connection with the Demands. Bond Safeguard agreed to pay the remaining $170,663.22 of the Demands. The Builders and Bond Safeguard further agreed to maintain the Southwest Gas Bonds in an aggregate amount equal to 70.5% of the Demands for six months after the Southwest Gas Bond Agreement's effective date. In return, and subject to no Builder having filed for bankruptcy in the six months following the effective date of the Southwest Gas Bond Agreement (the "Release Date"), Southwest Gas agreed to release the Southwest Gas Bonds and return them to Bond Safeguard

and to release, among others, Bond Safeguard, South Edge and the Builders from all claims in connection with the Demands, the underlying South Edge-Southwest Gas agreements with South Edge, the Southwest Gas Bonds and the projects covered by the Southwest Bonds.

9. Bond Safeguard similarly agreed that, subject to no Builder having filed for bankruptcy by the Release Date, and upon Bond Safeguard's receipt of the above-referenced release from Southwest Gas, Bond Safeguard will release South Edge and the Builders from all claims in connection with the Demands, the underlying South Edge-Southwest Gas agreements, the Southwest Gas Bonds and the projects covered by the Southwest Gas Bonds. Measured from April 26, 2011, the effective date of the Southwest Gas Bond Agreement, the Release Date is October 26, 2011.

II.

Objections to the Claims

A. Claim 23-2 Is Duplicative of Claim 23-1

10. The Trustee objects to the COH's Claim 23-2 because it is duplicative of Claim 23-1 . Claim 23-2 represents the same liabilities claimed in Claim 23-1. Accordingly, the Trustee requests the Claim 23-2 be disallowed to prevent multiply recoveries on the same claim.

B. Claims 30, 31, 32 and 33 Must Be Disallowed Under Bankruptcy Code §502(e)(1)(B)

11. Bankruptcy Code §502(e) provides that "the court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor on or has secured the claim of a creditor to the extent that …such claim for reimbursement or contribution is contingent as of the time of allowance or disallowance of such claim for reimbursement or contribution" 11 U.S.C. § 502(e)(1)(B).

12. The burden of proof to establish a claim against an estate rests on the claimant and, if a proof does not include the facts necessary to support the claim, the proof of claim is not entitled to a presumption of *prima facie* validity pursuant to Bankruptcy Rule 3001(f). Ashford v. Consolidated Pioneer Mortg. (In re Consolidated Pioneer Mortg.), 178 B.R. 222 (B.A.P. 9th Cir. Cal. 1995); In re Holm, 931 F.2d 620 (9th Cir. Cal. 1991); Hilton v.

Hongisto (In re Hongisto), 293 B.R. 45, 50 (N.D. Cal. 2003) ("unless the claimant has alleged 'facts sufficient to support a legal liability,' the claim is not prima facie valid"). Bankruptcy Rule 3001(c) also requires that the original writing or a duplicate be filed with the proof of claim. See e.g. Ashford v. Consolidated Pioneer Mortg. (In re Consolidated Pioneer Mortg.), 178 B.R. 222, 226 (B.A.P. 9th Cir. Cal. 1995) (If a claimant fails to attach the writings, the claim is not entitled to be considered as prima facie evidence of the claim's validity); Heath v. Am. Express Travel Related Servs. Co. (In re Heath), 331 B.R. 424, 437 (B.A.P. 9th Cir. 2005), citing In re Shank, 315 B.R. 799 (Bankr. N.D. Ga. 2004) ("creditor who fails to provide supporting documentation 'may well find itself with a disallowed claim'").

13. Claims 30-33 arise from Bond Safeguard's role as surety to the Debtor for the benefit of Southwest Iron (Claims 30, 31 and 32) and Highway (Claim 33). Bond Safeguard is co-liable with the Debtor on claims that would be paid by the underlying bonds if the Debtor failed to pay those claims directly. If Bond Safeguard were to make payment on any demands made on the bonds, it would have a right to indemnification or reimbursement from the Debtor.

14. Although the bond agreements underlying each of Claims 30-33 are attached as exhibits to those Claims, Bond Safeguard has submitted no evidence that Bond Safeguard ever received demands for payment of the underlying bonds in favor of Southwest Iron or Highway or ever made payment on those bonds. If payment has never been made, then, in accordance with Bankruptcy Code § 502(e)(1)(B), Claims 30-33 must be disallowed as contingent claims for reimbursement of a party co-liable with the Debtor.

C. Claims 18, 19, 20 and 21 Should be Disallowed as of October 26, 2011 if None of the Builders Have Filed For Bankruptcy

15. Pursuant to the Southwest Gas Bond Agreement, so long as none of the Builders have filed for bankruptcy by October 26, 2011, each of Bond Safeguard and South Edge will be released from liability by Southwest Gas and South Edge will be released by Bond Safeguard in connection with any liability arising under the Southwest Gas Bonds as of that same date.

16. Based upon these releases, unless there is an intervening bankruptcy of a Builder on or before October 26, 2011, Claims 18, 19, 20, and 21 must be disallowed because South Edge will have been released by Bond Safeguard.

III.

Reservation

17. The Trustee hereby reserves the right to object in the future to any claims brought by Bond Safeguard on any ground, and to amend, modify, and/or supplement this Objection, including without limitation to object to superseded claims and newly-filed claims. Separate notice and hearing will be scheduled for any such objection.

WHEREFORE, the Trustee respectfully requests that the Objection be sustained and that the Court enter an order, substantially in the form attached hereto as Exhibit 5, disallowing each of the Claims for all purposes and granting such other relief as the Court may deem just and proper.

DATED: September 12, 2011 Respectfully submitted,

/s/ David Zolkin
MILBANK, TWEED, HADLEY & McCLOY LLP
Robert J. Moore (CA State Bar No. 77495)
David B. Zolkin (CA State Bar No. 155410)
601 South Figueroa Street, 30th Floor
Los Angeles, California 90017

Counsel for Chapter 11 Trustee

SCHWARTZER & McPHERSON LAW FIRM
Lenard E. Schwartzer, Nevada Bar No. 0399
Jeanette E. McPherson, Nevada Bar No. 5423
2850 South Jones Boulevard, Suite 1
Las Vegas, Nevada 89146-5308

Local Counsel 11 for Chapter 11 Trustee

EXHIBIT 1

[Claim 23-1 and 23-2]

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT District of Nevada | **PROOF OF CLAIM**

Name of Debtor: South Edge LLC | Case Number: BK-S-10-32968-BAM

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bond Safeguard/Lexon Insurance Co.

Name and address where notices should be sent:
c/o Christine A. Roberts, Esq.
228 South 4th Street, 1st Floor
Las Vegas, NV 89101

Telephone number: (702) 382-6440

RECEIVED
JUN 30 2011
BMC GROUP

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____ (*If known*)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 646,744.29

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Bond # 6023131
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: City Henderson
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____ Annual Interest Rate _____%

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____ Basis for perfection: _____

Amount of Secured Claim: $_____ Amount Unsecured: $_____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Date: 6/28/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Stephen H. Ross
STEPHEN H. ROSS, AVP OF SURETY CLAIMS
BOND SAFEGUARD/LEXON INSURANCE CO.

FOR COURT USE ONLY

South Edge
00023

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COPY

Lexon Insurance Company
Bond Safeguard Insurance Company

Lombard, Illinois

GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned South Edge, LLC, a Nevada limited liability company (hereinafter called "South Edge"), as well as the other indemnifying entities signing below herein called the Indemnitors, on the one hand and Bond Safeguard Insurance Company, Illinois, and/or Lexon Insurance Company, Texas, with Executive Offices in Lombard, Illinois herein called the Company on the other hand, witnessed:

WHEREAS, in the transaction of business, certain bonds, undertakings and other writings obligatory in the nature of a bond have heretofore been, and may hereafter be, required by, for, or on behalf of South Edge , and application has been made and will hereafter be made to the Company to execute such bonds, and as a prerequisite to the execution of such bond or bonds, the Company requires complete indemnification.

NOW, THEREFORE, in consideration of the premises, and the payment by the Company of the sum of One ($1.00) Dollar to South Edge and each of the Indemnitors, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the Indemnitors do, for themselves, their heirs, executors, administrators and assigns, severally, agree with the Company as follows:

1. South Edge will pay to the Company, at its Executive Offices in Lombard, Illinois, premiums and charges at the rates, and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions, or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until South Edge or the Indemnitors shall deliver to the Company at its Executive Offices in Lombard, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds. No amendment or modification shall be made to the rate schedule without providing South Edge with sixty (60) days prior written notice, and in any event the rate scheduled will not be amended or modified as to bonds which have been issued prior to the effective date of any increase in the rate schedule.

2. In the event that South Edge fails to pay any amounts owed to Company (including but not limited to deposits under Section 3) when due after thirty (30) days written notice to South Edge and copied to Indemnitors, the Indemnitors will, in direct proportion to their respective ownership interests in South Edge (that is 48.5% as to KB Home, 15.5% as to Focus South Group, 10.5% as to Toll Brothers, 8.1% as to Woodside, 6.3% as to Kimball Hill, 4.9% as to Pardee Homes, 3.6% as to Meritage, 2.6% as to Beazer), and on a pro-rata basis, indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of, such bonds, or any renewals or continuations thereof or substitutes therefore, including fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of South Edge or such Indemnitor under this Agreement. In the event of payment by the Company, the Indemnitors agree to accept the voucher or other evidence of such payment as prima facie evidence of the propriety thereof, and of the Indemnitor's severally limited liability therefore to the Company.

3. If the Company, in its reasonable discretion and with written notice to South Edge detailing the rationale shall set up a reserve to cover any claim, suit or judgment under any such bond, South Edge will, immediately upon demand, deposit with the Company a sum of money equal to such reserve, such sum to be held by the Company as collateral security on such bond, and such sum and any other money or property which shall have been, or shall hereafter be, pledged as collateral security on any such bond shall, unless otherwise agreed in writing by the Company, be available, in the discretion of the Company, as collateral security on any other or all bonds coming within the scope of this Agreement.

4. South Edge immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Executive Offices in Lombard, Illinois.

5. The Company, after written notice to (copied to the Indemnitors) and consultation with South Edge, shall have the exclusive right in its reasonable discretion to determine for itself, South Edge and the Indemnitors whether any claim or suit brought against the Company or South Edge upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon South Edge and the Indemnitors.

6. If such bond be given in connection with a contract, the Company is hereby authorized with written notice to South Edge, but not required, to consent to any change in the contract or in the plans or specifications relating thereto; to make or guarantee advances or loans for the purposes of the contract without the necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder; in the event of the abandonment, forfeiture or breach of the contract, or the breach of any bond given in connection therewith, or the failure, neglect or refusal to pay for labor or materials used in the prosecution of the contract, to take possession of the work under the contract and, at the expense of South Edge, to complete the contract, or cause, or consent, to the completion thereof. South Edge and the Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of any such bond, but only in the event of a default as aforesaid), all of their rights under the contract, including their right, title and interest in and to all subcontracts let in connection therewith; all of their rights in and to all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract, including all materials ordered for the contract, and any and all sums due under the contract at the time of such abandonment, forfeiture, breach, failure, neglect or refusal, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to collect any check, draft, warrant or other instrument made or issued in payment of any such sums, and to disburse the proceeds thereof.

7. That it shall not be necessary for the Company to give the Indemnitors, or any one or more of them, notice of the execution of any such bonds, or except as expressly set forth herein, nor of any fact or information coming to the notice or knowledge of the Company affecting its rights or liabilities, or the rights or liabilities of the Indemnitors under any such bond executed by it, notice of all such being hereby expressly waived.

8. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the pro-rata liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the several debtors, and hereby consent to any settlement or composition that may hereafter be made.

9. The Company at its option may decline to execute or participate in, or procure the execution of, any such bonds without impairing the validity of this General Agreement of Indemnity.

10. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

11. The several and pro-rata liability of the Indemnitors hereunder shall not be affected by the failure of South Edge to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, or the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

12. This Agreement may be terminated by South Edge, upon written notice to the Company of not less than ten (10) days, but any such notice of termination shall not operate to modify, bar or discharge the liability of any party hereto, upon or by reason of any and all such obligations that may be then in force.

13. Indemnitors agree that their several and pro-rata liability shall be construed as the corresponding several liability of a compensated Surety, as broadly as the respected several liability of the Company would be construed toward its obligee.

14. The word Indemnitors, or personal pronouns used to refer to said word, shall apply regardless of number or gender, and to individuals, partnerships or corporations, as the circumstances require.

15. That no change or modification of or in the terms of this agreement shall be effective unless such change or modification is in writing and signed by the President, a Vice-President, a Secretary, or an Assistant Secretary of the Company.

17. At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of South Edge ; and any bank depository, material man, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested including, but not limited to, the status of the work, under contracts being performed by South Edge , the condition of the performance of such contracts and payments of accounts.

18. In the event of any breach, delay or default asserted by the obligee on any said Bonds, or South Edge has suspended or ceased work on any contract or contracts covered by any said Bonds, or failed to pay obligations incurred in connection therewith, or in the event of South Edge's conviction for a felony, imprisonment, incompetency, insolvency or bankruptcy of South Edge, or the appointment of a receiver or trustee for South Edge, or the property of South Edge, or in the event of an assignment for the benefit of creditors of South Edge, or if any action is taken by or against South Edge under or by virtue of the National Bankruptcy Act, or should reorganization or arrangement proceedings be filed by or against South Edge under said Act, or if any action is taken by or against South Edge under the insolvency laws of any state, possession, or territory of the United States, the Surety shall have the right, after written notice to South Edge, copied to Indemnitors, and thirty (30) days opportunity to cure, at its option and in its sole discretion, and is hereby authorized, with or without exercising any other right or option conferred upon it by law or in the terms of this Agreement, to take possession of any part or all of the work under any contract or contracts covered by any said Bonds, and, at the expense of South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) to complete or arrange for the completion of the same, and South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) shall promptly upon demand pay to the Surety all losses, and expenses so incurred.

19. SOUTH EDGE AND THE INDEMNITORS HEREBY ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO COVER ANY BONDS (WHETHER OR NOT COVERED BY ANY APPLICATION SIGNED BY SOUTH EDGE -- SUCH APPLICATION TO BE CONSIDERED BETWEEN THE PARTIES HERETO AS MERELY SUPPLEMENTARY TO THIS GENERAL AGREEMENT OF INDEMNITY) HERETOFORE OR HEREAFTER EXECUTED BY THE COMPANY ON BEHALF OF SOUTH EDGE (WHETHER CONTRACTING ALONE OR AS A JOINT OR CO-ADVENTURER), FROM TIME TO TIME, AND OVER AN INDEFINITE PERIOD OF YEARS, UNTIL THIS AGREEMENT SHALL BE CANCELED IN ACCORDANCE WITH THE TERMS HEREOF.

20. LIMITED MONETARY OBLIGATION OF INDEMNITORS – Notwithstanding any provision to the contrary, the monetary obligation of Indemnitors is apportioned as follows:

A. KB Home – 42.5%
B. Focus South Group – 15.5%
C. Toll Brothers – 10.5%
D. Woodside 8.1%
E. Kimball Hill - 6.3%
F. Pardee Homes 4.9%
G. Meritage - 3.6%
H Beazer – 2.6%

The obligations of Indemnitors shall be several and pro-rata as to all provisions herein, including but not limited to, the obligation to procure the discharge and exoneration of Surety with respect to any Bond issued hereunder, and the payment of premiums due for any Bond issued to Principal

WE HAVE READ THIS GENERAL AGREEMENT OF INDEMNITY CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement

_____ day of _____, 2006.

SIGNATURE PAGES FOLLOW

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By: Holdings Manager, LLC, its General Manager

By: John Arrillaga, its Manager

Indemnitors
Addresses:

Encore South Group, LLC

By: John A. Killian, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David R. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc.,. a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Building Manager, LLC, its General Manager

By: John A. Miller, its Manager

Incorporators
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: MYRON J. BANWART, VP-CONTROLLER

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cory J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelsen, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Gary B. Mayo, Group President

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holding Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

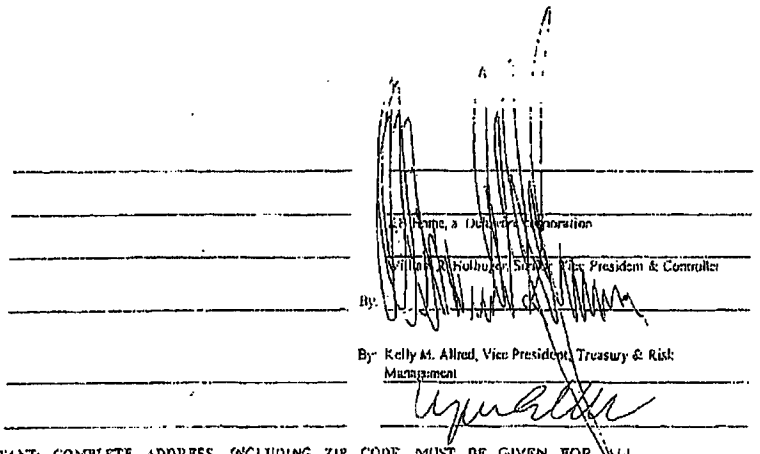
By:

Beazer Homes USA, Inc., a Delaware corporation

1000 Abernathy Rd., Suite 1200
Atlanta, GA 30328

Cory J. Boydston, Senior Vice President & Treasurer

By:



E.P. Kenne, a Delaware Corporation

William R. Holbuger, Senior Vice President & Controller

By:

By: Kelly M. Allred, Vice President, Treasury & Risk Management

IMPORTANT: COMPLETE ADDRESS, INCLUDING ZIP CODE, MUST BE GIVEN FOR ALL INDEMNITORS. INDIVIDUAL INDEMNITORS MUST FURNISH ADDRESS OF PERMANENT RESIDENCE. (ATTACH SEPARATE SHEET FOR ADDRESSES, IF NECESSARY.)

District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7127658) Bond Safeguard/Lexon Insurance Co. c/o Christine A. Roberts, Esq. Sullivan Hill Lewin Rez & Engel 228 South 4th Street, 1st Floor Las Vegas, NV 89101	**Claim No: 23** *Original Filed Date*: 06/29/2011 *Original Entered Date*: 06/29/2011 *Last Amendment Filed*: 06/29/2011 *Last Amendment Entered*: 06/29/2011	*Status:* *Filed by:* AT *Entered by:* ROBERTS, CHRISTINE *Modified:*

Unsecured claimed: $646744.29

Total claimed: $646744.29

History:

Details	23-1	06/29/2011	Claim #23 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $3158242 (ROBERTS, CHRISTINE)
Details	23-2	06/29/2011	Amended Claim #23 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $646744.29 (ROBERTS, CHRISTINE)

Description: (23-1) City of Henderson - Bond #5023151
(23-2) City of Henderson - Bond #5023131

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$646744.29	
Secured		
Priority		
Unknown		
Administrative		
Total	**$646744.29**	**$0.00**

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT District of Nevada | **PROOF OF CLAIM**

Name of Debtor: South Edge LLC | Case Number: BK-S-10-32968-BAM

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bond Safeguard/Lexon Insurance Co.

Name and address where notices should be sent:
c/o Christine A. Roberts, Esq.
228 South 4th Street, 1st Floor
Las Vegas, NV 89101

Telephone number: (702) 382-6440

RECEIVED
JUN 30 2011
BMC GROUP

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____ (*If known*)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 646,744.29

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Bond # 6023131
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: City Henderson
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____ Annual Interest Rate _____ %

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____ Basis for perfection: _____

Amount of Secured Claim: $_____ Amount Unsecured: $_____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Date: 6/28/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Stephen H. Ross AVP of Surety Claims
Bond Safeguard/Lexon Insurance Co.

FOR COURT USE ONLY

South Edge
00023-2

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COPY

Lexon Insurance Company
Bond Safeguard Insurance Company

Lombard, Illinois

GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned South Edge, LLC, a Nevada limited liability company (hereinafter called "South Edge"), as well as the other indemnifying entities signing below herein called the Indemnitors, on the one hand and Bond Safeguard Insurance Company, Illinois, and/or Lexon Insurance Company, Texas, with Executive Offices in Lombard, Illinois herein called the Company on the other hand, witnessed:

WHEREAS, in the transaction of business, certain bonds, undertakings and other writings obligatory in the nature of a bond have heretofore been, and may hereafter be, required by, for, or on behalf of South Edge , and application has been made and will hereafter be made to the Company to execute such bonds, and as a prerequisite to the execution of such bond or bonds, the Company requires complete indemnification.

NOW, THEREFORE, in consideration of the premises, and the payment by the Company of the sum of One ($1.00) Dollar to South Edge and each of the Indemnitors, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the Indemnitors do, for themselves, their heirs, executors, administrators and assigns, severally, agree with the Company as follows:

1. South Edge will pay to the Company, at its Executive Offices in Lombard, Illinois, premiums and charges at the rates, and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions, or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until South Edge or the Indemnitors shall deliver to the Company at its Executive Offices in Lombard, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds. No amendment or modification shall be made to the rate schedule without providing South Edge with sixty (60) days prior written notice, and in any event the rate scheduled will not be amended or modified as to bonds which have been issued prior to the effective date of any increase in the rate schedule.

2. In the event that South Edge fails to pay any amounts owed to Company (including but not limited to deposits under Section 3) when due after thirty (30) days written notice to South Edge and copied to Indemnitors, the Indemnitors will, in direct proportion to their respective ownership interests in South Edge (that is 48.5% as to KB Home, 15.5% as to Focus South Group, 10.5% as to Toll Brothers, 8.1% as to Woodside, 6.3% as to Kimball Hill, 4.9% as to Pardee Homes, 3.6% as to Meritage, 2.6% as to Beazer), and on a pro-rata basis, indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of, such bonds, or any renewals or continuations thereof or substitutes therefore, including fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of South Edge or such Indemnitor under this Agreement. In the event of payment by the Company, the Indemnitors agree to accept the voucher or other evidence of such payment as prima facie evidence of the propriety thereof, and of the Indemnitor's severally limited liability therefore to the Company.

3. If the Company, in its reasonable discretion and with written notice to South Edge detailing the rationale shall set up a reserve to cover any claim, suit or judgment under any such bond, South Edge will, immediately upon demand, deposit with the Company a sum of money equal to such reserve, such sum to be held by the Company as collateral security on such bond, and such sum and any other money or property which shall have been, or shall hereafter be, pledged as collateral security on any such bond shall, unless otherwise agreed in writing by the Company, be available, in the discretion of the Company, as collateral security on any other or all bonds coming within the scope of this Agreement.

4. South Edge immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Executive Offices in Lombard, Illinois.

5. The Company, after written notice to (copied to the Indemnitors) and consultation with South Edge, shall have the exclusive right in its reasonable discretion to determine for itself, South Edge and the Indemnitors whether any claim or suit brought against the Company or South Edge upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon South Edge and the Indemnitors.

6. If such bond be given in connection with a contract, the Company is hereby authorized with written notice to South Edge, but not required, to consent to any change in the contract or in the plans or specifications relating thereto; to make or guarantee advances or loans for the purposes of the contract without the necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder; in the event of the abandonment, forfeiture or breach of the contract, or the breach of any bond given in connection therewith, or the failure, neglect or refusal to pay for labor or materials used in the prosecution of the contract, to take possession of the work under the contract and, at the expense of South Edge , to complete the contract, or cause, or consent, to the completion thereof. South Edge and the Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of any such bond, but only in the event of a default as aforesaid), all of their rights under the contract, including their right, title and interest in and to all subcontracts let in connection therewith; all of their rights in and to all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract, including all materials ordered for the contract, and any and all sums due under the contract at the time of such abandonment, forfeiture, breach, failure, neglect or refusal, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

7. That it shall not be necessary for the Company to give the Indemnitors, or any one or more of them, notice of the execution of any such bonds, or except as expressly set forth herein, nor of any fact or information coming to the notice or knowledge of the Company affecting its rights or liabilities, or the rights or liabilities of the Indemnitors under any such bond executed by it, notice of all such being hereby expressly waived.

8. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the pro-rata liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the several debtors, and hereby consent to any settlement or composition that may hereafter be made.

9. The Company at its option may decline to execute or participate in, or procure the execution of, any such bonds without impairing the validity of this General Agreement of Indemnity.

10. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

11. The several and pro-rata liability of the Indemnitors hereunder shall not be affected by the failure of South Edge to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, or the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

12. This Agreement may be terminated by South Edge , upon written notice to the Company of not less than ten (10) days, but any such notice of termination shall not operate to modify, bar or discharge the liability of any party hereto, upon or by reason of any and all such obligations that may be then in force.

13. Indemnitors agree that their several and pro-rata liability shall be construed as the corresponding several liability of a compensated Surety, as broadly as the respected several liability of the Company would be construed toward its obligee.

14. The word Indemnitors, or personal pronouns used to refer to said word, shall apply regardless of number or gender, and to individuals, partnerships or corporations, as the circumstances require.

15. That no change or modification of or in the terms of this agreement shall be effective unless such change or modification is in writing and signed by the President, a Vice-President, a Secretary, or an Assistant Secretary of the Company.

17. At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of South Edge ; and any bank depository, material man, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested including, but not limited to, the status of the work under contracts being performed by South Edge , the condition of the performance of such contracts and payments of accounts.

18. In the event of any breach, delay or default asserted by the obligee on any said Bonds, or South Edge has suspended or ceased work on any contract or contracts covered by any said Bonds, or failed to pay obligations incurred in connection therewith, or in the event of South Edge's conviction for a felony, imprisonment, incompetency, insolvency or bankruptcy of South Edge, or the appointment of a receiver or trustee for South Edge, or the property of South Edge, or in the event of an assignment for the benefit of creditors of South Edge, or if any action is taken by or against South Edge under or by virtue of the National Bankruptcy Act, or should reorganization or arrangement proceedings be filed by or against South Edge under said Act, or if any action is taken by or against South Edge under the insolvency laws of any state, possession, or territory of the United States, the Surety shall have the right, after written notice to South Edge, copied to Indemnitors, and thirty (30) days opportunity to cure, at its option and in its sole discretion, and is hereby authorized, with or without exercising any other right or option conferred upon it by law or in the terms of this Agreement, to take possession of any part or all of the work under any contract or contracts covered by any said Bonds, and at the expense of South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) to complete or arrange for the completion of the same, and South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) shall promptly upon demand pay to the Surety all losses, and expenses so incurred.

19. SOUTH EDGE AND THE INDEMNITORS HEREBY ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO COVER ANY BONDS (WHETHER OR NOT COVERED BY ANY APPLICATION SIGNED BY SOUTH EDGE -- EACH APPLICATION TO BE CONSIDERED BETWEEN THE PARTIES HERETO AS MERELY SUPPLEMENTARY TO THIS GENERAL AGREEMENT OF INDEMNITY) HERETOFORE OR HEREAFTER EXECUTED BY THE COMPANY ON BEHALF OF SOUTH EDGE (WHETHER CONTRACTING ALONE OR AS A JOINT OR CO-ADVENTURER), FROM TIME TO TIME, AND OVER AN INDEFINITE PERIOD OF YEARS, UNTIL THIS AGREEMENT SHALL BE CANCELED IN ACCORDANCE WITH THE TERMS HEREOF.

20. LIMITED MONETARY OBLIGATION OF INDEMNITORS -- Notwithstanding any provision to the contrary, the monetary obligation of Indemnitors is apportioned as follows:

A. KB Home – 42.6%
B. Focus South Group – 15.5%
C. Toll Brothers – 10.5%
D. Woodside 8.4%
E. Kimball Hill – 6.3%
F. Pardee Homes 4.9%
G. Meritage – 3.6%
H Beazer – 2.6%

The obligations of Indemnitors shall be several and pro-rata as to all provisions herein, including but not limited to, the obligation to procure the discharge and exoneration of Surety with respect to any Bond issued hereunder, and the payment of premiums due for any Bond issued.five Principal

WE HAVE READ THIS GENERAL AGREEMENT OF INDEMNITY CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

_____ day of _____, 2006.

SIGNATURE PAGES FOLLOW

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: _____

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By: _____

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By: _____

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, Its General Manager

By: John A. Miller, Its Member

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, Its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, Its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Fith, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Mary E. Hoyt-Stasko, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Gemin, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory T. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Ridge, LLC
By Building Manager, LLC, its General Manager

By: John Miller, its Manager

Underwriters
Addresses:

Focus SouthGroup, LLC

By: John G. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: MYRON J. BAILHART, VP-CONTROLLER

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cary J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John Ayrinhac, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Gary R. Mayo, Group President

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, Its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, Its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David R. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

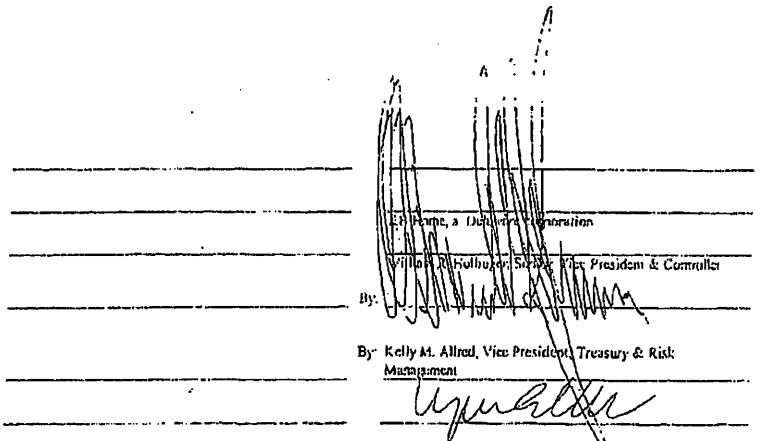
By:

Beazer Homes USA, Inc., a Delaware corporation

1000 Abernathy Rd., Suite 1200
Atlanta, GA 30328

Cary J. Boydston, Senior Vice President & Treasurer

By:



IMPORTANT: COMPLETE ADDRESS, INCLUDING ZIP CODE, MUST BE GIVEN FOR ALL INDEMNITORS. INDIVIDUAL INDEMNITORS MUST FURNISH ADDRESS OF PERMANENT RESIDENCE. (ATTACH SEPARATE SHEET FOR ADDRESSES, IF NECESSARY.)

District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7127658) Bond Safeguard/Lexon Insurance Co. c/o Christine A. Roberts, Esq. Sullivan Hill Lewin Rez & Engel 228 South 4th Street, 1st Floor Las Vegas, NV 89101	**Claim No: 23** *Original Filed Date*: 06/29/2011 *Original Entered Date*: 06/29/2011 *Last Amendment Filed*: 06/29/2011 *Last Amendment Entered*: 06/29/2011	*Status:* *Filed by:* AT *Entered by:* ROBERTS, CHRISTINE *Modified:*

Unsecured claimed: $646744.29

Total claimed: $646744.29

History:

Details	23-1	06/29/2011	Claim #23 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $3158242 (ROBERTS, CHRISTINE)
Details	23-2	06/29/2011	Amended Claim #23 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $646744.29 (ROBERTS, CHRISTINE)

Description: (23-1) City of Henderson - Bond #5023151
(23-2) City of Henderson - Bond #5023131

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$646744.29	
Secured		
Priority		
Unknown		
Administrative		
Total	**$646744.29**	**$0.00**

EXHIBIT 2

[Claim 30, 31 and 32]

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT District of Nevada | **PROOF OF CLAIM**

Name of Debtor: South Edge LLC | Case Number: BK-S-10-32968-BAM

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bond Safeguard/Lexon Insurance Co.

Name and address where notices should be sent:
c/o Christine A. Roberts, Esq.
228 South 4th Street, 1st Floor
Las Vegas, NV 89101

Telephone number: (702) 382-6440

RECEIVED
JUN 30 2011
BMC GROUP

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number:_____ (*If known*)

Filed on:_____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 106,674.00

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Bond # 5028052
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: ____

3a. Debtor may have scheduled account as: Southwest Iron
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____ Annual Interest Rate_____%

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____ Basis for perfection: _____

Amount of Secured Claim: $_____ Amount Unsecured: $_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date: 6/28/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Stephen H. Ross STEPHEN H. ROSS, ATTORNEY FOR SURETY CLAIMS BOND SAFEGUARD/LEXON INSURANCE CO.

FOR COURT USE ONLY

South Edge
00030

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COPY

Lexon Insurance Company
Bond Safeguard Insurance Company

Lombard, Illinois

GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned South Edge, LLC, a Nevada limited liability company (hereinafter called "South Edge"), as well as the other indemnifying entities signing below herein called the Indemnitors, on the one hand and Bond Safeguard Insurance Company, Illinois, and/or Lexon Insurance Company, Texas, with Executive Offices in Lombard, Illinois herein called the Company on the other hand, witnessed:

WHEREAS, in the transaction of business, certain bonds, undertakings and other writings obligatory in the nature of a bond have heretofore been, and may hereafter be, required by, for, or on behalf of South Edge , and application has been made and will hereafter be made to the Company to execute such bonds, and as a prerequisite to the execution of such bond or bonds, the Company requires complete indemnification,

NOW, THEREFORE, in consideration of the premises, and the payment by the Company of the sum of One ($1.00) Dollar to South Edge and each of the Indemnitors, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the Indemnitors do, for themselves, their heirs, executors, administrators and assigns, severally, agree with the Company as follows:

1. South Edge will pay to the Company, at its Executive Offices in Lombard, Illinois, premiums and charges at the rates, and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions, or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until South Edge or the Indemnitors shall deliver to the Company at its Executive Offices in Lombard, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds. No amendment or modification shall be made to the rate schedule without providing South Edge with sixty (60) days prior written notice, and in any event the rate scheduled will not be amended or modified as to bonds which have been issued prior to the effective date of any increase in the rate schedule.

2. In the event that South Edge fails to pay any amounts owed to Company (including but not limited to deposits under Section 3) when due after thirty (30) days written notice to South Edge and copied to Indemnitors, the Indemnitors will, in direct proportion to their respective ownership interests in South Edge (that is 48.5% as to KB Home, 15.5% as to Focus South Group, 10.5% as to Toll Brothers, 8.1% as to Woodside, 6.3% as to Kimball Hill, 4.9% as to Pardee Homes, 3.6% as to Meritage, 2.6% as to Beazer), and on a pro-rata basis, indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of, such bonds, or any renewals or continuations thereof or substitutes therefore, including fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of South Edge or such Indemnitor under this Agreement. In the event of payment by the Company, the Indemnitors agree to accept the voucher or other evidence of such payment as prima facie evidence of the propriety thereof, and of the Indemnitor's severally limited liability therefore to the Company.

3. If the Company, in its reasonable discretion and with written notice to South Edge detailing the rationale shall set up a reserve to cover any claim, suit or judgment under any such bond, South Edge will, immediately upon demand, deposit with the Company a sum of money equal to such reserve, such sum to be held by the Company as collateral security on such bond, and such sum and any other money or property which shall have been, or shall hereafter be, pledged as collateral security on any such bond shall, unless otherwise agreed in writing by the Company, be available, in the discretion of the Company, as collateral security on any other or all bonds coming within the scope of this Agreement.

4. South Edge immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Executive Offices in Lombard, Illinois.

5. The Company, after written notice to (copied to the Indemnitors) and consultation with South Edge, shall have the exclusive right in its reasonable discretion to determine for itself, South Edge and the Indemnitors whether any claim or suit brought against the Company or South Edge upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon South Edge and the Indemnitors.

6. If such bond be given in connection with a contract, the Company is hereby authorized with written notice to South Edge, but not required, to consent to any change in the contract or in the plans or specifications relating thereto; to make or guarantee advances or loans for the purposes of the contract without the necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder; in the event of the abandonment, forfeiture or breach of the contract, or the breach of any bond given in connection therewith, or the failure, neglect or refusal to pay for labor or materials used in the prosecution of the contract, to take possession of the work under the contract and, at the expense of South Edge , to complete the contract, or cause, or consent, to the completion thereof. South Edge and the Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of any such bond, but only in the event of a default as aforesaid), all of their rights under the contract, including their right, title and interest in and to all subcontracts let in connection therewith; all of their rights in and to all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract, including all materials ordered for the contract, and any and all sums due under the contract at the time of such abandonment, forfeiture, breach, failure, neglect or refusal, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

7. That it shall not be necessary for the Company to give the Indemnitors, or any one or more of them, notice of the execution of any such bonds, or except as expressly set forth herein, nor of any fact or information coming to the notice or knowledge of the Company affecting its rights or liabilities, or the rights or liabilities of the Indemnitors under any such bond executed by it, notice of all such being hereby expressly waived.

8. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the pro-rata liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the several debtors, and hereby consent to any settlement or composition that may hereafter be made.

9. The Company at its option may decline to execute or participate in, or procure the execution of, any such bonds without impairing the validity of this General Agreement of Indemnity.

10. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

11. The several and pro-rata liability of the Indemnitors hereunder shall not be affected by the failure of South Edge to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, or the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

12. This Agreement may be terminated by South Edge , upon written notice to the Company of not less than ten (10) days, but any such notice of termination shall not operate to modify, bar or discharge the liability of any party hereto, upon or by reason of any and all such obligations that may be then in force.

13. Indemnitors agree that their several and pro-rata liability shall be construed as the corresponding several liability of a compensated Surety, as broadly as the respected several liability of the Company would be construed toward its obligee.

14. The word Indemnitors, or personal pronouns used to refer to said word, shall apply regardless of number or gender, and to individuals, partnerships or corporations, as the circumstances require.

15. That no change or modification of or in the terms of this agreement shall be effective unless such change or modification is in writing and signed by the President, a Vice-President, a Secretary, or an Assistant Secretary of the Company.

17. At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of South Edge ; and any bank depositary, material man, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested,including, but not limited to, the status of the work under contracts being performed by South Edge , the condition of the performance of such contracts and payments of accounts.

18. In the event of any breach, delay or default asserted by the obligee in any said Bonds, or South Edge has suspended or ceased work on any contract or contracts covered by any said Bonds, or failed to pay obligations incurred in connection therewith, or in the event of South Edge's conviction for a felony, imprisonment, incompetency, insolvency or bankruptcy of South Edge, or the appointment of a receiver or trustee for South Edge, or the property of South Edge, or in the event of an assignment for the benefit of creditors of South Edge, or if any action is taken by or against South Edge under or by virtue of the National Bankruptcy Act, or should reorganization or arrangement proceedings be filed by or against South Edge under said Act, or if any action is taken by or against South Edge under the insolvency laws of any state, possession, or territory of the United States, the Surety shall have the right, after written notice to South Edge, copied to Indemnitors, and thirty (30) days opportunity to cure, at its option and in its sole discretion, and is hereby authorized, with or without exercising any other right or option conferred upon it by law or in the terms of this Agreement, to take possession of any part or all of the work under any contract or contracts covered by any said Bonds, and,at the expense of South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) to complete or arrange for the completion of the same, and South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) shall promptly upon demand pay to the Surety all losses, and expenses so incurred.

19. SOUTH EDGE AND THE INDEMNITORS HEREBY ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO COVER ANY BONDS (WHETHER OR NOT COVERED BY ANY APPLICATION SIGNED BY SOUTH EDGE -- SUCH APPLICATION TO BE CONSIDERED BETWEEN THE PARTIES HERETO AS MERELY SUPPLEMENTARY TO THIS GENERAL AGREEMENT OF INDEMNITY) HERETOFORE OR HEREAFTER EXECUTED BY THE COMPANY ON BEHALF OF SOUTH EDGE (WHETHER CONTRACTING ALONE OR AS A JOINT OR CO-ADVENTURER), FROM TIME TO TIME, AND OVER AN INDEFINITE PERIOD OF YEARS, UNTIL THIS AGREEMENT SHALL BE CANCELED IN ACCORDANCE WITH THE TERMS HEREOF.

20. LIMITED MONETARY OBLIGATION OF INDEMNITORS – Notwithstanding any provision to the contrary, the monetary obligations of Indemnitors is apportioned as follows:

A. KB Home - 42.5%
B. Focus South Group – 15.5%
C. Toll Brothers – 10.5%
D. Woodside 8.1%
E. Kimbell Hill - 6.3%
F. Pardee Homes 4.9%
G. Meritage - 3.6%
H Beazer – 2.6%

The obligations of Indemnitors shall be several and pro-rata as to all provisions herein, including but not limited to, the obligation to procure the discharge and exoneration of Surety with respect to any Bond issued hereunder, and the payment of premiums due for any Bond issued by Principal

WE HAVE READ THIS GENERAL AGREEMENT OF INDEMNITY CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement

_____ day of _____, 2006.

SIGNATURE PAGES FOLLOW

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John Arrillaga, its Manager

Underwriters
Addresses:

Evans South Group, LLC

By: John Arrillaga, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

UnitedUrban, Inc., an Illinois corporation

By: David K. Fink, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Huldah's Manager, LLC, its General Manager

By: John C. Hulbert, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John C. Hulbert, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: MYRON J. BANHART, VP-CONTROLLER

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cory J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holding Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Gary R. Hayo, Group President

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC:
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Peous South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Westside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

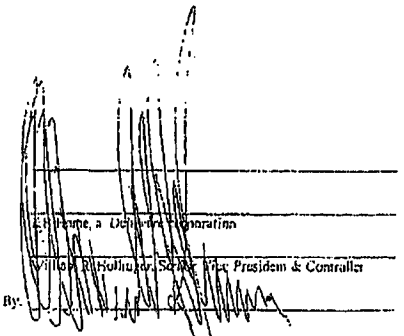
By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

1000 Abernathy Rd., Suite 1200
Atlanta, GA 30328



E.F. Hutton, a Delaware Corporation

William R. Rollinger, Senior Vice President & Controller

By:

By: Kelly M. Allred, Vice President, Treasury & Risk Management

IMPORTANT: COMPLETE ADDRESS, INCLUDING ZIP CODE, MUST BE GIVEN FOR ALL INDEMNITORS. INDIVIDUAL INDEMNITORS MUST FURNISH ADDRESS OF PERMANENT RESIDENCE. (ATTACH SEPARATE SHEET FOR ADDRESSES, IF NECESSARY.)

District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7127658) Bond Safeguard/Lexon Insurance Co. c/o Christine A. Roberts, Esq. Sullivan Hill Lewin Rez & Engel 228 South 4th Street, 1st Floor Las Vegas, NV 89101	**Claim No: 30** *Original Filed Date*: 06/29/2011 *Original Entered Date*: 06/29/2011	*Status:* *Filed by:* CR *Entered by:* ROBERTS, CHRISTINE *Modified:*
Unsecured claimed: $106674.00 **Total claimed: $106674.00**		

History:

Details	30-1	06/29/2011 Claim #30 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $106674 (ROBERTS, CHRISTINE)

Description: (30-1) Southwest Iron - Bond #5028052

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$106674.00	
Secured		
Priority		
Unknown		
Administrative		
Total	**$106674.00**	**$0.00**

EXHIBIT 3

[Claim 33]

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT District of Nevada | **PROOF OF CLAIM**

Name of Debtor: South Edge LLC | Case Number: BK-S-10-32968-BAM

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bond Safeguard/Lexon Insurance Co.

RECEIVED
JUN 30 2011
BMC GROUP

Name and address where notices should be sent:
c/o Christine A. Roberts, Esq.
228 South 4th Street, 1st Floor
Las Vegas, NV 89101

Telephone number: (702) 382-6440

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number: _____ (*If known*)

Filed on: _____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 9,713.40

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Bond # 5028051
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: Southwest Iron
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____ Annual Interest Rate _____%

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____ Basis for perfection: _____

Amount of Secured Claim: $_____ Amount Unsecured: $_____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Date: 6/28/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Stephen A. Ross STEPHEN A. ROSS, AVP OF SURETY CLAIMS BOND SAFEGUARD/LEXON INSURANCE CO.

FOR COURT USE ONLY

South Edge
00031

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COPY

Lexon Insurance Company
Bond Safeguard Insurance Company

Lombard, Illinois

GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned South Edge, LLC, a Nevada limited liability company (hereinafter called "South Edge"), as well as the other indemnifying entities signing below herein called the Indemnitors, on the one hand and Bond Safeguard Insurance Company, Illinois, and/or Lexon Insurance Company, Texas, with Executive Offices in Lombard, Illinois herein called the Company on the other hand, witnessed:

WHEREAS, in the transaction of business, certain bonds, undertakings and other writings obligatory in the nature of a bond have heretofore been, and may hereafter be, required by, for, or on behalf of South Edge , and application has been made and will hereafter be made to the Company to execute such bonds, and as a prerequisite to the execution of such bond or bonds, the Company requires complete indemnification.

NOW, THEREFORE, in consideration of the premises, and the payment by the Company of the sum of One ($1.00) Dollar to South Edge and each of the Indemnitors, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the Indemnitors do, for themselves, their heirs, executors, administrators and assigns, severally, agree with the Company as follows:

1. South Edge will pay to the Company, at its Executive Offices in Lombard, Illinois, premiums and charges at the rates, and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions, or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until South Edge or the Indemnitors shall deliver to the Company at its Executive Offices in Lombard, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds. No amendment or modification shall be made to the rate schedule without providing South Edge with sixty (60) days prior written notice, and in any event the rate scheduled will not be amended or modified as to bonds which have been issued prior to the effective date of any increase in the rate schedule.

2. In the event that South Edge fails to pay any amounts owed to Company (including but not limited to deposits under Section 3) when due after thirty (30) days written notice to South Edge and copied to Indemnitors, the Indemnitors will, in direct proportion to their respective ownership interests in South Edge (that is 48.5% as to KB Home, 15.5% as to Focus South Group, 10.5% as to Toll Brothers, 8.1% as to Woodside, 6.3% as to Kimball Hill, 4.9% as to Pardee Homes, 3.6% as to Meritage, 2.6% as to Beazer), and on a pro-rata basis, indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of, such bonds, or any renewals or continuations thereof or substitutes therefore, including fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of South Edge or such Indemnitor under this Agreement. In the event of payment by the Company, the Indemnitors agree to accept the voucher or other evidence of such payment as prima facie evidence of the propriety thereof, and of the Indemnitor's severally limited liability therefore to the Company.

3. If the Company, in its reasonable discretion and with written notice to South Edge detailing the rationale shall set up a reserve to cover any claim, suit or judgment under any such bond, South Edge will, immediately upon demand, deposit with the Company a sum of money equal to such reserve, such sum to be held by the Company as collateral security on such bond, and such sum and any other money or property which shall have been, or shall hereafter be, pledged as collateral security on any such bond shall, unless otherwise agreed in writing by the Company, be available, in the discretion of the Company, as collateral security on any other or all bonds coming within the scope of this Agreement.

4. South Edge immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Executive Offices in Lombard, Illinois.

5. The Company, after written notice to (copied to the Indemnitors) and consultation with South Edge, shall have the exclusive right in its reasonable discretion to determine for itself, South Edge and the Indemnitors whether any claim or suit brought against the Company or South Edge upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon South Edge and the Indemnitors.

6. If such bond be given in connection with a contract, the Company is hereby authorized with written notice to South Edge, but not required, to consent to any change in the contract or in the plans or specifications relating thereto; to make or guarantee advances or loans for the purposes of the contract without the necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder; in the event of the abandonment, forfeiture or breach of the contract, or the breach of any bond given in connection therewith, or the failure, neglect or refusal to pay for labor or materials used in the prosecution of the contract, to take possession of the work under the contract and, at the expense of South Edge , to complete the contract, or cause, or consent, to the completion thereof. South Edge and the Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of any such bond, but only in the event of a default as aforesaid), all of their rights under the contract, including their right, title and interest in and to all subcontracts let in connection therewith; all of their rights in and to all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract, including all materials ordered for the contract, and any and all sums due under the contract at the time of such abandonment, forfeiture, breach, failure, neglect or refusal, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

7. That it shall not be necessary for the Company to give the Indemnitors, or any one or more of them, notice of the execution of any such bonds, or except as expressly set forth herein, nor of any fact or information coming to the notice or knowledge of the Company affecting its rights or liabilities, or the rights or liabilities of the Indemnitors under any such bond executed by it, notice of all such being hereby expressly waived.

8. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the pro-rata liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the several debtors, and hereby consent to any settlement or composition that may hereafter be made.

9. The Company at its option may decline to execute or participate in, or procure the execution of, any such bonds without impairing the validity of this General Agreement of Indemnity.

10. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

11. The several and pro-rata liability of the Indemnitors hereunder shall not be affected by the failure of South Edge to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, or the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

12. This Agreement may be terminated by South Edge , upon written notice to the Company of not less than ten (10) days, but any such notice of termination shall not operate to modify, bar or discharge the liability of any party hereto, upon or by reason of any and all such obligations that may be then in force.

13. Indemnitors agree that their several and pro-rata liability shall be construed as the corresponding several liability of a compensated Surety, as broadly as the respected several liability of the Company would be construed toward its obligee.

14. The word Indemnitors, or personal pronouns used to refer to said word, shall apply regardless of number or gender, and to individuals, partnerships or corporations, as the circumstances require.

15. That no change or modification of or in the terms of this agreement shall be effective unless such change or modification is in writing and signed by the President, a Vice-President, a Secretary, or an Assistant Secretary of the Company.

17. At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of South Edge ; and any bank depository, material man, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested including, but not limited to, the status of the work under contracts being performed by South Edge , the condition of the performance of such contracts and payments of accounts.

18. In the event of any breach, delay or default asserted by the obligee to any said Bonds, or South Edge has suspended or ceased work on any contract or contracts covered by any said Bonds, or failed to pay obligations incurred in connection therewith, or in the event of South Edge's conviction for a felony, imprisonment, incompetency, insolvency or bankruptcy of South Edge, or the appointment of a receiver or trustee for South Edge, or the property of South Edge, or in the event of an assignment for the benefit of creditors of South Edge, or if any action is taken by or against South Edge under or by virtue of the National Bankruptcy Act, or should reorganization or arrangement proceedings be filed by or against South Edge under said Act, or if any action is taken by or against South Edge under the insolvency laws of any state, possession, or territory of the United States, the Surety shall have the right, after written notice to South Edge, copied to Indemnitors, and thirty (30) days opportunity to cure, at its option and in its sole discretion, and is hereby authorized, with or without exercising any other right or option conferred upon it by law or in the terms of this Agreement, to take possession of any part or all of the work under any contract or contracts covered by any said Bonds, and at the expense of South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) to complete or arrange for the completion of the same, and South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) shall promptly upon demand pay to the Surety all losses, and expenses so incurred.

19. SOUTH EDGE AND THE INDEMNITORS HEREBY ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO COVER ANY BONDS (WHETHER OR NOT COVERED BY ANY APPLICATION SIGNED BY SOUTH EDGE -- SUCH APPLICATION TO BE CONSIDERED BETWEEN THE PARTIES HERETO AS MERELY SUPPLEMENTARY TO THIS GENERAL AGREEMENT OF INDEMNITY) HERETOFORE OR HEREAFTER EXECUTED BY THE COMPANY ON BEHALF OF SOUTH EDGE (WHETHER CONTRACTING ALONE OR AS A JOINT OR CO-ADVENTURER), FROM TIME TO TIME, AND OVER AN INDEFINITE PERIOD OF YEARS, UNTIL THIS AGREEMENT SHALL BE CANCELED IN ACCORDANCE WITH THE TERMS HEREOF.

20. LIMITED MONETARY OBLIGATION OF INDEMNITORS – Notwithstanding any provision to the contrary, the monetary obligations of Indemnitors, is apportioned as follows:

A. KB Home – 12.5%
B. Focus South Group – 15.3%
C. Toll Brothers – 10.5%
D. Woodside 8.1%
E. Kimball Hill – 6.3%
F. Pardee Homes 6.9%
G. Meritage – 3.6%
H. Beazer – 2.6%

The obligations of Indemnitors shall be several and pro-rata as to all provisions herein, including but not limited to, the obligation to procure the discharge and exoneration of Surety with respect to any Bond issued hereunder, and the payment of premiums due for any Bond issued for Principal

WE HAVE READ THIS GENERAL AGREEMENT OF INDEMNITY CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement

_____ day of _____, 2006.

SIGNATURE PAGES FOLLOW

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Address:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Address:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Fith, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Gehan Homes USA, Inc., a Delaware corporation

Gary J. Hoyhtoi, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC:
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: _____

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By: _____

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By: _____

Principal
Addresses:

South Ridge, LLC
By Huidekoper Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hill, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: MYRON J. BANWART, VP-CONTROLLER

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cory J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holding Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Cary N. Mayo, Group President

By:

Beazer Homes USA, Inc., a Delaware corporation

Cary J. Boyd and, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Potter, Its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Potter, Its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David E. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

1000 Abernathy Rd., Suite 1200
Atlanta, GA 30328

Cory J. Boydston, Senior Vice President & Treasurer

By:

[redacted]

[redacted], a Delaware corporation

By: [redacted]
William R. Holland, Senior Vice President & Controller

By: Kelly M. Allred, Vice President, Treasury & Risk Management

IMPORTANT: COMPLETE ADDRESS, INCLUDING ZIP CODE, MUST BE GIVEN FOR ALL INDEMNITORS. INDIVIDUAL INDEMNITORS MUST FURNISH ADDRESS OF PERMANENT RESIDENCE. (ATTACH SEPARATE SHEET FOR ADDRESSES, IF NECESSARY.)

District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7127658) Bond Safeguard/Lexon Insurance Co. c/o Christine A. Roberts, Esq. Sullivan Hill Lewin Rez & Engel 228 South 4th Street, 1st Floor Las Vegas, NV 89101	**Claim No: 31** *Original Filed Date*: 06/29/2011 *Original Entered Date*: 06/29/2011	*Status:* *Filed by:* AT *Entered by:* ROBERTS, CHRISTINE *Modified:*
Unsecured claimed: $9713.40 **Total claimed: $9713.40**		

History:

Details	31-1	06/29/2011 Claim #31 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $9713.4 (ROBERTS, CHRISTINE)

Description: (31-1) Southwest Iron - Bond #5028051

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$9713.40	
Secured		
Priority		
Unknown		
Administrative		
Total	**$9713.40**	**$0.00**

B 10 (Official Form 10) (04/10)

UNITED STATES BANKRUPTCY COURT District of Nevada	PROOF OF CLAIM
Name of Debtor: South Edge LLC	Case Number: BK-S-10-32968-BAM

NOTE: *This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property): Bond Safeguard/Lexon Insurance Co.

RECEIVED
JUN 30 2011
BMC GROUP

Name and address where notices should be sent:
c/o Christine A. Roberts, Esq.
228 South 4th Street, 1st Floor
Las Vegas, NV 89101

Telephone number: (702) 382-6440

☐ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number:_____ (*If known*)

Filed on:_____

Name and address where payment should be sent (if different from above):

Telephone number:

☐ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

☐ Check this box if you are the debtor or trustee in this case.

1. Amount of Claim as of Date Case Filed: $ 9,713.40

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

☐ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: Bond # 5027182
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: Southwest Iron
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ☐ Real Estate ☐ Motor Vehicle ☐ Other
Describe:

Value of Property: $_____ Annual Interest Rate _____%

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____ Basis for perfection: _____

Amount of Secured Claim: $_____ Amount Unsecured: $_____

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

☐ Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

☐ Wages, salaries, or commissions (up to $11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).

☐ Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5).

☐ Up to $2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7).

☐ Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8).

☐ Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

Date: 6/28/11

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Stephen A. Ross
STEPHEN A. ROSS, AVP OF SURETY CLAIMS
BOND SAFEGUARD/LEXON INSURANCE CO.

FOR COURT USE ONLY

South Edge
00032

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

COPY

Lexon Insurance Company
Bond Safeguard Insurance Company

Lombard, Illinois

GENERAL AGREEMENT OF INDEMNITY

This Agreement entered into by and between the undersigned South Edge, LLC, a Nevada limited liability company (hereinafter called "South Edge"), as well as the other indemnifying entities signing below herein called the Indemnitors, on the one hand and Bond Safeguard Insurance Company, Illinois, and/or Lexon Insurance Company, Texas, with Executive Offices in Lombard, Illinois herein called the Company on the other hand, witnessed:

WHEREAS, in the transaction of business, certain bonds, undertakings and other writings obligatory in the nature of a bond have heretofore been, and may hereafter be, required by, for, or on behalf of South Edge , and application has been made and will hereafter be made to the Company to execute such bonds, and as a prerequisite to the execution of such bond or bonds, the Company requires complete indemnification.

NOW, THEREFORE, in consideration of the premises, and the payment by the Company of the sum of One ($1.00) Dollar to South Edge and each of the Indemnitors, receipt whereof is hereby acknowledged, and for other good and valuable considerations, the Indemnitors do, for themselves, their heirs, executors, administrators and assigns, severally, agree with the Company as follows:

1. South Edge will pay to the Company, at its Executive Offices in Lombard, Illinois, premiums and charges at the rates, and at the times specified in respect to each such bond in the Company's schedule of rates, which, with any additions, or amendments thereto, is by reference made a part hereof, and will continue to pay the same where such premium or charge is annual, until the Company shall be discharged and released from any and all liability and responsibility upon and from each such bond or matters arising therefrom, and until South Edge or the Indemnitors shall deliver to the Company at its Executive Offices in Lombard, Illinois, competent written evidence satisfactory to the Company of its discharge from all liability on such bond or bonds. No amendment or modification shall be made to the rate schedule without providing South Edge with sixty (60) days prior written notice, and in any event the rate scheduled will not be amended or modified as to bonds which have been issued prior to the effective date of any increase in the rate schedule.

2. In the event that South Edge fails to pay any amounts owed to Company (including but not limited to deposits under Section 3) when due after thirty (30) days written notice to South Edge and copied to Indemnitors, the Indemnitors will, in direct proportion to their respective ownership interests in South Edge (that is 48.5% as to KB Home, 15.5% as to Focus South Group, 10.5% as to Toll Brothers, 8.1% as to Woodside, 6.3% as to Kimball Hill, 4.9% as to Pardee Homes, 3.6% as to Meritage, 2.6% as to Benzer), and on a pro-rata basis, indemnify and save the Company harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense which the Company may pay or incur in consequence of having executed, or procured the execution of, such bonds, or any renewals or continuations thereof or substitutes therefore, including fees of attorneys, whether on salary, retainer or otherwise, and the expense of procuring, or attempting to procure, release from liability, or in bringing suit to enforce the obligation of South Edge or such Indemnitor under this Agreement. In the event of payment by the Company, the Indemnitors agree to accept the voucher or other evidence of such payment as prima facie evidence of the propriety thereof, and of the Indemnitor's severally limited liability therefore to the Company.

3. If the Company, in its reasonable discretion and with written notice to South Edge detailing the rationale shall set up a reserve to cover any claim, suit or judgment under any such bond, South Edge will, immediately upon demand, deposit with the Company a sum of money equal to such reserve, such sum to be held by the Company as collateral security on such bond, and such sum and any other money or property which shall have been, or shall hereafter be, pledged as collateral security on any such bond shall, unless otherwise agreed in writing by the Company, be available, in the discretion of the Company, as collateral security on any other or all bonds coming within the scope of this Agreement.

4. South Edge immediately upon becoming aware of any demand, notice, or proceeding preliminary to determining or fixing any liability with which the Company may be subsequently charged under any such bond, shall notify the Company thereof in writing at its Executive Offices in Lombard, Illinois.

5. The Company, after written notice to (copied to the Indemnitors) and consultation with South Edge, shall have the exclusive right in its reasonable discretion to determine for itself, South Edge and the Indemnitors whether any claim or suit brought against the Company or South Edge upon any such bond shall be settled or defended and its decision shall be binding and conclusive upon South Edge and the Indemnitors.

6. If such bond be given in connection with a contract, the Company is hereby authorized with written notice to South Edge, but not required, to consent to any change in the contract or in the plans or specifications relating thereto; to make or guarantee advances or loans for the purposes of the contract without the necessity of seeing to the application thereof, it being understood that the amount of all such advances or loans, unless repaid with legal interest by the Contractor to the Company when due, shall be conclusively presumed to be a loss hereunder; in the event of the abandonment, forfeiture or breach of the contract, or the breach of any bond given in connection therewith, or the failure, neglect or refusal to pay for labor or materials used in the prosecution of the contract, to take possession of the work under the contract and, at the expense of South Edge , to complete the contract, or cause, or consent, to the completion thereof. South Edge and the Indemnitors hereby assign, transfer, and set over to the Company (to be effective as of the date of any such bond, but only in the event of a default as aforesaid), all of their rights under the contract, including their right, title and interest in and to all subcontracts let in connection therewith; all of their rights in and to all machinery, plant, equipment, tools and materials which shall be upon the site of the work or elsewhere for the purposes of the contract, including all materials ordered for the contract, and any and all sums due under the contract at the time of such abandonment, forfeiture, breach, failure, neglect or refusal, or which may thereafter become due, and the Indemnitors hereby authorize the Company to endorse in the name of the payee, and to collect any check, draft, warrant or other instrument made or issued in payment of any such sum, and to disburse the proceeds thereof.

7. That it shall not be necessary for the Company to give the Indemnitors, or any one or more of them, notice of the execution of any such bonds, or except as expressly set forth herein, nor of any fact or information coming to the notice or knowledge of the Company affecting its rights or liabilities, or the rights or liabilities of the Indemnitors under any such bond executed by it, notice of all such being hereby expressly waived.

8. In the event of any claim or demand being made by the Company against the Indemnitors, or any one or more of the parties so designated, by reason of the execution of a bond or bonds, the Company is hereby expressly authorized to settle with any one or more of the Indemnitors individually, and without reference to the others, and such settlement or composition shall not affect the pro-rata liability of any of the others, and the Indemnitors hereby expressly waive the right to be discharged and released by reason of the release of one or more of the several debtors, and hereby consent to any settlement or composition that may hereafter be made.

9. The Company at its option may decline to execute or participate in, or procure the execution of, any such bonds without impairing the validity of this General Agreement of Indemnity.

10. If the Company procures the execution of such bonds by other companies, or executes such bonds with co-sureties, or reinsures any portions of such bonds with reinsuring companies, then all the terms and conditions of this Agreement shall apply and operate for the benefit of such other companies, co-sureties and reinsurers as their interests may appear.

11. The several and pro-rata liability of the Indemnitors hereunder shall not be affected by the failure of South Edge to sign any such bond, nor by any claim that other indemnity or security was to have been obtained, nor by the release of any indemnity, or the return or exchange of any collateral that may have been obtained and if any party signing this Agreement is not bound for any reason, this Agreement shall still be binding upon each and every other party.

12. This Agreement may be terminated by South Edge , upon written notice to the Company of not less than ten (10) days, but any such notice of termination shall not operate to modify, bar or discharge the liability of any party hereto, upon or by reason of any and all such obligations that may be then in force.

13. Indemnitors agree that their several and pro-rata liability shall be construed as the corresponding several liability of a compensated Surety, as broadly as the respected several liability of the Company would be construed toward its obligee.

14. The word Indemnitors, or personal pronouns used to refer to said word, shall apply regardless of number or gender, and to individuals, partnerships or corporations, as the circumstances require.

15. That no change or modification of or in the terms of this agreement shall be effective unless such change or modification is in writing and signed by the President, a Vice-President, a Secretary, or an Assistant Secretary of the Company.

17. At any time, and until such time as the liability of the Surety under any and all said Bonds is terminated, the Surety shall have the right to reasonable access to the books, records, and accounts of South Edge ; and any bank depositary, material man, supply house, or other person, firm, or corporation when requested by the Surety is hereby authorized to furnish the Surety any information requested including, but not limited to, the status of the work under contracts being performed by South Edge , the condition of the performance of such contracts and payments of accounts.

18. In the event of any breach, delay or default asserted by the obligee in any said Bonds, or South Edge has suspended or ceased work on any contract or contracts covered by any said Bonds, or failed to pay obligations incurred in connection therewith, or in the event of South Edge's conviction for a felony, imprisonment, incompetency, insolvency or bankruptcy of South Edge, or the appointment of a receiver or trustee for South Edge, or the property of South Edge, or in the event of an assignment for the benefit of creditors of South Edge, or if any action is taken by or against South Edge under or by virtue of the National Bankruptcy Act, or should reorganization or arrangement proceedings be filed by or against South Edge under said Act, or if any action is taken by or against South Edge under the insolvency laws of any state, possession, or territory of the United States, the Surety shall have the right, after written notice to South Edge, copied to Indemnitors, and thirty (30) days opportunity to cure, at its option and in its sole discretion, and is hereby authorized, with or without exercising any other right or option conferred upon it by law or in the terms of this Agreement, to take possession of any part or all of the work under any contract or contracts covered by any said Bonds, and, at the expense of South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) to complete or arrange for the completion of the same, and South Edge and Indemnitors (in proportion to their respective obligations owing under this Agreement) shall promptly upon demand pay to the Surety all losses, and expenses so incurred.

19. SOUTH EDGE AND THE INDEMNITORS HEREBY ACKNOWLEDGE THAT THIS AGREEMENT IS INTENDED TO COVER ANY BONDS (WHETHER OR NOT COVERED BY ANY APPLICATION SIGNED BY SOUTH EDGE -- SUCH APPLICATION TO BE CONSIDERED BETWEEN THE PARTIES HERETO AS MERELY SUPPLEMENTARY TO THIS GENERAL AGREEMENT OF INDEMNITY) HERETOFORE OR HEREAFTER EXECUTED BY THE COMPANY ON BEHALF OF SOUTH EDGE (WHETHER CONTRACTING ALONE OR AS A JOINT OR CO-ADVENTURER), FROM TIME TO TIME, AND OVER AN INDEFINITE PERIOD OF YEARS, UNTIL THIS AGREEMENT SHALL BE CANCELED IN ACCORDANCE WITH THE TERMS HEREOF.

20. LIMITED MONETARY OBLIGATION OF INDEMNITORS – Notwithstanding any provision to the contrary, the monetary obligation of Indemnitors, is apportioned as follows:

A. KB Home – 18.5%
B. Focus South Group – 15.5%
C. Toll Brothers – 10.5%
D. Woodside 8.4%
E. Kimball Hill - 6.3%
F. Pardee Homes 4.9%
G. Meritage – 3.6%
H. Beazer – 3.6%

The obligations of Indemnitors shall be several and pro-rata as to all provisions herein, including but not limited to, the obligation to procure the discharge and exoneration of Surety with respect to any Bond issued hereunder, and the payment of premiums due for any Bond issued for Principal

WE HAVE READ THIS GENERAL AGREEMENT OF INDEMNITY CAREFULLY. THERE ARE NO SEPARATE AGREEMENTS OR UNDERSTANDINGS WHICH IN ANY WAY LESSEN OUR OBLIGATIONS AS ABOVE SET FORTH.

IN TESTIMONY WHEREOF, the Indemnitors have hereunto set their hands and affixed their seals this. This Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement

_____ day of _____, 2006.

SIGNATURE PAGES FOLLOW

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, Its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Terra South Corp, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, Its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hibler, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Ryland Homes USA, Inc., a Delaware corporation

Gary J. Hoyalton, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

By:

Dearer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC
By Holding Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cory J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Ritter, its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By: MYRON J. BANWART, VP-CONTROLLER

Toll Brothers, Inc., a Delaware corporation

By: Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

Beazer Homes USA, Inc., a Delaware corporation

By: Cory J. Boydston, Senior Vice President & Treasurer

Principal
Addresses:

South Edge, LLC
By Holdings Manager, LLC, its General Manager

By: John A. Miller, its Manager

Indemnitors
Addresses:

Focus South Group, LLC

By: John A. Miller, its Manager

Meritage Homes Corporation, a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nelson, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

By: Gary N. Mayo, Group President

By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

Principal
Addresses:

South Edge, LLC:
By Holdings Manager, LLC, its General Manager

By: John A. Ritter, Its Manager

Indemnitors
Addresses:

Pecos South Group, LLC

By: John A. Ritter, Its Manager

Meritage Homes Corporation., a Maryland corporation

By: Larry W. Seay, its Chief Financial Officer

Woodside Group, Inc., a Nevada corporation

By: Scott "Chip" Nolan, President

Kimball Hills, Inc., an Illinois corporation

By: David K. Hill, CEO & Chairman of the Board

Weyerhaeuser Real Estate Company, a Washington corporation

By:

Toll Brothers, Inc., a Delaware corporation

Joel H. Rassman, Chief Financial Officer, Executive Vice President & Treasurer

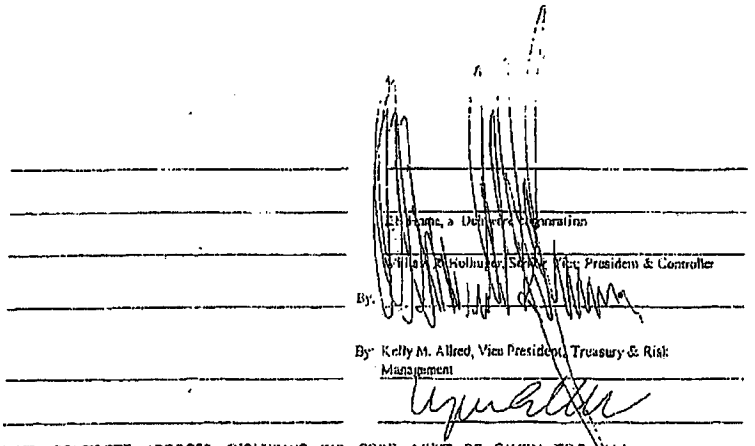
By:

Beazer Homes USA, Inc., a Delaware corporation

Cory J. Boydston, Senior Vice President & Treasurer

By:

1000 Abernathy Rd., Suite 1200
Atlanta, GA 30328



By: William B. Rollinger, Senior Vice President & Controller

By: Kelly M. Allred, Vice President, Treasury & Risk Management

IMPORTANT: COMPLETE ADDRESS, INCLUDING ZIP CODE, MUST BE GIVEN FOR ALL INDEMNITORS. INDIVIDUAL INDEMNITORS MUST FURNISH ADDRESS OF PERMANENT RESIDENCE. (ATTACH SEPARATE SHEET FOR ADDRESSES, IF NECESSARY.)

District of Nevada
Claims Register

10-32968-bam SOUTH EDGE, LLC

Judge: BRUCE A. MARKELL **Chapter:** 11

Office: Las Vegas **Last Date to file claims:** 06/29/2011

Trustee: CYNTHIA NELSON **Last Date to file (Govt):**

Creditor: (7127658) Bond Safeguard/Lexon Insurance Co. c/o Christine A. Roberts, Esq. Sullivan Hill Lewin Rez & Engel 228 South 4th Street, 1st Floor Las Vegas, NV 89101	**Claim No: 32** *Original Filed Date*: 06/29/2011 *Original Entered Date*: 06/29/2011	*Status:* *Filed by:* AT *Entered by:* ROBERTS, CHRISTINE *Modified:*
Unsecured claimed: $9713.40 **Total claimed: $9713.40**		

History:

Details	32-1	06/29/2011 Claim #32 filed by Bond Safeguard/Lexon Insurance Co., total amount claimed: $9713.4 (ROBERTS, CHRISTINE)

Description: (32-1) Southwest Iron - Bond #5027182

Remarks:

Claims Register Summary

Case Name: SOUTH EDGE, LLC
Case Number: 10-32968-bam
Chapter: 11
Date Filed: 12/09/2010
Total Number Of Claims: 1

	Total Amount Claimed	Total Amount Allowed
Unsecured	$9713.40	
Secured		
Priority		
Unknown		
Administrative		
Total	**$9713.40**	**$0.00**