

DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into as of the 31st day of October, 2005 by and between Affordable Luxury Homes, a California corporation ("ALH") and Asociacion Campesina Lazaro Cardenas, LLC; a private non-profit corporation ("ACLC").

RECITALS

A. ALH owns or has the right to acquire to that certain real property located in the City of Fresno, County of Fresno, State of California, APN No. 479-020-36 and 479-020-50 consisting of one hundred (100) lots as shown on the draft Tentative Map prepared by Northstar Engineering and dated _____, 2005 (the "Tentative Map") and more particularly described in Exhibit A attached hereto ("ALH Parcel").

B. ACLC owns or has the right to acquire that certain real property located in the City of Fresno, County of Fresno, State of California, APN No. 479-020-49 consisting of one hundred three (103) lots as shown as the Tentative Map and more particularly described in Exhibit B attached hereto ("ACLC Parcel").

C. The ALH Parcel and ACLC Parcel are adjacent to one another, and together they are referred to herein as the "Land". ALH and ACLC intend to develop an integrated residential project on the Land ("Project"). ALH and ACLC recognize that it is cost – efficient and in their mutual best interests to cooperate in the development of the project.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Access.

1.01 ALH Access. ACLC hereby grants to ALH a temporary, revocable and non-exclusive license to: (i) enter and travel across the ACLC Parcel for purposes of developing the ALH Parcel or constructing any of the Improvements (as that term is defined below); (ii) enter and construct on the ACLC Parcel such infrastructure and other improvements reasonably necessary for the development of the Project, including, without limitation, streets, sidewalks, gutters, storm drains, parking lots, utilities (including, without limitation, water, telephone, electricity, natural gas, and cable television), lighting, and landscaping (collectively "Improvements"); and (iii) exercise such other rights on the ACLC Parcel ancillary to the foregoing rights and reasonably necessary and convenient for the development of the Project, including, without limitation, the temporary storage of materials and equipment on the ACLC Parcel; provided, however, such ancillary rights do not unreasonably interfere with ACLC's use, enjoyment and development of the ACLC Parcel.

1.02 ACLC Access. ALH hereby grants to ACLC a temporary, revocable and non-exclusive license to: (i) enter and travel across the ALH Parcel for purposes of

developing the ACLC Parcel or constructing any of the Improvements; (ii) enter and construct on the ALH Parcel Improvements; and (iii) exercise such other rights on the ALH Parcel ancillary to the foregoing rights and reasonably necessary and convenient for the development of the Project, including, without limitation, the temporary storage of materials and equipment on the ALH Parcel; provided, however, such ancillary rights do not unreasonably interfere with ALH's use, enjoyment and development of the ALH Parcel.

Section 2. Construction.

2.01 Offsite Improvements. ALH and ACLC shall each bear the sole cost and responsibility for the completion of a portion of any Improvement benefiting the Project but not located on either the ALH Parcel or the ACLC Parcel (singularly, an "Offsite Improvement"; collectively, "Offsite Improvements") as follows¹:

- a. ALH shall construct, at its sole cost and expense, 100/203 of any Offsite Improvement.
- b. ACLC shall construct, at its sole cost and expense, 103/203 of any Offsite Improvement.
- c. Although each party is responsible for a portion of the Offsite Improvements, neither ALH or ACLC intend to construct their respective portions at different times, nor do they intend to each construct their respective portion concurrently. Rather, either ALH or ACLC will construct all the Offsite Improvements (or a logical portion of the Offsite Improvements, in which case the other will construct the remainder), and the other party will reimburse the constructing party for its share of the costs and expenses as set forth under the provisions of this paragraph. In this regard, and for purposes of this paragraph only, at the time that either party delivers written notice ("Construction Notice") to the other party that it intends to commence any Offsite Improvement, the party giving notice shall be referred to as the "Offsite Constructing Party" and the other party shall be referred to as the "Offsite Non-Constructing Party". The Offsite Constructing Party shall submit any Offsite Improvement to competitive bidding. Such bidding shall include at least three (3) bids, at least one (1) of which may, at the Offsite Non-Constructing Party's option, be submitted by a contractor selected by the Offsite Non-Constructing Party. The Offsite Improvement work shall be performed by the lowest responsible and responsive competitive bidder. Within thirty (30) days following completion of an Offsite Improvement by the Offsite Constructing Party, the Offsite Non-Constructing Party shall pay to the Offsite Constructing Party 100/203 (if the Offsite Non-Constructing Party is ALH) or 103/203 (if the Offsite Non-Constructing Party is ACLC) of the Actual Costs. "Actual Costs" shall mean the third-party costs actually incurred by the Offsite Constructing Party in designing and constructing the Offsite Improvements, including, but not limited to, permit fees, inspection and plan

¹ References to the completion or construction of the Offsite Improvements shall include the preparation and approval of improvement plans and the actual construction of the Offsite Improvements and all other items designated for installation in the improvement plans approved by the County of Fresno.

check fees, engineering and inspection fees, labor and materials costs, easement or right of way acquisition fees and costs, including attorneys' fees, if necessary, together with a five percent (5%) premium for administration and overhead. In the event the Offsite Non-Constructing Party does not timely pay such amount, such sums shall bear interest at the rate of eight percent (8%) per annum until paid in full and the Offsite Constructing Party shall immediately have the right to claim and record a contractual lien pursuant to the California Civil Code on the Offsite Non-Constructing Party's property and pursue all rights and remedies provided thereunder, which rights and remedies shall be in addition to any other rights and remedies allowed under the law or equity.

d. The Offsite Constructing Party shall indemnify, defend and hold the Offsite Non-Constructing Party harmless from all costs, claims, liabilities and damages arising out of the Offsite Improvements constructed by or for the Offsite Constructing Party, to the extent the Offsite Non-Constructing Party has paid its share of the Actual Costs. In no event shall the Offsite Non-Constructing Party owe any portion of the Actual Costs until the project engineer has certified that an Offsite Improvement has been completed in accordance with the plans and specifications therefore and approved by the City or applicable utility provider. This indemnification provision shall survive the expiration or termination of this Agreement for any cause.

2.02 Construction of Common Improvements. ALH and ACLC agree to each bear their respective share of the cost of completing the Improvements located on the Land ("Onsite Improvement")²; however, the responsibility for completing the Improvements (regardless of where such Improvements are located on the Land) will rest with the party who first develops its parcel (the "Onsite Constructing Party") to the extent any public authority having jurisdiction requires the construction of any or all of the Improvements in connection with the development of the Onsite Constructing Party's parcel. The other parcel owner (the "Onsite Non-Constructing Party") shall reimburse the Onsite Constructing Party for its share of the costs of constructing those Onsite Improvements constructed by the Onsite Constructing Party. This reimbursement, and the development of the Onsite Improvements, shall proceed according to the following terms and conditions:

a. The Onsite Constructing Party shall submit the Onsite Improvement work or portion thereof to be built by the Onsite Constructing Party to competitive bidding. Such bidding shall include at least three (3) bids, at least one (1) of which may, at the Onsite Non-Constructing Party's option, be submitted by a contractor selected by the Onsite Non-Constructing Party. The Onsite Improvement work shall be performed by the lowest responsible and responsive competitive bidder. The Onsite Non-Constructing Party shall have the right to approve the bids for any work for which ultimate payment is the responsibility of the Onsite Non-Constructing Party, and the design of any Onsite Improvements to be constructed on the Onsite Non-Constructing Party's site, which approval will not be unreasonably withheld, conditioned, or delayed.

² References to the completion or construction of the Onsite Improvements shall include the preparation and approval of improvement plans and the actual construction of the Onsite Improvements and all other items designated for installation in the improvement plans approved by the County of Fresno.

In the event that the Onsite Constructing Party desires to use a contractor that is not the lowest responsive bidder, but which is otherwise acceptable to the Onsite Non-Constructing Party, the Onsite Constructing Party shall have the right to use such contractor provided the Onsite Constructing Party pays the excess cost over the cost of the lowest responsive bidder. Following commencement of construction of the Onsite Improvements or any separable portion thereof, the Onsite Constructing Party may deliver to the Onsite Non-Constructing Party, not more frequently than monthly, an engineer's certificate certifying that portion of the Onsite Improvements that have been completed together with copies of contracts and invoices for such portion of the Onsite Improvement work (the "Engineer's Certificate"). Within thirty (30) days following receipt of the Engineer's Certificate by the Onsite Non-Constructing Party, the Onsite Non-Constructing Party shall pay its share of the Actual Costs to the Onsite Constructing Party as shown on the Engineer's Certificate. "Actual Costs" shall mean the third-party costs actually incurred by the Onsite Constructing Party in designing and constructing the Onsite Improvements, including, but not limited to, permit fees, inspection and plan check fees, engineering and inspection fees, labor and materials costs, easement or right of way acquisition fees and costs, including attorneys' fees, if necessary, together with a five percent (5%) premium for administration and overhead. In the event the Onsite Non-Constructing Party does not timely pay such amount, such sums shall bear interest at the rate of eight percent (8%) per annum until paid in full and the Onsite Constructing Party shall immediately have the right to claim and record a contractual lien pursuant to the California Civil Code on the Onsite Non-Constructing Party's property and pursue all rights and remedies provided thereunder, which rights and remedies shall be in addition to any other rights and remedies allowed under the law or equity. In no event shall the Onsite Non-Constructing Party owe any portion of the Actual Costs until the Onsite Constructing Party's engineer has certified that the Onsite Improvements or a separable portion thereof has been completed in accordance with the plans and specifications therefore and approved by the City or applicable utility provider.

b. The Onsite Constructing Party shall indemnify, defend, protect and hold the Onsite Non-Constructing Party and the Onsite Non-Constructing Party's property harmless from all costs, claims, liabilities and damages arising out of construction of the Onsite Improvements to the extent the Onsite Non-Constructing Party has paid its share of the Actual Costs. In no event shall the Onsite Non-Constructing Party owe any portion of the Actual Costs until the project engineer has certified that an Onsite Improvement has been completed in accordance with the plans and specifications therefore. This indemnity provision shall survive the expiration or termination of this Agreement for any cause.

Section 3. Dedication. In connection with the construction of the Offsite and Onsite Improvements described above, the Constructing Party will be required to grant easements to utility and service providers and make dedications to the City of Fresno. The parties hereto covenant and agree to grant, without consideration, all easements and dedications reasonably required in connection with the Offsite and Onsite Improvements and the development of their respective parcels as contemplated by the parties.

Section 4. Memorandum of Agreement. The parties shall each record a memorandum against their respective property obligating the owner thereof to pay the sums and perform the duties as required pursuant to the terms and conditions of this Agreement. The memorandums shall be released upon satisfaction or completion of all requirements hereunder including completion of the Improvements and payment of the sums owed hereunder.

Section 5. Insurance.

5.01 Prior to commencing construction of any Improvement, each party hereto shall obtain or cause to be obtained by its contractor(s):

- (i) Workers' compensation and employer's liability insurance:
 - (a) Worker's compensation insurance as required by any applicable law or regulation.
 - (b) Employer's liability insurance in the amount of \$1,000,000 each accident for bodily injury, \$1,000,000 policy limit for bodily injury by disease and \$1,000,000 each employee for bodily injury by disease.
- (ii) Commercial General Liability insurance covering all operations by or on behalf of the contractor(s), which shall include the following minimum limits of liability: \$1,000,000 each occurrence (for bodily injury and property damage); \$1,000,000 for Personal Injury Liability; \$2,000,000 aggregate for Products and Completed Operations; \$2,000,000 general aggregate applying separately to this project.
- (iii) Automobile liability insurance including coverage for owned, hired and non-owned automobiles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage. The contractor shall require each of his subcontractors to include in their liability insurance policies coverage for automobile contractual liability.

5.02 All insurance policies required by this section 5.02 shall be written by insurance companies reasonably acceptable to the parties and their lender(s), with an A.M. Best & Company rating of "A- VIII" or better and licensed to do business in the State of California. Each party shall name the other party and its lender(s) as an additional insured on all policies, and each party shall provide the other party with duly executed certificates of insurance and renewals.

Section 6. Quality of Work. ALH and ACLC shall cooperate in good faith to ensure that the contractor(s) perform all construction and landscaping activities related to the Improvements work in a good and workmanlike manner, using first-class materials, and in compliance with all laws, rules, regulations, orders, and ordinances of the city, county, state, and federal governments, or any department or agency thereof, having jurisdiction

over the Project. ALH and ACLC agree to cooperate with each other in order that the Improvements shall be completed in a timely fashion and at no unreasonable increase in cost to the other.

Section 7. Record Keeping. Both parties shall keep accurate books and records relating to all Improvements for a period of one (1) year from the date of final completion for the Project. Each party or its duly authorized agent shall have the right, at its expense and upon at least ten (10) days' prior written notice, to audit such books and records. In the event such audit shall disclose any error in the determination of the Actual Costs, then the adjustment necessary to correct such error or errors, and the allocation of such costs, shall promptly be made.

Section 8. Third-party Liens. Each party hereto shall promptly pay the costs of the Improvements undertaken by such party so that the Project at all times shall be free of liens for labor and materials supplied or claimed to have been supplied in connection with such Improvements. In the event any mechanic's lien is filed against the Project as a result of services performed or materials furnished for an Improvement, the party or parties responsible for incurring the services or materials secured by the lien agrees to cause such lien to be released and discharged of record, either by paying the indebtedness which gave rise to such lien or by posting bond or other security as shall be required by law to obtain such release, and agrees to bond over any such lien claim in the event an action to foreclose the same is commenced. Each party hereto agrees to defend, protect, indemnify and hold the other harmless from and against all claims and demands, including any action or proceeding brought thereon, and all costs, losses, expenses and liabilities of any kind relating thereto, including reasonable attorneys' fees and cost of suit, arising out of or resulting from such lien.

Section 9. Cooperation. ALH and ACLC shall each cause all construction activities to be performed in a good and workmanlike manner, using first-class materials, and in compliance with all laws, rules, regulations, orders, and ordinances of the city, county, state, and federal governments, or any department or agency thereof, having jurisdiction over the Project. All construction activities within either party's respective parcel (either the ALH Parcel or the ACLC Parcel, as the case may be) shall be performed so as not to unreasonably interfere with any construction work being performed on the other party's parcel. ALH and ACLC hereby agree to use Northstar Engineering as engineer for the Project.

Section 10. Map Conditions and Improvement Bonds. Each party hereto shall be solely responsible, at its cost and expense, for the preparation and approval of one or more final subdivision maps for that party's respective parcel (i.e., either the ALH Parcel or ACLC Parcel, as the case may be); provided, however, that to the extent the parties' separate final subdivision map(s) for their respective parcels contains common conditions for the construction of Improvements, those conditions shall be satisfied as herein provided. Each party hereto shall be solely responsible, at its cost and expense, for obtaining and maintaining one or more final map improvement bond(s) insuring the completion of the

improvements to be constructed on that party's parcel, to the extent so required by any public agency or authority having jurisdiction.

Section 11. Notice. All notices, demands and requests required or permitted to be given under this Agreement must be in writing and must be delivered personally, or by nationally recognized overnight courier, facsimile transmission, or sent by United States certified mail, return receipt requested, postage prepaid and addressed to the parties at their respective addresses set forth below. Notices shall be effective upon receipt or rejection. The initial addresses of the parties shall be:

ALH:
Affordable Luxury Homes
5711 North El Dorado Street
Stockton, CA 95207

ACLC:
Asociacion Campesina Lazaro Cardenas, Inc.
315 North San Joaquin
Stockton, CA 95202

Section 12. Relationship of Parties. Nothing contained in this Agreement shall be deemed or construed, either by the parties hereto or by any third party, to create the relationship of principal and agent or to create any partnership, joint venture or other association between ALH and ACLC.

Section 13. Reliance by Parties. It is the essence of this Agreement that the construction of the improvements contemplated by each party is of substantial economic significance to the other party and that the failure of any party to construct its improvements at the time and in the manner contemplated hereby shall result in substantial direct and consequential damages to the other party.

Section 14. Costs and Attorneys' Fees. If either party brings or commences any legal action or proceeding to enforce any of the terms of this Agreement (or for damages by reason of an alleged breach of this Agreement), the prevailing party in such action shall be entitled to recovery of all costs and expenses of litigation, including reasonable attorney's fees.

Section 15. Successors and Assigns. The terms, covenants and conditions herein contained shall be binding upon and inure to the benefit of the successors, transferees, and assigns of the parties.

Section 16. Modification. This Agreement shall not be modified without the written consent of both parties.

Section 17. Termination. This Agreement shall terminate upon performance of all of the terms and conditions described herein and shall be evidenced by recordation in the public records of a notice of termination executed by the parties.

Section 18. Exhibits Incorporated. Each exhibit attached to and referred to in this Agreement is hereby incorporated by reference as though set forth in full where referred to herein.

Section 19. Counterparts. This Agreement may be signed in counterparts and all of which, when taken together, shall constitute one instrument.

Section 20. Applicable Law. This Agreement should be governed by and construed in accordance with the laws of the State of California.

Section 21. Mediation and Arbitration Clause: Any and all disputes, claims and controversies arising from or relating to this Agreement, or the breach thereof, shall be submitted to mediation by one mediator under the American Arbitration Association (the "AAA") Commercial Mediation Rules. If the matter is not resolved through mediation, then it shall be submitted to arbitration pursuant to the AAA Commercial Arbitration Rules. Unless the parties agree otherwise, there shall be one arbitrator. The arbitrator may grant any remedy or relief that the arbitrator considers just and equitable, provided that it is within the scope of this Agreement (including any exclusions and limitations of liability therein). The decision of the arbitrator shall be final, and judgment upon the arbitral award may be entered in any court having jurisdiction thereof. The mediation and arbitration provided herein are the sole way in which the aforesaid disputes, claims or controversies shall be resolved, and each party waives its right to initiate judicial proceedings, including without limitation trial by jury.

The parties shall participate in good faith in all mediation and arbitration proceedings. The venue of the mediation or arbitration proceeding shall be in San Joaquin County. The fees and expenses of the mediation or arbitration proceeding shall be shared equally by the parties. Each party shall pay its own expenses (including without limitation attorneys' fees and costs and expenses of preparation and presentation of proofs), except that the prevailing party in any arbitration proceeding shall be entitled to an award of reasonable attorneys' fees and costs.

ALH

Affordable Luxury Homes,
A California Corporation

By: Anthony Zeiter
Anthony Zeiter
Title: President

ACLC

Asociacion Campesina Lazaro Inc.,
A private Non-Profit Corporation

By: Carol J. Ornelas
Carol J. Ornelas
Title: CEO

Exhibit A

ALH Parcel

Exhibit A
LEGAL DESCRIPTION

All that certain real property in the County of FRESNO, State of California, described as follows:

North ½ of Lots 55 and 56 of Fresno Colony, according to the Map thereof recorded August 1, 1881, in Plat Book 2, Page 8, Fresno County Records.

EXCEPTING THEREFROM the East 306.04 feet of the North 130 feet of said Lot 56;

EXCEPTING THEREFROM the South 130 feet of the North 260 feet of the East 153 feet of said Lot 56; also

EXCEPTING THEREFROM the South 200 feet of the East 150 feet of the North 460 feet of said Lot 56.

EXCEPTING THEREFROM that portion of Lot 56 of Fresno Colony, according to the Map thereof recorded in August 1, 1881, in Book 2, Page 8 of Plats, Fresno County Records, described as follows:

Beginning at the Southeast corner of the North ½ of said Lot; thence (1) along the South line of the North ½ of said Lot, North 89°46'48" West, 15.00 feet; thence (2) along the West line of the East 15 feet of said Lot, North 0°25'43", East, 203.45 feet to the South line of the land described in the deed to Raymond Arnett, recorded December 19, 1956, in Book 3859, Page 60 as Document No. 87902 Fresno County Records; thence (3) along last said South line, South 89°46'35" East, 15.00 feet to the East line of said Lot; thence (4) along said East line, South 0°25'43" West, 203.44 feet to the point of beginning.

APN: 479-020-36 and 479-020-50
Affordable

Exhibit B
ACLC Parcel

Exhibit A
LEGAL DESCRIPTION

All that certain real property in the County of FRESNO, State of California, described as follows:

Lot 34 of Fresno Colony, according to the Map thereof recorded in Book 2, at Page 8 of Plats, Fresno County Records;

EXCEPTING THEREFROM any portion of said land lying within Parcel Map No. 85-59 of Parcel Maps, in the City of Fresno, County of Fresno, State of California, according to the Map recorded in Book 46, Pages 90 and 91 of Parcel Maps, Fresno County Records.

APN: 479-020-49

ACLC

NOTARY ACKNOWLEDGMENTS

STATE OF California)
) ss.
COUNTY OF San Joaquin)

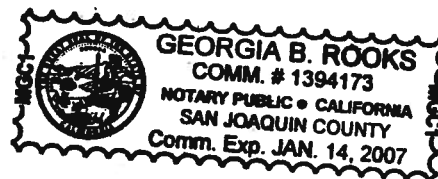
On November 14, 2005 before me
Georgia B. Rooks, a Notary Public in and for said County and State,
personally appeared Carol J. Ornelas, [personally known to me] [proved to me on the
basis of satisfactory evidence] to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Georgia B. Rooks
Georgia B. Rooks

(SEAL)



STATE OF California)
) ss.
COUNTY OF San Joaquin)

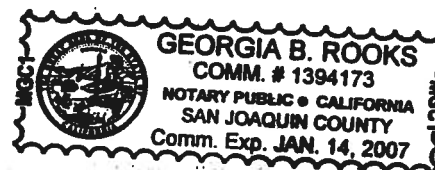
On November 15, 2005 before me
Georgia B. Rooks, a Notary Public in and for said County and State,
personally appeared Anthony J. Zeiter, [personally known to me] [proved to me on the
basis of satisfactory evidence] to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s),
or the entity(ies) upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Georgia B. Rooks
Georgia B. Rooks

(SEAL)



Agreement Among Purchasers

This Agreement Among Purchasers is made effective as of October 31, 2005 by and between Affordable Luxury Homes, a California corporation ("ALH") and Asociacion Campesina Lazaro Cardenas, LLC; a private non-profit corporation ("ACLC"). ALH and ACLC are buyers of certain real property (the "Property") under that certain Purchase and Sale Agreement and Escrow Instructions dated May 31, 2005 with Mid State Investors, LLC a California limited liability company, as Seller (the "Purchase Agreement").

A. ALH and ACLC desire to execute this Agreement to designate the portion of the Property that each party will purchase.

B. ALH and ACLC also desire to enter into and execute that certain Development Agreement attached here to as Exhibit A.

C. In connection with execution of the Development Agreement a Memorandum of Agreement will be recorded against each party's property obligating such party and its successors and assigns to fully and faithfully perform all duties and obligations under the Development Agreement.

Now therefore the parties agree as follows:

1. At the closing under the Purchase Agreement ALH shall purchase that portion of the Property commonly known as APN's 479-020-36 and 479-020-50.
2. At the closing under the Purchase Agreement ACLC shall purchase that portion of the Property commonly known as APN No. 479-020-49.
3. On or before the closing under the Purchase Agreement ALH and ACLC shall execute the Development Agreement in the form attached hereto as Exhibit A, together with the Memorandum of Agreement attached to the Development Agreement. Upon closing under the Purchase Agreement the parties shall cause the Memorandums of Agreement to be recorded against each party's respective portion of the property.
4. At the closing under the Purchase Agreement the parties agree to pay all escrow fees, title charges and other costs and expenses in accordance with the number of lots shown on such party's portion of the property. Therefore, ALH Shall pay for 100/203 of such costs and ACLC shall pay for 103/203 of such costs. The parties shall pay the seller the purchase price in the same proportion.
5. Any and all disputes, claims and controversies arising from or relating to this Agreement, or the breach thereof, shall be submitted to mediation by one mediator under the American Arbitration Association (the "AAA") Commercial Mediation Rules. If the matter is not resolved through mediation, then it shall be submitted to arbitration pursuant to the AAA Commercial Arbitration Rules. Unless the parties agree otherwise, there shall be one arbitrator. The arbitrator may grant any remedy or relief that the arbitrator considers just and equitable, provided that it is within the scope of this Agreement (including any exclusions and limitations of liability therein). The decision of the arbitrator shall be final, and judgment upon the arbitral award may be entered in any court having jurisdiction thereof. The mediation and arbitration provided herein are the sole way in which the aforesaid disputes, claims or controversies shall be resolved, and each party waives its right to initiate judicial proceedings, including without limitation trial by jury.

COPY

The parties shall participate in good faith in all mediation and arbitration proceedings. The venue of the mediation or arbitration proceeding shall be in San Joaquin County. The fees and expenses of the mediation or arbitration proceeding shall be shared equally by the parties. Each party shall pay its own expenses (including without limitation attorneys' fees and costs and expenses of preparation and presentation of proofs), except that the prevailing party in any arbitration proceeding shall be entitled to an award of reasonable attorneys' fees and costs.

Executed this _____ day of _____ 2005

ALH

Affordable Luxury Homes,
A California Corporation

By: _____
Anthony Zeiter
Title: President

ACLC

Asociacion Campesina Lazaro Inc.,
A private Non-Profit Corporation

By: _____
Carol J. Ornelas
Title: CEO