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**STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

BARBARA REED
CLERK
BY *[Signature]* DEPUTY

THIS AGREEMENT is dated as of the 4 day of November in the year 1999 by and between Douglas County, Nevada (hereinafter called OWNER) and Interstate Utility Contractors (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 - WORK

1.01 CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Replacing an existing 4-inch watermain with a new 4-inch watermain, reconnecting 14 single services, trench excavation and backfill, related road surface repair, and other incidental work as described in the contract documents.

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

Freel Drive Watermain Replacement

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by: Douglas County Engineering Division, P.O. Box 218, Minden, NV 89423

who is hereinafter called ENGINEER and who is to act as OWNER's representative, assume all duties and responsibilities, and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
Contractor is cautioned that staging and storage area has not been provided, and Contractor shall be required to provide same.

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4.02 *Dates for Substantial Completion and Final Payment*

A. The Work will be substantially completed on or before November 19, 1999, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions on or before November 30, 1999

4.03 *Liquidated Damages*

A. CONTRACTOR and OWNER recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay OWNER Five Hundred dollars (\$500.00) for each day that expires after the time specified in paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse or fail to complete the remaining Work within the time specified in paragraph 4.02 for completion and readiness for final payment or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER Five Hundred dollars (\$500) for each day that expires after the time specified in paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment. **Additionally, contractor shall be responsible for all fees, penalties or other requirements imposed by TRPA due to Non-Compliance with TRPA conditions and/or requirements.**

B. In the event that the CONTRACTOR fails to pay OWNER the specified liquidated damages amount within thirty (30) days of CONTRACTOR's being notified of said damages, OWNER may deduct the amount of the assessed liquidated damages from the final payment or retention withheld pursuant to Article 14 of the General Conditions.

ARTICLE 5 - CONTRACT PRICE

5.01 OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined below:

A. for all Unit Price Work, an amount equal to the sum of the established Unit Price for each separately identified item of Unit Price Work times the estimated quantity of that item, as indicated in the attached Bid Schedule;

B. as provided in paragraph 11.03 of the General Conditions estimated quantities are not guaranteed, and determinations of actual quantities and classification are to be made by ENGINEER as provided in paragraph 9.08 of the General Conditions. Unit prices have been computed as provided in paragraph 11.03 of the General Conditions.

ARTICLE 6 - PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

A. CONTRACTOR shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

A. OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment as recommended by ENGINEER, on or about the Friday following either the first or third Thursday of each month, depending upon the timing of submittals and approvals, as provided in paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established in paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below, but, in each case, less the aggregate of payments previously made and less such amounts as ENGINEER shall determine or OWNER may withhold, in accordance with paragraph 14.02 of the General Conditions:

a. 90% of Work completed (with balance being retainage). If Work has been 50% completed as determined by ENGINEER, and if the character and progress of the Work have been satisfactory to OWNER and ENGINEER, OWNER, on recommendation of ENGINEER, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no retainage on account of Work subsequently completed, in which case the remaining progress payments prior to Substantial Completion will be in an amount equal to 100% of the Work completed less the aggregate of payments previously made; and

b. 90% of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

2. Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 90% of the Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 14.02.B.5 of the General Conditions and less 100 % of Engineer's estimate of the value of Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

6.03 *Final Payment*

A. Upon final completion and acceptance of the Work in accordance with paragraph 14.07 of the General Conditions, OWNER shall pay the remainder of the Contract Price as recommended by ENGINEER as provided in said paragraph 14.07.

ARTICLE 7 - INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate allowed by law at the place of the project.

ARTICLE 8 - CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

- A.** CONTRACTOR has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
- B.** CONTRACTOR has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C.** CONTRACTOR is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D.** CONTRACTOR has carefully studied all (if any): (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.

CONTRACTOR accepts the determination set forth in paragraph SC-4.2 of the Supplementary Conditions of the extent of the "technical data" contained in such reports and drawings upon which CONTRACTOR is entitled to rely as provided in paragraph 4.2 of the General Conditions. CONTRACTOR acknowledges that such reports and drawings are not Contract Documents and may not be complete for CONTRACTOR's purposes. CONTRACTOR acknowledges that OWNER and ENGINEER do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the site.

E. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction, if any, expressly required by the Contract Documents to be employed by CONTRACTOR, and safety precautions and programs incident thereto.

F. CONTRACTOR does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

G. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Contract Documents.

H. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

I. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 9 - CONTRACT DOCUMENTS

9.01 Contents

A. The Contract Documents consist of the following:

1. This Agreement (pages 1 to 7, inclusive);
2. Performance Bond (pages 1 to 3, inclusive);
3. Payment Bonds (pages 1 to 3, inclusive);
4. Other Bonds (pages _____ to _____, inclusive);
 - a. _____ (pages _____ to _____, inclusive);
 - b. _____ (pages _____ to _____, inclusive);
 - c. _____ (pages _____ to _____, inclusive);
5. General Conditions (pages 1 to 45, inclusive, not attached);
6. Supplementary Conditions (pages SC-1 to SC-15, inclusive, not attached);
7. Specifications as listed in table of contents of the Project Manual (not attached);
8. Drawings (not attached) consisting of a cover sheet and sheets numbered 1 through 2, inclusive with each sheet bearing the following general title Freel Drive Watermain Replacement;
9. Addenda (numbers 1 to 1, inclusive);
10. Exhibits to this Agreement (enumerated as follows):
 - a. Notice to Proceed (pages 1 to 2 inclusive, not attached)
 - b. CONTRACTOR's Bid (pages BF-1 to BF- 8, inclusive, not attached).
 - c. Documentation submitted by CONTRACTOR prior to Notice of Award (not attached).

11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:

- a. Written Amendments
- b. Work Change Directives
- c. Change Order(s)

12. Part 2 and Part 3 of the "Standard Specifications for Public Works Construction, Washoe County, City of Sparks, City of Reno, Carson City, City of Yerington," 1996 Edition, incorporated by reference.

B. The documents listed in paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no Contract Documents other than those listed above in this Article 9.

D. The Contract Documents may only be amended, modified or supplemented as provided in paragraph 3.05 of the General Conditions.

ARTICLE 10 - MISCELLANEOUS

10.01 Terms

A. Terms used in this will have the meanings indicated in the General Conditions.

10.02. Assignment of Contract

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 Successors and Assigns

A. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 Severability

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 Other Provisions

A. If applicable, in the event that there is any litigation relative to the interpretation or enforcement of this agreement or any of the Contract Documents, the prevailing party shall be entitled to a reasonable Attorney's fee, together with costs of suit.

IN WITNESS WHEREOF, OWNER and CONTRACTOR have signed this Agreement in triplicate. One counterpart each has been delivered to OWNER, CONTRACTOR and ENGINEER. All portions of the Contract Documents have been signed, initialed or identified by OWNER and CONTRACTOR or identified by ENGINEER on their behalf.

This Agreement will be effective on Nov. 4, 1999.

DOUGLAS COUNTY, NEVADA - OWNER

Jacques Etchegoyhen
Jacques Etchegoyhen, Chairman
Board of County Commissioners

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

One the 4th day of Nov, 1999, Jacques Etchegoyhen, Chairman of the Douglas County Board of Commissioners, personally appeared before me, Barbara J. Reed, Douglas County Clerk, and acknowledged to me that, in conformance with the direction of the Board of Douglas County Commissioners' meeting of 11-4-99, he executed the above instrument on behalf of Douglas County, a political subdivision of the State of Nevada.

Barbara J. Reed by Carol M. Hullock
Barbara J. Reed, Douglas County Clerk
CONTRACTOR:
INTERSTATE UTILITY CONSTRUCTORS
(Div. of West Valley Construction Company Inc.)

By: Edward H. Leone
(Authorized Representative)

Print Name: EDWARD H. LEONE

STATE OF NEVADA)
) SS:
COUNTY OF DOUGLAS)

On this _____ day of _____, in the year _____ before me, _____ / Notary Public, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is (are) subscribed to this instrument, and acknowledge that he (she/they) executed it.

WITNESS my hand and official seal.

Notary's Signature _____
My Commission Expires: _____

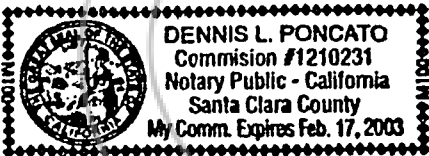
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STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

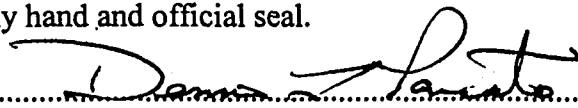
On this9thday ofNovember..... in the year of ..1999,
before me,.....Dennis L. Poncato, Notary Public..... , personally
appearedEdward H. Leone ,personally
known to me (~~or proved on the basis of satisfactory evidence~~) to be the person (s)
whose name (s) is /-are subscribed to the within instrument and acknowledged to
me that he /-she /-they executed the same in his /-her /-their authorized capacity (ies)
and that by his /-her /-their signature (s) on the instrument the person-(s), or the
entity upon behalf of which the person-(s) acted, executed the instrument.

WITNESS my hand and official seal.



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.....
Notary public in and for said State

Address for giving notices to Owner:

Eric Teitelman
Engineering Manager/County Engineer
Douglas County Community Development
P.O. Box 218
Minden, NV 89423

Address for giving notices to Contractor:

INTERSTATE UTILITY CONSTRUCTORS
2551 BOEING WAY
CARSON CITY, NV 89706

NV License No. 19127

Agent for service of process:

COPY

**ADDENDUM #1
TO
CONTRACT DOCUMENTS
FOR
FREEL DRIVE WATERMAIN REPLACEMENT
FOR DOUGLAS COUNTY COMMUNITY DEVELOPMENT
SIP NO. 00100**

*****THE BIDDER SHALL EXECUTE THE CERTIFICATION WITHIN THE BID FORM
ACKNOWLEDGING RECEIPT OF THE ADDENDUM.**

CHANGES TO CONSTRUCTION SPECIFICATIONS AND CONTRACT DOCUMENTS

ADVERTISEMENT FOR BIDS

Delete previous "ADVERTISEMENT FOR BIDS" section, dated 8/27/99, and insert attached "ADVERTISEMENT FOR BIDS" section, dated 10/21/99.

DIVISION 4: ARTICLE 4

Section 4.01.A. Delete sentence,
**NOTE: PROJECT MUST BE COMPLETED BY OCTOBER 15, 1999, DUE
TO TRPA REQUIREMENTS.**

Section 4.02.A. (Original contract written as)

The Work will be substantially completed on or before October 8,
1999, and completed and ready for final payment in accordance with
paragraph 14.07 of the General Conditions on or before OCTOBER 15,
1999.

Change to read (changes shown in *italics*):

The Work will be substantially completed on or before *November 19,*
1999, and completed and ready for final payment in accordance with
paragraph 14.07 of the General Conditions on or before *November 30,*
1999.

Section 4.03.A. (Last sentence of original contract written as)

Additionally, contractor shall be responsible for all fees, penalties, or other requirements imposed by TRPA due to work being performed after the October 15, 1999, deadline.

Change to read (changes shown in *italics*):

Additionally, contractor shall be responsible for all fees, penalties, or other requirements imposed by TRPA due to *non-compliance with TRPA conditions and/or requirements.*

DIVISION 6: ARTICLE 4

Section 4.01.A. Add Sentence:

Contractor is cautioned that staging and storage area has not been provided, and contractor shall be required to provide same.

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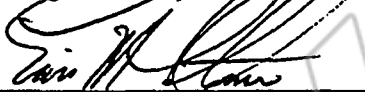
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ADVERTISEMENT FOR BIDS

1. Separate sealed bids will be received by the Douglas County Board of Commissioners care of the Community Development Department, Minden, Nevada, for the work as set forth in the Bid Documents for the **Freel Drive Watermain Replacement**. The bids shall be received on or before **3:00 p.m., local time, September 13, 1999**, in the Office of the Douglas County Clerk in the Minden Inn, 1594 Esmeralda Avenue, Room 105, Minden, Nevada. Bids will be subsequently opened and read at **3:15 p.m., local time, September 13, 1999**, in Room 303 of the Community Development Department, 1594 Esmeralda Ave, Minden, Nevada. It is anticipated that the Board of Douglas County Commissioners will consider award of the contract at their regularly scheduled meeting held in the Douglas County Courthouse on **September 16, 1999**.
2. The scheduled work for the **Freel Drive Watermain Replacement** is located at Freel Drive between Tallac Drive and Beach Lane within the Zephyr Water Utility District, Marla Bay, Lake Tahoe, NV, and consists of replacing an existing 4-inch watermain with a new 4-inch watermain, reconnecting 14 single services, trench excavation and backfill, related road surface repair, and other incidental work as described in the contract documents. The Engineers estimate for this work is approximately \$70,000.
3. No proposal will be considered unless accompanied by a bid security in the form of a Certified or Cashier's Check, or Bid Bond, in an amount not less than five percent (5%) of the bid.
4. Bid Documents may be examined during normal business hours at the following locations:
 - Reno Builders Exchange
500 Ryland Avenue
Reno, Nevada 89502
 - F.W. Dodge Builders Exchange/Carl's Blueprint
450 Sunshine Ln
Reno, NV 89502
 - Douglas County Community Development
1594 Esmeralda Ave., Room 202 (8:00 a.m. - 2:30 p.m.)
Minden, Nevada 89423
 - Douglas County Clerk's Office
1616 Eighth Street, Room 105 (9:00 a.m. - 5:00 p.m.)
Minden, Nevada 89423
5. Copies of the Bid Documents may be obtained at Douglas County Community Development Department, Room 202 of the Minden Inn, 1594 Esmeralda Ave., Minden, Nevada, **BETWEEN THE HOURS OF 8:00 AM AND 2:30 PM**. The non-refundable fee for the bid documents is \$ 30.00. Bid documents can be mailed for an additional \$5.00 fee.
6. The Prevailing Wage Rate as established by the State Labor Commission shall be paid on projects with a contract price of \$100,000 or more.
7. NRS 338.147 provides for a 5 percent bidder preference to bidders who qualify for the preference. The requirements for the preference are detailed in the contract documents.

8. A prebid conference will be held at 10:00 a.m. on September 7, 1999 in Room 303 of the Minden Inn, 1594 Esmeralda Ave, Minden, Nevada. Bidders are encouraged to attend and participate in the conference.

Community Development Department
Douglas County, Nevada



Eric Teitelman
Engineering Manager/County Engineer

Dated 8/27/99

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Article 1 - Defined Terms

1.01 Terms used in these Instructions to Bidders will have the meanings indicated in the General Conditions and Supplementary Conditions. Additional terms used in these Instructions to Bidders have the meanings indicated below which are applicable to both the singular and plural thereof:

A. *Bidder* - The individual or entity who submits a Bid directly to OWNER.

B. *Issuing Office* - The office from which the Bidding Documents are to be issued and where the bidding procedures are to be administered.

C. *Successful Bidder* - The lowest responsible Bidder submitting a responsive Bid to whom OWNER (on the basis of OWNER's evaluation as hereinafter provided) makes an award.

Article 2 - Copies of Bidding Documents

2.01 Complete sets of the Bidding Documents in the number and for the deposit sum, if any, stated in the Advertisement or Invitation to Bid may be obtained from the Issuing Office.

2.02 Complete sets of Bidding Documents must be used in preparing Bids; neither OWNER nor ENGINEER assume any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.

2.03 OWNER and ENGINEER in making copies of Bidding Documents available on the above terms do so only for the purpose of obtaining Bids for the Work and do not confer a license or grant for any other use.

Article 3 - Qualifications of Bidders.

3.01 To demonstrate Bidder's qualifications to perform the Work, each Bidder must submit a completed Statement of Bidder's Experience and Financial Qualifications on the Bid Form.

Article 4 - Examination of Bidding Documents, Other Related Data, and Site.

4.01 *Subsurface and Physical Conditions*

A. The Supplementary Conditions identify:

1. Those reports of explorations and tests of subsurface conditions at or contiguous to the Site that ENGINEER has used in preparing the Bidding Documents.

2. Those drawings of physical conditions in or relating to existing surface and subsurface structures at or contiguous to the Site (except Underground Facilities) that ENGINEER has used in preparing the Bidding Documents.

B. Copies of reports and drawings referenced in paragraph 4.01.A will be made available by OWNER to any Bidder on request. Those reports and drawings are not part of the Contract Documents, but the "technical data" contained therein upon which Bidder is entitled to rely as provided in paragraph 4.02 of the General Conditions has been identified and established in paragraph 4.02 of the Supplementary Conditions. Bidder is responsible for any interpretation or

conclusion Bidder draws from and "technical data" or any other data, interpretations, opinions or information contained in such reports or shown or indicated in such drawings.

4.02 *Underground Facilities*

A. Information and data shown or indicated in the Bidding Documents with respect to existing Underground Facilities at or contiguous to the site is based upon information and data furnished to OWNER and ENGINEER by owners of such Underground Facilities including OWNER, or others. OWNER and ENGINEER do not assume responsibility for the accuracy or completeness thereof unless it is expressly provided otherwise in the Supplementary Conditions.

4.03 *Hazardous Environmental Condition*

A. The Supplementary Conditions identify those reports and drawings relating to a Hazardous Environmental Condition identified at the Site, if any, that ENGINEER has used in preparing the Bidding Documents.

B. Copies of reports and drawings referenced in paragraph 4.03.A will be made available by OWNER to any Bidder on request. Those reports and drawings are not part of the Contract Documents, but the "technical data" contained therein upon which Bidder is entitled to rely as provided in paragraph 4.06 of the General Conditions has been identified and established in paragraph 4.06 of the Supplementary Conditions. Bidder is responsible for any interpretation or conclusion Bidder draws from and "technical data" or any other data, interpretations, opinions or information contained in such reports or shown or indicated in such drawings.

4.04 Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to subsurface conditions, other physical conditions and Underground Facilities, and possible changes in the Bidding Documents due to differing or unanticipated conditions appear in Paragraphs 4.02, 4.3, and 4.04 of the General Conditions. Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to a Hazardous Environmental Condition at the Site, if any, and possible changes in the Contract Documents due to any Hazardous Environmental Condition uncovered or revealed at the Site was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work appear in paragraph 4.06 of the General Conditions.

4.05 On request, OWNER will provide each Bidder access to the site to conduct such examinations, investigations, explorations, tests and studies as Bidder deems necessary for submission of a Bid. Bidder shall fill all holes and clean up and restore the site to its former conditions upon completion of such explorations, investigations, tests and studies.

4.06 Reference is made to Article 7 of the Supplementary Conditions for the identification of the general nature of work that is to be performed at the site by OWNER or others (such as utilities and other prime contractors) that relates to the work for which a Bid is to be submitted. On request, OWNER will provide to each Bidder for examination access to or copies of Contract Documents (other than portions thereof related to price) for such other work.

4.07. It is the responsibility of each Bidder before submitting a Bid to:

A. Examine and carefully study the Bidding Documents, including any Addenda and other related data identified in the Bidding Documents;

B. Visit the Site to become familiar with and satisfy Bidder as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work;

C. Become familiar with and satisfy Bidder as to all federal, state, and local Laws and Regulations that may affect cost, progress, performance of the Work;

D. Carefully study all reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and carefully study all reports and drawings of a Hazardous Environmental Condition, if any, at the Site which have been identified in the supplementary Conditions as provided in paragraph 4.06 of the General Conditions;

E. Obtain and carefully study (or assume responsibility for doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto;

F. Agree at the time of submitting its Bid that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of its Bid for performance of the Work at the price bid and within the times and in accordance with the other terms and conditions of the Bidding Documents;

G. Become aware of the general nature of the work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents;

H. Correlate the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents;

I. Promptly give ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder discovers in the Bidding Documents and confirm that the written resolution thereof by ENGINEER is acceptable to Bidder; and

J. Determine that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work.

4.08 The submission of a Bid will constitute an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article 4, that without exception the Bid is premised upon performing and furnishing the Work required by the Bidding Documents and applying the specific means, methods, techniques, sequences or procedures of construction that may be shown or indicated or expressly required by the Bidding Documents, that Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities and discrepancies that Bidder has discovered in the Contract Documents and the written resolutions thereof by ENGINEER is acceptable to Bidder, and that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the Work.

Article 5 - Pre-bid Conference

5.01 A pre-bid conference will be held at 10:00 a.m. on the 7th day of September, 1999, at Room 303 of the Minden Inn, 1594 Esmeralda Avenue, Minden, NV. Representatives of OWNER and ENGINEER will be present to discuss the Project. Bidders are encouraged to attend and participate in the conference. ENGINEER will transmit to all prospective Bidders of record such Addenda as ENGINEER considers necessary in response to questions arising at the conference. Oral statements may not be relied upon and will not be binding or legally effective.

Article 6 - Site and Other Areas

6.01 The Site is identified in the Bidding Documents. All additional lands and access thereto required for temporary construction facilities, construction equipment or storage of materials and equipment to be incorporated in the Work are to be obtained and paid for by CONTRACTOR. Easements for permanent structures or permanent changes in existing facilities are to be obtained and paid for by OWNER unless otherwise provided in the Bidding Documents.

Article 7 - Interpretations and Addenda

7.01 All questions about the meaning or intent of the Bidding Documents are to be directed to ENGINEER. Interpretations or clarifications considered necessary by ENGINEER in response to such questions will be issued by Addenda mailed or delivered to all parties recorded by ENGINEER as having received the Bidding Documents. Questions received less than three days prior to the date for opening of Bids may not be answered. Only questions answered by formal written Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.

7.02 Addenda may also be issued to clarify, correct, or change the Bidding Documents as deemed advisable by OWNER or ENGINEER.

Article 8 - Bid Security

8.01 A Bid must be accompanied by Bid security made payable to OWNER in an amount of five percent of Bidder's maximum Bid price and in the form of a Certified or Bank Check or a Bid Bond (on form attached) issued by a surety meeting the requirements of Paragraphs 5.01 and 5.02 of the General Conditions.

8.02 The Bid security of the Successful Bidder will be retained until such Bidder has executed the Contract Documents, furnished the required contract security and met the other conditions of the Notice of Award, whereupon the Bid security will be returned. If the Successful Bidder fails to execute and deliver the Contract Documents and furnish the required contract security within 15 days after the Notice of Award, OWNER may annul the Notice of Award and the Bid security of that Bidder will be forfeited. The Bid security of other Bidders whom OWNER believes to have a reasonable chance of receiving the award may be retained by OWNER until the earlier of seven days after the Effective Date of the Agreement or 61 days after the Bid opening, whereupon Bid security furnished by such Bidders will be returned.

8.03 Bid security of other Bidders whom OWNER believes do not have a reasonable chance of receiving the award will be returned within seven days after the Bid opening.

Article 9 - Contract Times

9.01 The number of days within which, or the dates by which, the Work is to be (a) substantially completed and (b) also completed and ready for final payment are set forth in the Agreement.

Article 10 - Liquidated Damages

10.01 Provisions for liquidated damages, if any, are set forth in the Agreement.

Article 11 - Substitute and "Or-Equal" Items

11.01 The Contract, if awarded, will be on the basis of materials and equipment described in the Drawings or specified in the Specifications without consideration of possible substitute or "or-equal" items. Whenever it is specified or described in the Bidding Documents that a substitute or "or-equal" item of material or equipment may be furnished or used by CONTRACTOR if acceptable to ENGINEER, application for such acceptance will not be considered by ENGINEER until after the Effective Date of the Agreement. The procedure for submission of any such application by CONTRACTOR and consideration by ENGINEER is set forth in the General Conditions and may be supplemented in the General Requirements.

Article 12 - Subcontractors, Suppliers and Others

12.01 Each Bidder must submit a completed List of Subcontractors on the Form furnished with the completed Bid Form. The apparent Successful Bidder, and any other Bidder so requested, shall within seven days after the Bid opening submit to OWNER supplemental information in the form of an experience statement with the pertinent information regarding similar projects and other evidence of qualification of each Subcontractor, Supplier, person or organization if requested by OWNER or ENGINEER. IF OWNER or ENGINEER, after due investigation, has reasonable objection to any proposed Subcontractor, Supplier, individual, or entity, OWNER may, before the Notice of Award is given request apparent Successful Bidder to submit an acceptable substitute, in which case apparent Successful Bidder shall submit an acceptable substitute, Bidder's Bid price will be increased (or decreased) by the difference in cost occasioned by such substitution and OWNER may consider such price adjustment in evaluating Bids and making the contract award.

12.02 If apparent Successful Bidder declines to make any such substitution, OWNER may award the Contract to the next lowest Bidder that proposes to use acceptable Subcontractors, Suppliers, individuals, or entities. Declining to make requested substitutions will not constitute grounds for forfeiture of the Bid security of any Bidder. Any Subcontractor, Supplier, individual, or entity so listed and against which OWNER or ENGINEER makes no written objection prior to the giving of the Notice of Award will be deemed acceptable to OWNER and ENGINEER subject to revocation of such acceptance after the Effective Date of the Agreement as provided in Paragraph 6.06 of the General Conditions.

12.03 CONTRACTOR shall not be required to employ any Subcontractor, Supplier, individual, or entity against whom CONTRACTOR has reasonable objection.

Article 13 - Preparation of Bid

13.01 The Bid Form is included with the Bidding Documents. Additional copies may be obtained from ENGINEER (or the Issuing Office).

13.02 All blanks on the Bid Form and Bid Schedule(s) must be completed by printing in ink or by typewriter and the Bid signed. A bid price shall be indicated for each Bid item listed therein.

13.03 A Bid by a corporation shall be executed in the corporate name by the president or a vice-president (or other corporate officer accompanied by evidence of authority to sign) and the

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corporate seal must be affixed and attested by the secretary or an assistant secretary. The corporate address and state of incorporation shall be shown below the signature.

13.04 A Bid by a partnership shall be executed in the partnership name and signed by a partner (whose title must appear under the signature), accompanied by evidence of authority to sign. The official address of the partnership must be shown below the signature.

13.05 A bid by a limited liability company shall be executed in the name of the firm by a member and accompanied by evidence of authority to sign. The state of formation of the firm and the official address of the firm must be shown below the signature.

13.06 A Bid by an individual shall show the Bidder's name and official address.

13.07 A Bid by a joint venture shall be executed by each joint venturer in the manner indicated on the Bid Form. The official address of the joint venturer must be shown below the signature.

13.08 All names must be typed or printed in black ink below the signatures.

13.09 The Bid shall contain an acknowledgment of receipt of all Addenda, the numbers of which must be filled in on the Bid Form.

13.10 The address and telephone number for communications regarding the Bid must be shown.

13.11 The Bid shall contain evidence of Bidder's authority and qualification to do business in the state where the Project is located. Bidder's state contractor license number for the state of the Project, if any, must also be shown on the Bid Form.

Article 14 - Basis of Bid; Evaluation of Bids

14.01 Unit Price

A. Bidders shall submit a Bid on a unit price basis for each item of Work listed in the Bid schedule.

B. The total of all estimated prices will be determined as the sum of the product of the estimated quantity of each item and the unit price Bid for each item. The final quantities and Contract Price will be determined in accordance with paragraph 11.03 of the General Conditions.

C. Discrepancies between the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum. Discrepancies between words and figures will be resolved in favor of the words.

14.02 The Bid price shall include such amounts as the Bidder deems proper for overhead and profit on account of cash allowance, if any, named in the Contract Documents as provided in paragraph 11.02 of the General Conditions.

Article 15 - Submittal of Bid

15.01 Each prospective Bidder is furnished one copy of the Bidding Documents with one separate unbound copy each of the Bid Form, and if required, the Bid Bond. The unbound copy of the Bid Form is to be completed and submitted with the Bid security and the following data:

A. List of Subcontractors

B. Construction Contractor's Qualification Statement for Engineering Construction

15.02 A bid shall be submitted no later than the date and time prescribed and at the place indicated in the advertisement or invitation to Bid and shall be enclosed in an opaque sealed envelope plainly marked with the Project title (and, if applicable, the designated portion of the Project for which the Bid is submitted), the name and address of Bidder, and shall be accompanied by the Bid security and other required documents. If a Bid is sent by mail or other delivery system, the sealed envelope containing the Bid shall be enclosed in a separate envelope plainly marked on the outside with the notation "BID ENCLOSED." A mailed Bid shall be addressed to Douglas County Clerk, Minden Inn, P.O. Box 218, 1595 Esmeralda Ave., Room 105, Minden, Nevada, 89423.

Article 16 - Modification and Withdrawal of Bid

16.01 A Bid may be modified or withdrawn by an appropriate document duly executed in the manner that a Bid must be executed and delivered to the place where Bids are to be submitted prior to the date and time for the opening of Bids.

16.02 If, within twenty-four hours after Bids are opened any Bidder files a duly signed written notice with OWNER and promptly thereafter demonstrates to the reasonable satisfaction of OWNER that there was a material and substantial mistake in the preparation of its Bid, OWNER may, in its sole discretion, choose to not accept the Bid and return the same to Bidder. Thereafter, that Bidder will be disqualified from further bidding on the Work.

Article 17 - Opening of Bids

17.01 Bids will be opened at the time and place indicated in the advertisement or invitation to Bid and, unless obviously non-responsive, read aloud publicly. An abstract of the amounts of the base Bids and major alternates, if any, will be made available to Bidders after the opening of Bids.

Article 18 - Bids to Remain Subject to Acceptance

18.01 All Bids will remain subject to acceptance for the period of time stated in the Bid Form, but OWNER may, in its sole discretion, release any Bid and return the Bid security prior to the end of this period.

Article 19 - Award of Contract

19.01 OWNER reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced or conditional Bids. OWNER further reserves the right to reject the Bid of any Bidder whom it finds, after reasonable inquiry and evaluation, to be non-responsive. OWNER may also reject the Bid of any Bidder if OWNER believes that it would not be in the best interest of the Project to make an award to that Bidder. OWNER also reserves the right to waive all informalities not involving price, time or changes in the Work and to negotiate contract terms with the Successful Bidder.

19.02 More than one Bid for the same Work from an individual or entity under the same or different names will not be considered. Reasonable grounds for believing that any Bidder has an interest in

more than one Bid for the Work may be cause for disqualification of that Bidder and the rejection of all Bids in which that Bidder has an interest.

19.03 In evaluating Bids, OWNER will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.

19.04 In evaluating Bidders, OWNER will consider the qualifications of Bidders and may consider the qualifications and experience of Subcontractors, Suppliers, and other individuals or entities proposed for those portions of the Work for which the Subcontractors, Suppliers, and other individuals or entities must be submitted as provided in the Supplementary Conditions..

19.05 OWNER may conduct such investigations as OWNER deems necessary to establish the responsibility, qualifications and financial ability of Bidders, proposed Subcontractors, Suppliers individuals, or entities to perform the Work in accordance with the Contract Documents.

19.06 If the Contract is to be awarded, OWNER will award the Contract to lowest Bidder whose evaluation by OWNER indicates to OWNER that the award will be in the best interests of the Project. Pursuant to NRS 338.145, the OWNER will not award the contract to any Bidder who, at the time of opening of Bids, is not licensed under the provisions of Chapter 624 of the Nevada Revised Statutes or if the contract would exceed the limit of its license. The Bidders attention is directed to NRS 624.230 which declares that, "any bid submitted by a person who is neither licensed nor exempted from licensure as provided in this chapter at the time the bid is submitted is void."

19.07 NRS 338.147 provides for a 5 percent bidder preference to bidders who qualify for the preference. Refer to Supplementary Condition 6.09.1 for the requirements which must be met by a bidder under this statute.

Article 20 - Contract Security

20.01 Article 5 of the General Conditions, as may be modified by the Supplementary Conditions, sets forth OWNER's requirements as to performance and payment Bonds and insurance. When the Successful Bidder delivers the executed Agreement to OWNER, it must be accompanied by such Bonds.

Article 21 - Signing of Agreement

21.01 When OWNER gives a Notice of Award to the Successful Bidder, it shall be accompanied by the required number of unsigned counterparts of the Agreement with the other Contract Documents which are identified in the Agreement attached thereto. Within 5 days thereafter, Successful Bidder shall sign and deliver the required number of counterparts of the Agreement and attached documents to OWNER. Within 5 days thereafter, OWNER shall deliver one fully signed counterpart to Successful Bidder with a complete set of drawings with appropriate identification.

Article 22 - Retainage

22.01 Provisions concerning retainage and Contractors' rights to deposit securities in lieu of retainage are set forth in the Agreement.

Article 23 - State Industrial Insurance System

23.01 Contractor agrees to provide proof of insurance prior to the performance of any work under this contract, and to maintain required workers compensation coverage throughout the entire term of the contract. Refer to General Conditions 5.03, 5.04, and 6.09.

COPY

Douglas County Community Development Site Improvement Permit Fees:

SIP PLAN REVIEW FEE: Fee must accompany the application.

1.50% of the value of improvements for work valued to \$100,000.00 (plus)
0.50% of the value of improvements for work valued from \$100,001.00 to \$200,000.00 (plus)
0.25% of the value of improvements for work valued in excess of \$200,000.00

Example: The plan review fee for an estimated \$257,000.00 project is

$\$100,000.00 * 1.50\% = \$1,500.00$
 $\$100,000.00 * 0.50\% = \500.00
 $\$57,000.00 * 0.25\% = \142.50
Total Plan Review Fee = \$2,142.50

SIP CONSTRUCTION PERMIT: Permit is not valid until the fee is paid.

For work valued from \$1.00 to \$25,000.00 a fee of \$75.00
plus 2.5 % of the Engineer's Estimate

For work valued from \$25,001.00 to \$100,000.00 a fee of \$700.00
plus 2.0 % of the Engineer's Estimate in excess of \$25,000.00

For work valued over \$100,000.00 a fee of \$2,200.00
plus 1.0 % of the Engineer's Estimate in excess of \$100,000.00

Example: The permit fee for a project valued at \$257,000.00 would be \$2,200.00 plus \$1,570.00
(1.0% of \$157,000.00) for a total of \$3,770.00.

Note: All SIP's includes earthwork, a separate grading permit is not required.

FINANCIAL SECURITIES - FILING & PROCESSING FEES:

Don't forget to advise the client that if they are required to post security for their work (i.e. subdivisions, parcel maps, etc.) they must pay a \$300.00 filing fee. Lynda Teglia (782-6230) has the deposit form that must accompany all securities.

Filing of Financial Security \$300.00
Drawing Financial Security (each) \$150.00

BID FORM

PROJECT IDENTIFICATION: FREEL DRIVE WATERMAIN REPLACEMENT

CONTRACT IDENTIFICATION AND NUMBER: n/a

THIS BID IS SUBMITTED TO: Douglas County Clerk
1594 Esmeralda Ave., Room 105
P.O. Box 218
Minden, NV 89423

1.01 The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in this Bid and in accordance with the other terms and conditions of the Bidding Documents.

2.01 BIDDER accepts all of the terms and conditions of the Advertisement or Invitation to Bid and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. The Bid will remain subject to acceptance for 60 days after the day of Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER..

3.01 In submitting this Bid, BIDDER represents, as set forth in the Agreement, that:

A. BIDDER has examined and carefully studied the Bidding Documents and the following Addenda, receipt of all which is hereby acknowledged.

Addendum No.

Addendum Date

1

OCT 25, 1999

B. BIDDER has visited the Site and become familiar with and is satisfied as to the general, local and Site conditions that may affect cost, progress, performance of the Work.

C. BIDDER is familiar with and is satisfied as to all federal, state and local Laws and Regulations that may affect cost, progress and performance of the Work.

D. BIDDER has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.

E. BIDDER has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigation, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods,

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techniques, sequences, and procedures of construction to be employed by BIDDER, and safety precautions and programs incident thereto.

- F. BIDDER does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. BIDDER is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. BIDDER has correlated the information known to BIDDER, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. BIDDER has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that BIDDER has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to BIDDER.
- J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance of the Work for which this Bid is submitted.

4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; BIDDER has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; BIDDER has not solicited or induced any individual or entity to refrain from bidding; and BIDDER has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 The requirements of the Nevada Revised Statutes (NRS) shall apply to this project. The bidder is responsible for compliance with all applicable statutes. These statutes include, but are not limited to:

- A. NRS 338.020 Hourly and daily rate of wages must not be less than prevailing wage in county.
- B. NRS 338.080 Exemptions
- C. NRS 338.144 Bids to include certain information concerning subcontractors; requirements for substitution of named subcontractors. (See Supplementary Condition 6.09.H)
- D. NRS 338.147 Award of contract to contractor who submits best bid. (See Supplementary Condition 6.09.I)

5.02 The entire set of Nevada Revised Statutes are available for review at Douglas County Community Development, 1594 Esmeralda Avenue, Minden, Nevada during normal working hours (8:00 a.m. to 4:00 p.m. weekdays).

6.01 BIDDER will complete the Work in accordance with the Contract Documents for the following prices:

SEE ATTACHED BID SCHEDULE

- A. Unit Prices have been computed in accordance with paragraph 11.03.B of the General Conditions.
- B. BIDDER acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

7.01 BIDDER agrees that the Work will be substantially completed and completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

7.02 BIDDER accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the times specified in the Agreement.

8.01 The following documents are attached to and made a condition of this Bid:

- A. Bid Form;
- B. Bid Bond (or Certified or Cashier's Check);
- C. A tabulation of Subcontractors, Suppliers and other individuals and entities required to be identified in this Bid; and
- C. Construction Contractor's Qualification Statement for Engineered Construction.

9.01 Communications concerning this Bid shall be addressed to:
(Contractor's mailing address to be filled in by Bidder)

INTERSTATE UTILITY CONSTRUCTORS
2551 BOEING WAY
CARSON CITY, NV 89706

10.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on Nov. 2nd, 19 99.

NV State Contractor License No. 19127 Class "A"

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If BIDDER is:

An Individual

Name (typed or printed) _____

By _____ (SEAL)

(Individual's Signature)

Doing business as: _____

Business address: _____

Phone No.: _____

Fax No.: _____

A Corporation

INTERSTATE UTILITY CONSTRUCTORS

Corporation Name: **(Div. of West Valley Construction Company Inc.)** (SEAL)

State of Incorporation: **CALIFORNIA**

Type (General Business, Professional, Service, Limited Liability): **UNLIMITED**

By: *Edward H. Leone*

(Signature -- attach evidence of authority to sign)

Name (typed or printed): **EDWARD H. LEONE**

Title: **PRESIDENT** (Corporate Seal)

Attest: *Charles Kestigar*

(Signature of Corporate Secretary)

Business Address: **2551 BOEING WAY**

CARSON CITY, NV 89706

Phone No.: **(702) 883-1884**

Fax No.: **(702) 883-5930**

Date of Qualification to do business is **MARCH, 1958**

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A Joint Venture

Joint Venturer Name: _____ (SEAL)

By: _____

(Signature of joint venturer partner -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business Address: _____

Phone No.: _____

Fax No.: _____

Joint Venturer Name: _____ (SEAL)

By: _____

(Signature -- attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____

Business Address: _____

Phone No.: _____

Fax No.: _____

Phone and FAX Number, and Address for receipt of official communications:

(Each joint venturer must sign. The manner of signing for each individual, partnership and corporation that is a party to the joint venture should be in the manner indicated above).

BID SCHEDULE

FREEL DRIVE WATERLINE REPLACEMENT

| <u>BID ITEM NO.</u> | <u>DESCRIPTION</u> | <u>ESTIMATED QUANTITY</u> | <u>UNIT BID PRICE</u> | <u>TOTAL BID PRICE</u> |
|---------------------|--|---------------------------|----------------------------|-----------------------------|
| 1. | Mobilization | LS | <u>3090.⁰⁰</u> | <u>3090.⁰⁰</u> |
| 2. | 4" Waterline | 530 LF | <u>68.40</u> | <u>36252.⁰⁰</u> |
| 3. | ¾" Single water service | 14 EA | <u>836.⁰⁰</u> | <u>11,704.⁰⁰</u> |
| 4. | Traffic box, valve, and connect to existing service. | 14 EA | <u>984.⁰⁰</u> | <u>13,776.⁰⁰</u> |
| 5. | Site Improvement Permit | 1EA | <u>2,185.⁰⁰</u> | <u>2,185.⁰⁰</u> |
| 6. | Filter Fence, other BMPs | LS | <u>2,015.⁰⁰</u> | <u>2,015.⁰⁰</u> |

TOTAL OF BID ITEMS 1 THROUGH (numbers) \$ 69,022.⁰⁰

(words) SIXTY NINE THOUSAND, TWENTY TWO DOLLARS
AND NO/100

- CHECK ONE:
- We qualify and claim the Preferential Bidder Status as specified in NRS 338.147, and have attached the appropriate information in accordance with the requirements of NRS 338.147 as described in Supplementary Condition 6.09.I.
 - We do not qualify for the Preferential Bidder Status as specified in NRS 338.147.

Contractor: INTERSTATE UTILITY CONSTRUCTORS
(DIV. OF WEST VALLEY CONSTRUCTION COMPANY INC.)

Authorized Signature: *Edward H. Leone*
EDWARD H. LEONE
PRESIDENT

Job #

381-108

Name of JobTown of Minden
HWY 395 Waterline Extension**Date**

10/24/95

Customer NameTown of Minden
P.O. Box 205
Minden, NV 89423
(702) 782-5976**Amount**

\$23,815

Job #

381-109

Name of JobMinden-Gardnerville Sanitation
Sewer District Rehabilitation Project**Date**

10/24/95

Customer NameCDM Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$33,580

Job #

381-112

Name of JobWhiskey Springs Road Washoe
County Rocketdyne Interim
Ground Water Treatment Area "D"**Date**

12/11/95

Customer NameCDM Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$20,000

Job #

381-115

Name of JobSullivan Lane, Sparks
6" Waterline @ Albertsons Shopping
Center Oddie Blvd**Date**

2/26/96

Customer NameJet Plumbing and Drain Services
P.O. Box 3554
Sparks, NV 89432
(702) 331-3933**Amount**

\$5,665

Job #

381-116

Name of JobSparks Tank Farm for Santa Fe
Pacific Pipelines**Date**

2/28/96

Customer NameSanta Fe Pacific Pipeline Partners
888 South Figueroa Street
Los Angeles, CA 90017 / (702) 358-6279**Amount**

\$9,940

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BK1199PG3158

Job #

381-102

Name of JobGardnerville/Long Valley
Booster Pump Station Final Retention**Date**

5/8/95

Customer NameGardnerville Ranchos General
931 Mitch Drive
Gardnerville, NV 89410**Amount**

\$151,765

Job #

381-103

Name of JobRoop Street Carson City
Mainline Extension**Date**

5/8/95

Customer NameCarson City Public Works Department
2621 Northgate Lane, Suite #65
Carson City, NV 89706**Amount**

\$60,896

Job #

381-104

Name of JobRoss Gold Park Playground
Carson City**Date**

6/7/95

Customer NameCarson City Parks and Recreation Department
2621 Northgate Lane, Suite #57
Carson City, NV 89706**Amount**

\$5,286

Job #

381-105

Name of JobBartley Ranch Road, Reno
Water and Sewer Service**Date**

6/23/95

Customer NameWashoe County Nevada
P.O. Box 11130
Reno, NV 89520-0027
(702) 328-2280**Amount**

\$4,903

Job #

381-106

Name of JobWashoe Lake Park
Boat Landing Project**Date**

7/25/95

Customer NameWashoe County Nevada
P.O. Box 11130
Reno, NV 89520-0027
(702) 328-2280**Amount**

\$17,201.50

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BK1199PG3159

Job #

381-095

Name of JobBuilding Demo @ 1191 South
Carson Street**Date**

11/14/94

Customer NameJohn Anderson Construction Company
307 West Winnie Lane, Suite #4
Carson City, NV 89702
(702) 884-0404**Amount**

\$3,000

Job #

381-096

Name of JobConduit Installation @
3680 Grant Street**Date**

11/14/94

Customer NameWashoe Electric
P.O. Box 5277
Reno, NV 89513
(702) 786-7775**Amount**

\$3,040

Job #

381-099

Name of JobFallon NAS Hot-Tap
and Street X-ing**Date**

12/15/94

Customer NameBogar Contracting, Inc.
1433 Alpine Place
San Marcos, CA 92069**Amount**

\$4,000

Job #

381-100

Name of JobSparks Solvent/Fuel Site
Remediation Project**Date**

7/19/95

Customer NameCDM Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$292,992.95

Job #

381-101

Name of JobRocketdyne Interim
Groundwater Treatment Area "D"**Date**

5/4/95

Customer NameCDM Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$58,405

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Job #

381-090

Name of JobChurchill County Telephone
Fallon**Date**

6/27/94

Customer NameChurchill County Telephone System
50 West Williams Street
Fallon, NV 89406 / (702) 423-7171**Amount**

\$9,182.47

Job #

381-091

Name of Job29 Cash Drive
Waterline Extension and Hot-tap**Date**

7/8/94

Customer NameStan Smith
P.O. Box 2711
Carson City, NV 89702
(702) 883-6530**Amount**

\$4,210

Job #

381-092

Name of JobFallon/ Row Fencing and
Install Cattle Guard**Date**

9/26/94

Customer NameNevada Department of Transportation
P.O. Box 930
Reno, Nevada 89504
(702) 688-2308**Amount**

\$90,080

Job #

381-093

Name of JobPhillips and Telegraph
Water Main Upgrade**Date**

10/6/94

Customer NameConverse Consultants Southwest, Inc.
4840 Mill Street, #5
Reno, NV 89502
(702) 856-3833**Amount**

\$76,470

Job #

381-094

Name of JobRocketdyne Nevada Field Lab
Area "B" Groundwater
Treatment System**Date**

10/28/94

Customer NameRockwell International Corporation
6633 Canoga Ave
P.O. Box 7922
Canoga Park, CA 91309-7922**Amount**

\$4,000

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| | | |
|---|---|--------------------------------------|
| <u>Job #</u> 381-083 | <u>Name of Job</u> Wilson Common's Neighborhood Park | <u>Date</u> 2/17/94 |
| <u>Customer Name</u> Washoe County 1001 East 9 th Street P.O. Box 11130 Reno, NV 89520 / (702) 328-2020 | | <u>Amount</u> \$373,985.77 |

| | | |
|--|--|-------------------------------------|
| <u>Job #</u> 381-084 | <u>Name of Job</u> Minden-Gardnerville Sewer Rehabilitation Project | <u>Date</u> 3/7/94 |
| <u>Customer Name</u> Minden-Gardnerville Sanitation District P.O. Box 568, 1790 HWY 395 Minden, NV 89423 (702) 782-3546 | | <u>Amount</u> \$35,443.50 |

| | | |
|--|--|---------------------------------|
| <u>Job #</u> 381-085 | <u>Name of Job</u> Carson Centennial Eagle Valley Golf Course | <u>Date</u> 3/10/94 |
| <u>Customer Name</u> Carson City Eagle Valley Golf Course 3999 Centennial Park Drive Carson City, NV 89706 (702) 887-2520 | | <u>Amount</u> \$1,400 |

| | | |
|--|--|------------------------------------|
| <u>Job #</u> 381-087 | <u>Name of Job</u> Rancho San Rafael, Reno 4" Hot-Tap Washoe County Parks and Recreation | <u>Date</u> 4/19/94 |
| <u>Customer Name</u> Washoe County Parks P.O. Box 11130 Reno, NV 89520 (702) 828-6642 | | <u>Amount</u> \$1,347.12 |

| | | |
|--|---|-------------------------------------|
| <u>Job #</u> 381-089 | <u>Name of Job</u> Muir Drive Gardnerville Waterline Replacement Project | <u>Date</u> 6/2/94 |
| <u>Customer Name</u> Gardnerville Ranchos General Improvement District 931 Mitch Drive Gardnerville, NV 89410 / (702) 265-2048 | | <u>Amount</u> \$62,866.35 |

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Job #

381-138

Name of JobCola Street, Reno
United Construction Vault Replacement**Date**

2/18/97

Customer NameUnited Construction Company
5500 Equity Ave.
Reno, NV 89502
(702) 858-8090**Amount**

\$6,500

Job #

381-139

Name of JobSparks Solvent Fuel Site
Discharge Extension**Date**

2/19/97

Customer NameC.D.M. Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$113,693

Job #

381-140

Name of JobRocketdyne NFL, Area "D"
Groundwater Remediation System**Date**

3/4/97

Customer NameC.D.M. Engineers and Constructors
50 West Liberty, Suite #770
Reno, NV 89501
(702) 324-0311**Amount**

\$86,831

Job #

381-142

Name of JobWinnie Lane, Carson City Emergency
Work Water Main Extension**Date**

5/8/97

Customer NameCity of Carson
3505 Butti Way
Carson City, NV 89701
(702) 887-2355**Amount**

\$38,343

Job #

381-143

Name of JobRed Rock Road, Reno
257 Line Underground**Date**

5/20/97

Customer NameSierra Pacific Power Company
6100 Neil Road/ P.O. Box 10100
Reno, NV 89520-0026
(702) 689-3885**Amount**

\$157,737

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Job #

381-061

Name of JobJohnson Lane Park Phase I
Minden, Nevada**Date**

7/19/93

Customer NameDouglas County Parks
1325 Waterloo Lane
Gardnerville, NV 89410
(702) 782-9051**Amount**

\$171,637.90

Job #

381-062

Name of JobZephyr Cove Park
Tennis Courts**Date**

7/19/93

Customer NameDouglas County Parks
1325 Waterloo Lane
Gardnerville, NV 89410
(702) 782-9051**Amount**

\$134,885

Job #

381-064

Name of JobMogul Regulating Station on
4th and Cliffview**Date**

9/10/93

Customer NameWestpac Utilities
P.O. Box 30028
Reno, NV 89520-3028
(702) 689-3568**Amount**

\$5,000

Job #

381-065

Name of JobShanon Way and Sky-line Drive
Regulator Station Westpac**Date**

9/28/93

Customer NameWestpac Utilities
P.O. Box 30028
Reno, NV 89520-3028
(702) 689-3568**Amount**

\$7,500

Job #

381-066

Name of JobKingsbury Grade
Quaking Aspen Waterline Repair**Date**

9/28/93

Customer NameKingsbury General Improvement District
160 Pine Ridge Drive
P.O. Box 2220
Stateline, NV 89449**Amount**

\$9,850

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BK1199PG3164

BID BOND

BIDDER (Name and Address):

Interstate Utility Constructors (Div. of West Valley Construction Company, Inc.)
P.O. Box 5639
San Jose, Ca 95150

SURETY (Name and Address of Principal Place of Business):

Safeco Insurance Company of America
120 Montgomery Street, Suite 2050
San Francisco, CA

OWNER (Name and Address):

Community Development Department/Douglas County
1594 Esmeralda Avenue
Minden, NV

BID

BID DUE DATE: 11/2/99
PROJECT (Brief Description Including Location):
Freel Drive Watermain Department

BOND

BOND NUMBER: _____
DATE: (Not later than Bid Due Date): 10-29-99
PENAL SUM: Five Percent Of Bid Amount 5% of Bid Amt
(Words) (Figures)

IN WITNESS WHEREOF, Surety and Bidder, Intending to be legally bound hereby, subject to the terms printed on the reverse side hereof, do each cause the Bid Bond to be duly executed on its behalf by its authorized officer, agent, or representative.

BIDDER

Interstate Utility Constructors
(Div. of West Valley Construction Company, Inc.) (Seal)

Bidder's Name and Corporate Seal

By: Edward H. Leone
Signature and Title
EDWARD H. LEONE
PRESIDENT

Attest: _____
Signature and Title

SURETY

Safeco Insurance Company of America (Seal)

Surety's Name and Corporate Seal

By: Diane DeSilva
Signature and Title
(Attach Power of Attorney)
Diane DeSilva, Attorney-in-Fact

Attest: _____
Signature and Title

Note: (1) Above addresses are to be used for giving required notice.
(2) Any singular reference to Bidder, Surety, OWNER or other party shall be considered plural where applicable.

Countersigned by a Nevada Insurance Agent
this 2nd day of November, 1999.
Doris Howell
deArrieta Insurance Agency, Inc.

0481015

BK1199PG3165

No. 10346

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint
*****DIANE DeSILVA; Campbell, California*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 24th day of May, 1999

R.A. Pierson

R.A. PIERSON, SECRETARY

W. Randall Stoddard

W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

'On any certificate executed by the Secretary or an assistant secretary of the Company setting out,
(i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect,
the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R.A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this Twenty-Ninth day of October, 1999



R.A. Pierson

R.A. PIERSON, SECRETARY

0481015

BK1199PG3166

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Santa Clara

On 10-29-99, before me A.S. Tafoya,
Date Name, Title of Officer

personally appeared Diane DeSilva,
Name(s) of Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

(Seal of Notary)

Signature

[Handwritten Signature]
Signature of Notary



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Canoga Park, CA

0481015

BK1199PG3167

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On 10/29/99, before me Dennis L. Poncato, Notary Public
Date Name, Title of Officer

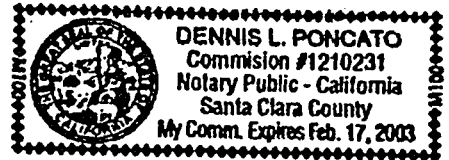
Personally appeared Edward H. Leone
Name (s) of Signer (s)

personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person (s) whose name (s) is/are subscribed to the within instrument and Acknowledged to me that he/she/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity (ies), and that by his/~~her~~/~~their~~ signature (s) on the instrument the person (s); or the entity upon behalf of which the person (s) acted, executed the instrument.

Witness my hand and official seal.

Signature *Dennis L. Poncato*
Signature of Notary
Dennis L. Poncato

(Seal of Notary)



0481015

BK1199PG3168

CONSTRUCTION CONTRACTOR'S
QUALIFICATION STATEMENT
FOR ENGINEERED CONSTRUCTION

Submitted by:

Name of Organization INTERSTATE UTILITY CONSTRUCTORS

Name of Individual DAN JOHNSON

Title DIVISION MANAGER

Address P.O. BOX 2274
CARSON CITY, NV.

89702

Telephone (775) 883-1884

Submitted to:

Name DOUGLAS COUNTY COMMUNITY DEVELOPMENT

Address 1594 ESMEERALDA AVENUE
MINDEN, NV.

89423

Telephone (775) 782-9005

Project Name and Description (if applicable)

FREEL DRIVE WATERMAIN REPLACEMENT PROJECT

0481015

BK1199PG3169

Contractor' General Business Information

Check If:

- Corporation
- Partnership
- Joint Venture
- Sole Proprietorship

If Corporation:

a. Date and State of Incorporation

MARCH, 1958 CALIFORNIA

b. List of Executive Officers

| Name | Title |
|----------------------------|------------------------------|
| EDWARD H. LEONE | PRESIDENT |
| MICHAEL J. KELLY | SENIOR VICE PRESIDENT |
| CHARLES J. KASTIGAR | SECRETARY/TREASURER |

If Partnership:

a. Date and State of Organization

b. Names of Current General Partners

c. Type of Partnership

- General Publicly Traded
- Limited Other (describe): _____

If Joint Venture:

a. Date and State of Organization

b. Name, Address and Form of Organization of Joint Venture Partners: (Indicate managing partner by an asterisk *)

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**WEST VALLEY CONSTRUCTION COMPANY, INC.
CERTIFICATE OF SECRETARY**

I am the Secretary of West Valley Construction Company, Inc. I certify that the following resolution was adopted by the Board of Directors of that corporation on June 24, 1999 and is still in full force and effect:


Authority of Officers - Construction Projects - Bidding, Contracting and Other.

RESOLVED, that all construction projects authorizations previously granted to officers are rescinded and that each of the following named officers of this corporation is authorized to act for and to bind this corporation with respect to any construction project or construction contract including, without limitation: Signing and submission of bid and related documents; signing of contract and related documents, whether resulting from bid, negotiation or otherwise; signing of any other documents in connection with negotiating, bidding, entering into or performing the project or contract; and applying for or signing any bonds in connection with the project or contract.

| | |
|---------------------|--------------------------------------|
| Edward H. Leone | President |
| Michael J. Kelly | Senior Vice President |
| Charles J. Kastigar | Secretary & Treasurer |
| Patrick K. Kelly | Vice President |
| Kevin P. Kelly | Vice President |
| Stephen N. Benner | Vice President |
| Jeffery A. Azevedo | Vice President & Assistant Secretary |

The authority recited above shall remain in full force and effect through December 31, 2000, or until such earlier time that the authority is rescinded or modified and actual notice of such rescission or modification is given to any person to whom notice of the authority has been given.

Date: 10-29-99



Charles J. Kastigar, Secretary

0481015

BK1199PG3171

1. On Schedule A, attached, list major engineered construction projects completed by this organization in the past five (5) years. (If joint venture list each participant's projects separately).
2. On Schedule B, attached, list current projects under construction by this organization, (If joint venture, list each participant's projects separately).

3. Name of surety company and name, address, and phone number of agent.

SAFECO INSURANCE COMPANY OF AMERICA

c/o HAMILTS/MERIDIAN INSURANCE ASSOCIATES

738 N. 1ST STREET, SUITE 200
SAN JOSE, CA 95112
(408) 350-5750

4. Is your organization a member of a controlled group of corporations as defined in I.R.C. Sec. 1563?

Yes No

If yes, show names and addresses of affiliated companies.

5. Furnish on Schedule C, attached, details of the construction experience of the principal individuals of your organization directly involved in construction operations.

6. Has your organization ever failed to complete any construction contract awarded to it? Yes No
If yes, describe circumstances on attachment.

7. Has any Corporate officer, partner, joint venture participant or proprietor ever failed to complete a construction contract awarded to him or her in their own name or when acting as a principal of another organization?

Yes No

If yes, describe circumstances on attachment.

8. In the last five years, has your organization ever failed to substantially complete a project in a timely manner?

Yes No

If yes, describe circumstances on attachment.

9. Indicate general types of work performed with your own work force.

INSTALLATION OF POWER, COMMUNICATIONS, GAS & WATER SYSTEMS

10. If required, can your organization provide a bid bond for this project? Yes No

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BK1199PG3172

11. What is your approximate total bonding capacity?

- \$500,000 to \$2,000,000
- \$2,000,000 to \$5,000,000
- \$5,000,000 to \$10,000,000
- \$10,000,000 or more

12. Describe the permanent safety program you maintain within your organization. Use attachment if necessary.

PLEASE SEE ATTACHED

13. Furnish the following information with respect to an accredited banking institution familiar with your organization.

Name of Bank WELLS FARGO BANK
 Address 121 PARK CENTER PLAZA
SAN JOSE, CA 95115

Account Manager MR. GUS MARTIN
 Telephone (408) 277-6160

I hereby certify that the information submitted herewith, including any attachment is true to the best of my knowledge and belief.

INTERSTATE UTILITY CONSTRUCTORS
(DIV. OF WEST VALLEY CONSTRUCTION COMPANY INC.)

By: *Edward H. Leone*
 Title: EDWARD H. LEONE
PRESIDENT

Dated: NOV. 2, 1999

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SCHEDULE A

Name, Location and Description of Project **Owner** **Design Engineer** **Date Completed** **Contract Price** **Reference/Contact Include Address and Phone**

" PLEASE SEE ATTACHMENT "

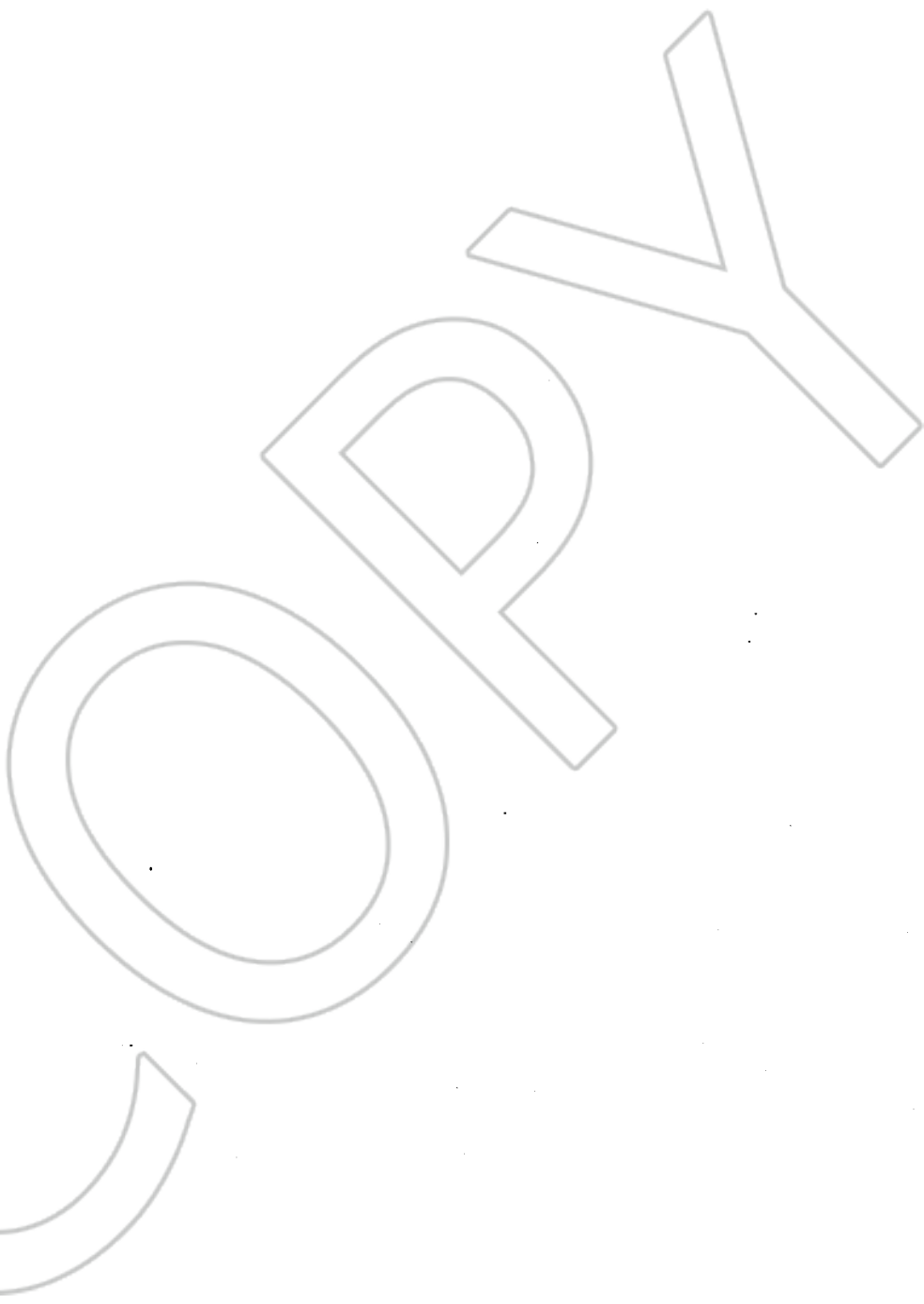
COPY

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SCHEDULE C - PERSONNEL

| <u>Name</u> | <u>Position</u> | <u>Date started with this organization</u> | <u>Date started in construction</u> | <u>Prior positions and experience in construction</u> |
|-------------|-----------------|--|-------------------------------------|---|
|-------------|-----------------|--|-------------------------------------|---|

" PLEASE SEE ATTACHMENT "



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INTERSTATE UTILITY CONSTRUCTORS, INC.

A Division of West Valley Construction Co., Inc.
P. O. BOX 2274, CARSON CITY, NEVADA 89702

Organizational chart of personnel

DAN JOHNSON
DIVISION MANAGER

BOBBY VALDEZ
DIST. MANAGER-CARSON

JERRY SWAIN
DIST. MANAGER-RENO

DAN WILKINS-FOREMAN, ROGER BUSSE-FOREMAN

RON MITCHELL-FOREMAN

SCOTT PARADIS-FOREMAN, CESAR OCHOA-FOREMAN

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BK 1199PG3176

STATEMENT OF QUALIFICATIONS AND EXPERIENCE FOR INDIVIDUALS TO BE
SUPPLIED IN THE FOREMAN AND SUPERINTENDENT CLASSIFICATIONS

DAN JOHNSON-DIVISION MANAGER

JOB EXPERIENCE INCLUDES; DIVISION/DISTRICT MANAGER POSITION, 7 YEARS. FOREMAN AND/OR SUPERINTENDENT EXPOSURE, 20 YEARS, INCLUDING WASTE WATER TREATMENT PLANTS, WATER, SEWER, STORM DRAINS, GAS, POWER, TELEPHONE, AND COMMUNICATIONS TRENCHING AND INSTALLATIONS. HIS EXPERIENCE INCLUDES REMEDIATION PROJECTS. OVER ALL EXPERIENCE RELATIVE TO THIS TYPE OF PROJECT, 22 YEARS.

BOB VALDEZ- DISTRICT MANAGER/CARSON CITY

JOB EXPERIENCE INCLUDES; DISTRICT/ASSISTANT MANAGER POSITION, 15 YEARS. FOREMAN AND/OR SUPERINTENDENT EXPOSURE, 18 YEARS, INCLUDING WATER WORKS, GAS, POWER, TELEPHONE, COMMUNICATIONS TRENCHING AND INSTALLATION. OVER ALL EXPERIENCE RELATIVE TO THIS TYPE OF PROJECT, 24 YEARS.

JERRY SWAIN-DISTRICT MANAGER/RENO

JOB EXPERIENCE INCLUDES; FOREMAN/DISTRICT MANAGER POSITION, 4 YEARS. HIRED BY INTERSTATE UTILITIES FOR HIS EXTENSIVE BACKGROUND IN THE OPERATION OF WATER, SEWER. GAS, POWER, TELEPHONE; HE HAS BEEN INVOLVED IN ALL PHASES OF CONSTRUCTION, INCLUDING REMEDIATION. OVER ALL EXPERIENCE RELATIVE TO THIS TYPE OF PROJECT, 20 YEARS.

SCOTT PARADIS-FOREMAN

JOB EXPERIENCE INCLUDES; FOREMAN POSITIONS, 5 YEARS. FOREMAN EXPERIENCE INCLUDES, WATER, SEWER, STORM DRAINS, REMEDIATION PROJECTS, PVR STATIONS, WELL HOUSES, AND METER VAULTS. OVER ALL EXPERIENCE RELATIVE TO THIS TYPE OF PROJECT, 17 YEARS.

ROGER BUSSE-FOREMAN

JOB EXPERIENCE INCLUDES; FOREMAN POSITIONS, 6 YEARS. EXTENSIVE LANDSCAPING, IRRIGATION, AND PARK CONSTRUCTION BACK GROUND, COMBINED WITH EXPERIENCE IN WATER AND WATER WORKS, TELEPHONE, GAS, POWER AND SEWER. OVER ALL EXPERIENCE RELATIVE TO THE CONSTRUCTION INDUSTRY, 25 YEARS.

CESAR OCHOA-FOREMAN

JOB EXPERIENCE INCLUDES; LABORER/OPERATOR/FOREMAN POSITIONS, 11 YEARS. HIRED DUE TO HIS STRONG TELEPHONE, HDPE PIPE FUSING AND POWER BACKGROUND. HOLDS CERTIFICATES IN MANY AREAS OF THE CONSTRUCTION FIELD, INCLUDING HAZ-MAT FOR REMEDIATION PROJECTS. TOTAL EXPERIENCE, 19 YEARS.

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BK1199PG3177

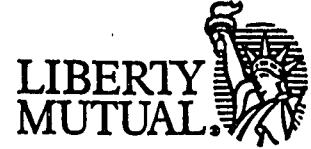
Certificate of Insurance

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON YOU THE CERTIFICATE HOLDER. THIS CERTIFICATE IS NOT AN INSURANCE POLICY AND DOES NOT AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

This is to Certify that

**INTERSTATE UTILITY CONSTRUCTORS
(DIVISION OF WEST VALLEY CONSTRUCTION
COMPANY, INC.)
P.O. BOX 5639
SAN JOSE, CA 95150**

← Name and address of Insured.



Is, at the issue date of this certificate, insured by the Company under the policy(ies) listed below. The insurance afforded by the listed policy(ies) is subject to all their terms, exclusions and conditions and is not altered by any requirement, term or condition of any contract or other document with respect to which this certificate may be issued.

| TYPE OF POLICY | EXP. DATE • <input type="checkbox"/> CONTINUOUS <input type="checkbox"/> EXTENDED <input checked="" type="checkbox"/> POLICY TERM | POLICY NUMBER | LIMIT OF LIABILITY | |
|--|--|---------------------|---|---|
| WORKERS COMPENSATION | | | COVERAGE AFFORDED UNDER WC LAW OF THE FOLLOWING STATES: | EMPLOYERS LIABILITY |
| | | | | Bodily Injury By Accident Each Accident |
| | | | | Bodily Injury By Disease Policy Limit |
| GENERAL LIABILITY <input checked="" type="checkbox"/> OCCURRENCE <input type="checkbox"/> CLAIMS MADE | 03/01/2000 | *TB2-161-027318-029 | General Aggregate - Other than Products/Completed Operations \$2,000,000 PER PROJECT Products/Completed Operations Aggregate \$1,000,000 Bodily Injury and Property Damage Liability \$1,000,000 Per Occurrence Personal and Advertising Injury \$1,000,000 Per Person/Organization Other \$100,000 - Fire Legal Liability Other \$5,000 - Medical Payments | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> OWNED <input checked="" type="checkbox"/> NON-OWNED <input checked="" type="checkbox"/> HIRED | 03/01/2000 | AS7-161-027318-049 | \$1,000,000 | Each Accident - Single Limit B.I. and P.D. Combined |
| | | | | Each Person |
| | | | | Each Accident or Occurrence |
| | | | | Each Accident or Occurrence |
| OTHER | | | | |

RETRO DATE

ADDITIONAL COMMENTS

RE: "ALL JOBS PERTAINING TO THE WORK PERFORMED UNDER CONTRACT BY THE ABOVE NAMED INSURED"
*ADDITIONAL INSURED: DOUGLAS COUNTY, OWNER, ENGINEER AND EACH OF THEIR OFFICERS, AGENTS AND EMPLOYEES

* If the certificate expiration date is continuous or extended term, you will be notified if coverage is terminated or reduced before the certificate expiration date.
SPECIAL NOTICE-OHIO: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.
NOTICE OF CANCELLATION: (NOT APPLICABLE UNLESS A NUMBER OF DAYS IS ENTERED BELOW) BEFORE THE STATED EXPIRATION DATE THE COMPANY WILL NOT CANCEL OR REDUCE THE INSURANCE AFFORDED UNDER THE ABOVE POLICIES UNTIL AT LEAST 30 DAYS
NOTICE OF SUCH CANCELLATION HAS BEEN MAILED TO:

CERTIFICATE HOLDER
DOUGLAS COUNTY
P. O. BOX 218
MINDEN, NV 89423
PUBLIC WORKS

Annmarie Torio
ANNMARIE TORIO CA LIC. # 0574585
AUTHORIZED REPRESENTATIVE
SAN JOSE, CA (408) 577-1191 03/01/99
OFFICE PHONE NUMBER DATE ISSUED

CONSTRUCTION PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

Interstate Utility Constructors
(Div. of West Valley Construction Company, Inc)
P.O. Box 5639
San Jose, Ca 95150

SURETY (Name and Address of Principal Place of Business):

Safeco Insurance Company
Of America
120 Montgomery Street
Suite 2050
San Francisco, CA

OWNER (Name and Address):

Community Development Department/Douglas County
1594 Esmeralda Avenue
Minden, NV

CONSTRUCTION CONTRACT

Date: 11/4/99

Amount: \$69,022.00

Description (Name and Location):

Freel Drive Watermain Replacement DCCD SIP NO. 00100

BOND

Date (Not earlier than Construction

Contract Date): 11/9/99

Amount: \$69,022.00

Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on the following two pages, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent or representative.

CONTRACTOR AS PRINCIPAL

Company: _____ (Corp. Seal)
Interstate Utility Constructors
(Div. of West Valley Construction Company, Inc.)
Signature: *Edward H. Leone*

SURETY

Company: _____ (Corp. Seal)
Safeco Insurance Company of America
Signature: *Diane DeSilva*

Name and Title: **EDWARD H. LEONE**
PRESIDENT

Name and Title: Diane DeSilva, Attorney-In-Fact
(Attach Power of Attorney)

Space provided below for signatures of additional parties, if required)

CONTRACTOR AS PRINCIPAL

Company: _____ Corp. Seal)

Signature: _____

Name and Title: _____

SURETY

Company: _____ (Corp. Seal)

Signature: _____

Name and Title: _____
(Attach Power of Attorney)

0481015

BK1199PG3179

1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER for the performance of the Construction Contract, which is incorporated herein by reference.
2. If the CONTRACTOR performs the Construction Contract, the Surety and the CONTRACTOR shall have no obligation under this Bond, except to participate in conferences as provided in Subparagraph 3.1.
3. If there is no OWNER Default, the Surety's obligation under this Bond shall arise after:
 - 3.1 The OWNER has notified the CONTRACTOR and the Surety at its address described in Paragraph 10 below, that the OWNER is considering declaring a CONTRACTOR Default and has requested and attempted to arrange a conference with the CONTRACTOR and the Surety to be held not later than fifteen days after receipt of such notice to discuss methods of performing the Construction Contract. If the OWNER, the CONTRACTOR and the Surety agree, the CONTRACTOR shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the OWNER's right, if any, subsequently to declare a CONTRACTOR Default; and
 - 3.2 The OWNER has declared a CONTRACTOR Default and formally terminated the CONTRACTOR's right to complete the contract. Such CONTRACTOR Default shall not be declared earlier than twenty days after the CONTRACTOR and the Surety have received notice as provided in Subparagraph 3.1; and
 - 3.3 The OWNER has agreed to pay the Balance of the Contract Price to:
 - 3.3.1 The Surety in accordance with the terms of the Contract;
 - 3.3.2 Another contractor selected pursuant to paragraph 4.3 to perform the Contract.
4. When the OWNER has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:
 - 4.1 Arrange for the CONTRACTOR, with consent of the OWNER, to perform and complete the Construction Contract; or
 - 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or
 - 4.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the OWNER for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the OWNER and the CONTRACTOR selected with the OWNER's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the OWNER the amount of damages as described in Paragraph 6 in excess of the Balance of the Contract Price incurred by the OWNER resulting from the CONTRACTOR's default; or
 - 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new CONTRACTOR and with reasonable promptness under the circumstances:
 - 4.4.1. After investigation, determine the amount for which it may be liable to the OWNER and, as soon as practicable after the amount is determined, tender payment therefor to the OWNER; or
 - 4.4.2. Deny liability in whole or in part and notify the OWNER citing reasons therefor.
5. If the Surety does not proceed as provided in paragraph 4 with reasonable promptness, the Surety shall be deemed to be in default on this Bond fifteen days after receipt of an additional written notice from the OWNER to the Surety demanding that the Surety perform its obligations under this Bond, and the OWNER shall be entitled to enforce any remedy available to the OWNER, If the Surety proceeds as provided in paragraph 4.4 , and the OWNER refuses the payment tendered or the Surety has denied liability, in whole or in part, without further notice the OWNER shall be entitled to enforce any remedy available to the OWNER.
6. After the OWNER has terminated the CONTRACTOR's right to complete the Construction Contract, and if the Surety elects to act under paragraph 4.1, 4.2, or 4.3, above, then the responsibilities of the Surety to the OWNER shall not be greater than those of the CONTRACTOR under the Construction Contract, and the responsibilities of the OWNER to the Surety shall not be greater than those

of the OWNER under the Construction Contract. To the limit of the amount of this Bond, but subject to commitment by the OWNER of the Balance of the Contract Price to mitigation of costs and damages on the Construction Contract, the Surety is obligated without duplication for:

- 6.1 The responsibilities of the CONTRACTOR for correction of defective work and completion of the Construction Contract;
- 6.2 Additional legal, design professional and delay costs resulting from the CONTRACTOR's Default, and resulting from the actions or failure to act of the Surety under paragraph 4; and
- 6.3 Liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or nonperformance of the CONTRACTOR.

7. The Surety shall not be liable to the OWNER or others for obligations of the CONTRACTOR that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the OWNER or its heirs, executors, administrators, or successors.

8. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

9. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after CONTRACTOR Default or within two years after the CONTRACTOR ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this Paragraph are void or prohibited by Law, the Minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

10. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the address shown on the signature page.

11. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such

statutory or other legal requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

12. Definitions.

12.1 Balance of the Contract Price: The total amount payable by the OWNER to the CONTRACTOR under the Construction Contract after all proper adjustments have been made, including allowance to the CONTRACTOR of any amounts received or to be received by the OWNER in settlement of insurance or other claims for damages to which the CONTRACTOR is entitled, reduced by all valid and proper payments made to or on behalf of the CONTRACTOR under the Construction Contract.

12.2. Construction Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.

12.3. CONTRACTOR Default: Failure of the CONTRACTOR, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract.

12.4. OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

No. 10346

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

.....DIANE SILVA; Campbell, California.....

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 24th day of May, 1999

R.A. Pierson

R.A. PIERSON, SECRETARY

W. Randall Stoddard

W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R.A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this Ninth day of November



R.A. Pierson

R.A. PIERSON, SECRETARY

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Santa Clara

On 11-9-99, before me A.S. Tafoya,
Date Name, Title of Officer

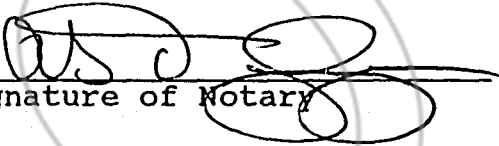
personally appeared Diane DeSilva,
Name(s) of Signer(s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that ~~he/she/they~~ executed the same in ~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

(Seal of Notary)

Signature


Signature of Notary



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Canoga Park, CA

0481015

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On 11/9/99, before me Dennis L. Poncato, Notary Public
Date Name, Title of Officer

Personally appeared Edward H. Leone
Name (s) of Signer (s)

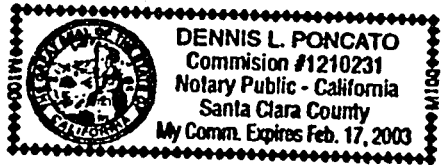
personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person (s) whose name (s) is/are subscribed to the within instrument and

Acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

Witness my hand and official seal.

Signature *Dennis Poncato*
Signature of Notary
Dennis L. Poncato

(Seal of Notary)



0481015

BK1199PG3184

CONSTRUCTION PAYMENT BOND

Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):
Interstate Utility Constructors
(Div. of West Valley Construction Company, Inc.)
P.O. Box 5639
San Jose, CA 95150

SURETY (Name and Address of Principal Place of Business):
Safeco Insurance Company of America
120 Montgomery Street
Suite 2050
San Francisco, CA

OWNER (Name and Address):
Community Development Department/Douglas County
1594 Esmeralda Avenue
Minden, NV

CONSTRUCTION CONTRACT

Date: 11/4/99
Amount: \$69,022.00
Description (Name and Location):
Freel Drive Watermain Replacement DCCD SIP NO.00100

BOND

Date (Not earlier than Construction Contract Date): 11/9/99
Amount: \$69,022.00
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms printed on the following two pages, do each cause this Performance Bond to be duly executed on its behalf by its authorized officer, agent or representative.

CONTRACTOR AS PRINCIPAL

SURETY

Company: _____ (Corp. Seal)
Interstate Utility Constructors
(Div. of West Valley Construction Company, Inc.)
Signature: Edward H. Leone

Company: _____ (Corp. Seal)
Safeco Insurance Company of America
Signature: Diane DeSilva

Name and Title: **EDWARD H. LEONE**
PRESIDENT

Name and Title: Diane DeSilva, Attorney-In-Fact
(Attach Power of Attorney)

Space provided below for signatures of additional parties, if required)

CONTRACTOR AS PRINCIPAL

SURETY

Company: _____ (Corp. Seal)

Company: _____ (Corp. Seal)

Signature: _____

Signature: _____

Name and Title: _____

Name and Title: _____
(Attach Power of Attorney)

0481015

1. The CONTRACTOR and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the OWNER to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.

2. With respect to the OWNER, this obligation shall be null and void if the CONTRACTOR:

2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and

2.2 Defends, indemnifies and holds harmless the OWNER from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Construction Contract; provided the OWNER has promptly notified the CONTRACTOR and the Surety (at the address described in Paragraph 12) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the CONTRACTOR and the Surety, and provided there is no OWNER Default.

3. With respect to Claimants, this obligation shall be null and void if the CONTRACTOR promptly makes payment, directly or indirectly, for all sums due.

4. The Surety shall have no obligation to Claimants under this Bond until:

4.1 Claimants who are employed by or have a direct contract with the CONTRACTOR have given notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.

4.2 Claimants who do not have a direct contract with the CONTRACTOR:

4.2.1. Have furnished written notice to the CONTRACTOR and sent a copy, or notice thereof, to the OWNER, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials were furnished or supplied or for whom the labor was done or performed; and

4.2.2. Have either received a rejection in whole or in part from the CONTRACTOR, or not received within

30 days of furnishing the above notice any communication from the CONTRACTOR by which the CONTRACTOR has indicated the claim will be paid directly or indirectly; and

4.2.3. Not having been paid within the above 30 days, have sent a written notice to the Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to the OWNER, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to the CONTRACTOR.

5. If a notice required by Paragraph 4 is given by the OWNER to the CONTRACTOR or to the Surety, that is sufficient compliance.

6. When the Claimant has satisfied the conditions of Paragraph 4, the Surety shall promptly and at the Surety's expense take the following actions:

6.1 Send an answer to the Claimant, with a copy to the OWNER, within 45 days after receipt of the claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed.

6.2 Pay or arrange for payment of any undisputed amounts.

7. The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

8. Amounts owed by the OWNER to the CONTRACTOR under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any Construction Performance Bond. By the CONTRACTOR furnishing and the OWNER accepting this Bond, they agree that all funds earned by the CONTRACTOR in the performance of the Construction Contract are dedicated to satisfy obligations of the CONTRACTOR and the Surety under this Bond, subject to the OWNER's priority to use the funds for the completion of the work.

9. The Surety shall not be liable to the OWNER, Claimants or others for obligations of the CONTRACTOR that are unrelated to the Construction Contract. The OWNER shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.

10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.

11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the work or part of the work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by paragraph 4.1 or paragraph 4.2.3, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the OWNER or the CONTRACTOR shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, the OWNER or the CONTRACTOR, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or the legal requirement shall be deemed incorporated herein. The intent is, that this Bond shall be construed as a statutory bond and not as a common law bond.

14. Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the CONTRACTOR shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. DEFINITIONS

15.1 Claimant: An individual or entity having a direct contract with the CONTRACTOR or with a subcontractor of the CONTRACTOR to furnish labor, materials or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the CONTRACTOR and the

CONTRACTOR's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

15.2 Contract: The agreement between the OWNER and the CONTRACTOR identified on the signature page, including all Contract Documents and changes thereto.

15.3 OWNER Default: Failure of the OWNER, which has neither been remedied nor waived, to pay the CONTRACTOR as required by the Construction Contract or to perform and complete or comply with the other terms thereof.

No. 10346

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

*****DIANE DeSILVA; Campbell, California*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 24th day of May, 1999

R.A. Pierson

R.A. PIERSON, SECRETARY

W. Randall Stoddard

W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R.A. Pierson, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this Ninth day of November, 1999



R.A. Pierson

R.A. PIERSON, SECRETARY

0481015

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of Santa Clara

On 11-9-99, before me A.S. Tafoya,
Date Name, Title of Officer

personally appeared Diane DeSilva,
Name(s) of Signer(s)

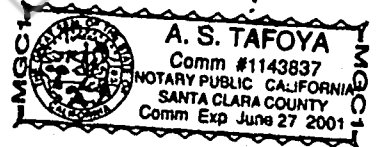
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they- executed the same in his/her/their- authorized capacity(ies), and that by his/her/their--signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

(Seal of Notary)

Signature

[Handwritten Signature]
Signature of Notary



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Canoga Park, CA

0481015

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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Santa Clara

On 11/9/99, before me Dennis L. Poncato, Notary Public

Date

Name, Title of Officer

Personally appeared Edward H. Leone

Name (s) of Signer (s)

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person (s) whose name (s) is/are subscribed to the within instrument and Acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature (s) on the instrument the person (s), or the entity upon behalf of which the person (s) acted, executed the instrument.

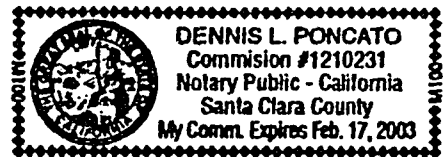
Witness my hand and official seal.

(Seal of Notary)

Signature

Dennis L. Poncato

Signature of Notary
Dennis L. Poncato



REQUESTED BY
DOUGLAS COUNTY
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

1999 NOV 17 AM 9: 42

LINDA SLATER
RECORDER

\$ PAID DEPUTY

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: November 15 1999
B. REED Clerk of the Judicial District Court
of the State of Nevada, in and for the County of Douglas.

By *Carol M. Muller* Deputy

SEAL

0481015

BK 1199PG3190