

N/A

DOC # 0709163  
09/13/2007 01:30 PM Deputy: DW  
OFFICIAL RECORD  
Requested By:  
DC/COMMUNITY DEVELOPMENT

Assessor's Parcel Number: N/A

Date: SEPTEMBER 12, 2007

Recording Requested By:

Name: LYNDA TEGLIA, COMMUNITY DEVELOPMENT

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Real Property Transfer Tax: \$ N/A

Douglas County - NV  
Werner Christen - Recorder  
Page: 1 Of 21 Fee: 0.00  
BK-0907 PG-2629 RPTT: 0.00



CONTRACT #2007.195  
(Title of Document)

FILED  
2007.195  
2007 SEP 12 AM 10:35

**INVITATION & BID  
& CONTRACT**  
DOUGLAS COUNTY  
PURCHASING DEPARTMENT  
P.O. Box 218  
1616 8th St.  
Minden, NV 89423  
(775) 782-9051  
(12/03)

Bid #: 07-1  
Release Date: \_\_\_\_\_  
Page \_\_\_\_\_  
Comm. Ord. # \_\_\_\_\_  
Requisition # \_\_\_\_\_  
Dept. \_\_\_\_\_  
Surety \_\_\_\_\_  
Opening Time **10:00 a.m.**  
Opening Date **August 7, 2007**

W. M. DUFFIN  
*[Signature]*

**SUBMISSION DATE/TIME:**  
Sealed Bids will be accepted until **10:00 a.m.**  
on **August 7, 2007 at 1146 Airport**  
**Road, Minden, NV 89423**

ALL PRICES F.O.B. DESTINATION

James E. Keenan For further information contact: Mark Andrews, Mead & Hunt, Inc.  
Purchasing and Contracts Administrator

Copies of the Bid Documents may be obtained from the **Minden-Tahoe Airport Administration Office, 1146 Airport Road, Minden, NV 89423, (775) 782-9871**, between the hours of 9:00 A.M. and 4:00 P.M. The non-refundable fee for the Bid Documents is **\$100.00**.

**Sealed bids for the construction of Airport Improvements will be reviewed at the Minden-Tahoe Airport Administration Office, 1146 Airport Road, Minden, NV 89423, until 10:00 A.M., Aug. 7, 2007, and then will be publicly opened and read. The work contemplated consists of the following:**

- **Taxiways A2 and D Pavement Repairs**

The Prevailing Wage Rate as established by the State Labor Commission, or Federal Wage Rates, whichever are higher, shall be paid on projects of \$100,000 or more. The State Labor Commissioner has assigned Public Works Project Number **DO-2007-346** to this PROJECT. Note any requirements to pay Zone Rates as part of the prevailing wage.

In addition to the **TERMS AND CONDITIONS OF THE INVITATION AND BID**, the Bid is to be submitted in accordance with any and all attached **INSTRUCTIONS TO BIDDERS, SPECIFICATIONS, AND CONDITIONS**.

The Bid must be submitted on the original bid forms IBC-1 through IBC-10 and BF-1 through BF-17 in one (1) complete copy.

**The proposed CONTRACT is under and subject to Executive Order 11246, as amended, of September 24, 1965, and to the Equal Employment Opportunity (EEO) and Federal Labor Provisions.**

**The EEO requirements, labor provisions, and Federal and State wage rates are included in the SPECIFICATIONS and Bid Documents. All labor on the PROJECT shall be paid not less than the higher of the two wage rates. Each bidder must complete, sign, and furnish with his bid the "Bidder's Statement on Previous Contracts Subject to EEO Clause", a "Certification of Nonsegregated Facilities", and the "Assurance of Disadvantaged Business Enterprise Participation" as contained in the Bid Proposal.**

**To be eligible for award, each BIDDER must comply with the affirmative action requirements which are contained in the SPECIFICATIONS. A contractor having fifty (50) or more employees and his sub-contractors having fifty (50) or more employees and who may be awarded a contract of \$50,000 or more will be required to maintain an affirmation action program, the standards for which are contained in the SPECIFICATIONS.**

Disadvantaged Business Enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award of any contract entered into pursuant to this advertisement.

The BIDDER shall make good faith efforts, as defined in Appendix A of 49 CFR Part 26, Regulations of the Office of the Secretary of Transportation, to subcontract ten percent (10%) of the dollar value of the prime CONTRACT to small business concerns owned and controlled by socially and economically disadvantaged individuals (DBE). In the event that the BIDDER for this solicitation qualifies as a DBE, the CONTRACT goal shall be deemed to have been met. The apparent successful competitor will be required to submit information concerning the DBEs that will participate in this CONTRACT. The information will include the name and address of each DBE, a description of the work to be performed by each named firm, and the dollar value of the CONTRACT. If the BIDDER fails to achieve the CONTRACT goal stated herein, it will be required to provide documentation demonstrating that it made good faith efforts in attempting to do so. A bid that fails to meet these requirements will be considered nonresponsive.

The successful BIDDER shall file with the COUNTY, at the time of execution of the CONTRACT, a Performance Bond along with a Payment Bond (Labor and Material), each for one hundred percent (100%) of the CONTRACT price. Said bonds shall be with a surety company authorized and licensed to do business within the State of Nevada in accordance with the laws and statutes of the State of Nevada providing for bonding public works projects. Performance and labor bonds must be countersigned by an insurance agent who is a resident of the State of Nevada.

Each Bid must be accompanied by a certified check, cashier's check, or bid bond payable to Douglas County, in an amount not less than ten percent (10%) of the amount bid. This check or bond shall be given as a guarantee that the BIDDER will enter into the CONTRACT if awarded to him, and will be declared forfeited if the successful bidder refuses to enter into said CONTRACT after being notified to do so by the COUNTY. Bid bonds shall be issued by a surety and insurance company licensed in the State of Nevada with an A+ rating.

After the bids have been opened and declared, no bid shall be withdrawn except with the approval of the COUNTY for a period of forty-five (45) calendar days after the opening date. All BIDDERS are encouraged to visit the site.

CAUTION: Note requirement for a reply on page BF-8; either a list or a negative response.

Firm Name Carlson Construction Inc

Address 1645 Esmeralda Ave

City Minden

State NV Zip Code 89423

Telephone (775) 782-2006 Area Code (775) 7823226

Delivery will be completed in as per specs

           Calendar days A.R.O.

Terms            %            Days

In compliance with this "Invitation & Bid" & CONTRACT and subject to all the Terms and Conditions thereof, the undersigned offers and agrees, if this Bid is accepted, to perform all tasks and furnish any or all of the items listed herein at the prices, terms and delivery stated. A signature on this form will be an execution of this CONTRACT.

Signed [Signature]

Print name Gerald Jensen

Print title President

PRODUCT LITERATURE AND SPECIFICATIONS MUST BE SUBMITTED AS REQUIRED



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.

Address for giving notices to Owner:

Address for giving notices to Contractor:

Douglas County  
P.O. Box 218  
Minden, NV 89423

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NV License No. \_\_\_\_\_

Agent for service of process: \_\_\_\_\_

This Agreement will be effective on August 7, 2007.

DOUGLAS COUNTY, NEVADA - OWNER

David D. Johnson  
David D. Johnson, Chairman  
Board of County Commissioners

STATE OF NEVADA }  
COUNTY OF DOUGLAS } ss.

On the 11<sup>th</sup> day of August, 2007, David N. Johnson 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 August 11<sup>th</sup>, he executed the above instrument on behalf of Douglas County, a political subdivision of the State of Nevada.

Barbara J. Reed  
Barbara J. Reed, Douglas County Clerk

STATE OF NEVADA )  
COUNTY OF DOUGLAS ) ss:

BY: William Hennessey  
CLERK TO THE BOARD

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: \_\_\_\_\_

Bid #07-1

IBC-3



0709163

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BK- 0907  
PG- 2632  
09/13/2007

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:

- **Taxiways A2 and D Pavement Repairs**

## **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:

**N/A**

## **ARTICLE 3 - ENGINEER**

3.01 The PROJECT has been designed by: **Mead & Hunt, Inc., 133 Aviation Boulevard, Suite 100, Santa Rosa, California 95403, 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.

### **4.02 Days to Achieve Substantial Completion and Final Payment**

A. The Work will be substantially completed within fifteen (15) days, **as specified in Division IV, Special Provisions for Airport Construction, Paragraph 1-1.5** after the date when the CONTRACT TIMES commence to run as provided in Paragraph 2.01 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions.

### **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 One Thousand Dollars (\$1,000.00) 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 One Thousand Dollars (\$1,000.00) for each day that expires after the time specified in Paragraph 4.02, **above**, for completion and readiness for final payment until the Work is completed and ready for final payment. **The CONTRACTOR shall pay the OWNER One Thousand Dollars (\$1,000.00) for each day that expires after the time specified in Paragraph 1-1.5 of the Special Provisions for Airport Construction.**

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.

C. **additional work unit prices identified on the Bid Form.**

## 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. Ninety percent (90%) of Work completed (with balance ten percent (10%) being retainage); and

b. Ninety percent (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 ninety percent (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 **one hundred percent (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 extensively knowledgeable of, and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. CONTRACTOR is knowledgeable of, 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 any 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 bid as provided in Paragraph 4.06 of the General Conditions.

CONTRACTOR accepts the determination set forth in any 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 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, 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 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 IBC-1 to IBC-10, inclusive);





2. Performance Bond (pages 1 to 3, inclusive);
3. Payment Bond (pages 1 to 3, inclusive);
4. Other Bonds (pages N.A. to N.A., inclusive);
  - a. \_\_\_\_\_ (pages \_\_\_\_ to \_\_\_\_, inclusive);
  - b. \_\_\_\_\_ (pages \_\_\_\_ to \_\_\_\_, inclusive);
  - c. \_\_\_\_\_ (pages \_\_\_\_ to \_\_\_\_, inclusive);
5. **Division II, FAA Required Provisions** (pages **SC-1 through SC-5**, inclusive, **not attached**);
6. **Division III, General Conditions** (pages **GC-1 to GC-52** inclusive, **not attached**);
7. **Division IV, Special Provisions for Airport Construction, as listed.**
8. **Division V, Technical SPECIFICATIONS, as listed.**
9. Drawings (not attached) consisting of a cover sheet and sheets numbered **1** through **3**, inclusive with each sheet bearing the following general title: Minden-Tahoe Airport, Minden, Nevada.
10. Addenda (numbers 0 to 1, inclusive, **not attached**);
11. 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-17, inclusive, **not attached**).
  - c. Documentation submitted by CONTRACTOR prior to Notice of Award (pages 0 to 0, inclusive, not attached).

12. 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)
  
13. 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.

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

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**

### **10.03 Terms**

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

### **10.03 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.

COPY



# CONSTRUCTION PERFORMANCE BOND

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

**CONTRACTOR (Name and Address):**

CARLSON CONSTRUCTION, INC.  
1645 ESERALDA AVE.  
MINDEN, NV 89423

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

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
ONE TOWER SQUARE  
HARTFORD, CT 06183

**OWNER (Name and Address):**

DOUGLAS COUNTY  
P. O. BOX 218  
MINDEN, NV 89423

**CONSTRUCTION CONTRACT**

Date: AUGUST 30, 2007

Amount: ONE HUNDRED SEVENTY ONE THOUSAND SEVEN HUNDRED FORTY AND NO/100---(\$171,740.00)

Description (Name and Location): MINDEN-TAHOE AIRPORT, TAXIWAYS A2 AND D PAVEMENT REPAIRS, AIP PROJECTS NUMBERS 3-32-0013-18

**BOND**

Date (Not earlier than Construction Contract Date): AUGUST 31, 2007

Amount: ONE HUNDRED SEVENTY ONE THOUSAND SEVEN HUNDRED FORTY AND NO/100---(\$171,740.00)

Modifications to this Bond Form: NONE

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)  
CARLSON CONSTRUCTION, INC.

Signature: [Signature]

Name and Title: Gerald Jensen  
President

**SURETY**

Company: \_\_\_\_\_ (Corp. Seal)  
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

Signature: [Signature]

Name and Title: KATHY RANGEL, 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: \_\_\_\_\_

COUNTERSIGNED, RESIDENT AGENT  
Name and Title: \_\_\_\_\_  
By [Signature]  
(Attach Power of Attorney) **LUCINI / PARISH INSURANCE**  
604 W. MOANAI AVE SUITE D RENO, NV 89509



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.




**ALL-PURPOSE CERTIFICATE**

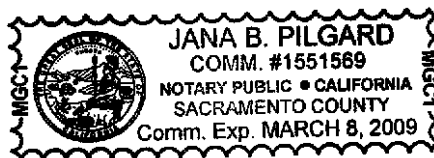
STATE OF CALIFORNIA}  
COUNTY OF SACRAMENTO}

SS

On AUGUST 31, 2007, before me, Jana B. Pilgard, a notary public, personally appeared Kathy Rangel, 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.

  
\_\_\_\_\_



# CONSTRUCTION PAYMENT BOND

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

**CONTRACTOR (Name and Address):**

CARLSON CONSTRUCTION, INC.  
1645 ESERALDA AVE.  
MINDEN, NV 89423

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

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
ONE TOWER SQUARE  
HARTFORD, CT 06185

**OWNER (Name and Address):**

DOUGLAS COUNTY  
P. O. BOX 218  
MINDEN, NV 89423

**CONSTRUCTION CONTRACT**

Date: AUGUST 30, 2007

Amount: ONE HUNDRED SEVENTY ONE THOUSAND SEVEN HUNDRED FORTY AND NO/100---(\$171,740.00)

Description (Name and Location): MINDEN-TAHOE AIRPORT, TAXIWAYS A2 AND D PAVEMENT REPAIRS, AIP PROJECTS NUMBERS 3-32-0013-18

**BOND**

Date (Not earlier than Construction

Contract Date): AUGUST 31, 2007

Amount: ONE HUNDRED SEVENTY ONE THOUSAND SEVEN HUNDRED FORTY AND NO/100---(\$171,740.00)

Modifications to this Bond Form: NONE

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)

CARLSON CONSTRUCTION, INC.

Signature: *[Signature]*

Name and Title: *Geald Jensen*  
*President*

**SURETY**

Company: \_\_\_\_\_ (Corp. Seal)

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

Signature: *[Signature]*

Name and Title: *KATHY RANGEL, 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: *COUNTERSIGNED, RESIDENT AGENT*  
*[Signature]*  
(Attach Power of Attorney)

LUCINI / PARISH INSURANCE  
604 W. MOANA LANE SUITE C, RENO, NV 89509



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.



**ALL-PURPOSE CERTIFICATE**

STATE OF CALIFORNIA}  
COUNTY OF SACRAMENTO}

SS

On AUGUST 31, 2007, before me, Jana B. Pilgard, a notary public, personally appeared Kathy Rangel, 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.

  
\_\_\_\_\_





POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 217386

Certificate No. 001146914

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, that St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc. is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Kathy Rangel

of the City of Sacramento, State of California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 19th day of June, 2006

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
Seaboard Surety Company
St. Paul Fire and Marine Insurance Company

St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

By: [Signature]
George W. Thompson, Senior Vice President

On this the 19th day of June, 2006, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2011.



[Signature]
Marie C. Tetreault, Notary Public



This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kori M. Johanson, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 31<sup>ST</sup> day of AUGUST, 2007

WARNING: THIS POWER OF ATTORNEY IS INVALID WITHOUT THE RED BORDER

*Kori M. Johanson*  
Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.stpaultravelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

SEAL

**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: Sept 12 2007  
By Carol M. Mullock Deputy Clerk of the 1<sup>st</sup> Judicial District Court of the State of Nevada, in and for the County of Douglas.