CONTRACT

29456

THIS CONTRACT is made and entered, in duplicate, as of November 3, 2005
for reference purposes only, pursuant to a minute order adopted by the City Council of the
City of Long Beach at its meeting held on November 1, 2005, by and between AUGUST
CONSTRUCTION, INC., a California corporation, whose address is 13400 S. Figueroa
Street, Los Angeles, California 90061 ("Contractor"), and the CITY OF LONG BEACH, a
municipal corporation ("City").

9 WHEREAS, pursuant to a "Notice Inviting Bids for the Improvement of Naples
10 Island Soil Anchors, Phase V in the City of Long Beach, California," dated September
11 16, 2005, and published by the City, bids were received, publicly opened and declared on
12 the date specified in said Notice; and

WHEREAS, the City Manager accepted the bid of the Contractor; and

WHEREAS, the City Council authorized the City Manager to enter a contract
 with Contractor for the work described in Plans & Specifications No. R-6672;

16 NOW, THEREFORE, in consideration of the mutual terms and conditions
 17 herein, the parties agree as follows:

18 SCOPE OF WORK. Contractor shall furnish all necessary labor, 1. supervision, tools, materials, supplies, appliances, equipment, and transportation for the 19 20 work described in "Plans & Specifications No. R-6672 for the Improvement of Naples 21 Island Soil Anchors, Phase V in the City of Long Beach, California," said work to be 22 performed according to the Contract Documents identified below. However, this Contract is intended to provide to the City complete and finished work and, to that end, Contractor 23 shall do everything necessary to complete the work, whether or not specifically described 24 in the Contract Documents. 25

2. <u>PRICE AND PAYMENT</u>. City shall pay to Contractor the amount(s) for 27 materials and work identified in Contractor's "Bid for the Improvement of Naples Island Soil 28 Anchors, Phase V in the City of Long Beach, California," attached hereto as Exhibit "A".

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Contractor shall submit requests for progress payments and City will make
 payments in due course of payments in accordance with Section 9 of the Standard
 Specifications for Public Works Construction (latest edition).

3. CONTRACT DOCUMENTS. The Contract Documents include: The 4 5 Notice Inviting Bids, Plans & Specifications No. R-6672 (which may include by reference the Standard Specifications for Public Works Construction, latest edition, and any 6 supplements thereto, collectively the "Standard Specifications"); the City of Long Beach 7 Standard Plans; Plans and Drawings No. B-4371 for this work; the California Code of 8 Regulations: the various Uniform Codes applicable to trades; the prevailing wage rates; 9 Instructions to Bidders; the Bid; the bid security; the City of Long Beach Disadvantaged, 10 Minority and Women-owned Business Enterprise Program; this Contract and all documents 11 12 attached hereto or referenced herein including but not limited to insurance; Bond for Faithful Performance; Payment Bond; Notice to Proceed; Notice of Completion; any 13 addenda or change orders issued in accordance with the Standard Specifications; any 14 permits required and issued for the work; approved final design drawings and documents; 15 and the Information Sheet. These Contract Documents are incorporated herein by the 16 17 above reference and form a part of this Contract.

Notwithstanding Section 2-5.2 of the Standard Specifications, if any conflict
or inconsistency exists or develops among or between Contract Documents, the following
priority shall govern: 1) Change Orders; 2) this Contract; 3) Permit(s) from other public
agencies; 4) Plans & Specifications No. R-6672; 5) Addenda; 6) Plans and Drawings No.
B-4371; 7) the City of Long Beach Standard Plans; 8) Standard Specifications; 9) other
reference specifications; 10) other reference plans; 11) the bid; and 12) the Notice Inviting
Bids.

4. <u>TIME FOR CONTRACT</u>. Contractor shall commence work on a date to
be specified in a written "Notice to Proceed" from the City and shall complete all work
within sixty (60) working days thereafter, subject to strikes, lockouts and events beyond the
control of Contractor. Time is of the essence hereunder. City will suffer damage if the

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work is not completed within the time stated, but those damages would be difficult or
 impractical to determine. So, Contractor shall pay to City, as liquidated damages, the
 amount stated in the Contract Documents.

5. <u>ACCEPTANCE OF WORK NOT TO CONSTITUTE A WAIVER</u>. The acceptance of any work or the payment of any money by the City shall not operate as a waiver of any provision of any Contract Document, of any power reserved to the City, or of any right to damages or indemnity hereunder. The waiver of any breach or any default hereunder shall not be deemed a waiver of any other or subsequent breach or default.

9 6. <u>WORKERS' COMPENSATION CERTIFICATION</u>. Concurrently herewith,
 10 Contractor shall submit certification of Workers' Compensation coverage in accordance
 11 with California Labor Code Sections 1860 and 3700, a copy of which is attached hereto as
 12 Exhibit "B".

CLAIMS FOR EXTRA WORK. No claim shall be made at any time upon
 the City by Contractor for and on account of any extra or additional work performed or
 materials furnished, unless such extra or additional work or materials shall have been
 expressly required by the City Manager and the quantities and price thereof shall have
 been first agreed upon, in writing, by the parties hereto.

Contractor shall, upon completion of the work, deliver 18 8. CLAIMS. possession thereof to the City ready for use and free and discharged from all claims for 19 labor and materials in doing the work and shall assume and be responsible for, and shall 20 21 protect, defend, indemnify and hold harmless the City from and against any and all claims, demands, causes of action, liability, loss, costs or expenses for injuries to or death of 22 persons, or damages to property, including property of the City, which arises from or is 23 connected with the performance of the work. 24

9. <u>INSURANCE</u>. Prior to commencement of work, and as a condition
 precedent to the effectiveness of this Contract, Contractor shall provide to the City
 evidence of all insurance required in the Contract Documents.

In addition, Contractor shall complete and deliver to the City the form

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("Information Sheet") attached as Exhibit "C" and incorporated by reference, to comply with
 Labor Code Section 2810.

10. <u>WORK DAY</u>. Contractor shall comply with Sections 1810 through 1815
of the California Labor Code regarding hours of work. Contractor shall forfeit, as a penalty
to the City, the sum of Twenty-five Dollars (\$25) for each worker employed by Contractor
or any subcontractor for each calendar day such worker is required or permitted to work
more than eight (8) hours unless that worker receives compensation in accordance with
Section 1815.

9 11. <u>PREVAILING WAGE RATES</u>. Contractor is directed to the prevailing
10 wage rates. Contractor shall forfeit, as a penalty to the City, Fifty Dollars (\$50) for each
11 laborer, worker or mechanic employed for each calendar day, or portion thereof, that such
12 laborer, worker or mechanic is paid less than the prevailing wage rates for any work done
13 by Contractor, or any subcontractor, under this Contract.

12. COORDINATION WITH GOVERNMENTAL REGULATIONS. If the work 14 is terminated pursuant to an order of any Federal or State authority, Contractor shall accept 15 as full and complete compensation under this Contract such amount of money as will equal 16 the product of multiplying the Contract price stated herein by the percentage of work 17 completed by Contractor as of the date of such termination, and for which Contractor has 18 not been paid. If the work is so terminated, the City Engineer, after consultation with 19 Contractor, shall determine the percentage of work completed and the determination of the 20 City Engineer shall be final. 21

If Contractor is prevented, in any manner, from strict compliance with the
Plans and Specifications due to any Federal or State law, rule, or regulation, in addition to
all other rights and remedies reserved to the parties City may by resolution of the City
Council suspend performance hereunder until the cause of disability is removed, extend
the time for performance, make changes in the character of the work or materials, or
terminate this Contract without liability to either party.

13. NOTICES. A. Any notice required hereunder shall be in writing and

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personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid,
to Contractor at the address first stated herein, and to the City at 333 West Ocean
Boulevard, Long Beach, California 90802, Attn: City Manager. Notice of change of address
shall be given in the same manner as stated herein for other notices. Notice shall be
deemed given on the date deposited in the mail or on the date personal delivery is made,
whichever first occurs.

B. Except for stop notices and claims made under the Labor Code, the City
will notify Contractor when the City receives any third party claims relating to this Contract
in accordance with Section 9201 of the Public Contract Code.

10 14. <u>BONDS</u>. Contractor shall, simultaneously with the execution of this 11 Contract, execute and deliver to the City a good and sufficient corporate surety bond, in 12 the form attached hereto and in the amount specified therein, conditioned upon the faithful 13 performance of this Contract by Contractor, and a good and sufficient corporate surety 14 bond, in the form attached hereto and in the amount specified therein, conditioned upon 15 the payment of all labor and material claims incurred in connection with this Contract.

16 15. <u>COVENANT AGAINST ASSIGNMENT</u>. Neither this Contract nor any 17 of the moneys that may become due Contractor hereunder may be assigned by Contractor 18 without the written consent of the City first had and obtained, nor will the City recognize any 19 subcontractor as such, and all persons engaged in the work of construction will be 20 considered as independent contractors or agents of the Contractor and will be held directly 21 responsible to Contractor.

16. <u>CERTIFIED PAYROLL RECORDS</u>. Contractor shall keep and cause
each subcontractor to keep an accurate payroll record in accordance with Division 2, Part
7, Article 2 of the California Labor Code. Contractor's failure to furnish such record to City
in the manner provided herein for notices shall entitle City to withhold the penalty
prescribed by law from progress payments due to Contractor.

2717. RESPONSIBILITY OF CONTRACTOR. Notwithstanding anything to the28contrary in the Standard Specifications, Contractor shall have the responsibility, care and

Robert E. Shannon City Attorney of Long Beach 333 West Ocean Boulevard Long Beach, California 90802-4664 Telephone (562) 570-2200 custody of the work. If any loss or damage occurs to the work that is not covered by
collectible commercial insurance, excluding loss or damage caused by the negligence or
willful misconduct of City, earthquake, or flood, then Contractor shall immediately make the
City whole for any such loss or pay for any damage. If Contractor fails or refuses to make
the City whole or pay, then City may do so and the cost and expense of doing so shall be
deducted from the amount due Contractor from City hereunder.

7 18. <u>CONTINUATION</u>. Termination or expiration of this Contract shall not
8 terminate the rights or liabilities of either party which rights or liabilities accrued or existed
9 prior to termination or expiration of this Contract.

10 19. <u>TAXES AND TAX REPORTING</u>. A. As required by federal and state
 11 law, City is obligated to report the payment of compensation to Contractor on Form 1099 12 Misc. and Contractor acknowledges that Contractor is not entitled to payment under this
 13 Contract until it has provided its Employer's Identification Number to the City. Contractor
 14 shall be solely responsible for payment of all federal and state taxes resulting from
 15 payments under this Contract.

16 B. Contractor shall cooperate with the City in all matters relating to taxation 17 and the collection of taxes, particularly with respect to the self-accrual of use tax. 18 Contractor shall cooperate as follows: (i) for all leases and purchases of materials, 19 equipment, supplies, or other tangible personal property totaling over \$100,000 shipped 20 from outside California, a qualified Contractor shall complete and submit to the appropriate 21 governmental entity the form in Appendix "A" attached hereto; and (ii) for construction 22 contracts and subcontracts totaling \$5,000,000 or more, Contractor shall obtain a sub-23 permit from the California Board of Equalization for the Work site. "Qualified" means that 24 the Contractor purchased at least \$500,000 in tangible personal property that was subject to sales or use tax in the previous calendar year. 25

In completing the form and obtaining the permit(s), Contractor shall use the
 address of the Work site as its business address and may use any address for its mailing
 address. Copies of the form and permit(s) shall also be delivered to the City Engineer.

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The form must be submitted and the permit(s) obtained as soon as Contractor receives a 1 Notice to Proceed. Contractor shall not order any materials or equipment over \$100,000 2 3 from vendors outside California until the form is submitted and the permit(s) obtained and, if Contractor does so, it shall be a material breach of this Contract. In addition, Contractor 4 shall make all purchases from the Long Beach sales office of its vendors if those vendors 5 6 have a Long Beach office and all purchases made by Contractor under this Contract which 7 are subject to use tax of \$500,000 or more shall be allocated to the City of Long Beach. 8 Contractor shall require the same form and permit(s) from its subcontractors.

9 Contractor shall not be entitled to and by signing this Contract waives any
10 claim or damages for delay against City if Contractor does not timely submit these forms
11 to the appropriate governmental entity. Contractor may contact the City Controller at (562)
12 570-6450 for assistance with the form.

20. <u>ADVERTISING</u>. Contractor shall not use the name of City, its officials,
 or employees in any advertising or solicitation for business, nor as a reference, without the
 prior approval of the City Manager, City Engineer, or designee.

16 21. <u>AUDIT</u>. If payment of any part of the consideration for this Contract is
made with federal, state, or county funds and a condition to the use of those funds by City
is a requirement that the City render an accounting or otherwise account for said funds,
then City shall have the right at all reasonable times to examine, audit, inspect, review,
extract information from, and copy all books, records, accounts, and other information
relating to this Contract.

22 22. <u>NO PECULIAR RISK</u>. Contractor acknowledges and agrees that the
 work to be performed hereunder does not constitute a peculiar risk of bodily harm and that
 no special precautions are required to perform said work.

23. <u>THIRD PARTY BENEFICIARY</u>. This Contract is intended by the parties
 to benefit themselves only and is not in any way intended or designed to or entered for the
 purpose of creating any benefit or right of any kind for any person or entity that is not a
 party to this Contract.

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SUBCONTRACTORS. Contractor agrees to and shall bind every 24. 1 subcontractor to the terms of this Contract provided, however, that nothing herein shall 2 3 create any obligation on the part of City to pay any subcontractor except in accordance with a court order in an action to foreclose a stop notice. Failure of Contractor to comply 4 5 with this Section shall be deemed a material breach of this Contract. A list of subcontractor(s) submitted by Contractor in compliance with Public Contract Code 6 7 Sections 4100 et seg. is attached hereto as Exhibit "D" and incorporated herein by this reference. 8

9 25. <u>NO DUTY TO INSPECT</u>. No language in this Contract shall create and
10 City shall not have any duty to inspect, correct, warn of, or investigate any condition arising
11 from Contractor's work hereunder, or to insure compliance with laws, rules or regulations
12 relating to said work. If City does inspect or investigate, the results thereof shall not be
13 deemed compliance with or a waiver of any requirements of the Contract Documents.

14 26. <u>GOVERNING LAW</u>. This Contract shall be governed by and construed
 15 pursuant to the laws of the State of California (except those provisions of California law
 16 pertaining to conflicts of laws).

17 27. <u>INTEGRATION</u>. This Contract, including the Contract Documents
 identified in Section 3 hereof, constitutes the entire understanding between the parties and
 supersedes all other agreements, oral or written, with respect to the subject matter herein.
 20 28. <u>COSTS</u>. If there is any legal proceeding between the parties to enforce
 or interpret this Contract or to protect or establish any rights or remedies hereunder, the
 prevailing party shall be entitled to its costs and expenses, including reasonable attorney's
 fees.

24 29. <u>NONDISCRIMINATION</u>. In connection with performance of this Contract
 and subject to federal laws, rules and regulations, Contractor shall not discriminate in
 employment or in the performance of this Contract on the basis of race, religion, national
 origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap, or disability. It is the
 policy of the City to encourage the participation of Disadvantaged, Minority and Women-

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owned Business Enterprises and the City encourages Contractor to use its best efforts to
 carry out this policy in the award of all subcontracts.

3 30, DEFAULT. Default shall include but not be limited to Contractor's failure to perform in accordance with the Plans and Specifications, failure to comply with any 4 5 Contract Document, failure to pay any penalties, fines or charges assessed against the Contractor by any public agency, failure to pay any charges or fees for services performed 6 7 by the City, and if Contractor has substituted any security in lieu of retention, then default shall also include City's receipt of a stop notice. If default occurs and Contractor has 8 9 substituted any security in lieu of retention, then in addition to City's other legal remedies, City shall have the right to draw on the security in accordance with Public Contract Code 10 11 Section 22300 and without further notice to Contractor. If default occurs and Contractor 12 has not substituted any security in lieu of retention, then City shall have all legal remedies available to it. 13

IN WITNESS WHEREOF, the parties have caused this document to be duly

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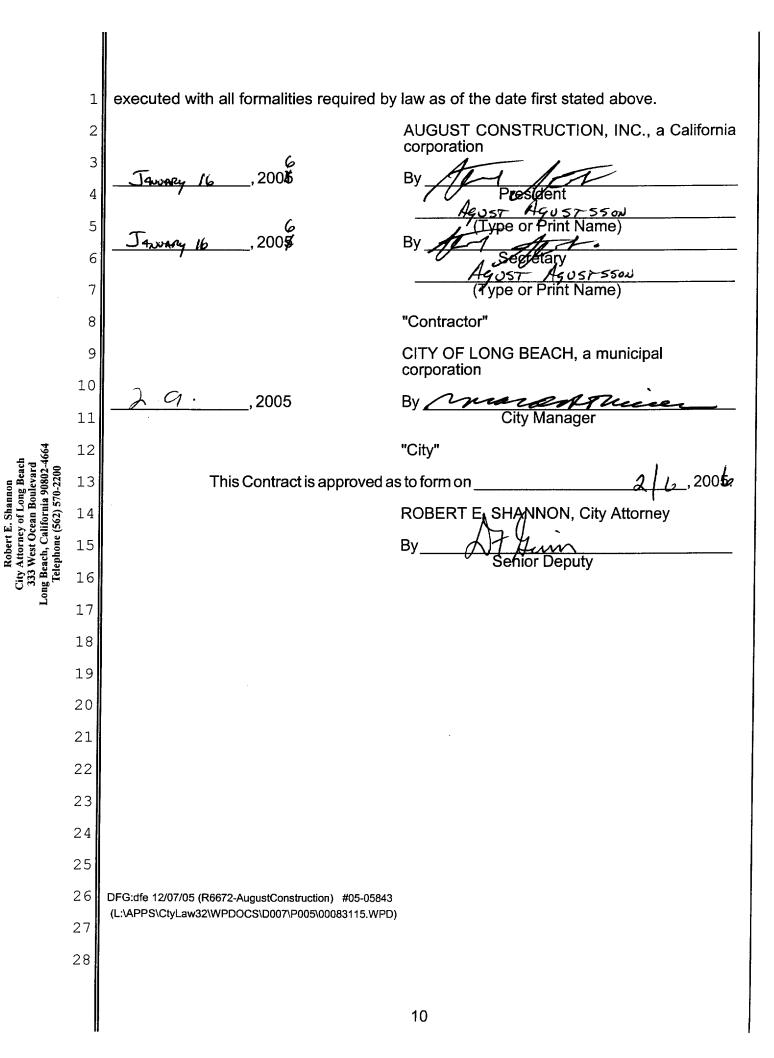


Exhibit "A"

BIDDER'S NAME: AVGVST CONST

BID FOR THE IMPROVEMENT OF NAPLES ISLAND SOIL ANCHORS, PHASE V IN THE CITY OF LONG BEACH, CALIFORNIA

In accordance with the Notice Inviting Bids for the above titled work in the City of Long Beach, California, a copy of which is attached hereto and is made a part hereof, to be opened on Wednesday, October 12, 2005, at 10:00 a.m., we propose to furnish all necessary labor, tools, materials, appliances and equipment for and perform all work mentioned in said Notice Inviting Bids, in full compliance with Plans & Specifications No. R-6672 at the following prices:

In order to determine the lowest bidder, the City will use the total Base Bid. The City will award to the lowest bidder the Base Bid or, at the City's sole option and based on the funds available, will award to the lowest bidder the Base Bid plus Additive Alternate as selected by the City. In order to be determined responsive, the bidder must bid on the Base Bid and Additive Alternate.

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
1	Mobilization and Demolition not to Exceed 10 Percent of the Total Bid Amount	1	LS	38,479	38,479
2	Full Installation and Assembly of Soil Anchor	⁻ 65	EA	5,750	373,750
	TOTAL AMOUNT BASE BID		•	•	412,229

BASE BID

ADDITIVE ALTERNATE

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
3	ADDITIVE ALTERNATE: Full Installation and Assembly of Additional Soil Anchor	40	EA	5500	220,000
	TOTAL AMOUNT ADDITIVE	ALTERNATE			220 000

SUMMARY

ITEM DESCRIPTION	ITEM TOTAL (IN FIGURES)
TOTAL AMOUNT BASE BID	412 229
TOTAL AMOUNT BASE BID PLUS ADDITIVE ALTERNATE	632,229

Where did your company first hear about this City of Long Beach Public Works' project?

:

from City of Long Beach Phone call

Exhibit "B"

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WORKERS' COMPENSATION CERTIFICATION

In accordance with California Labor Code Sections 1860 and 3700, I certify that I am aware of the provisions of Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with said provisions before commencing the performance of the Work of this contract.

Contractor's Name:

August Construction

Signature of Contractor, or a corporate officer of Contractor, or a general partner of Contractor

PRESIDENT Title:

JANUARY 16,2006 Date:

Exhibit "C"

INFORMATION TO COMPLY WITH LABOR CODE SEC. 2810

To comply with Labor Code Sec. 2810, Contractor shall complete and submit this Information Sheet which shall be incorporated into and be a part of the Contract:

1)	Wor	kers' Compensation Insurance:
	Α.	Policy Number: 1823268
	В.	Name of Insurer (NOT Broker): STATE Companies This unance FUND
	C.	Address of Insurer: 1275 MARKET ST JAN FRANCISCO CA 94103
	D.	Telephone Number of Insurer:415-565-123 4
2)	For	vehicles owned by Contractor and used in performing work under this Contract:
	Α.	VIN (Vehicle Identification Number: VARious
	В.	Automobile Liability Insurance Policy Number: CBP 803 1870
	C.	Name of Insurer (NOT Broker): Golden Eagle Insurance
	D.	Address of Insurer: 525 B ST. SAW Diego CA 92101
	E.	Telephone Number of Insurer: 619-744-6000
3)	Addı	ress of property used to house workers on this Contract, if any:
4)	Estir	mated total number of workers to be employed on this Contract:
5)	Estir	nated total wages to be paid those workers: $\frac{4}{136,000}$
6)	Date	es (or schedule) when those wages will be paid: WEEKLY
		(Describe schedule: For example, weekly or every other week or monthly)
7)	Estin	nated total number of independent contractors to be used on this Contract:(Attach a list of contractor's license numbers with the names, if known)
8)	Тахр	payer's Identification Number:

Exhibit "D"

LIST OF SUBCONTRACTORS

The Bidder shall set forth hereon, the name, location of the place of business, and telephone number of each subcontractor, including minority subcontractors, who will perform work or labor or render service to the Prime Contractor in or about the construction of the Work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the Prime Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of ½ of 1 percent of the Prime Contractor's total bid or \$10,000 (whichever is greater).

Name and Address of Subcontractor

Classification or Type of Work

Name ACCUCUT	
Address P.O.Box 409	Dollar Amount of Contract \$ 24,440
City GARDENA	DBE / MBE / WBE / Racial Origin
Phone No. 310 327 - 3454	(circle one) License No. <u>477040</u>
Name	
Address	Dollar Amount of Contract \$
City	
Phone No	(circle one) License No
Name	
Address	Dollar Amount of Contract \$
City	DBE / MBE / WBE / Racial Origin
Phone No	(circle one) License No
Name	
Address	Dollar Amount of Contract \$
City	DBE / MBE / WBE / Racial Origin
Phone No	(circle one) License No
Name	· · · · · · · · · · · · · · · · · · ·
Address	Dollar Amount of Contract \$
City	DBE / MBE / WBE / Racial Origin
Phone No.	(circle one) License No
Name	
Address	Dollar Amount of Contract \$
City	DBE / MBE / WBE / Racial Origin
Phone No	(circle one) License No

ATTACH ADDITIONAL SHEETS AS NEEDED.

APPENDIX "A"

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BOE-400-DP (FRONT) REV 1. (10-01) APPLICATION FOR USE TAX DIRECT PAYMENT PERMIT

STATE OF CALIFORNIA BOARD OF EQUALIZATION

Please Type or Print Clearly. Read instructions on reverse before completing this form.

SECTION I - BUSINESS INFORMATION			
NAME OF BUSINESS OR GOVERNMENTAL ENTITY	SALEGAISE TAX PERMIT NUMBER		
BUSINESS ADDRESS (arms)	CONSUMER USE TAX ACCOUNT NUMBER		
GITY, STATE, & ZIP CODE MULING ADDREBS (strost address or po box / different from busidees address)	If applicant is applying for either a sales/use tax permit or a consumer use tax account in addition to a use tax direct payment permit check here		
CITY, STATE, & 20 CODE	NAME UNDER WHICH BUSINESS IS TO BE TRANSACTED IF DIFFERENT THAN ABOVE		
SECTION II - MIN TIDI E			

SECTION II - MULTIPLE BUSINESS LOCATIONS

LIST BELOW THE BUSINESS AND MAILING ADDRESSES OF ALL LOCATIONS WHERE PROPERTY PURCHASED UNDER A USE TAX DIRECT PAYMENT CERTIFICATE WILL BE USED. IF ADDITIONAL SPACE IS NEEDED, ATTACH A SEPARATE SHEET

1. BUSINESS ADORESS		4. BUSINESS ADDRESS
MALING ADDRESS		MAILING ADDRESS
2 BUSINESS ADDRESS		IS. BUSINESS ADDRESS
MAILING ADDRESS		MAILING ADDREGE
3. BUGINEGS ADDRESS		a, Business Address
MAILING ADDRESS		MAILING ADDRESS
	SECTION III - CERTIE	ICATION STATEMENT

I hereby certify that I qualify for a Use Tax Direct Payment Parmit for the following reason: (Please check one of the following)

I have purchased or leased for my own use tangible personal property subject to use tax at a cost of five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding this application for the permit. I have attached a "Statement of Cash Flows" or other comparable financial statements acceptable to the Board for the calendar year immediately preceding the date of application and a separate statement attesting that the qualifying purchases were purchases that were subject to use tax.

I am a county, city, city and county, or redevelopment agency.

I also agree to self-assess and pay directly to the Board of Equalization any use tax liability incurred pursuant to my use of a Use Tax Direct Payment Permit.

The above statements are hereby certified to be correct to the knowledge and belief of the undersigned, who is duly authorized to sign this application.

SIGNATURE	TITLE
NAME (lyped or drived)	DATE

Use Tax Direct Payment Exemption Certificate

(Name of Ver	ador)
(Address of Ve	ndor)
In the event that I fail to timely report and pay the app that in addition to the tax liability, I will be liable for a subject to penalties.	applicable interest and the amount due may be
Description of property to be purchased:	-· .
Purchaser:	Date certificate given:
Signature and Title of Purchaser or Authorized Agent:	

IMPORTANT NOTICE TO VENDORS

This exemption certificate when timely taken in good faith from a person who holds a use tax direct payment permit relieves a vendor from the requirement to collect and remit USE TAX on sales or leases of tangible personal property (other than leases of motor vehicles subject to the terms of Section 7205.1 of the Sales and Use Tax Law) to the person who issued the certificate. It does NOT relieve a vendor of any SALES TAX obligations. Generally, this certificate should be accepted only by out-of-state vendors or by lessors of tangible personal property other than motor vehicle lessors. Sellers can claim a deduction on their sales and use tax returns for any sales made under this certificate.

Vendors must retain a completed copy of this certificate in their files for a period of not less than four years to substantiate the exempt status of sales made under its authority.

This Exemption Certificate has been approved by the California State Board of Equalization.

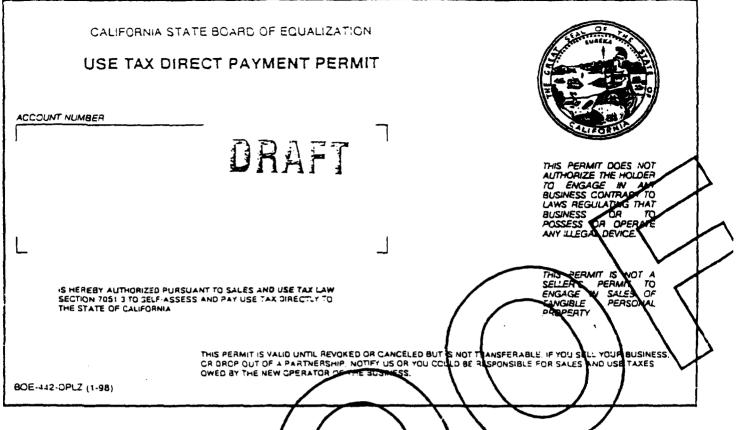
Approved By:

(Deputy Director, Sales and Use Tax Department)

Questions regarding this form should be directed to 800 400-7115, or write to the Board of Equalization, Audit Evaluation and Planning Section, MIC 40, P.O. Box 942879, Sacramento, Ca 94279-0040.

THIS FORM MAY BE REPRODUCED

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NOTICE TO INDIVIDUALS REGARDING

The Information Practices Act of 1977 and the Federal Privacy Act requires this agency to provide the following notice to individuals who are asked by the State Board of Equalization (Board) to supply information, including the disclosure of the individual's social security account number.

Individuals applying for pergins, ceruficates, or censes or filing rax returns, statements, or other forms prescribed by this agency, are returned to include their social security numbers for proper identification. [See Tits 42 United States Code Section 405(c)(2)(C)(i)]. It is mandatory to turnish all the appropriate information requested by applications for permits or licenses, tax returns and other related data. Failure to provide all of the required information requested by application are permit or license could result in your not being issued a permit or license. In addition, the law provides cenalties for thrure to be a return, failure to furnish specific information required, failure to supply information required by law or regulations, or for furnishing fractulent information.

Provisions contained in the lockwing laws equire persins meeting certain requirements to file applications for registration, applications for permits for licenses, and fax returns or reports in such form as presented of the State Board of Equalization: Alconolic Beverage Tax, Sections' 32001-32555. Childhood Lead Poisoning Prevention Fee, Sections 4300146551, Health & Safety Code, Sections 105275-105310; Cigarette and Tobalco Products Tax Sections 3001-30481; Diesu Fuel Tax, Sections 60001-60709; Emergency Telephone Users Surcharge, Sections 41001-41176; Energy Resources Surpharge, Sections 40001-40215; Hazardous Substances Tax, Sections 43001-43551; Integrated Waste Management Fee, Sections 45001-5984; International Fuel Tax Agreement, Sections 9401-9433; Motor Vehicle Fuel License Tax, Sections 7301-8405; Occupational Lead Poisoning Prevention Fee, Sections 43001-4051, Health & Safety Code, Sections 105175-105197; Oil Spill Response, Prevention, and Administration Press, Sections 4001-46751, Government Code, Sections 8670.1-8670.53; Publicky Owned Propeny, Sections 1840-1841; Sales and Use Tax, Sections 6001-7279.6; State Assessed Propeny, Sections 721-868, 4876-4880, 5011-5014; Tax on Insurers, Sections 12001-13170; Timber Yield Tax, Sections 38101-38908; Tire Recycling Fee, Sections 55001-55381, Public Resources Code, Sections 42860-42895; Underground Storage Tank Manufanance Fie, Sections 5001-50161, Health & Safety Code, Sections 25280-25299.96; Use Fuel Tax, Sections 8601-9355.

The principal purpose for which the requested information will be used is to administer the laws identified in the preceding paragraph. The second determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting a second tax liability.

As authonzed by law, information requested by an application for a permit or license could be disclosed to other agencies, including, but not limited to, the proper officials of the following: 1) United States governmental agencies: U.S. Attorney's Office; Bureau of Alcohol, Tobacco and Finarms; Depts. of Agnoulture, Defense, Justice; Federal Bureau of Investigation; General Accounting Office; Internal Revenue Service; the Interstate Commerce Commission; 2) State of California governmental agencies and officials: Air Resources Board; Dept. of Alcoholic Beverage Control; Auctioneer Commission; Employment Development Department; Energy Commission; Exposition and Fairs; Food & Agnoulture; Board of Forestry; Forest Products Commission; Franchise Tax Board; Dept. of Health Services; Highway Patrol; Dept. of Housing & Community Development; California Parent Locator Service; 3) State agencies outside of California for tax enforcement purposes; and 4) city attorneys and city prosecutors; county district attorneys, sheriff departments.

As an individual, you have the right to access personal information about you in records maintained by the State Board of Equalization. Please contact your local Board office listed in the white pages of your telephone directory for assistance. If the local Board office is unable to provide the information sought, you may also contact the Disclosure Office in Sacramento by telephone at (916) 445-2918. The Board officials responsible for maintaining this information, who can be contacted by telephone at (916) 445-6464, are: Sales and Use Tax, Deputy Director, Sales and Use Tax Department, 450 N Street, MIC:43, Sacramento, CA 95814; Excise Taxes, Fuel Taxes and Environmental Fees, Deputy Director, Special Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:33, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:33, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:33, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:33, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:34, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:34, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes, Department, 450 N Street, MIC:34, Sacramento, CA 95814; Property Taxes, Department, 450 N Street, MIC:34, Sacramento, CA 95814; Property Taxes

3APN 04 -28

*All references and the California Revenue and Taxaticit Custo unto the mice indicated AWRI. A

BOND FOR FAITHFUL PERFORMANCE

KNOW ALL MEN BY THESE PRESENTS: That we, <u>AUGUST CONSTRUCTION, INC.</u>, as PRINCIPAL, and Lincoln General Insurance Company, located at

701 "B" Street, Ste. 2100, San Diego, CA 92101 a corporation, incorporated under the Laws of the State of <u>PennsylVani</u> admitted as a surety in the State of California and authorized to transact business in the State of California, as SURETY, are held and firmly bound unto the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, in the sum of <u>Four Hundred Tweive Thousand Two Hundred Twenty Nine</u> DOLLARS (\$412,229.00), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Improvement of Naples Island Soil Anchora, Phase V and is required by said City to give this bond in connection with the execution of said contract;

NOW, THEREFORE, if said Principal shall well and truly keep and faithfully perform all of the covenants, conditions, agreements and obligations of said contract on said Principal's part to be kept, done and performed, at the times and in the manner specified therein, then this obligation shall be null and void, otherwise it shall be and romain in full force and effect;

PROVIDED, that any modifications, alterations, or changes which may be made in said contract, or in the work to be done, or in the services to be rendered, or in any materials or articles to be furnished pursuant to said contract, or the giving by the City of any extension of time for the performance of said contract, or the giving of any other forbearance upon the part of either the City or the Principal to the other, shall not in any way release the Principal or the Surety, or either of them, or their respective heirs, administrators, executors, successors or assigns, from any liability arising hereunder, and notice to the Surety of any such modifications, elterations, changes, extensions or forbearances is hereby waived. No premature payment by said City to said Principal shall release or exonerate the Surety, unless the officer of said City or diering the payment shall have actual notice at the time the order is made that such payment is in fact premature, and then only to the extent that such payment shall result in actual loss to the Surety, but in no event in an amount more than the amount of such premature payment.

IN WITNESS WHEREDF, the above named Principal and Surety have executed, or caused to be executed, this instrument with all of the formalities required by law on this 16th day of January_____, 2809, 2006

AUGUST CONSTRUCTION, INC.

AGUS Name: Alan

Title: +SPA

AL 13 50 Names

Title: 6th day Approved 18 form this 20002

ROBERT E. SHANNON, fity Attorney w By: Senior Deputy

	Lincoln General Insurance Company
	SURETY, admitted in California
By:s	Ink'h-
Name:	Frank Morones
Titles	Attorney-in-Fact

Telephone: (714) 256-0691

Approved as to sufficiency this \underline{Z} day of <u>February</u>, 2005.

NOTE: 1. Execution of this bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and a Notary's certificate of acknowledgment must be attached.

2. A corporation must execute the bond by 2 authorized officers and, if executed by a person not listed in Sec. 313, Calif. Corp. Code , then a certified copy of a resolution of its Board of Directors authorizing execution must be attached.

DFG:dfc 12/07/05 #05-05843 L:\APP\$\CtyLaw32\WPDOC\$\D007\P005\00083116.WPD

LINCOLN GENERAL INSURANCE COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Lincoln General Insurance Company, organized and existing by virtue of the Laws of the Commonwealth of Pennsylvania, does hereby nominate, constitute and appoint:

Philip E. Vega, Frank Morones

its true and lawful attorney(s)-in-fact to sign, seal and execute for and on its behalf, as surety, bonds, undertakings, and other obligatory instruments of similar nature in an amount not to exceed Three Million Dollars (\$3,000,000) and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation, and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

RESOLVED that this Power of Attorney is granted and is signed, sealed and notarized with facsimile signatures and seals under authority of the following resolutions adopted by the Board of Directors of Lincoln General Insurance Company on the 4th day of September, 2002.

RESOLVED that the President, an Executive or Senior Vice President, or any Vice President of the Company, together with the Secretary or any Assistant Secretary are hereby authorized to execute Powers of Attorney appointing the person(s) named as Attorney(s)-in-Fact to date, execute, sign, seal and deliver on behalf of the Company, fidelity and surety bonds, undertakings, and other similar contracts of suretyship, and any related documents.

RESOLVED FURTHER that the signatures of the officers making the appointment, and the signature of any officer certifying the validity and current status of the appointment, may be facsimile representations of those signatures; and the signature and seal of any notary, and the seal of the Company, may be facsimile representations of those signatures and seals, and such facsimile representations of those signatures and seals, and such facsimile representations shall have the same force and effect as if manually affixed. The facsimile representations referred to herein may be affixed by stamping, printing, typing, or photocopying.

IN WITNESS WHEREOF, Lincoln General Insurance Company has caused its corporate seal to be affixed, and these presents to 101344

be signed by its duly authorized officers this 4th day of September, 2002. Attest: Gary J. Grindord, Secretary Gary J. Grindord, Secretary The Commonwealth of Pennsylvania York County On this 4th day of September, 2002, before metogersonally came tary C. Bhojwani, to me known, who being duly sworn, did depose and say: that he is the President of the Corporation deposited in and which executed the above instrument: that he knows the sent offixed to the aforesed intertument is such corporate seal and was affixed thereto by order and authority of the Board of

the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto by order and authority of the Board of Directors of said Company; and that he executed the said instrument by like order and authority and the same was his free act and deed.

Notarial Seal Catherine Mane Loose, Note The Commonwealth of Pennsylvania Springattsbury Twp., York Col York County

My Commission Expires June 1 Notary Publi

I, Gary Orndorff, Secretary of Lincoln General Insurance Company, a corporation of the Commonwealth of Pennsylvania do hereby certify that the above and foregoing is a full, true and correct copy of Power of Attorney issued by said Company, and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney is now in force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at York, Pennsylvania, this 16th day of January 2006 16th day of January

saic ed the seal of INSUP INSUP INSUP INSUP INSUP ary J. O Secretary ATTINITION STATES

CALIFORNIA ALL-PURPOSE ACKNOWLEDG	EMENT			
State of California				
County of Orange				
On January 16, 2006 before me, Philip Vega	Jacobia de College (n. 11 Jacobia de La			
personally appeared Frank Morones	Name and Title of Officer (e.g., "Jane Doe, Notary Public")			
Name(s) of Signer(s) Name(s) of Signer(s)				
Though the information below is not required by law, it may prove valuable to per and reattachment of this form to	sons relying on the document and could prevent fraudulent removal another document.			
Description of Attached Document				
Title or Type of Document:				
Document Date:	Number of Pages:			
Signer(s) Other Than Named Above:				
Capacity(ies) Claimed by Signer(s)				
Signer's Name:	Signer's Name:			
Individual Corporate Officer Titles(s): Partner - □ Limited □ General Attorney-in-Fact Trustee Guardian or Conservator Other: Signer Is Representing:	Individual Corporate Officer Title(s): Partner - Limited Attorney-in-Fact Trustee Guardian or Conservator Other: Signer Is Representing:			

LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS: That we, Lincoin General Insurance Company	AUGUST CONSTRUCTION, INC.	PAL, and
Lincoln General Insurance Company	lo	cated at

701 "B" Street Ste 2100. San Diego. CA 92101 a corporation, incorporated under the laws of the State of <u>Pennsylvania</u>, admitted as a surety in the State of California, and authorized to transact business in the State of California, as SURETY, are held and firmly bound unto the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, in the sum of <u>Four Hundred Twelve Thousand Two Hundred Twenty Nine</u> DOLLARS (<u>\$412,229.00</u>), lawful moncy of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Improvement of Naples Island Soil Anchors, Phase V and is required by law and by said City to give this bond in connection with the execution of said contract;

NOW, THEREFORE, if said Principal, as Contractor of said contract, or any subcontractor of said Principal, fails to pay for any materials, provisions, equipment, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Act, during the original term of said contract and any extensions thereof, and during the life of any guaranty required under the contract, or shall fail to pay for any materials, provisions, equipment, or other supplies, used in, upon, for or about the performance of the work to be done under any authorized modifications of said contract that may hereafter be made, or for any work or labor done of any kind, or for amounts due under the Unemployment Insurance Act, under said modification, said Surety will pay the same in an amount not exceeding the sum of money hereinabove specified and, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the court; otherwise this obligation shall be void;

PROVIDED, that any modifications, alterations, or changes which may be made in said contract, or in any of the work or labor required to be done thereunder, or in any of the materials, provisions, equipment, or other supplies required to be furnished pursuant to said contract, or the giving by the City of any extension of time for the performance of said contract, or the giving of any other forbearance upon the part of either the City or the Principal to the other, shall not in any way release the Principal or the Surety, or either of them, or their respective heirs, administrators, executors, successors or assigns, from any liability arising hereunder, and notice to the Surety of any such modifications, alterations, changes, extensions or forbearances is hereby waived. No premature payment by said City to said Principal shall release or econerate the Surety, unless the officer of the City or of the payment shall have actual notice at the time the order is made that the payment is in fact premature, and then only to the extent that such payment shall result in actual loss to the Surety, but in no event in an amount more than the amount of such premature payment.

This bond shall inure to the benefit of any and all persons, companies and corporations entitled by law to file claims so as to give a right of action to them or their assigns in any suit brought upon this bond.

IN WITNESS WHEREOF, the above named Principal and Surety have executed, or caused to be executed, this instrument with all of the formalities required by law on this 1610 day of January 2006

AUGUST CONSTRUCTION, INC.

AGVST

Title: _____

NC 7 Name:

Title:

6th day Approved as to form this j

ROBERT E. SHANNON, City_Attorney

By: um Senior Deouty

	Lincoln General Insurance Company	
	SURFIY, admitted in California	
_	AM	
By:		
Name:	Frank Morones	
Title:	Attorney-in-Fact	
Telephone:	(714) 256-0691	

Approved as to sufficiency this ____ day tebrary _____ 2005

NOTE: 1. Execution the bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and a Notary's certificate of acknowledgment must be attached.

2. A corporation must execute the bond by 2 authorized officers and, if executed by a person not listed in Sec. 313, Calif. Corp. Code, then a certified copy of a resolution of its Board of Directors authorizing execution must be attached.

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LINCOLN GENERAL INSURANCE COMPANY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Lincoln General Insurance Company, organized and existing by virtue of the Laws of the Commonwealth of Pennsylvania, does hereby nominate, constitute and appoint:

Philip E. Vega, Frank Morones

its true and lawful attorney(s)-in-fact to sign, seal and execute for and on its behalf, as surety, bonds, undertakings, and other obligatory instruments of similar nature in an amount not to exceed **Three Millon Dollars (\$3,000,000)** and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation, and all the acts of said Attorney, pursuant to the authority hereby given are hereby ratified and confirmed.

RESOLVED that this Power of Attorney is granted and is signed, sealed and notarized with facsimile signatures and seals under authority of the following resolutions adopted by the Board of Directors of Lincoln General Insurance Company on the 4th day of September, 2002.

RESOLVED that the President, an Executive or Senior Vice President, or any Vice President of the Company, together with the Secretary or any Assistant Secretary are hereby authorized to execute Powers of Attorney appointing the person(s) named as Attorney(s)-in-Fact to date, execute, sign, seal and deliver on behalf of the Company, fidelity and surety bonds, undertakings, and other similar contracts of suretyship, and any related documents.

RESOLVED FURTHER that the signatures of the officers making the appointment, and the signature of any officer certifying the validity and current status of the appointment, may be facsimile representations of those signatures; and the signature and seal of any notary, and the seal of the Company, may be facsimile representations of those signatures and seals, and such facsimile representations of those signatures and seals, and such facsimile representations shall have the same force and effect as if manually affixed. The facsimile representations referred to herein may be affixed by stamping, printing, typing, or photocopying.

IN WITNESS WHEREOF, Lincoln General Insurance Company has caused its corporate seal to be affixed, and these presents to be signed by its duly authorized officers this 4th day of September, 2002.

ากร Attest: etary Bhojwani, Preside Ć ALLIN N The Commonwealth of Pennsylvania York County On this 4th day of September, 2002, before me personally came that C. Bhojwani, to me known, who being duly sworn, did The Commonwealth of Pennsylvania

On this 4th day of September, 2002, before metopersonally came (a) C. Bhojwani, to me known, who being duly sworn, did depose and say: that he is the President of the Corporation deposited in and which executed the above instrument: that he knows the seal affixed to the aforesaid instrument is such corporate seal and was affixed thereto by order and authority of the Board of Directors of said Company; and that he executed the said instrument by like order and authority and the same was his free act and deed.

		\sim	
The Commonwealth of Pennsylvania York County	Springettsbury Two York Coder Th	erini Meine Hore	
-	My Commission Expires June 17, 2004	Notary Public	_

I, Gary Omdorff, Secretary of Lincoln General Insurance Company, a corporation of the Commonwealth of Pennsylvania do hereby certify that the above and foregoing is a full, true and correct copy of Power of Attorney issued by said Company, and of the whole of the original and that the said Power of Attorney is still in full force and effect and has not been revoked, and furthermore that the Resolution of the Board of Directors, set forth in the said Power of Attorney is now in force.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Company, at York, Pennsylvania, this 16th ______ day of January______,2006

ANI INTERNET A COLOR COLO av J. Ondors Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT				
State of California				
County of Orange				
On January 16, 2006 before me,	Philip Vega			
personally appeared Frank Morones	Name and Title of Officer (e.g., "Jane Doe, Notary Public")			
PHILIP VEGA Commission # 1474231 Notary Public - California Orange County My Comm. Expires Mar 4, 2008	Name(s) of Signer(s) 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 of Notary Public Signature of Notary Public			
Though the information below is not required by law, it may prove valuable to person's rewrig on the document and could prevent fraudulent removal and reattachment of this form to another document.				
Description of Attached Document				
Title or Type of Document:				
Document Date:	Number of Pages:			
Signer(s) Other Than Named Above:				
Capacity(ies) Claimed by Signer(s)				
Signer's Name:	Signer's Name:			
Guardian or Conservator	Individual Corporate Officer Title(s): Partner - Limited General Attorney-in-Fact Trustee Guardian or Conservator Of Thumb here Signer Is Representing:			