

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

CONTRACT

30209

THIS CONTRACT ("Contract") is made and entered, in duplicate, as of July 9, 2007 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 July 3, 2007, by and between KDC, INC., dba DYNALECTRIC, a California corporation, whose address is 4462 Corporate Center Drive, Los Alamitos, California 90720, ("Contractor"), and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, pursuant to a "Notice Inviting Bids for Installing and Modifying Traffic Control Signals at Various Intersections in the City of Long Beach, California," dated May 4, 2007, and published by the City, bids were received, publicly opened and declared on the date specified in the Notice; and

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

WHEREAS, the City Council has authorized the City Manager to enter a contract with Contractor for furnishing the materials and doing the work described in Plans & Specifications No. R-6701;

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

1. SCOPE OF WORK. Contractor shall furnish all necessary labor, supervision, tools, materials, supplies, appliances, equipment, and transportation for the work described in "Plans & Specifications No. R-6701 for Installing and Modifying Traffic Control Signals at Various Intersections in the City of Long Beach, California," said work to be 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 shall do everything necessary to complete the work, whether or not specifically described in the contract documents.

2. CONTRACT DOCUMENTS.

A. The contract documents include: The Notice Inviting Bids,

1 Plans & Specifications No. R-6701 (which may include by reference the Standard
2 Specifications for Public Works Construction and any supplements thereto,
3 collectively referred to as the "Standard Specifications"); the City of Long Beach
4 Standard Plans; Plans and Drawings No. C-5661 for this work; the California Code
5 of Regulations; the various Uniform Codes applicable to trades; the prevailing
6 wage rates; Instructions to Bidders; the Bid; a bid bond or security; the City of
7 Long Beach Disadvantaged Business Enterprise Program; the City of Long Beach
8 Affirmative Action Program; this Contract and all documents attached to it or
9 referenced in it; Bond for Faithful Performance; Payment Bond; Notice to Proceed;
10 Notice of Completion; any addenda and change orders issued in accordance with
11 the Standard Specifications; any permits required and issued for the work; and
12 approved final design drawings and documents. These contract documents are
13 incorporated in this Contract by the above reference.

14 B. Notwithstanding Section 2-5.2 of the Standard Specifications,
15 if any conflict or inconsistency exists or develops among or between contract
16 documents, the following priority shall govern: (1) addenda and change orders; (2)
17 this Contract; (3) permits from other public agencies; (4) Plans & Specifications
18 No. R-6701; (5) Plans and Drawings No. C-5661; (6) the City of Long Beach
19 Standard Plans; (7) Standard Specifications; (8) other reference specifications; (9)
20 other reference plans; (10) the bid; and (11) the Notice Inviting Bids.

21 3. PRICE AND PAYMENT.

22 A. The City shall pay to Contractor the amount(s) for materials
23 and work stated in "Bid for Installing and Modifying Traffic Control signals at
24 Various Intersections in the City of Long Beach, California," attached as Exhibit "A"
25 and incorporated by reference.

26 B. Contractor shall submit appropriate requests for payment.
27 The City will make progress payments in due course of payments in accordance
28 with Section 9 of the Standard Specifications (latest edition adopted by the City

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Council at the time of award).

4. REPORTS. Contractor shall submit progress reports along with requests for payment. Such reports shall be sufficiently detailed for the City to (a) determine if Contractor is performing to expectations and/or is on schedule; and (b) sufficiently address any difficulties or special problems encountered.

5. TIME FOR CONTRACT. 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 one hundred (100) working days thereafter, subject to strikes, lockouts and events beyond the control of Contractor. Time is of the essence. The City will suffer damage if the work is not completed in the time stated, but the damages would be difficult or impractical to determine. So, Contractor shall pay to the City, as liquidated damages, the amount stated in the contract documents.

6. FUNDING. The parties agree that this Contract is valid and enforceable only if sufficient funding is made available to the City. If sufficient funds are not appropriated for this Contract, this Contract may be amended to reflect any reduction in funds.

7. COST PRINCIPLES.

A. Contractor agrees that the cost principles and procedures in Chapter 1, Part 31.000 et seq. of Title 48 of the Code of Federal Regulations shall be used to determine the allowability of cost individual items.

B. Any costs for which payment has been made to Contractor that are determined by subsequent audit to be unallowable under Chapter 1, Part 31.000 et seq. of Title 48 of the Code of Federal Regulations shall be subject to repayment by Contractor to the City.

C. Contractor agrees to comply with all federal procedures in accordance with 49 CFR Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

8. ACCEPTANCE OF WORK NOT TO CONSTITUTE A WAIVER. The

1 acceptance of any work or the payment of any money by the City shall not operate as a
2 waiver of any provision of any contract document, of any power reserved to the City, or of
3 any right to damages or indemnity under any contract document. The waiver of any
4 breach or any default shall not be deemed a waiver of any other or subsequent breach or
5 default.

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

11 10. CLAIMS; INDEMNITY. Contractor shall, on completion of the work,
12 deliver possession of the work to the City ready for use and free and discharged from all
13 claims for labor and materials in doing the work and shall assume and be responsible for,
14 and shall protect, defend, indemnify and hold harmless the City from and against any and
15 all claims, demands, causes of action, liability, loss, costs or expenses for injuries to or
16 death of persons, or damages to property, including property of the City, which arise from
17 or are connected with the performance of the work.

18 11. INSURANCE.

19 A. Prior to commencement of work, and as a condition precedent
20 to the effectiveness of this Contract, Contractor shall provide to the City evidence
21 of all insurance required in the contract documents. Contractor shall also provide
22 to the City evidence of all insurance required in the contract documents for all
23 subcontractors.

24 B. In addition, Contractor shall complete and deliver to the City
25 the form ("Information Sheet") attached as Exhibit "B" and incorporated by
26 reference, to comply with Labor Code Section 2810.

27 C. Concurrently herewith, Contractor shall submit certification of
28 Workers' Compensation coverage in accordance with California Labor Code

1 Sections 1860 and 3700, a copy of which is attached as Exhibit "C" and
2 incorporated by reference.

3 12. BONDS REQUIRED. Contractor shall, simultaneously with the
4 execution of this Contract, execute and deliver to the City a good and sufficient corporate
5 surety bond, in the form attached to this Contract and in the amount stated in the form,
6 conditioned on the faithful performance of this Contract by Contractor, and a good and
7 sufficient corporate surety bond, in the form attached and in the amount stated in the
8 form, conditioned on the payment of all labor and material claims incurred in connection
9 with this Contract.

10 13. WORK DAY. Contractor shall comply with Sections 1810 through
11 1815 of the California Labor Code regarding hours of work. Contractor shall forfeit, as a
12 penalty to the City, the sum of Twenty-five Dollars (\$25) for each worker employed by
13 Contractor or any subcontractor for each calendar day such worker is required or
14 permitted to work more than eight (8) hours or more than forty (40) hours in any one
15 calendar week unless that worker receives compensation in accordance with Section
16 1815.

17 14. PREVAILING WAGES.

18 A. The Director of Public Works of the City of Long Beach by and
19 on behalf of the City Council has obtained from the Director of the Department of
20 Industrial Relations of the State of California the general prevailing rate of per
21 diem wages, and the general prevailing rate of holiday and overtime work in the
22 locality in which the public work is to be performed for each craft, classification or
23 type of workers needed to perform the work, and the same is on file in the office of
24 the City Engineer, 9th Floor, City Hall, 333 W. Ocean Boulevard, Long Beach, CA
25 90802. It shall be mandatory on the Contractor and all subcontractors to pay not
26 less than the prevailing rate of wages to all workers employed by Contractor and
27 subcontractors in performing the work.

28 B. Attention is directed to the prevailing federal minimum wage

1 rate determinations included in Plans and Specifications No. R-6701. The City
2 shall not accept lower state wage rates for classifications not specifically included
3 in the federal minimum wage determinations. This includes "trainees" (or other
4 classifications based on hours of experience) or any other classification not
5 appearing in the federal wage determinations. Where the federal wage
6 determination does not contain the state classification otherwise available for use
7 by Contractor and subcontractors, Contractor and subcontractors shall pay not
8 less than the federal minimum wage rate for the classification which most closely
9 approximates the duties of the employees.

10 C. If any conflict of wage rates exists between the wage scale
11 determined by the Director of the Department of Industrial Relations of the State of
12 California and that established by the U.S. Secretary of Labor, Contractor and all
13 subcontractors shall pay the higher rate.

14 15. PENALTY FOR VIOLATION OF WAGE SCALE. Contractor shall
15 forfeit, as a penalty to the City, Fifty Dollars (\$50) for each laborer, worker or mechanic
16 employed for each calendar day, or portion thereof, such laborer, worker or mechanic is
17 paid less than the specified respective prevailing wage rates for any work done by
18 Contractor or any subcontractor.

19 16. TERMINATION UNDER FEDERAL OR STATE AUTHORITY.

20 A. If the work is terminated pursuant to an order of any federal or
21 state authority, Contractor shall accept as full and complete compensation under
22 this Contract such amount of money as will equal the product of multiplying the
23 Contract price, as determined by the contract documents, by the percentage of
24 work so completed by Contractor as of the date of termination, and for which
25 Contractor has not been paid. If the work is so terminated, the City Engineer, after
26 consultation with Contractor, shall determine the percentage of work completed
27 and the determination of the City Engineer shall be final.

28 B. If Contractor is prevented from strict compliance with the

1 Plans and Specifications due to any federal or state law, rule or regulation, in
2 addition to all other rights and remedies reserved to the parties the City may by
3 resolution of the City Council suspend performance of the work until the cause of
4 disability is removed, extend the time for performance, make changes in the
5 character of the work or materials, or terminate this Contract without liability to
6 either party.

7 17. CERTIFIED PAYROLL RECORDS.

8 A. Contractor shall keep and cause each subcontractor to keep
9 an accurate payroll record in accordance with Division 2, Part 7, Article 2 of the
10 California Labor Code. Contractor's failure to furnish such record to the City shall
11 entitle the City to withhold the penalty prescribed by law from progress payments
12 due to Contractor.

13 B. Without limiting the scope of Section 31, Contractor agrees
14 that any subcontract entered into as a result of this Contract shall contain all of the
15 provisions of this Section.

16 18. RESPONSIBILITY OF CONTRACTOR. Notwithstanding anything to
17 the contrary in the Standard Specifications, Contractor shall have the responsibility, care
18 and custody of the work. If any loss or damage occurs to the work that is not covered by
19 collectible commercial insurance, excluding loss or damage caused by the negligence or
20 willful misconduct of the City, earthquake or flood, then Contractor shall immediately
21 make the City whole for any such loss or pay for any damage. If Contractor fails or
22 refuses to make the City whole for any such loss or pay for the damage, then the City
23 may make itself whole and the cost and expense of doing so shall be deducted from the
24 amount due to Contractor under the Contract.

25 19. SAFETY.

26 A. Contractor shall comply with all Occupational Safety and
27 Health Administration regulations applicable to Contractor in performing the
28 services under this Contract and shall comply with all safety instructions issued by

1 the City.

2 B. Pursuant to the authority contained in Section 591 of the
3 California Vehicle Code, the City has determined that the areas described in
4 Section 591 are within the limits of the project area and are open to public traffic.
5 Contractor shall comply with all of the requirements set forth in Divisions 11, 12,
6 13, 14 and 15 of the Vehicle Code. Contractor shall take all reasonably necessary
7 precautions for safe operation of its vehicles and the protection of the traveling
8 public from injury and damage from such vehicles.

9 C. Without limiting the scope of Section 31, Contractor agrees
10 that any subcontract entered into as a result of this Contract shall contain all of the
11 provisions of this Section.

12 20. DATA.

13 A. All materials, information and data prepared, developed, or
14 assembled by Contractor or furnished to Contractor in connection with this
15 Contract, including but not limited to documents, estimates, calculations, studies,
16 maps, graphs, charts, computer disks, computer source documentation, samples,
17 models, reports, summaries, drawings, designs, notes, plans, information, material
18 and memorandum ("Data") shall be the exclusive property of the City. Data shall
19 be given to the City, and the City shall have the unrestricted right to use and
20 disclose the Data in any manner and for any purpose without payment of further
21 compensation to Contractor. Copies of Data may be retained by Contractor but
22 Contractor warrants that Data shall not be made available to any person or entity
23 for use without the prior approval of the City. This warranty shall survive
24 termination of this Contract for five (5) years.

25 B. Contractor shall place the following copyright protection on all
26 Data: © City of Long Beach, California _____, inserting the appropriate year.

27 C. The City reserves the exclusive right to seek and obtain a
28 patent or copyright registration on any Data or other result arising from

1 Contractor's performance of this Contract. By executing this Contract, Contractor
2 assigns any ownership interest Contractor may have in the Data to the City.

3 D. Contractor warrants that the Data does not violate or infringe
4 any patent, copyright, trade secret or other proprietary right of any other party.
5 Contractor agrees to and shall protect, defend, indemnify and hold City, its officials
6 and employees harmless from any and all claims, demands, damages, loss,
7 liability, causes of action, costs or expenses (including reasonable attorneys' fees)
8 whether or not reduced to judgment, arising from any breach or alleged breach of
9 this warranty.

10 21. CONFIDENTIALITY.

11 A. Contractor shall keep the Data confidential and shall not
12 disclose the Data or use the Data directly or indirectly other than in the course of
13 performing its services, during the term of this Contract and for five (5) years
14 following expiration or termination of this Contract. In addition, Contractor shall
15 keep confidential all information, whether written, oral or visual, obtained by any
16 means whatsoever in the course of performing its services under this Contract for
17 the same period of time. Contractor shall not disclose any or all of the Data or
18 other such information to any third party, or use it for Contractor's own benefit or
19 the benefit of others except for the purpose of this Contract.

20 B. Contractor shall not be liable for a breach of confidentiality
21 with respect to Data that: (a) Contractor demonstrates Contractor knew prior to the
22 time the City disclosed it; or (b) is or becomes publicly available without breach of
23 this Contract by Contractor; or (c) a third party who has a right to disclose does so
24 to Contractor without restrictions on further disclosure; or (d) must be disclosed
25 pursuant to subpoena or court order.

26 C. Without limiting the scope of Section 31, Contractor agrees
27 that any subcontract entered into as a result of this Contract shall contain all of the
28 provisions of this Section.

1 22. NATIONAL LABOR RELATIONS BOARD CERTIFICATION. In
2 accordance with Public Contract Code Section 10296, Contractor represents under
3 penalty of perjury that no more than one final unappealable finding of contempt of court
4 by a federal court has been issued against Contractor within the immediately preceding
5 two-year period because of Contractor's failure to comply with an order of a federal court
6 that orders Contractor to comply with an order of the National Labor Relations Board.

7 23. DEBARMENT AND SUSPENSION CERTIFICATION. Contractor
8 certifies under penalty of perjury that Contractor has complied with Title 49 of the Code of
9 Federal Regulations, Part 29, Debarment and Suspension Certificate, which certifies that
10 (a) Contractor or any person associated therewith in the capacity of owner, partner,
11 director, officer or manager is not currently under suspension, debarment, voluntary
12 exclusion or determined ineligibility by any federal agency; (b) Contractor has not been
13 suspended, debarred, voluntarily excluded or determined ineligible by any federal agency
14 within the past three (3) years; (c) Contractor does not have a proposed debarment
15 pending; and (d) Contractor has not been indicted, convicted or had a civil judgment
16 rendered against it by a court of competent jurisdiction in any matter involving fraud or
17 official misconduct within the past three (3) years. Any exceptions to this certification at
18 any time during the term of this Contract must be immediately disclosed to the City. If
19 Contractor breaches this certification or fails to disclose any exceptions to this
20 certification, the City shall have the right to terminate this Contract immediately

21 24. KICKBACKS CERTIFICATION. Contractor certifies under penalty of
22 perjury that this Contract was not obtained or secured through rebates, kickbacks or
23 other unlawful consideration, either promised or paid to any City employee. If Contractor
24 breaches this certification, the City shall have the right to terminate this Contract
25 immediately.

26 25. COVENANT AGAINST CONTINGENT FEES. Contractor represents
27 and warrants that Contractor has not employed or retained any entity or person to solicit
28 or obtain this Contract and that Contractor has not paid or agreed to pay any entity or

1 person any fee, commission or other monies based on or from the award of this Contract.
2 If Contractor breaches this warranty, the City shall have the right to terminate this
3 Contract immediately or, in its discretion, to deduct from payments due under this
4 Contract or otherwise recover the full amount of the fee, commission, or other monies.

5 26. PROHIBITION AGAINST EXPENDING CITY, STATE OR FEDERAL
6 FUNDS FOR LOBBYING.

7 A. Contractor represents to the best of its knowledge that no
8 state, federal or City appropriated funds have been paid or will be paid by or on
9 behalf of Contractor to any person for influencing or attempting to influence an
10 officer or employee of any state or federal agency, a Member of the State
11 Legislature or United States Congress, an officer or employee of the Legislature or
12 Congress, or any employee of a Member of the Legislature or Congress, in
13 connection with the awarding of any state or federal contract, the making of any
14 state or federal grant, the making of any state or federal loan, the entering into of
15 any cooperative agreement, and the extension, continuation, renewal, amendment
16 or modification of any state or federal contract, grant, loan or cooperative
17 agreement.

18 B. If any funds other than federal appropriated funds have been
19 paid or will be paid to any person for influencing or attempting to influence an
20 officer or employee of any federal agency, a Member of Congress, an officer or
21 employee of Congress, or an employee of a Member of Congress, in connection
22 with this federal contract, grant, loan or cooperative agreement, Contractor shall
23 complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in
24 accordance with its instructions.

25 27. TAXES AND TAX REPORTING.

26 A. As required by federal and state law, the City is obligated to
27 report the payment of compensation to Contractor on Form 1099-Misc. Contractor
28 shall pay all federal and state taxes resulting from payments made by the City to

1 Contractor under this Contract. Contractor acknowledges that Contractor is not
2 entitled to payment under this Contract until it has provided its Employer
3 Identification Number to the City.

4 B. Contractor shall cooperate with the City in all matters relating
5 to taxation and the collection of taxes, particularly with respect to the self-accrual
6 of use tax. Contractor shall cooperate as follows: (a) for all leases and purchases
7 of materials, equipment, supplies or other tangible personal property totaling over
8 \$100,000 shipped from outside California, a qualified Contractor shall complete
9 and submit to the appropriate governmental entity the form in Appendix "A"
10 attached hereto; and (b) for construction contracts and subcontracts totaling
11 \$5,000,000 or more, Contractor shall obtain a sub-permit from the California Board
12 of Equalization for the work site. "Qualified" means that the Contractor purchased
13 at least \$500,000 in tangible personal property that was subject to sales or use tax
14 in the previous calendar year.

15 C. In completing the form and obtaining the permit(s), Contractor
16 shall use the address of the work site as its business address and may use any
17 address for its mailing address. Copies of the form and permit(s) shall also be
18 delivered to the City Engineer. The form must be submitted and the permit(s)
19 obtained as soon as Contractor receives a Notice to Proceed. Contractor shall not
20 order any materials or equipment over \$100,000 from vendors outside California
21 until the form is submitted and the permit(s) obtained and, if Contractor does so, it
22 shall be a material breach of this Contract. In addition, Contractor shall make all
23 purchases from the Long Beach sales office of its vendors if those vendors have a
24 Long Beach office and all purchases made by Contractor under this Contract
25 which are subject to use tax of \$500,000 or more shall be allocated to the City of
26 Long Beach. Contractor shall require the same form and permit(s) from its
27 subcontractors.

28 D. Contractor shall not be entitled to and by signing this Contract

1 waives any claim or damages for delay against the City if Contractor does not
2 timely submit these forms to the appropriate governmental entity. Contractor may
3 contact the City Controller at (562) 570-6450 for assistance with the form.

4 28. AUDIT.

5 A. If payment of any part of the payment to Contractor is made
6 with federal, state or county funds, then the City, state, State Auditor's office and
7 their respective representatives, and any duly authorized representative of the
8 federal government, shall have the right at all reasonable times to examine, audit,
9 inspect, review, extract information from and copy all books, records, accounts
10 and other information relating to this Contract. Contractor shall retain all books,
11 records, documents and papers that are related to this Contract for three (3) years
12 after the City makes final payment.

13 B. Without limiting the scope of Section 31, Contractor agrees
14 that any subcontract entered into as a result of this Contract shall contain all of the
15 provisions of this Section.

16 29. NO PECULIAR RISK. Contractor acknowledges and agrees that the
17 work performed under the Contract does not constitute a peculiar risk of bodily harm and
18 that no special precautions are required to perform the work.

19 30. INDEPENDENT CONTRACTOR. In performing the work under this
20 Contract, Contractor is and shall act as an independent contractor and not an employee,
21 representative or agent of the City. Contractor expressly warrants that neither Contractor
22 nor any of Contractor's employees, agents or subcontractors shall represent themselves
23 to be employees or agents of the City.

24 31. SUBCONTRACTORS.

25 A. Contractor agrees to and shall bind every subcontractor to the
26 terms of this Contract; provided, however, that nothing in the contract documents
27 shall create any obligation on the part of the City to pay any subcontractor except
28 in accordance with a court order in an action to foreclose a stop notice. Failure of

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Contractor to comply with this Section shall be deemed a *material breach* of this Contract.

B. A list of subcontractor(s) submitted by Contractor in compliance with Public Contract Code Sections 4100 et seq. is attached as Exhibit "D" and incorporated by this reference. Each subcontractor performing work under this Contract must be approved in writing by the City and any substitution of a subcontractor must be approved in writing by the City before such substitute subcontractor begins work under this Contract.

C. Contractor shall not authorize or allow work to begin on any subcontract until Contractor has submitted to the City a completed "Subcontracting Request" in the form shown as Exhibit "E" (which is Exhibit 16-B of the Local Assistance Programs Manual), attached to this Contract and incorporated by reference.

D. Contractor shall pay each subcontractor under this Contract for satisfactory performance of its subcontract no later than ten (10) days after the receipt of each payment that Contractor receives from the City.

E. The City may retain payment from Contractor and shall make regular incremental acceptances of portions of the work, as determined by the City, and shall pay such retention to Contractor based on those acceptances in accordance with Section 3 above. In accordance with Public Contract Code Section 7107, Contractor shall return retention payments to each subcontractor from whom retention has been withheld such subcontractor's share of the retention received, within seven (7) days after Contractor receives payment of all or part of such retention from the City. If a retention payment received by Contractor is specifically designated for a particular subcontractor, then Contractor shall pay the designated subcontractor if payment is consistent with the terms of the subcontract. Contractor may withhold from a subcontractor its portion of retention if a bona fide dispute exists between Contractor and the subcontractor as

1 long as the amount withheld does not exceed 150% of the estimated value of the
2 disputed amount. Any delay or postponement of payment from the above-
3 referenced time frame may occur only for good cause following written approval of
4 the City. This clause applies to both DBE and non-DBE subcontractors.

5 32. NONDISCRIMINATION; DISADVANTAGED BUSINESS
6 ENTERPRISE PARTICIPATION.

7 A. In connection with performance of this Contract and subject to
8 applicable rules and regulations, Contractor shall not discriminate against any
9 employee or applicant for employment on the basis of race, religion, national
10 origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap, or disability.
11 Contractor shall ensure that applicants are employed, and that employees are
12 treated during their employment without regard to these bases. Such actions shall
13 include but not be limited to employment, upgrading, demotion, transfer,
14 recruitment, layoff, termination, rates of pay and selection for training.

15 B. It is the policy of City to encourage the participation of
16 Disadvantaged, Minority and Women-Owned Business Enterprises (collectively,
17 "DBE") in the City's procurement process, and Contractor agrees to use its best
18 efforts to carry out this policy in its use of consultants and subcontractors to the
19 fullest extent consistent with the efficient performance of this Contract. Contractor
20 may rely on written representations by consultants and subcontractors regarding
21 their status. The City's policy is attached as Exhibit "F" to this Contract.
22 Contractor shall report to the City in May and in December or, in the case of short-
23 term agreements, prior to invoicing for final payment, the names of all consultants
24 and subcontractors hired by Contractor for this project and information on whether
25 or not they are a Disadvantaged, Minority or Women-Owned Business Enterprise,
26 as defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

27 C. Contractor shall maintain records containing the name and
28 address of each first-tier subcontractor and the name and business address of

1 every DBE subcontractor (regardless of tier) and DBE vendor of materials and
2 DBE trucking company; the date of payment and the total dollar amount paid to
3 each of them; and the date of work performed by Contractor's employees with the
4 corresponding dollar value of the work claimed toward DBE goals. When the work
5 is completed, Contractor shall provide a summary of these records to the City.
6 Contractor shall explain, in writing, why the names of subcontractors, the work
7 items or the dollar amounts in the summary are different from what was originally
8 shown if there have been no changes made by the City or if Contractor has not
9 provided sufficient explanation in the "Final Report Utilization of Disadvantaged
10 Business Enterprises".

11 D. Contractor shall notify the City immediately if any DBE in
12 unable or unwilling to perform and shall provide reasonable documentation of such
13 inability or unwillingness with Contractor's notice to the City. Contractor shall
14 obtain the City's prior approval to substitute a DBE and shall provide copies of new
15 or amended subcontracts with the substituted DBE, or documentation of good faith
16 efforts in obtaining a substitute DBE. Contractor agrees that the City may order
17 Contractor to stop work (at no penalty or damages to the City therefore) and that
18 the City may stop payment until Contractor takes satisfactory action with respect to
19 a substitute DBE.

20 E. If a DBE subcontractor is decertified during the term of this
21 Contract or if a subcontractor becomes a DBE-certified subcontractor during the
22 term of this Contract, Contractor shall notify the City in writing within thirty (30)
23 days.

24 F. Neither Contractor nor any subcontractor shall discriminate on
25 the basis of race, color, national origin or sex in the performance of this Contract.
26 Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award
27 and administration of federally funded or assisted contracts. Failure by Contractor
28 to carry out these requirements is a material breach of this Contract, which may

1 result in immediate termination of this Contract or such other remedy as the City
2 deems appropriate

3 G. Contractor agrees that the City may withhold payment in
4 accordance with Section XI(C)(2) of the City's DBE Program or, if Contractor fails
5 to submit the "Final Report Utilization of Disadvantaged Business Enterprises", at
6 the completion of the work or as otherwise stated in the City's DBE Program.

7 33. NO DUTY TO INSPECT. No language in the contract documents
8 shall create and the City shall not have any duty to inspect, correct, warn of, or
9 investigate any condition arising from Contractor's work, or to insure compliance with
10 laws, rules or regulations relating to the work. If the City does inspect or investigate, the
11 results of the inspection or investigation shall not be deemed compliance with or a waiver
12 of any requirements of the contract documents.

13 34. CONFLICT OF INTEREST. Contractor, by executing this Contract,
14 certifies that, at the time Contractor executes this Contract and for its duration, Contractor
15 does not and will not perform services for any other client that would create a conflict,
16 whether monetary or otherwise, as between the interests of the City and the interests of
17 that other client. And, Contractor shall obtain similar certifications from Contractor's
18 employees, consultants and subcontractors.

19 35. COVENANT AGAINST ASSIGNMENT. Neither this Contract nor
20 any of the moneys that may become due to Contractor under this Contract may be
21 assigned by Contractor without the prior written consent of the City, nor will the City
22 recognize any subcontractor as such, and all persons engaged in the work of
23 construction will be considered as independent contractors or agents of the Contractor
24 and will be held directly responsible to Contractor.

25 36. THIRD PARTY BENEFICIARY. This Contract is intended by the
26 parties to benefit themselves only and is not in any way intended or designed to or
27 entered for the purpose of creating any benefit or right of any kind for any person or entity
28 that is not a party to this Contract.

1 37. ADVERTISING. Contractor shall not use the name of the City, its
2 officials, or employees in any advertising or solicitation for business, nor as a reference,
3 without the prior approval of the City Manager, City Engineer, or designee.

4 38. GOVERNING LAW. This Contract shall be governed by and
5 construed pursuant to the laws of the State of California (except those principles of
6 California law pertaining to conflicts of laws).

7 39. INTEGRATION. This Contract, including the contract documents
8 identified in Section 2 above, constitutes the entire understanding between the parties
9 and supersedes all other agreements, oral or written, with respect to the subject matter of
10 this Contract.

11 40. AMENDMENT; WAIVER. This Contract, including all exhibits hereto,
12 shall not be amended, nor any provision or breach waived, except in writing signed by the
13 parties that expressly refers to this Contract.

14 41. COSTS. If there is any legal proceeding between the parties to
15 enforce or interpret the contract documents, or to protect or establish any rights or
16 remedies under the contract documents, the prevailing party shall be entitled to its costs
17 and expenses, including reasonable attorney's fees.

18 42. DEFAULT. Default shall include but not be limited to Contractor's
19 failure to perform in accordance with the Plans and Specifications, failure to comply with
20 any contract document, failure to pay any penalties, fines or charges assessed against
21 the Contractor by any public agency, failure to pay any charges or fees for services
22 performed by the City, failure to provide any payroll record, breach of Section 20, Section
23 25, Section 32(B) or Section 32(I) and, if Contractor has substituted any security in lieu of
24 retention, then default shall also include the City's receipt of a stop notice. If default
25 occurs and Contractor has substituted any security in lieu of retention, then, in addition to
26 the City's other legal remedies, the City shall have the right to draw on the security in
27 accordance with Public Contract Code Section 22300 and without further notice to
28 Contractor. If default occurs and Contractor has not substituted any security in lieu of

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 retention, then the City shall have all legal remedies available to it.

2 43. NOTICES. Any notice given with respect to this Contract shall be in
3 writing and personally delivered or deposited in the U.S. Postal Service, first class,
4 postage prepaid, to Contractor at the address first stated above, and to the City at 333
5 West Ocean Boulevard, Long Beach, CA 90802 Attn: City Manager. Notice of change of
6 address shall be given in the same manner as stated for other notices. Notice shall be
7 deemed given on the date deposited in the mail or on the date personal delivery is made,
8 whichever occurs first.

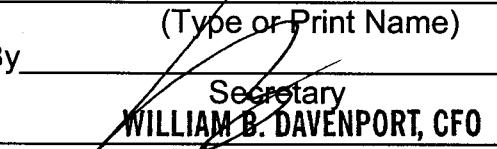
9 IN WITNESS WHEREOF, the parties have caused this document to be duly
10 executed with all formalities required by law as of the date first stated above.

11
12
13 July 30, 2007

KDC, INC., dba DYNALECTRIC, a
California corporation

14 By 
President
CHRIS PESAVENTO, CEO

15 July 30, 2007

16 By 
Secretary
WILLIAM B. DAVENPORT, CFO
(Type or Print Name)

17
18
19
20
21 August 20, 2007

"Contractor"
CITY OF LONG BEACH, a municipal
corporation

22 By 
City Manager

23 "City"
24 This Contract is approved as to form on _____ 7/31, 2007.

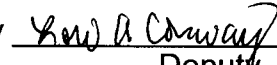
25 ROBERT E. SHANNON, City Attorney
26 By 
27 Deputy
28

EXHIBIT “A”

Contractor’s Bid

BIDDER'S NAME:

KDC INC. dba DYNALECTRIC

BID FOR

INSTALLING AND MODIFYING TRAFFIC CONTROL SIGNALS
AT VARIOUS INTERSECTIONS
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, June 6, 2007, at 10:00 a.m., we offer 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-6701 at the following prices:

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
NEW TRAFFIC SIGNAL					
1.	Lewis Avenue/Market Street	1	LS	\$ <u>128,800</u>	\$ <u>128,800</u>
2.	Lime Avenue/4th Street	1	LS	\$ <u>130,500</u>	\$ <u>130,500</u>
3.	Park Avenue/Anaheim Street	1	LS	\$ <u>127,700</u>	\$ <u>127,700</u>
TRAFFIC SIGNAL UPGRADES					
4.	Orange Avenue/Bixby Road	1	LS	\$ <u>61,600</u>	\$ <u>61,600</u>
5.	Studebaker Road/Wardlow Road	1	LS	\$ <u>15,700</u>	\$ <u>15,700</u>
6.	Studebaker Road/Willow Street	1	LS	\$ <u>44,800</u>	\$ <u>44,800</u>
7.	Magnolia Avenue/Willow Street	1	LS	\$ <u>48,800</u>	\$ <u>48,800</u>
REMOVAL OF RAISED MEDIANS AT STUDEBAKER RD./WARDLOW RD. AND STUDEBAKER RD./WILLOW ST.					
8.	PCC Removal	3,000	SF	\$ <u>10.00</u>	\$ <u>30,000</u>
9.	AC Replacement	3,000	SF	\$ <u>18.00</u>	\$ <u>54,000.00</u>

10. New Striping

1

LS

\$ 18,000 \$ 18,000

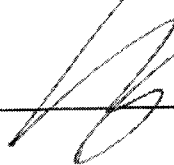
TOTAL AMOUNT BID (IN FIGURES) \$ 659,900.00

TOTAL AMOUNT BID (IN WORDS) Six hundred fifty nine thousand, nine hundred dollars.

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

GREEN SHEET Advertisement

BIDDER'S SIGNATURE: _____



WILLIAM B. DAVENPORT, CFO - V.P., Sec/Treas

ADDENDA ACKNOWLEDGMENT / SIGNATURE PAGE

If Bidder is an individual, his/her signature shall be set forth below. If the Bidder is a joint venture, the name of the joint venture shall be set forth below, with the signature of an authorized representative of each venturer. If the Bidder is a partnership, the name of the partnership shall be set forth below, together with the signature of the general partner. If the Bidder is a limited liability company, the legal name of the company shall be set forth below, with the signature of a member or manager authorized to bind the company. If the Bidder is a corporation, the legal name of the corporation shall be set forth below, together with the signature of an officer of the corporation.

Is the Bidder a Minority-Owned or Woman-Owned Business Enterprise? Yes / **No**
(Please check one or both, if applicable). (Circle One)

Woman-Owned _____ Which Racial Minority? _____
 Minority-Owned _____

This information will be used for statistical analysis only. The contract will be awarded to the lowest responsible bidder.

Bidder hereby acknowledges receipt of Addendum No. 1 2 3 4 5 6
(Initial above all appropriate numbers)



Respectfully submitted,

KDC INC. dba DYNALECTRIC By [Signature]
 Legal Name of Company Signature

WILLIAM B. DAVENPORT, CFO - VP, Sec/Treas.
 Print Name / Title

____ Individual
 ____ Joint Venture
 ____ Partnership (General) Names of Other General Partners N/A
 ____ Partnership (Limited) Names of Other Partners N/A

Limited Liability Company Corporation Incorporated Under the Laws of the State of California

Business Address 4462 Corporate Center Drive, Los Alamitos, CA 90705
(Actual Address - Do NOT list a post office box)

Business Telephone (714) 828-7000 Fax Telephone (714) 484-2380

Under Chapter 9 of Division 3 of the Business and Professions Code, (Contractors' License Law), of the State of California, the undersigned has been issued a Class A, B, C10, C7, C31 license, Number 550173; license termination date is December 31st, 2008.

Contractor's Employer Identification Number or Social Security # is [REDACTED]

Under Chapter 1, Article VI, Municipal Code of the City of Long Beach, the undersigned has been issued license number B496006820; license termination date is Feb. 23rd, 2008.

Address listed on license _____
(If different from business address listed above)

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) Workers' Compensation Insurance:
 - A. Policy Number: WC 257249219
 - B. Name of Insurer (**NOT** Broker): American Casualty Company of Reading, PA
 - C. Address of Insurer: P O Box 16030, Reading, PA 19612-6030
 - D. Telephone Number of Insurer: (610) 320-4745

- 2) For vehicles owned by Contractor and used in performing work under this Contract:
 - A. VIN (Vehicle Identification Number): [REDACTED]
 - B. Automobile Liability Insurance Policy Number: BUA 2079600008
 - C. Name of Insurer (**NOT** Broker): Continental Casualty Company
 - D. Address of Insurer: 333 South Wabash, Chicago, IL 60604
 - E. Telephone Number of Insurer: (800) 262-2000

- 3) Address of Property used to house workers on this Contract, if any: N/A

- 4) Estimated total number of workers to be employed on this Contract: 10
- 5) Estimated total wages to be paid those workers: Union Scale
- 6) Dates (or schedule) when those wages will be paid: Weekly

- 7) (Describe schedule: For example, weekly or every other week or monthly)
Estimated total number of independent contractors to be used on this Contract: 0

- 8) Taxpayer's Identification Number: [REDACTED]

EXHIBIT "B"

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:

KDC INC. dba DYNALECTRIC

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

Title:


WILLIAM B. DAVENPORT, CFO

Date:

7/30/07

EXHIBIT "C"

EXHIBIT “D”

List of Subcontractors:

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 1/2 of 1 percent of the Prime Contractor's total bid or \$10,000 (whichever is greater).

<u>Name and Address of Subcontractor</u>	<u>Classification or Type of Work</u>
Name <u>Smithson Electric Inc.</u>	<u>Traffic Signal Loops</u>
Address <u>1938 E. Katella Ave</u>	Dollar Amount of Contract \$ <u>20,350.00</u>
City <u>Orange, CA. 92867</u>	DBE / MBE / WBE / Racial Origin _____ <small>(circle one)</small>
Phone No. <u>714-997-9556</u>	License No. <u>614518</u>
Name <u>Sudhakar Comp.</u>	_____
Address <u>1122 N. Azusa Cyn RD.</u>	Dollar Amount of Contract \$ <u>32,150.00</u>
City <u>West Covina, CA. 91790</u>	<input checked="" type="radio"/> DBE / <input type="radio"/> MBE / <input type="radio"/> WBE / Racial Origin _____ <small>(circle one)</small>
Phone No. <u>626-962-5074</u>	License No. <u>752367</u>
Name _____	_____
Address _____	Dollar Amount of Contract \$ _____
City _____	DBE / MBE / WBE / Racial Origin _____ <small>(circle one)</small>
Phone No. _____	License No. _____
Name _____	_____
Address _____	Dollar Amount of Contract \$ _____
City _____	DBE / MBE / WBE / Racial Origin _____ <small>(circle one)</small>
Phone No. _____	License No. _____
Name _____	_____
Address _____	Dollar Amount of Contract \$ _____
City _____	DBE / MBE / WBE / Racial Origin _____ <small>(circle one)</small>
Phone No. _____	License No. _____

** REPRODUCE AND ATTACH ADDITIONAL SHEETS AS NEEDED.

EXHIBIT “E”

STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION
SUBCONTRACTING REQUEST
DC-CEM-1201 (REV. 4/94) (OLD HC-45) CT# 7541-3514-7

FRONT

See Instructions
On Back

REQUEST NUMBER

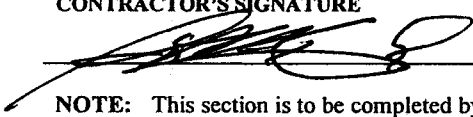
CONTRACTOR NAME Dynalectric		COUNTY LA	ROUTE
BUSINESS ADDRESS 4462 Corporate Center Drive		CONTRACT NO. R-6701	
CITY/STATE Los Alamitos California	ZIP CODE 90720	FEDERAL AID PROJECT NO. (From Special Provisions)	

SUBCONTRACTOR (Name, Business Address, Phone)	BID ITEM NUMBER(S)	% OF BID ITEM SUBBED	CHECK IF: (See Categories Below)			DESCRIBE WORK WHEN LESS THAN 100% OF WORK IS SUBBED	\$ AMOUNT BASED ON BID \$ AMOUNT
			(1)	(2)	(3)		
Sudhakar Company, Int. 1122 N. Azusa Canyon Rd West Covina, CA. 91790 Phone (626) 962-5074 FAX (626) 814-2805	1	3%	X			Striping.	\$4800.00
	2	3%	X			Striping	\$4950.00
	3	5%	X			Striping	\$7800.00
	4	1%	X			Striping	\$600.00
	10	100%	X				\$14,000.00
Smithson Elec. Inc. 1938. Katella Ave. Orange, Ca. 92867 Phone (714) 997-9556 Fax (714) 997-9559	1	2%	X			Loops	\$3850.00
	2	1%	X			Loops	\$1650.00
	3		X			Loops	\$3300.00
	4		X			Loops	\$4950.00
	5		X			Loops	\$2200.00
	6		X			Loops	\$3300.00
	7		X			Loops	\$1100.00

Categories: 1) Specialty 2) Listed Under Fair Practices Act 3) Certified DBE

I Certify That:

- The Standard Provisions for labor set forth in the contract apply to the subcontracted work.
- If applicable, (Federal Aid Projects only) Section 14 (Federal Requirements) of the Special Provisions have been inserted in the subcontracts and shall be incorporated in any lower-tier subcontract. Written contracts have been executed for the above noted subcontracted work.

CONTRACTOR'S SIGNATURE 	DATE 7-27-07
---	------------------------

NOTE: This section is to be completed by the Resident Engineer

1. Total of bid items.....	\$	_____
2. Specialty items (previously requested).....	\$	_____
3. Specialty items (this request).....	\$	_____
4. Total (lines 2+3).....	\$	_____
5. Contractor must perform with own forces (lines 1 minus 4) x.....	%	_____
6. Bid items previously subcontracted.....	\$	_____
7. Bid items subcontracted (this request).....	\$	_____
8. Total (lines 6+7).....	\$	_____
9. Balance of work Contractor to perform (lines 1 minus 8).....	\$	_____

APPROVED	
RESIDENT ENGINEER'S SIGNATURE	DATE

CEM-1201 (HC-46 REV. 4/94) COPY DISTRIBUTION: 1. Original - Contractor 2. Copy - local agency Resident Engineer
3. Copy - local agency Labor Compliance Officer 4. Contractor's Information Copy

CITY OF LONG BEACH POLICY FOR DISADVANTAGED, MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES

It is the policy of the City of Long Beach to utilize Disadvantaged, Minority-Owned and Women-Owned Business Enterprises in all aspects of contracting, including construction, the purchase of materials and services, including professional services, leases and the granting of concessions.

EXHIBIT "F"

BOND FOR FAITHFUL PERFORMANCE

KNOW ALL MEN BY THESE PRESENTS: That we, KDC, INC. dba DYNALECTRIC, as PRINCIPAL, and Travelers Casualty and Surety Company of America, located at TR-343 Thornall Street, Edison, NJ 08837 & SA - 1200 MacArthur Blvd., a corporation, incorporated under the laws of the State of Mahwah, NJ 07440 CT & WA, 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 SIX HUNDRED FIFTY NINE THOUSAND NINE HUNDRED AND 00/100 DOLLARS (\$659,900.00), 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 installing and modifying traffic control signals at various intersections in the City of Long Beach, California 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 remain in full force and effect;

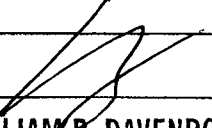
PROVIDED, that any modifications, alterations or changes which may be made in said contract, or in the work to be done, or in the services to be rendered, or in any materials or articles to be furnished pursuant to said contract, or the giving by the City of any extension of time for the performance 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, alterations, 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 ordering 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 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 20th day of July, 2007.

KDC, INC. DBA DYNALECTRIC
Contractor

By: 
Name: CHRIS PESAVENTO, CEO

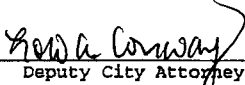
Title: _____

By: 
Name: WILLIAM B. DAVENPORT, CEO

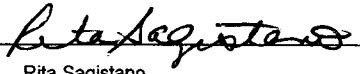
Title: _____

Approved as to form this 31 day of July, 2007.

ROBERT E. SHANNON, City Attorney

By: 
Deputy City Attorney

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
SAFECO INSURANCE COMPANY OF AMERICA
SURETY, admitted in California

By: 
Name: Rita Sagistano

Title: Attorney-in-Fact

TR- (732) 321-5600
Telephone: SA - (201) 327-6763

Approved as to sufficiency this 2 day of August, 2007.

By: 
City Manager / City Engineer

- NOTE: 1. Execution of 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 or, 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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

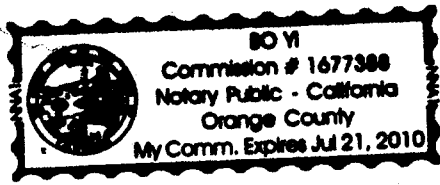
County of Orange

On July 24, 2007 before me, Bo Yi, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Christopher A. Pesavento and William B. Davenport
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) ~~is/are~~ subscribed to the within instrument and acknowledged to me that ~~he/she/it~~ they executed the same in ~~his/her/its~~ their authorized capacity(ies), and that by ~~his/her/its~~ 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]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying 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: Bond for Faithful Performance

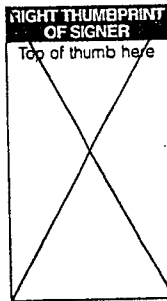
Document Date: July 20, 2007 Number of Pages: 1

Signer(s) Other Than Named Above: Rita Sagistano

Capacity(ies) Claimed by Signer(s)

Signer's Name: Christopher A. Pesavento

- Individual
- Corporate Officer
Title(s): President and CEO
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

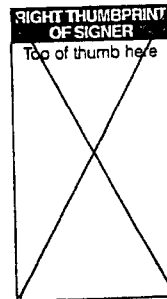
KDC Inc.

dba Dynalectric

dba KDC Systems

Signer's Name: William B. Davenport

- Individual
- Corporate Officer
Title(s): Exec. Vice President and CFO
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

KDC Inc.

dba Dynalectric

dba KDC Systems



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. 218627

Certificate No. 001695776

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

Richard G. Avery, Karen C. Bowling, Thomas Bean, Rita Sagistano, Gerard S. Macholz, Susan Lupski, Robert T. Pearson, Mary Alice J. Corbett, Camille Maitland, Peter F. Jones, and Diana L. Parker

of the City of Garden City, State of New York, 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 9th day of May, 2007.

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 9th day of May, 2007, 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 20th day of July, 2007.


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.

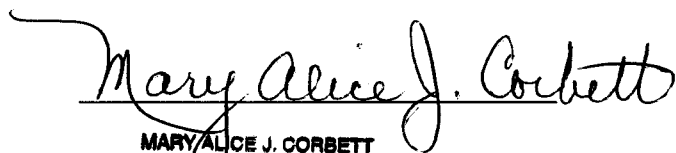
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of New York

County of Nassau

On July 20, 2007 before me, Mary Alice J. Corbett, Notary Public, personally appeared Rita Sagistano, Attorney-in-Fact for Travelers Casualty and Surety Company of America 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.



MARY ALICE J. CORBETT
Notary Public, State of New York
No. 01CO6020162
Qualified in Nassau County
Commission Expires 02/22/2011

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2006

CAPITAL STOCK \$ 6,000,000

ASSETS		LIABILITIES & SURPLUS	
CASH & INVESTED CASH	\$ 114,080,791	UNEARNED PREMIUMS	\$ 724,600,436
BONDS	2,912,711,871	LOSSES	872,911,753
STOCK	14,865,186	LOSS ADJUSTMENT EXPENSES	128,785,154
INVESTMENT INCOME DUE AND ACCRUED	34,978,331	COMMISSIONS	28,073,926
PREMIUM BALANCES	168,157,298	TAXES, LICENSES AND FEES	21,233,762
REINSURANCE RECOVERABLE	3,954,977	OTHER EXPENSES	30,823,925
NET DEFERRED TAX ASSET	42,796,290	DIVIDENDS	7,080,280
CEDED DEPOSIT ASSET	6,134,622	CURRENT FEDERAL AND FOREIGN INCOME TAXES	38,726,832
STATE SURCHARGES RECEIVABLE	149,430	CEDED REINSURANCE NET PREMIUMS PAYABLE	(4,981,682)
OTHER ASSETS	(4,414,060)	FUNDS HELD UNDER REINSURANCE TREATIES	99,054,332
		AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	39,095,839
		REMITTANCES AND ITEMS NOT ALLOCATED	60,285,233
		PROVISION FOR REINSURANCE	5,627,014
		PAYABLE TO PARENT, SUBSIDIARIES & AFFILIATES	86,256,776
		PAYABLE FOR SECURITIES	4,975,100
		RETROACTIVE REINSURANCE RESERVE ASSUMED	20,845,771
		OTHER ACCRUED EXPENSES AND LIABILITIES	119,334
		TOTAL LIABILITIES	\$ 2,183,513,785
		CAPITAL STOCK	\$ 6,000,000
		PAID IN SURPLUS	303,297,402
		OTHER SURPLUS	818,603,349
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 1,127,900,751
TOTAL ASSETS	\$ 3,291,414,536	TOTAL LIABILITIES & SURPLUS	\$ 3,291,414,536

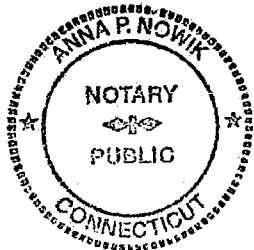
STATE OF CONNECTICUT)
 COUNTY OF HARTFORD)SS.
 CITY OF HARTFORD)

LAWRENCE A. SIUTA, BEING DULY SWORN, SAYS THAT HE IS CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS, OF TRAVELERS CASUALTY SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31st DAY OF DECEMBER, 2006.

L. A. Siuta
 CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS

Anna P. Nowik
 NOTARY PUBLIC

SUBSCRIBED AND SWORN TO BEFORE ME THIS 29TH DAY OF MARCH, 2007



Anna P. Nowik Notary Public
 My Commission Expires June 30, 2011



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 13188

KNOW ALL BY THESE PRESENTS:

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

*****RICHARD G. AVERY; THOMAS BEAN; KAREN BOWLING; MARY ALICE J. CORBETT; SUSAN LUPSKI; GERARD S. MACHOLZ; CAMILLE MAITLAND; ROBERT T. PEARSON; RITA SAGISTANO; Garden City, New York; KATHLEEN M. CRISTIANO; JOSEPH DOBKOWSKI, JR.; ADRIANNE SCALERA; Mountainside, New Jersey*****

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

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

this 24th day of August, 2006

Handwritten signature of Stephanie Daley-Watson

Handwritten signature of Tim Mikolajewski

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

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

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

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

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

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

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

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

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

this 20th day of July, 2007



Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.

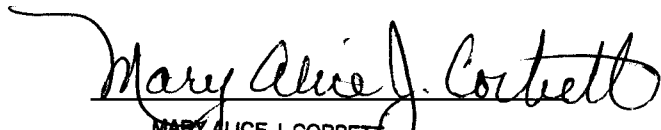
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of New York

County of Nassau

On July 20, 2007 before me, Mary Alice J. Corbett, Notary Public, personally appeared Rita Sagistano, Attorney-in-Fact for Safeco Insurance Company of America 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.


MARY ALICE J. CORBETT
Notary Public, State of New York
No. 01CO6020162
Qualified in Nassau County
Commission Expires 02/22/2011

FINANCIAL STATEMENT — DECEMBER 31, 2006

Assets		Liabilities	
Cash and Bank Deposits.....	\$ 86,659,875	Unearned Premiums.....	\$ 706,885,899
*Bonds — U.S Government.....	134,111,814	Reserve for Claims and Claims Expense.....	1,563,240,516
*Other Bonds.....	2,821,326,707	Funds Held Under Reinsurance Treaties.....	139,204
*Stocks.....	523,881,548	Reserve for Dividends to Policyholders.....	2,116,676
Real Estate.....	0	Additional Statutory Reserve.....	-
Agents' Balances or Uncollected Premiums.....	626,775,902	Reserve for Commissions, Taxes and Other Liabilities.....	1,094,254,631
Accrued Interest and Rents.....	40,188,467	Total.....	\$3,366,636,926
Other Admitted Assets.....	289,094,036	Special Surplus Funds.....	\$ (504,853)
		Capital Stock.....	5,000,000
		Paid in Surplus.....	260,561,321
		Unassigned Surplus.....	890,344,955
Total Admitted Assets.....	<u>\$4,522,038,349</u>	Surplus to Policyholders.....	1,155,401,423
		Total Liabilities and Surplus.....	<u>\$4,522,038,349</u>



* Bonds are stated at amortized or investment value; Stocks at Association Market Values. Securities carried at \$124,431,457 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2006, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2007.

T. Mikolajewski
Senior Vice-President

LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS: That we, KDC, INC. dba DYNALECTRIC, as PRINCIPAL, and Travelers Casualty and Surety Company of America located at TR- 343 Thornall Street, Edison, NJ 08837 & SA - 1200 MacArthur Blvd., and Safeco Insurance Company of America located at Mahwah, NJ 07430, a corporation, incorporated under the laws of the State of CT & WA, 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, a municipal corporation, in the sum of SIX HUNDRED FIFTY NINE THOUSAND NINE DOLLARS (\$ 659,900.00), 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 installing and modifying traffic control signals at various intersections in the City of Long Beach, California 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 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 exonerate the Surety, unless the officer of the City ordering 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 20th day of July, 2007.

KDC, INC. DBA DYNALECTRIC
Contractor

By: [Signature]

Name: CHRIS PESAVENTO, CEO

Title: _____

By: [Signature]

Name: WILLIAM B. DAVENPORT, CEO

Title: _____

Approved as to form this 31 day of July, 2007.

ROBERT E. SHANNON, City Attorney

By: [Signature]
Deputy City Attorney

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
SAFECO INSURANCE COMPANY OF AMERICA
SURETY, admitted in California

By: [Signature]

Name: Rita Sagistano

Title: Attorney-in-Fact

TR - (732) 321-5600
Telephone: SA - (201) 327-6763

Approved as to sufficiency this 2 day of August, 2007.

By: [Signature]
City Manager/City Engineer

- NOTE: 1. Execution of 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 or, 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.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

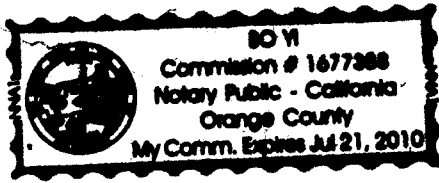
County of Orange

On July 24, 2007 before me, Bo Yi, Notary Public
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Christopher A. Pesavento and William B. Davenport
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence

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



WITNESS my hand and official seal.

[Signature]
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying 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: Labor and Material Bond

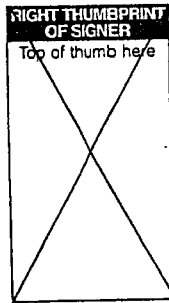
Document Date: July 20, 2007 Number of Pages: 1

Signer(s) Other Than Named Above: Rita Sagistand

Capacity(ies) Claimed by Signer(s)

Signer's Name: Christopher A. Pesavento

- Individual
- Corporate Officer
Title(s): President and CEO
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

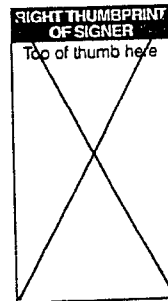
KDC Inc.

dba Dynalectric

dba KDC Systems

Signer's Name: William B. Davenport

- Individual
- Corporate Officer
Title(s): Exec. Vice President and CFO
- Partner — Limited General
- Attorney-in-Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing:

KDC Inc.

dba Dynalectric

dba KDC Systems



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. 218627

Certificate No. 001695777

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

Richard G. Avery, Karen C. Bowling, Thomas Bean, Rita Sagistano, Gerard S. Macholz, Susan Lupski, Robert T. Pearson, Mary Alice J. Corbett, Camille Maitland, Peter F. Jones, and Diana L. Parker

of the City of Garden City, State of New York, 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 9th day of May, 2007.

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 9th day of May, 2007, 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 20th day of July, 20 07.


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.

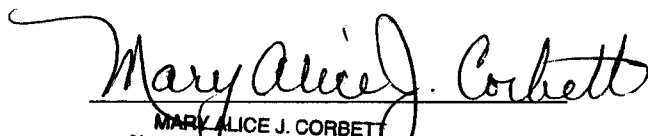
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of New York

County of Nassau

On July 20, 2007 before me, Mary Alice J. Corbett, Notary Public, personally appeared Rita Sagistano, Attorney-in-Fact for Travelers Casualty and Surety Company of America 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.


MARY ALICE J. CORBETT
Notary Public, State of New York
No. 01CO6020162
Qualified in Nassau County
Commission Expires 02/22/2011

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

HARTFORD, CONNECTICUT 06183

FINANCIAL STATEMENT AS OF DECEMBER 31, 2006

CAPITAL STOCK \$ 6,000,000

ASSETS		LIABILITIES & SURPLUS	
CASH & INVESTED CASH	\$ 114,080,791	UNEARNED PREMIUMS	\$ 724,600,436
BONDS	2,912,711,871	LOSSES	872,911,753
STOCK	14,865,186	LOSS ADJUSTMENT EXPENSES	128,785,154
INVESTMENT INCOME DUE AND ACCRUED	34,978,331	COMMISSIONS	28,073,926
PREMIUM BALANCES	168,167,298	TAXES, LICENSES AND FEES	21,233,762
REINSURANCE RECOVERABLE	3,954,977	OTHER EXPENSES	30,823,825
NET DEFERRED TAX ASSET	42,796,290	DIVIDENDS	7,080,280
CEDED DEPOSIT ASSET	6,134,822	CURRENT FEDERAL AND FOREIGN INCOME TAXES	38,726,832
STATE SURCHARGES RECEIVABLE	149,430	CEDED REINSURANCE NET PREMIUMS PAYABLE	(4,981,882)
OTHER ASSETS	(4,414,060)	FUNDS HELD UNDER REINSURANCE TREATIES	99,054,332
		AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	39,095,839
		REMITTANCES AND ITEMS NOT ALLOCATED	60,265,233
		PROVISION FOR REINSURANCE	5,627,014
		PAYABLE TO PARENT, SUBSIDIARIES & AFFILIATES	86,266,776
		PAYABLE FOR SECURITIES	4,975,100
		RETROACTIVE REINSURANCE RESERVE ASSUMED	20,845,771
		OTHER ACCRUED EXPENSES AND LIABILITIES	119,334
		TOTAL LIABILITIES	\$ 2,183,613,785
		CAPITAL STOCK	\$ 6,000,000
		PAID IN SURPLUS	303,297,402
		OTHER SURPLUS	818,603,349
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 1,127,900,751
TOTAL ASSETS	\$ 3,291,414,636	TOTAL LIABILITIES & SURPLUS	\$ 3,291,414,636

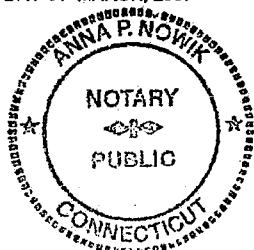
STATE OF CONNECTICUT)
 COUNTY OF HARTFORD)SS.
 CITY OF HARTFORD)

LAWRENCE A. SIUTA, BEING DULY SWORN, SAYS THAT HE IS CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS, OF TRAVELERS CASUALTY SURETY COMPANY OF AMERICA, AND THAT TO THE BEST OF HIS KNOWLEDGE AND BELIEF, THE FOREGOING IS A TRUE AND CORRECT STATEMENT OF THE FINANCIAL CONDITION OF SAID COMPANY AS OF THE 31st DAY OF DECEMBER, 2006.

L. A. Siuta
 CHIEF FINANCIAL OFFICER - TRAVELERS BOND & FINANCIAL PRODUCTS

Anna P. Nowik
 NOTARY PUBLIC

SUBSCRIBED AND SWORN TO BEFORE ME THIS 29TH DAY OF MARCH, 2007



Anna P. Nowik Notary Public
 My Commission Expires June 30, 2011



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 13188

KNOW ALL BY THESE PRESENTS:

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

*****RICHARD G. AVERY; THOMAS BEAN; KAREN BOWLING; MARY ALICE J. CORBETT; SUSAN LUPSKI; GERARD S. MACHOLZ; CAMILLE MAITLAND; ROBERT T. PEARSON; RITA SAGISTANO; Garden City, New York; KATHLEEN M. CRISTIANO; JOSEPH DOBKOWSKI, JR.; ADRIANNE SCALERA; Mountainside, New Jersey*****

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

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

this 24th day of August, 2006

Handwritten signature of Stephanie Daley-Watson

Handwritten signature of Tim Mikolajewski

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

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

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

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

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

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

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

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

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

this 20th day of July, 2007



Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.

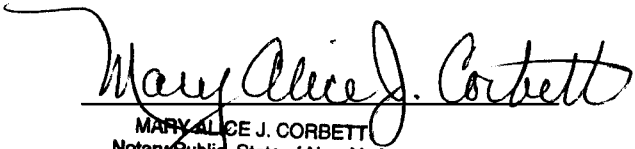
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of New York

County of Nassau

On July 20, 2007 before me, Mary Alice J. Corbett, Notary Public, personally appeared Rita Sagistano, Attorney-in-Fact for Safeco Insurance Company of America 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.


MARY ALICE J. CORBETT
Notary Public, State of New York
No. 01CO6020162
Qualified in Nassau County
Commission Expires 02/22/2011

FINANCIAL STATEMENT — DECEMBER 31, 2006

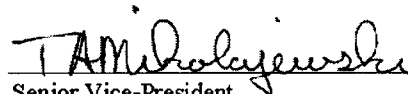
Assets		Liabilities	
Cash and Bank Deposits	\$ 86,659,875	Unearned Premiums	\$ 706,885,899
*Bonds — U.S Government	134,111,814	Reserve for Claims and Claims Expense	1,563,240,516
*Other Bonds	2,821,326,707	Funds Held Under Reinsurance Treaties	139,204
*Stocks	523,881,548	Reserve for Dividends to Policyholders	2,116,676
Real Estate	0	Additional Statutory Reserve	—
Agents' Balances or Uncollected Premiums	626,775,902	Reserve for Commissions, Taxes and	
Accrued Interest and Rents	40,188,467	Other Liabilities	1,094,254,631
Other Admitted Assets	<u>289,094,036</u>	Total	\$3,366,636,926
		Special Surplus Funds	\$ (504,853)
		Capital Stock	5,000,000
		Paid in Surplus	260,561,321
		Unassigned Surplus	<u>890,344,955</u>
		Surplus to Policyholders	<u>1,155,401,423</u>
Total Admitted Assets	<u>\$4,522,038,349</u>	Total Liabilities and Surplus	<u>\$4,522,038,349</u>



* Bonds are stated at amortized or investment value; Stocks at Association Market Values. Securities carried at \$124,431,457 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2006, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2007.


 Senior Vice-President

APPENDIX "A"

**APPLICATION FOR
USE TAX DIRECT PAYMENT PERMIT**

N/A

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

SECTION I - BUSINESS INFORMATION

NAME OF BUSINESS OR GOVERNMENTAL ENTITY	SALES/USE TAX PERMIT NUMBER
BUSINESS ADDRESS (street)	CONSUMER USE TAX ACCOUNT NUMBER
CITY, STATE, & ZIP CODE	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 <input type="checkbox"/>
MAILING ADDRESS (street address or po box if different from business address)	
CITY, STATE, & ZIP CODE	NAME UNDER WHICH BUSINESS IS TO BE TRANSACTED IF DIFFERENT THAN ABOVE

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 ADDRESS	4. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS
2. BUSINESS ADDRESS	5. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS
3. BUSINESS ADDRESS	6. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS

SECTION III - CERTIFICATION STATEMENT

I hereby certify that I qualify for a Use Tax Direct Payment Permit 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 (typed or printed)	DATE

(See reverse side for general information and filing instructions)

USE TAX DIRECT PAYMENT PERMIT (General Information and Filing Instructions)

Revenue and Taxation Code Section 7051.3 authorizes the State Board of Equalization to issue a "Use Tax Direct Payment Permit" to qualified applicants. This permit allows purchasers and lessees of tangible personal property (other than lessees of motor vehicles the lease of which is subject to the terms of Section 7205.1 of the Sales and Use Tax Law) to self-assess and pay use taxes directly to the Board instead of to the vendor or lessor from whom the property is purchased or leased.

Permit holders will be provided with a use tax direct payment exemption certificate which they can issue to retailers and lessors when they purchase tangible personal property subject to use tax or make qualified leases of tangible personal property. Vendors who timely take the certificate in good faith from a permit holder are relieved of the duty to collect use taxes on the sales for which the certificate was issued. Permit holders who acquire property under a certificate must self-assess and report the use taxes directly to the Board on their tax returns, and allocate the local taxes to the county, city, city and county, or redevelopment agency in which the property is first used. Permit holders who fail to properly pay any use taxes that are due on property for which a certificate was given are subject to interest and penalties assessments in addition to their tax liability.

To qualify for a use tax direct payment permit, an applicant must meet the following conditions:

- (1) The applicant must agree to self-assess and pay directly to the Board any use tax which is due on property for which a use tax direct payment exemption certificate was given; and
- (2) The applicant must certify to the Board either of the following:
 - (A) The applicant has purchased or leased for its own use tangible personal property subject to use tax which cost five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding the application for the permit; or
 - (B) The applicant is a county, city, city and county, or redevelopment agency.

Persons wishing to obtain a use tax direct payment permit must be pre-qualified and either hold a California seller's permit or a consumer use tax account.

Persons other than governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under conditions of Part (2)(A) above, and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.

Persons other than governmental entities who are not required to hold a seller's permit and who do not currently hold a consumer use tax account must obtain a consumer use tax account and then complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(A) above and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.

Governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

Governmental entities who do not hold a California seller's permit or a consumer use tax account must obtain a consumer use tax account and then complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

The completed use tax direct payment application, certification statement, and qualifying documentation should be returned to the address shown below. Upon determination that the applicant qualifies, a use tax direct payment permit and exemption certificate will be mailed to the applicant.

If you would like additional information regarding the use tax direct payment permit or need assistance in completing this application, you can call (916) 324-2883, or write to the Board of Equalization, Public Information and Administration Section, MIC-44, PO Box 942879, Sacramento, CA 94279-0044.

Use Tax Direct Payment Exemption Certificate

I hereby certify that I hold use tax direct payment permit No. _____ issued pursuant to California Sales and Use Tax Law Section 7051.3 and that I am authorized to report and pay directly to the State the applicable use tax with respect to the property described herein which I shall purchase from:

(Name of Vendor)

(Address of Vendor)

In the event that I fail to timely report and pay the applicable tax to the State, I understand and agree that in addition to the tax liability, I will be liable for applicable interest and the amount due may be subject to penalties.

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)

Date: _____

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

NOTICE TO INDIVIDUALS REGARDING INFORMATION FURNISHED TO THE BOARD OF EQUALIZATION

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 permits, certificates, or licenses, or filing tax returns, statements, or other forms prescribed by this agency, are required to include their social security numbers for proper identification. [See Title 42 United States Code §405(c)(2)(C)(i)]. It is mandatory to furnish all the appropriate information requested by applications for registration, applications for permits or licenses, tax returns and other related data. Failure to provide all of the required information requested by an application for a permit or license could result in your not being issued a permit or license. In addition, the law provides penalties for failure to file a return, failure to furnish specific information required, failure to supply information required by law or regulations, or for furnishing fraudulent information.

Provisions contained in the following laws require persons meeting certain requirements to file applications for registration, applications for permits or licenses, and tax returns or reports in such form as prescribed by the State Board of Equalization: Alcoholic Beverage Tax, Sections¹ 32001-32556; Childhood Lead Poisoning Prevention Fee, Sections 43001-43651, Health & Safety Code, Sections 105275-105310; Cigarette and Tobacco Products Tax, Sections 30001-30481; Diesel Fuel Tax, Sections 60001-60709; Emergency Telephone Users Surcharge, Sections 41001-41176; Energy Resources Surcharge, Sections 40001-40216; Hazardous Substances Tax, Sections 43001-43651; Integrated Waste Management Fee, Sections 45001-45984; International Fuel Tax Agreement, Sections 9401-9433; Motor Vehicle Fuel License Tax, Sections 7301-8405; Occupational Lead Poisoning Prevention Fee, Sections 43001-43651, Health & Safety Code, Sections 105175-105197; Oil Spill Response, Prevention, and Administration Fees, Sections 46001-46751, Government Code, Sections 8670.1-8670.53; Publicly Owned Property, Sections 1840-1841; Sales and Use Tax, Sections 6001-7279.6; State Assessed Property, 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 Maintenance Fee, Sections 50101-50161, 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. This includes the determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting any outstanding tax liability.

As authorized 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 Firearms; Depts. of Agriculture, 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 & Agriculture; 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:63, Sacramento, CA 95814.

¹All references are to the California Revenue and Taxation Code unless otherwise indicated.

CALIFORNIA STATE BOARD OF EQUALIZATION
USE TAX DIRECT PAYMENT PERMIT



ACCOUNT NUMBER _____

DRAFT

THIS PERMIT DOES NOT AUTHORIZE THE HOLDER TO ENGAGE IN ANY BUSINESS CONTRARY TO LAWS REGULATING THAT BUSINESS OR TO POSSESS OR OPERATE ANY ILLEGAL DEVICE.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW SECTION 7051.3 TO SELF-ASSESS AND PAY USE TAX DIRECTLY TO THE STATE OF CALIFORNIA

THIS PERMIT IS NOT A SELLER'S PERMIT TO ENGAGE IN SALES OF TANGIBLE PERSONAL PROPERTY

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED BUT IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS, OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

BOE-442-DPLZ (1-98)

NOTICE TO INDIVIDUALS REGARDING INFORMATION FURNISHED TO THE BOARD OF EQUALIZATION

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 permits, certificates, or licenses, or filing tax returns, statements, or other forms prescribed by this agency, are required to include their social security numbers for proper identification. [See Title 42 United States Code Section 405(c)(2)(C)(i)]. It is mandatory to furnish all the appropriate information requested by applications for registration, applications for permits or licenses, tax returns and other related data. Failure to provide all of the required information requested by an application for a permit or license could result in your not being issued a permit or license. In addition, the law provides penalties for failure to file a return, failure to furnish specific information required, failure to supply information required by law or regulations, or for furnishing fraudulent information.

Provisions contained in the following laws require persons meeting certain requirements to file applications for registration, applications for permits or licenses, and tax returns or reports in such form as prescribed by the State Board of Equalization: Alcoholic Beverage Tax, Sections 32001-32556; Childhood Lead Poisoning Prevention Fee, Sections 43001-43651; Health & Safety Code, Sections 105275-105310; Cigarette and Tobacco Products Tax, Sections 30001-30481; Diesel Fuel Tax, Sections 60001-60709; Emergency Telephone Users Surcharge, Sections 41001-41176; Energy Resources Surcharge, Sections 40001-40215; Hazardous Substances Tax, Sections 43001-43651; Integrated Waste Management Fee, Sections 45001-45981; International Fuel Tax Agreement, Sections 9401-9433; Motor Vehicle Fuel License Tax, Sections 7301-8405; Occupational Lead Poisoning Prevention Fee, Sections 43001-43651; Health & Safety Code, Sections 105175-105197; Oil Spill Response, Prevention, and Administration Fees, Sections 46001-46751; Government Code, Sections 8670.1-8670.53; Publicly Owned Property, Sections 1840-1841; Sales and Use Tax, Sections 6001-7279.6; State Assessed Property, 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 Maintenance Fee, Sections 50101-50161; 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. This information is used for determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting tax liability.

As authorized 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 Firearms; Depts. of Agriculture, 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 & Agriculture; 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:63, Sacramento, CA 95814.

*All references are to the California Revenue and Taxation Code, unless otherwise indicated.