

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 attached hereto as Exhibit "A".

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

5 3. CONTRACT DOCUMENTS. The Contract Documents include: The
6 Notice Inviting Bids, Plans & Specifications No. R-6681 (which may include by reference
7 the Standard Specifications for Public Works Construction, latest edition, and any
8 supplements thereto, collectively the "Standard Specifications"); the City of Long Beach
9 Standard Plans; Plans and Drawings No. C-5644 for this work; the California Code of
10 Regulations; the various Uniform Codes applicable to trades; the prevailing wage rates;
11 Instructions to Bidders; the Bid; the bid security; the City of Long Beach Disadvantaged,
12 Minority and Women-owned Business Enterprise Program; this Contract and all documents
13 attached hereto or referenced herein including but not limited to insurance; Bond for
14 Faithful Performance; Payment Bond; Notice to Proceed; Notice of Completion; any
15 addenda or change orders issued in accordance with the Standard Specifications; any
16 permits required and issued for the work; approved final design drawings and documents;
17 and the Information Sheet. These Contract Documents are incorporated herein by the
18 above reference and form a part of this Contract.

19 Notwithstanding Section 2-5.2 of the Standard Specifications, if any conflict
20 or inconsistency exists or develops among or between Contract Documents, the following
21 priority shall govern: 1) Change Orders; 2) this Contract; 3) Permit(s) from other public

1 the control of Contractor. Time is of the essence hereunder. City will suffer damage if the
2 work is not completed within the time stated, but those damages would be difficult or
3 impractical to determine. So, Contractor shall pay to City, as liquidated damages, the
4 amount stated in the Contract Documents.

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

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

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

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

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

1 In addition, Contractor shall complete and deliver to the City the form
2 ("Information Sheet") attached as Exhibit "C" and incorporated by reference, to comply with
3 Labor Code Section 2810.

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

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

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

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

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

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

23 16. CERTIFIED PAYROLL RECORDS. Contractor shall keep and cause
24 each subcontractor to keep an accurate payroll record in accordance with Division 2, Part
25 7, Article 2 of the California Labor Code. Contractor's failure to furnish such record to City
26 in the manner provided herein for notices shall entitle City to withhold the penalty
27 prescribed by law from progress payments due to Contractor.

28 17. RESPONSIBILITY OF CONTRACTOR. Notwithstanding anything to the

1 | contrary in the Standard Specifications, Contractor shall have the responsibility, care and

control of the work. If any loss or damage occurs to the work that is not covered by

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

10 Contractor shall not be entitled to and by signing this Contract waives any
11 claim or damages for delay against City if Contractor does not timely submit these forms
12 to the appropriate governmental entity. Contractor may contact the City Controller at (562)
13 570-6450 for assistance with the form.

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

17 21. AUDIT. If payment of any part of the consideration for this Contract is
18 made with federal, state, or county funds and a condition to the use of those funds by City
19 is a requirement that the City render an accounting or otherwise account for said funds.

Persons other than governmental entities who are not required to hold a seller's permit and who do not currently hold a consumer use

1 party to this Contract.

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

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

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

18 27. INTEGRATION. This Contract, including the Contract Documents
19 identified in Section 3 hereof, constitutes the entire understanding between the parties and
20 supersedes all other agreements, oral or written, with respect to the subject matter herein.

21 28. COSTS. If there is any legal proceeding between the parties to enforce
22 or interpret this Contract or to protect or establish any rights or remedies hereunder, the
23 prevailing party shall be entitled to its costs and expenses, including reasonable attorney's
24 fees.

25 29. NONDISCRIMINATION. In connection with performance of this Contract
26 and subject to federal laws, rules and regulations, Contractor shall not discriminate in
27 employment or in the performance of this Contract on the basis of race, religion, national
28 origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap, or disability. It is the

1 policy of the City to encourage the participation of Disadvantaged, Minority and Women-
2 owned Business Enterprises and the City encourages Contractor to use its best efforts to
3 carry out this policy in the award of all subcontracts.


4 30. DEFAULT. Default shall include but not be limited to Contractor's failure
5 to perform in accordance with the Plans and Specifications, failure to comply with any
6 Contract Document, failure to pay any penalties, fines or charges assessed against the
7 Contractor by any public agency, failure to pay any charges or fees for services performed
8 by the City, and if Contractor has substituted any security in lieu of retention, then default
9 shall also include City's receipt of a stop notice. If default occurs and Contractor has
10 substituted any security in lieu of retention, then in addition to City's other legal remedies

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1 executed with all formalities required by law as of the date first stated above.

2 PALP, INC.
3 a California corporation, doing business as
4 EXCEL PAVING COMPANY


4 MARCH 15, 2006

By 
President
C.P. BROWN

6 MARCH 15, 2006, 2006

(Type or Print Name)
By Michele E. Drakulich
Secretary
MICHELE E. DRAKULICH ASST. SECRETARY
(Type or Print Name)

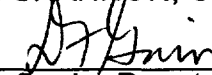
11 4.17, 2006

"Contractor"
CITY OF LONG BEACH, a municipal
corporation
By 
City Manager

"City"

This Contract is approved as to form on 3/23, 2006.

ROBERT E. SHANNON, City Attorney

By 
Senior Deputy

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

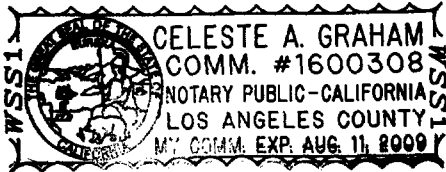
State of California }
County of LOS ANGELES } ss.

On 3-15-06, before me, CELESTE A. GRAHAM NOTARY PUBLIC,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PALP INC. DBA EXCEL PAVING COMPANY BY C.P. BROWN PRESIDENT
AND MICHELE E. DRAKULICH ASST. SECRETARY
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.



Place Notary Seal Above

WITNESS my hand and official seal:

Celeste A. Graham
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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____



Exhibit "A"

BIDDER'S NAME: _____

**BID FOR THE IMPROVEMENT OF REDONDO AVENUE
BETWEEN OCEAN BOULEVARD AND SECOND STREET
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 January 4, 2005, at 10:00 a.m., we propose to furnish all necessary labor, tools, materials, appliances and equipment for and perform all work mentioned in said Notice Inviting Bids, in full compliance with Plans & Specifications No. R- 6681 at the following prices:

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
1.	Adjust City Manhole Frame & Cover	3	Ea	800.-	2400 -
2.	Manhole Step	3	Ea	165 ^{CPS} 165.-	495.-
3.	Replace Pull Box	4	Ea	2700.-	10800 -
4.	Adjust Water Valve & Cover Meter Box & Cover	1	Ea	600-	600-
5.	Adjust Survey Monument Casting and Cover	1	Ea	600-	600-
6.	Construct Survey Bench Mark, Type 1	1	Ea	600-	600-
7.	Concrete Removal	39	CY	150.-	5850-
8.	Cold mill AC	5,290	SY	1.45	7670. ⁵⁰

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
9.	Unclassified Excavation	25	CY	125.-	3125.-
10.	Crushed Miscellaneous Base	23	CY	125.-	2875.-
11.	Root Pruning and Root Barrier	36	LF	27.-	^{CPB} 90 972.-
12.	Tree Pruning	1	Ea	^{CPB} 1550 1550.-	1550.-
13.	Rubberized Asphalt Pavement	594	Ton	98.-	58212.-
14.	Asphalt Concrete Pavement	296	Ton	78.-	23088.-
15.	P.C.C. Curb, GB Type A1, Integral	48	LF	45.-	2160.-
16.	Local Depression	1	LS	550.-	550.-
17.	P.C.C. Curb & Gutter, GB Type A2, W = 1.5'	97	LF	35.-	3395.-
18.	P.C.C. Sidewalk, 3" Thick	3,950	SF	5. ⁵⁰	21725.-
19.	Curb Ramp Detectable Warning Surface	150	SF	54.-	8100.-
20.	P.C.C. Alley entrance, 6" Thick	1140	SF	9.-	10260.-
21.	Repair Local Depression Case E	1	LS	545.-	545.-

ITEM NO.	ITEM DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
22.	Grind Curb Ramp Lip	12	LF	135.-	1620-
23.	Permanent Roadway Signing	1	LS	3000-	3000--
24.	Pavement Markers, Markings and Traffic Striping	1	LS	8400-	8400.-
25.	Loop Detectors	8	Ea	375.-	3000.-
26.	Temporary Traffic Control Devices	1	LS	24400-	24400-
TOTAL AMOUNT BID				205 992.	82

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES

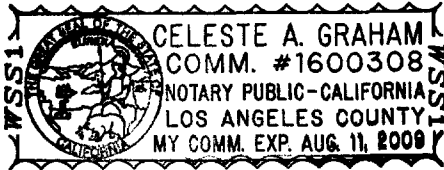
} ss.

On 3-15-06, before me, CELESTE A. GRAHAM, NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PALP INC. DBA EXCEL PAVING COMPANY BY C.P. BROWN
Name(s) of Signer(s)
PRESIDENT

- 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.

Celeste A. Graham
Signature of Notary Public

Place Notary Seal Above

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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

Exhibit "C"

INFORMATION TO COMPLY WITH LABOR CODE SEC. 2810

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

1) Workers' Compensation Insurance:

- A. Policy Number: 1CW50115302
- B. Name of Insurer (NOT Broker): VIRGINIA SURETY CO., INC.
- C. Address of Insurer: 1 PARK PLAZA, #400, IRVINE, CA 92614
- D. Telephone Number of Insurer: 949/553-9800

2) For vehicles owned by Contractor and used in performing work under this Contract:

- A. VIN (Vehicle Identification Number): TO BE DETERMINED
- B. Automobile Liability Insurance Policy Number: 1CA50111902
- C. Name of Insurer (NOT Broker): VIRGINIA SURETY CO., INC.
- D. Address of Insurer: AS ABOVE
- E. Telephone Number of Insurer: _____

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: TO BE DETERMINED

5) Estimated total wages to be paid those workers: TO BE DETERMINED

6) Dates (or schedule) when those wages will be paid: TO BE DETERMINED

ON WEEKLY BASIS

(Describe schedule: For example, weekly or every other week or monthly)

7) Estimated total number of independent contractors to be used on this Contract:

Exhibit "D"

LIST OF SUBCONTRACTORS

The Bidder shall set forth hereon, the name, location of the place of business, and telephone number of each subcontractor, including minority subcontractors, who will perform work or labor or render service to the Prime Contractor in or about the construction of the Work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the Prime Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of 1/2 of 1 percent of the Prime Contractor's total bid or \$10,000 (whichever is greater).

Name and Address of Subcontractor

Classification or Type of Work

Name CL Concrete

Concrete

Address 1035 W Gladstone

Dollar Amount of Contract \$ 38,000

City AZUSA CA

DBE / MBE / WBE / Racial Origin CAUCASIAN

Phone No. (562) 213-3344

License No. 400722

Name PCT

STRIPING & SIGNS

Address PO Box 11078

Dollar Amount of Contract \$ 8900.-

City LONG BEACH CA 90806

DBE / MBE / WBE / Racial Origin CAUCASIAN

Phone No. (562) 218-0504

License No. 823802

Name _____

Address _____

City _____

Phone No. _____

Dollar Amount of Contract \$ _____

DBE / MBE / WBE / Racial Origin _____

License No. _____

Name _____

Address _____

City _____

Phone No. _____

Dollar Amount of Contract \$ _____

DBE / MBE / WBE / Racial Origin _____

License No. _____

Name _____

Address _____

City _____

Phone No. _____

Dollar Amount of Contract \$ _____

DBE / MBE / WBE / Racial Origin _____

License No. _____

Name _____

Address _____

City _____

Phone No. _____

Dollar Amount of Contract \$ _____

DBE / MBE / WBE / Racial Origin _____

License No. _____

APPENDIX "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

**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.

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

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, 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 40001-40216; 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, Sec-

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.

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-OPLZ (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 34001-34481; 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 45001-45984; 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 25290-25299.96; 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 the 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) 445-6484, 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-37, Sacramento, CA 95814.

BOND FOR FAITHFUL PERFORMANCE

KNOW ALL MEN BY THESE PRESENTS: That we, PALP, INC. dba EXCEL PAVING COMPANY, as PRINCIPAL, and Federal Insurance Company, located at 15 Mountain View Rd. Warren, NJ 07059, a corporation, incorporated under the laws of the State of Indiana, 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 Two Hundred Five Thousand, Nine Hundred Ninety Two and 50/100 DOLLARS (\$205,992.50), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Improvement of Redondo Avenue Between Ocean Boulevard and Second Street 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 15th day of March, 2006.

PALP, INC. dba EXCEL PAVING COMPANY

Federal Insurance Company

SURETY, admitted in California

By: C.P. Brown

By: Douglas A. Rapp

Name: C.P. BROWN

Name: Douglas A. Rapp

Title: PRESIDENT

Title: Attorney in Fact

By: Michele E. Drakulich

Telephone: (949) 457-1060

Name: MICHELE E. DRAKULICH

Title: ASST. SECRETARY

Approved as to form this 23rd day of March, 2006.

Approved as to sufficiency this 12 day of April, 2006.

ROBERT E. SHANNON, City Attorney

By: R. E. Shannon
Senior Deputy

By: [Signature]
City Manager/City Engineer

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

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

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

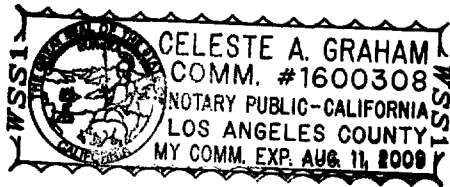
County of LOS ANGELES

} ss.

On 3-15-06, before me, CELESTE A. GRAHAM NOTARY PUBLIC
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PALP INC. DBA EXCEL PAVING COMPANY BY C.P. BROWN PRESIDENT
AND MICHELE E. DRAKULICH ASST. SECRETARY
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.

Celeste A. Graham
Signature of Notary Public

Place Notary Seal Above

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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

CALIFORNIA ALL - PURPOSE ACKNOWLEDGMENT

State of California

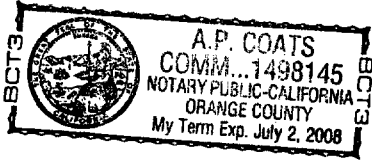
County of Orange

On MAR 15 2006 before me, A.P. Coats, Notary Public
NAME, TITLE OF OFFICER

personally appeared _____
Douglas A. Rapp
NAME OF SIGNER(S)

Personally known to me - or -

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



WITNESS my hand and official seal.

[Handwritten Signature]

(SIGNATURE OF NOTARY)

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL/OWNER
- CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

- PARTNER(S) LIMITED
- GENERAL

NUMBER OF PAGES

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint **Douglas A. Rapp** or **Linda D. Coats** of Laguna Hills, California-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this **22nd** day of **January, 2004**

Kenneth C. Wendel, Assistant Secretary

Frank E. Robertson, Vice President

STATE OF NEW JERSEY }
County of Somerset } ss.

On this **22nd** day of **January, 2004**, before me, a Notary Public of New Jersey, personally came **Kenneth C. Wendel**, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said **Kenneth C. Wendel** being by me duly sworn, did depose and say that he is Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with **Frank E. Robertson**, and knows him to be Vice President of said Companies; and that the signature of **Frank E. Robertson**, subscribed to said Power of Attorney is in the genuine handwriting of **Frank E. Robertson**, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Karen A. Price
Notary Public State of New Jersey
No. 2231647
Commission Expires Oct. 22, 2004

Notary Public

Extract from the By-Laws of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY**:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, 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 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 upon the Company with respect to any bond or undertaking to which it is attached."

I, **Kenneth C. Wendel**, Assistant Secretary of **FEDERAL INSURANCE COMPANY**, **VIGILANT INSURANCE COMPANY**, and **PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 15th day of March 2006



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com

LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS: That we, PALP, INC. dba EXCEL PAVING COMPANY, as PRINCIPAL, and Federal Insurance Company located at 15 Mountain View Rd. Warren, NJ 07059, a corporation, incorporated under the laws of the State of Indiana, 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 Two Hundred Five Thousand, Nine Hundred Ninety Two and 50/100 DOLLARS (\$ 205,992.50), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Improvement of Redondo Avenue Between Ocean Boulevard and Second Street 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 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 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 15th day of March, 2006.

PALP, INC. dba EXCEL PAVING COMPANY
By: C.P. Brown
Name: C.P. BROWN
Title: PRESIDENT

By: Michele E. Drakulich
Name: MICHELE E. DRAKULICH
Title: ASST. SECRETARY

Approved as to form this 13th day of March, 2006.

ROBERT E. SHANNON, City Attorney
By: [Signature]
Senior Deputy

Federal Insurance Company
SURETY, admitted in California
By: Douglas A. Rapp
Name: Douglas A. Rapp
Title: Attorney in Fact
Telephone: (949) 457-1060

Approved as to sufficiency this 12 day of April, 2006.

By: [Signature]
City Manager/City Engineer

NOTE: 1. Execution the bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and a Notary's certificate of acknowledgment must be attached.
2. A corporation must execute the bond by 2 authorized officers and, if executed by a person not listed in Sec. 313, Calif. Corp. Code, then a certified copy of a resolution of its Board of Directors authorizing execution must be attached.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of LOS ANGELES

} ss.

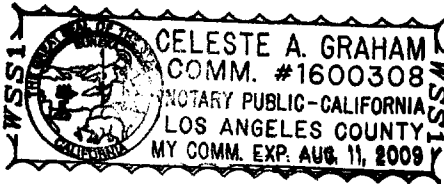
On 3-15-06, before me, CELESTE A. GRAHAM NOTARY PUBLIC,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared PALP INC. DBA EXCEL PAVING COMPANY BY C.P. BROWN PRESIDENT

Name(s) of Signer(s)
AND MICHELE E. DRAKULICH ASST. SECRETARY

- 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.

Celeste A. Graham
Signature of Notary Public

Place Notary Seal Above

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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

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

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER

Top of thumb here

CALIFORNIA ALL - PURPOSE ACKNOWLEDGMENT

State of California

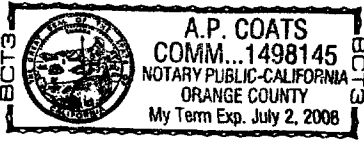
County of Orange

On MAR 15 2006 before me, A.P. Coats, Notary Public
NAME, TITLE OF OFFICER

personally appeared _____
Douglas A. Rapp
NAME OF SIGNER(S)

Personally known to me - or -

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



WITNESS my hand and official seal.

[Signature]
(SIGNATURE OF NOTARY)

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL/OWNER
- CORPORATE OFFICER

TITLE(S)

TITLE OR TYPE OF DOCUMENT

- PARTNER(S) LIMITED
- GENERAL

NUMBER OF PAGES

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)



**Chubb
Surety**

**POWER
OF
ATTORNEY**

**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint **Douglas A. Rapp or Linda D. Coats of Laguna Hills, California**-----

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this **22nd** day of **January, 2004**

Kenneth C. Wendel, Assistant Secretary

Frank E. Robertson, Vice President

STATE OF NEW JERSEY }
County of Somerset } ss.

On this **22nd** day of **January, 2004**, before me, a Notary Public of New Jersey, personally came **Kenneth C. Wendel**, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said **Kenneth C. Wendel** being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with **Frank E. Robertson**, and knows him to be Vice President of said Companies; and that the signature of **Frank E. Robertson**, subscribed to said Power of Attorney is in the genuine handwriting of **Frank E. Robertson**, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



Karen A. Price
Notary Public State of New Jersey
No. 2231647
Commission Expires Oct. 01, 2004

Notary Public

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, 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 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 upon the Company with respect to any bond or undertaking to which it is attached."

I, **Kenneth C. Wendel**, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **15th** day of **March 2006**



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telephone (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com