

PUBLIC WORK CONSTRUCTION CONTRACT

This Public Work Construction contract ("Contract") made and entered into this 4th day of January, 2011, by and between the City of Redlands, a municipal corporation organized and existing under the laws of the State of California, (hereinafter "City"), and Hardy and Harper, Inc., (hereinafter "Contractor"). City and Contractor are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

In consideration of the mutual promises contained herein, City and Contractor agree as follows:

1. **SCOPE OF WORK:** Contractor shall furnish all materials and perform all of the work for the following: Construction of the Church Street, Center Street, Alessandro Road Resurfacing Project, complete all items as required by the Contract Documents (as herein defined) and Specifications for City's CHURCH STREET, CENTER STREET, ALESSANDRO ROAD RESURFACING PROJECT, Project No. 41042 (the "Work").
2. **THE CONTRACT SUM:** City shall pay Contractor the sum of \$919,000.00 as consideration for its performance of the Work in accordance with the terms and conditions set forth in the Contract Documents. Pursuant to Public Contract Code Section 22300, Contractor has the option to deposit securities with an escrow agent as a substitute for retention of earnings requirement to be withheld by City pursuant to an escrow agreement as set forth in the Public Contract Code Section 22300.
3. **TIME FOR COMPLETION:** The Work shall be completed within one hundred twenty (120) calendar days from and after the date of the delivery to Contractor of a written Notice to Proceed by City.
4. **LIQUIDATED DAMAGES:** Contractor's failure to complete the work within the time allowed will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Accordingly, Contractor shall pay to City, or have withheld from monies due to Contractor, the sum of One Thousand Dollars (\$1000) for each consecutive calendar day in excess of the specified time for completion of Work.

Execution of the Contract shall constitute agreement by City and Contractor that One Thousand Dollars (\$1000) per day is the estimated damage to City caused by the failure of the Contractor to complete the Work within the allowed time. Such sum is for liquidated damages and shall not be construed as a penalty, and may be deducted from payments due Contractor if such delay occurs.

5. **CONTRACT DOCUMENTS:** This Contract includes all of the Contract documents set forth herein, to wit; Notice Inviting Bids, Instructions to Bidders, Contractor's Proposal, Bid Bond, Agreement, Performance Bond, Labor and Material Bond, Plans, General Conditions, Special Conditions, Special Provisions and Specifications, and any addenda thereto.
6. **ATTORNEYS' FEES:** In the event any legal action is commenced to enforce or interpret the terms or conditions of the Contract documents, the prevailing Party in such

action, in addition to any costs and other relief, shall be entitled to recover its reasonable attorneys' fees, including fees for use of in-house counsel by a Party.

7. **RESOLUTION OF CONSTRUCTION CLAIMS:** Claims by Contractor in the amount of \$375,000 or less shall be made by Contractor and processed by the City pursuant to the provisions of Part 3, Chapter 1, Article 1.5 of the Public Contract Code (commencing with Section 20104). All claims shall be in writing and include the documents necessary to substantiate the claim. Nothing in subdivision (a) of Public Contract Code Section 20104.2 shall extend the time limit or supersede the notice requirements provided in this case from filing claims by Contractor.
8. **ELIGIBILITY OF CONTRACTOR/SUBCONTRACTOR:** Contractor and all of its subcontractors shall abide by California Public Contract Code, Section 6109, and California Labor Code Sections 1777.1 and/or 1777.7, and certify that they are not debarred and are eligible to work on this project.
9. **ASSIGNMENT OF AGREEMENT:** No assignment by a Party of any rights or interests under this Contract shall be binding on another Party without the written consent of the Party sought to be bound.
10. **SUCCESSORS AND ASSIGNS:** City and Contractor each binds itself and their respective successors and assigns in respect to all covenants, agreements, and obligations contained in the Contract Documents.
11. **SEVERABILITY:** Any provision or part of the Contract documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

(SEAL)

City of Redlands
(Owner)

By: Pete Aguilera
Mayor, City of Redlands, County of
San Bernardino, California

ATTEST:

[Signature]
City Clerk, City of Redlands
County of San Bernardino, California

(SEAL)

Hardy & Harper, Inc.
Name of Contractor

By: [Signature]
Signature of Authorized Agent
Steve Kirschner

Vice President

Title

[Signature]
Signature of Authorized Agent (if necessary)
Kristen S Paulino

Corporate Secretary

Title

215952

Contractor's License No.

PERFORMANCE BOND

PREMIUM IS FOR CONTRACT TERM
AND IS SUBJECT TO ADJUSTMENT
BASED ON FINAL CONTRACT PRICE

WHEREAS, the City Council of the City of Redlands, State of California (hereinafter designated as "City"), and Hardy & Harper, Inc. (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which by said agreement dated MONTH DAY, 2010, and identified as Church St., Center St., Alessandro Rd. Resurfacing Project, Project No. 41042, is hereby referred to and made a part hereof; and

*January 4th, 2011

WHEREAS, under the terms of said agreement, Principal is required before entering upon the performance of the work, to furnish a good and sufficient faithful performance bond with the City.

NOW, THEREFORE, said Principal and the undersigned as corporate surety, are held and firmly bound unto the City in the sum of Nine Hundred Nineteen Thousand and no cents----- dollars (\$ 919,000.00-----) for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or her heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and provisions in the said agreement and any alteration thereof made as therein provided, or his or her part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall defend, indemnify and save harmless the City, its elected officials, officers, agents, and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including attorney's fees incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgement rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety named,

on January 11th, 2011, 2010. Bond No. 0535633

Hardy & Harper, Inc.

Principal

(SEAL)

International Fidelity

Insurance Company

(SEAL)

Surety

By:

Signature Steve Kirschner-Vice Pres.

By:

Signature Dwight Reilly, Attorney-In-Fact

Address: 13400 Sabre Springs Parkway, Suite 270

San Diego, CA 92128

(Notarial Acknowledgments of Principal and Surety)

Telephone: (858) 513-1795

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

Orange

County of

January 12, 2011

Jo-Ann Lyons, Notary Public

On

Date

before me,

Steve Kirschner

Here Insert Name and Title of the Officer

personally appeared

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person() whose name() 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() on the instrument the person(), or the entity upon behalf of which the person() acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

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:

January 11, 2011

1

Document Date:

Dwight Reilly

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed By Signer(s)

Signer's Name: Vice President

☐ Individual

☒ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Hardy & Harper, Inc.

Signer Is Representing:

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

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

ACKNOWLEDGMENT

State of California

County of Orange)

On January 11th, 2011 before me, Allison Ritto, Notary Public
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

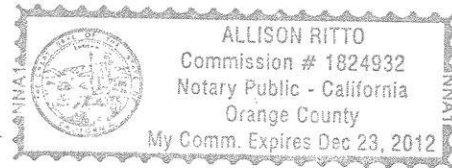
WITNESS my hand and official seal.

Signature



Allison Ritto

(Seal)



POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

DWIGHT REILLY, RALPH EIDEM, JR., ARTURO AYALA, DANIEL HUCKABAY

Orange, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, stature, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



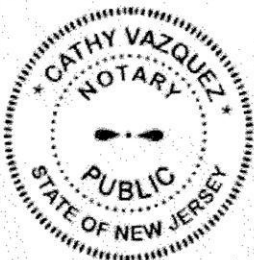
IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

[Signature]
Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

[Signature]

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March, 27, 2014

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this

day of **JAN 11** 2011

[Signature]
Assistant Secretary

PAYMENT BOND

WHEREAS, the City Council of the City of Redlands, State of California (hereinafter designated as "City"), and Hardy & Harper, Inc. (hereinafter designated as "Principal") have entered into an agreement whereby Principal agrees to install and complete certain designated public improvements, which by said agreement dated MONTH DAY, 2010, and identified as Church St., Center St., Alessandro Rd. Resurfacing Project, Project No. 41042, is hereby referred to and made a part hereof; and
*January 4th, 2011

WHEREAS, under the terms of said agreement, Principal is required before entering upon the performance of the work, to furnish a good and sufficient labor and materials payment bond with the City to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

NOW, THEREFORE, said Principal and the undersigned as corporate surety, are held and firmly bound unto the City and all contractors, subcontractors, laborers, material men, and any other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code of the State of California in the sum of

Nine Hundred Nineteen Thousand and no cents----- dollars
(\$ 919,000.00-----) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount herein above set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and surety named,

on January 11th, 2011, 2010. Bond No. 0535633

Hardy & Harper, Inc. (SEAL) International Fidelity
Principal Insurance Company (SEAL)
Surety

By: [Signature] By: [Signature]
Signature Steve Kirschner-Vice Pres. Signature Dwight Reilly, Attorney-In-Fact
Address: 13400 Sabre Springs Parkway, Suite 270

San Diego, CA 92128

(Notarial Acknowledgments of Principal and Surety)

Telephone: (858) 513-1795

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

Orange

County of

January 12, 2011

Jo-Ann Lyons, Notary Public

On

Date

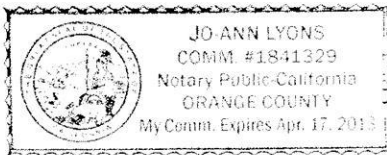
before me,

Steve Kirschner

Name and Title of the Officer

personally appeared

Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person() whose name() 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() on the instrument the person(), or the entity upon behalf of which the person() acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

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.

Payment Bond

Description of Attached Document

Title or Type of Document:

January 11, 2011

1

Document Date:

Dwight Reilly

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed By Signer(s)

Signer's Name:

Vice President

☐ Individual

☒ Corporate Officer — Title(s):

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other:

Hardy & Harper, Inc.

Signer Is Representing:

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
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RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

ACKNOWLEDGMENT

State of California

County of Orange)

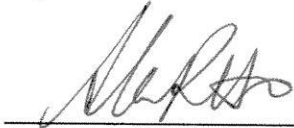
On January 11th, 2011 before me, Allison Ritto, Notary Public
(insert name and title of the officer)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

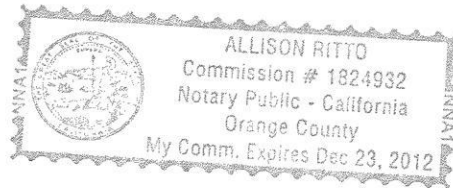
WITNESS my hand and official seal.

Signature



Allison Ritto

(Seal)



POWER OF ATTORNEY INTERNATIONAL FIDELITY INSURANCE COMPANY

HOME OFFICE: ONE NEWARK CENTER, 20TH FLOOR
NEWARK, NEW JERSEY 07102-5207

KNOW ALL MEN BY THESE PRESENTS: That **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having its principal office in the City of Newark, New Jersey, does hereby constitute and appoint

DWIGHT REILLY, RALPH EIDEM, JR., ARTURO AYALA, DANIEL HUCKABAY

Orange, CA.

its true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of Article 3-Section 3, of the By-Laws adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting called and held on the 7th day of February, 1974.

The President or any Vice President, Executive Vice President, Secretary or Assistant Secretary, shall have power and authority

- (1) To appoint Attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the Seal of the Company thereto, bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and,
- (2) To remove, at any time, any such attorney-in-fact and revoke the authority given.

Further, this Power of Attorney is signed and sealed by facsimile pursuant to resolution of the Board of Directors of said Company adopted at a meeting duly called and held on the 29th day of April, 1982 of which the following is a true excerpt:

Now therefore the signatures of such officers and the seal of the Company may be affixed to any such power of attorney or any certificate relating thereto by facsimile, and any such power of attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.



IN TESTIMONY WHEREOF, **INTERNATIONAL FIDELITY INSURANCE COMPANY** has caused this instrument to be signed and its corporate seal to be affixed by its authorized officer, this 16th day of October, A.D. 2007.

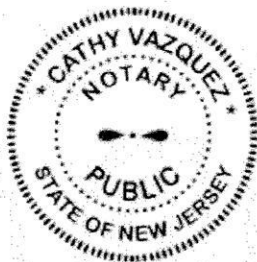
INTERNATIONAL FIDELITY INSURANCE COMPANY

STATE OF NEW JERSEY
County of Essex

A handwritten signature in black ink, appearing to be "James R. [unclear]".

Secretary

On this 16th day of October 2007, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said the he is the therein described and authorized officer of the **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate Seal of said Company; that the said Corporate Seal and his signature were duly affixed by order of the Board of Directors of said Company.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

A handwritten signature in black ink, appearing to be "Cathy Vazquez".

A NOTARY PUBLIC OF NEW JERSEY
My Commission Expires March, 27, 2014

CERTIFICATION

I, the undersigned officer of **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Section of the By-Laws of said Company as set forth in said Power of Attorney, with the ORIGINALS ON IN THE HOME OFFICE OF SAID COMPANY, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect

IN TESTIMONY WHEREOF, I have hereunto set my hand this

day of JAN 11 2011

A handwritten signature in black ink, appearing to be "Maria H. Franco".

Assistant Secretary