

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

662A
C



FROM: Redevelopment Agency

SUBMITTAL DATE:
August 4, 2011

SUBJECT: Thermal Town Street Improvement Project- Award Construction Contract and Execute Reimbursement Agreement

RECOMMENDED MOTION: That the Board of Directors:

1. Make the following findings in accordance with Health & Safety Code Section 33445:
 - a. The proposed improvements will benefit the Thermal Sub Area of the Desert Communities Project Area (DCPA) and eliminate blight by enhancing existing road infrastructure and pedestrian facilities for accessibility within DCPA;
 - b. Due to the fact that the current economic crisis has substantially reduced the community's revenues to fund the project, there are no other reasonable means of financing available to the community for this project;

(Continued)

Robert Field

Robert Field
Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 2,905,336	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: Yes

SOURCE OF FUNDS: Redevelopment Agency Capital Improvement Funds- Desert Communities Project Area	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

BY: *Jennifer Sargent*
Jennifer Sargent

County Executive Office Signature

Policy
 Policy
 Consent
 Consent
 Dept's Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.: 4.3 of 05/24/11 ATTACHMENTS FILED District: 4 Agenda Number: **4.10**

WITH THE CLERK OF THE BOARD

FISCAL PROCEDURES APPROVED
 PAUL ANGULO, CPA, AUDITOR-CONTROLLER
 BY: *Samuel Wong* 8/3/11
 DATE: 8/3/11
 DEPARTMENT: SAMUEL WONG
 FORM APPROVED COUNTY COUNSEL
 BY: *Marshall Victor*
 MARSHALL VICTOR

RECOMMENDED MOTION: (Continued)

- c. The payment of the funds for the cost of the project is consistent with the Implementation Plan for the DCPA, which identifies road improvements as vital for the community;
2. Approve Addendum 1 to the Contract Documents;
3. Accept and award the construction contract to the lowest responsive bidder Hazard Construction Company in the amount of \$2,272,832;
4. Approve the project budget of \$2,905,336; and
5. Approve and authorize the Chairman of the Board to execute the reimbursement agreement by and between the Redevelopment Agency for the County of Riverside and the County of Riverside in the amount of \$227,283.

BACKGROUND:

On May 24, 2011, the Board approved the plans and specifications for the Thermal Town Streets Improvement Project. A notice inviting bids was published May 27th and June 3rd, 2011 with sealed bids due on June 22, 2011. The Clerk of the Board received 2 bids. During the bidding process Addendum 1 was issued for additional work; this change to approved contract documents requires approval by the Board, therefore, agency staff recommends the Board approve Addendum 1 to the Contract Documents.

County Counsel has reviewed bids and has determined that the bid may be awarded to Hazard Construction Company as the lowest responsive bidder. The attached reimbursement agreement between the Redevelopment Agency and the county will provide construction oversight and inspection services by the Transportation Department for the Project. The project will be funded entirely by Redevelopment Agency Capital Improvement Funds - DCPA and will not impact County General Funds. Therefore agency staff recommends the Board make the findings, and award the contract to the lowest responsive bidder, Hazard Construction Company. Staff recommends execution of the reimbursement agreement and approve the project budget as follows:

Project Budget:

Construction	2,272,832
Construction Survey	50,700
Project Management	45,400
Construction Engineering & Inspection	227,283
Materials & Soils Testing	30,000
Mitigation Monitoring	15,000
<u>Subtotal</u>	<u>\$2,641,215</u>
Contingency 10%	264,121
<u>Project Total</u>	<u>\$2,905,336</u>

Attachments:

- Exhibit A - Bid Summary
- Exhibit B - Addendum 1
- Exhibit C - Construction Contract (3 copies)
- Exhibit D - Performance and Payment Bonds
- Exhibit E - Certificate of Liability Insurance and Worker's Compensation Insurance
- Exhibit F - Reimbursement Agreement (3 copies)

AGREEMENT

THIS AGREEMENT is entered into at Riverside, California as of the date set forth below is between the Redevelopment Agency for the County of Riverside hereafter called "Owner" and HAZARD CONSTRUCTION COMPANY hereafter called "Contractor".

WITNESSETH

RECITALS:

1. Contractor has submitted to Owner his Contractor's Proposal for the construction of Owner's project, Thermal Town Street Improvement Project in strict accordance with the Contract Documents identified below and Owner has accepted said Proposal.
2. Contractor states that he has reexamined his Contractor's Proposal and found it to be correct, has ascertained that his subcontractors are properly licensed and possess the requisite skill and forces, has reexamined the site and Contract Documents and is of the opinion that he can presently do the work in accordance with the Contract Documents for the money set forth in his Proposal to be paid as provided in the Contract Documents.

AGREEMENT:

IT IS AGREED BY THE PARTIES AS FOLLOWS:

1. Contract Documents. The entire contract consists of the following: (a) The Agreement. (b) The Notice Inviting Bids. (c) The Instruction to Bidders. (d) The Contractor's Proposal. (e) The Bid Bond. (f) The Payment Bond. (g) The Performance Bond. (h) The General Conditions. (i) The Special Provisions. (j) The Standard Specifications of the State of California Department of Transportation edition of May 2006 as modified in other portions of the Contract Documents. (k) The Standard Plans of Riverside County Department of Transportation identified on the plans or in the Special Provisions. (l) Imperial Irrigation District Developer Energy Planning Guide. (m) The Plans. (n) Addenda No. 1 (b) The Determination of Prevailing Wage Rates for Public Work. (p) Any Change Orders issued. (q) Any additional or supplemental specifications, notice, instructions and drawings issued in accordance with the provisions of the Contract Documents. All of said Documents presently in existence are by this reference incorporated herein with like effect as if here set forth in full and upon the proper issuance of other documents they shall likewise be deemed incorporated. The Bid Bond is exonerated upon execution of this Agreement and the Payment Bond and Faithful Performance Bond.
2. The Work. Contractor shall do all things necessary to construct the work generally described in Recital No. 1 in accordance with the Contract Documents.
3. Liquidated Damages and Time of Completion. Attention is directed to the provisions in Section 8-1.06, "Time of Completion", and in Section 8-1.07, "Liquidated Damages", of the Standard Specifications of the State of California Department of Transportation, edition of May 2006, Section 7.1 and 7.2 of the General Conditions and Section 1.4 and 1.8 of the Special Provisions.

The Contractor shall begin work within 15 days of the date stated within the written "Notice to Proceed".

The Contractor shall notify KOA Corporation, hereafter Engineer, in writing, of his intent to begin work at least 72 hours before work is begun. The notice shall be delivered to the Engineer and shall specify the date the Contractor intends to start. If the project has more than one location of work, a separate notice shall be given for each location.

Should the Contractor begin work in advance of receiving a written "Notice to Proceed", any work performed by him in advance of the date stated in the "Notice to Proceed" shall be considered as having been done by him at his own risk and as a volunteer and subject to the following:

- (1) The Contractor shall, on commencing operations, take all precautions required for public safety and shall observe all the provisions in the Specifications and the Special Provisions.
 - (2) All work done according to the contract prior to the issuance of the "Notice to Proceed", will be considered authorized work and will be paid for as provided in the contract.
 - (3) The Contractor shall not be entitled to any additional compensation or an extension of time for any delay, hindrance or interference caused by or attributable to commencement of work prior to the issuance of the "Notice to Proceed".
4. Compensation. Contractor shall be paid in the manner set forth in the Contract Documents the amount of his Proposal as accepted by Owner, the above rates, subject to additions and deductions as provided in the Contract Documents. Said Proposal is on file in the Office of the Clerk of the Board of Supervisors of County.

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date set forth below.

REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE

BY _____
Chairman, Board of Directors

Dated _____

ATTEST:

Kecia Harper-Ihem, Clerk of the Board

BY _____
Deputy

CONTRACTOR

BY _____

TITLE: _____
(If Corporation, Affix Seal)

ATTEST:

Notary

TITLE: Notary

Licensed in accordance with an act
providing for the registration of Contractors,

License No. 750 542 A

Federal Employer identification Number

33 - 0807734

FORM APPROVED COUNTY COUNSEL
BY: Marshall Victor 8/3/11
MARSHAL L. VICTOR DATE

"Owner"
(Seal)

"Corporation"
(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

On July 18, 2011 before me, Sandra Kostyrka, Notary Public
Date NAME, TITLE OF OFFICER - E.G. "JANE DOE, NOTARY PUBLIC"
personally appeared Jason A. Mordhorst
NAME(S) OF SIGNER(S)

who 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.

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.

Sandra Kostyrka (SEAL)
NOTARY PUBLIC SIGNATURE



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
- CORPORATE OFFICER

TITLE(S)
 PARTNER(S) LIMITED
 GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: _____

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

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

SIGNER(S) OTHER THAN NAMED ABOVE

PERFORMANCE BOND

Recitals:

1. Hazard Construction Company (Contractor) intend to enter into an Agreement with **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE** (Owner) for construction of public work known as the Thermal Town Street Improvement Project.
2. Travelers Casualty and Surety Company of America, a _____ corporation (Surety), is the Surety under this Bond.

Agreement:

We, Contractor, as Principal, and Surety, as Surety, jointly and severally agree, state, and are bound unto County, as obligee, as follows:

1. The amount of the obligation of this Bond is 100% of the estimated contract price for the Project of \$2,272,832.00 and inures to the benefit of Owner.
2. This Bond is exonerated by Contractor doing all things to be kept and performed by it in strict conformance with the Contract Documents for the Project, otherwise it remains in full force and effect for the recovery of loss, damage and expense of Owner resulting from failure of Contractor to so act. All of said Contract Documents are incorporated herein.
3. This obligation is binding on our successors and assigns.
4. For value received, Surety stipulates and agrees that no change, time extension, prepayment to Contractor, alteration or addition to the terms and requirements of the Contract Documents or the work to be performed thereunder shall affect its obligations hereunder and waives notice as to such matters, except the total contract price cannot be increased by more than 10% without approval of Surety.

THIS BOND is executed as of July 7, 2011

Hazard Construction Company

Travelers Casualty and Surety Company of America

By [Signature]

By [Signature]

By _____

Type Name Tara Bacon, Attorney-in-Fact

Title **HAZARD CONSTRUCTION COMPANY**
"Contractor"

Its Attorney in Fact
'Surety'

(Corporate Seal)

(Corporate Seal)

NOTE: This Bond must be executed by both parties with corporate seal affixed. All signatures must be acknowledged. (Attach acknowledgements).

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

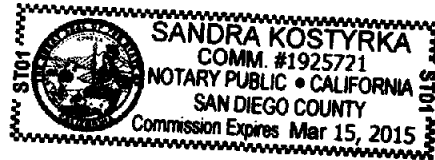
On July 18, 2011 before me, Sandra Kostyrka, Notary Public
Date NAME, TITLE OF OFFICER - E.G. "JANE DOE, NOTARY PUBLIC"
personally appeared Jason A. Mordhorst
NAME(S) OF SIGNER(S)

who 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.

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.

Sandra Kostyrka (SEAL)
NOTARY PUBLIC SIGNATURE



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NAMES OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

ACKNOWLEDGMENT

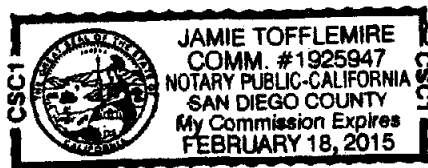
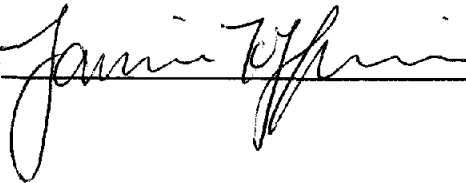
State of California
County of San Diego

On July 7, 2011 before me, Jamie Tofflemire, Notary Public, personally appeared Tara Bacon, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her 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



(Seal)



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
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. 222176

Certificate No. 004198337

KNOW ALL MEN BY THESE PRESENTS: 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

Dale Harshaw, Tara Bacon, Geoffrey R. Shelton, Bradley R. Orr, and Kyle King

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

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 11th day of May, 2011.

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
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 11th day of May, 2011, 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., 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., 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., 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 7th day of July, 2011.


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.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.

PAYMENT BOND

(Public Work - Civil Code 3247 et seq.)

The makers of this Bond are Hazard Construction Company, as Principal and Original Contractor and Travelers Casualty and Surety Company of America a corporation, authorized to issue Surety Bonds in California, as Surety, and this Bond is issued in conjunction with that certain public works contract to be executed between Principal and REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE a public entity, as Owner, for \$2,272,832.00, the total amount payable. THE AMOUNT OF THIS BOND IS ONE HUNDRED PERCENT OF SAID SUM. Said contract is for public work generally consisting of the Thermal Town Street Improvement Project.

The beneficiaries of this Bond are as is stated in 3248 of the Civil Code and requirements and conditions of this Bond are as is set forth in 3248, 3249, 3250 and 3252 of said code. Without notice, Surety consents to extension of time for performance, change in requirements, amount of compensation, or prepayment under said contract.

DATED: July 7, 2011

Hazard Construction Company
Original Contractor - Principal

Travelers Casualty and Surety Company of America -
Surely

By [Signature]

By [Signature]
Tara Bacon, Its Attorney In Fact

Title JASIE A. FORDWORTH, VICE PRESIDENT
(If corporation, affix seal)

(Corporate Seal)

STATE OF CALIFORNIA
COUNTY OF _____

} ss. SURETY'S ACKNOWLEDGEMENT

On [Signature] before me, _____ personally appeared, _____, known to me, or proved to me on the basis of satisfactory evidence, to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacities, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

Notary Public (Seal)

Note: All signatures must be notarized

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

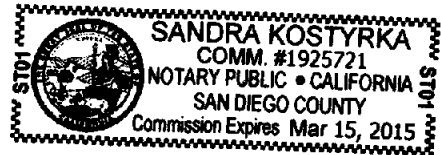
On July 18, 2011 before me, Sandra Kostyrka, Notary Public
Date NAME, TITLE OF OFFICER - E.G. "JANE DOE, NOTARY PUBLIC"
personally appeared Jason A. Mordhorst
NAME(S) OF SIGNER(S)

who 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.

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] (SEAL)
NOTARY PUBLIC SIGNATURE



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CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

TITLE(S)
 PARTNER(S) LIMITED
 GENERAL
 ATTORNEY-IN-FACT
 TRUSTEE(S)
 GUARDIAN/CONSERVATOR
 OTHER: _____

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

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

ACKNOWLEDGMENT

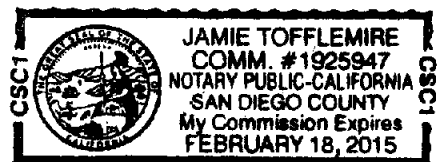
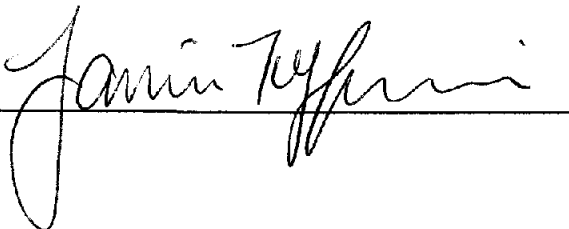
State of California
County of San Diego

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WITNESS my hand and official seal.

Signature



(Seal)



POWER OF ATTORNEY

Farmington Casualty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
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. 222176

Certificate No. 004198338

KNOW ALL MEN BY THESE PRESENTS: 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

Dale Harshaw, Tara Bacon, Geoffrey R. Shelton, Bradley R. Orr, and Kyle King

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

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 11th day of May, 2011.

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

St. Paul Mercury Insurance Company
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State of Connecticut
City of Hartford ss.

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

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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., 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., 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 7th day of July, 2011.


Kori M. Johanson, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.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.

1 **REIMBURSEMENT AGREEMENT**
2 **BY AND BETWEEN THE**
3 **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**
4 **AND THE COUNTY OF RIVERSIDE**
5 **FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**
6 **FOR THE THERMAL TOWN STREET IMPROVEMENTS PROJECT**

7
8 **THIS REIMBURSEMENT AGREEMENT**, hereinafter AGREEMENT, is entered
9 into on this ____ day of _____, 2011, by and between the
10 Redevelopment Agency for the County of Riverside, a public body corporate and politic
11 in the State of California, hereinafter AGENCY, and the County of Riverside, by and
12 through its Transportation Department, hereinafter COUNTY, hereinafter collectively
13 referred to as the Parties.

14 **WITNESSETH**

15 **WHEREAS**, AGENCY is a redevelopment agency duly created, established and
16 authorized to transact business and exercise its powers, all under and pursuant to the
17 provisions of the Community Redevelopment Law which is Part 1 of Division 24 of the
18 California Health and Safety Code (commencing with Section 33000 et seq.);

19 **WHEREAS**, the County of Riverside has adopted by Ordinance No. 638, on
20 December 22, 1986, a redevelopment plan for the Desert Communities Project Area
21 (hereinafter PROJECT AREA);

22 **WHEREAS**, the redevelopment plan, (hereinafter PLAN) was adopted in order to
23 eliminate blight and revitalize the substandard physical and economic conditions that
24 exist within the PROJECT AREA, which is composed of several non-contiguous sub
25 areas, including the Thermal Sub Area, (hereinafter SUB-AREA);

26 **WHEREAS**, pursuant to Section 33125 of the California Health and Safety
27 Code, the AGENCY is authorized to make and execute contracts and other
28 instruments necessary or convenient to the exercise of its powers;

1 **WHEREAS**, pursuant to Section 33421 of the California Health and Safety Code
2 a redevelopment agency may cause, provide to undertake or make provision with other
3 agencies for the installation, or construction of streets, utilities, parks, playgrounds and
4 other public improvements necessary for carrying out in the PROJECT AREA the
5 redevelopment plan;

6 **WHEREAS**, pursuant to Section 33445 of the California Health and Safety Code,
7 upon specific findings, a redevelopment agency may, with the consent of the legislative
8 body, pay all or a part of the value of the land for and the cost of the installation and
9 construction of any building, facility, structure or other improvement that is publicly
10 owned either inside or contiguous to the PROJECT AREA;

11 **WHEREAS**, AGENCY and the COUNTY have determined that there is a great
12 need for the street improvements in the Thermal Town site, in the unincorporated
13 community of Thermal (hereinafter the "PROJECT");

14 **WHEREAS**, the PROJECT will benefit the PROJECT AREA and community by
15 improving traffic and pedestrian movement and eliminate blighted conditions of roads
16 within the PROJECT AREA and as such meets a primary objective of the PLAN;

17 **WHEREAS**, the AGENCY agrees to reimburse the COUNTY for Construction
18 Management and Inspection services associated with the construction of the
19 PROJECT;

20 **NOW, THEREFORE**, in consideration of the covenants, conditions and
21 provisions contained herein, the Parties hereto do hereby agree as follows:

22 **SECTION 1. Purpose of AGREEMENT.** The purpose of this AGREEMENT is
23 to set forth the terms and conditions by which AGENCY will reimburse COUNTY for
24 COUNTY'S actual costs associated with the Construction Management and Inspection
25 services of the PROJECT.

26 **SECTION 2. Location of the PROJECT.** The PROJECT is bordered by
27 Grapefruit Boulevard on east, Polk Street on west, Airport Boulevard on the north, and
28 Church Street on south, in the unincorporated community of Thermal, as more

1 specifically detailed in Exhibit A, which is attached hereto and made a part hereof by
2 this reference.

3 **SECTION 3. Scope of Work.** The work to be performed by the COUNTY
4 includes Construction Management and Inspection Services for the road improvements
5 which will include street widening, the installation of curb, gutter and sidewalk of town
6 streets within the community of Thermal, CA as detailed in Exhibit B, which is attached
7 hereto and made a part hereof by this reference. COUNTY services shall be provided
8 in compliance with all applicable laws, including, but not limited to, compliance with the
9 requirements set forth in California Health and Safety Code Sections 33000 et seq.;
10 nondiscrimination provisions of the Fair Housing and Employment Act; and all
11 applicable federal and state and local laws, rules and regulations.

12 **SECTION 4. Construction of the PROJECT.** The contractor(s) for the
13 PROJECT are to be selected by AGENCY. AGENCY shall cause the construction of
14 the PROJECT to be carried out in compliance with all applicable laws, including, but not
15 limited to, the requirements set forth in California Health and Safety Code Sections
16 33000 et seq; all applicable federal and state and local environmental, occupational,
17 safety and health standards; nondiscrimination requirements; accessibility for the
18 disabled; and prevailing wage laws.

19 **SECTION 5. Permits.** AGENCY agrees to obtain, secure or cause to be
20 secured any and all permits and/or clearances which may be required by COUNTY or
21 any other federal, state or local governmental or regulatory agency relating to the
22 PROJECT.

23 **SECTION 6. Time Limit.** COUNTY shall complete the work that is the subject
24 of this AGREEMENT within a period of twenty four (24) months after the date of
25 execution of this AGREEMENT. In the event said twenty four (24) month period expires
26 prior to the completion of the work, the terms of this AGREEMENT may be extended
27 upon written consent of Parties. Nothing in this Section shall be deemed a waiver of
28 any or all claims or other actions by either party in regard to any breach of this

1 AGREEMENT.

2 **SECTION 7. Payment.** AGENCY shall reimburse COUNTY for the actual cost
3 of the Services as outlined in Exhibit B. Said costs for management and inspection
4 services for the PROJECT shall not exceed two hundred twenty seven thousand two
5 hundred eighty three (\$227,283) dollars which shall constitute the full and complete
6 financial obligation of the AGENCY. Said amount shall include, but is not limited to, all
7 of COUNTY's charges to manage and inspect the construction of the PROJECT.

8 COUNTY shall invoice AGENCY monthly or quarterly for the work performed
9 during the prior billing period and submit documentation to verify reimbursable
10 expenditures by COUNTY. A written project status report shall also be included with
11 each invoice. Said status report shall provide a description of the work completed that
12 AGENCY is being billed for and indicate the percentage of the PROJECT which is
13 completed. The final invoice shall be received by AGENCY within 12 months of
14 completion of the construction of the PROJECT. After said 12 month period, AGENCY
15 will reprogram any remaining funds.

16 **SECTION 8. Principal Contact Persons.** The following individuals are hereby
17 designated to be the principal contact persons for their respective parties:

18 **AGENCY:** Joaquin Tijerina, Project Manager
19 Redevelopment Agency for the County of Riverside
20 44-199 Monroe Street, Suite B, Indio, CA 92201
21 (760) 863-2529

22 **COUNTY:** Ward Maxwell, Construction Engineer
23 Riverside County Transportation Department
24 2950 Washington Street, Riverside, CA 92504
25 (951) 955-8614

26 **SECTION 9. Conflict of Interest.** No member, official or employee of AGENCY
27 or COUNTY shall have any personal interest, direct or indirect, in this AGREEMENT nor
28 shall any such member, official or employee participate in any decision relating to this

1 AGREEMENT which affects his or her personal interests or the interests of any
2 corporation, partnership or association in which he or she is directly or indirectly
3 interested.

4 **SECTION 10. Interpretation and Governing Law.** This AGREEMENT and any
5 dispute arising there under shall be governed and interpreted in accordance with the
6 laws of the State of California. This AGREEMENT shall be construed as a whole
7 according to its fair language and common meaning to achieve the objectives and
8 purposes of the Parties hereto, and the rule of construction to the effect that ambiguities
9 are to be resolved against the drafting party shall not be employed in interpreting this
10 AGREEMENT, all parties having been represented by counsel in the negotiation and
11 preparation hereof.

12 **SECTION 11. No Third Party Beneficiaries.** This AGREEMENT is made and
13 entered into for the sole protection and benefit of the Parties hereto. No other person or
14 entity shall have any right of action based upon the provisions of this AGREEMENT.

15 **SECTION 12. Indemnification.** Except as to any legal challenge or claim
16 brought by any person or entity questioning the use of redevelopment funds for the
17 purposes set forth herein that is the subject of this AGREEMENT:

18 (i) COUNTY shall indemnify and hold AGENCY, its elected officials, officers,
19 directors, affiliates, agents and employees free and harmless from liability to any person
20 or entity not a party to this AGREEMENT from any damage, loss or injury to person
21 and/or property which primarily relates to or arises from the negligence or willful
22 misconduct of COUNTY, its officers, agents, or employees in the execution or
23 implementation of this AGREEMENT;

24 (ii) AGENCY shall indemnify and hold COUNTY, its officers, agents, or
25 employees free and harmless from any person or entity not a party to this
26 AGREEMENT from any damage, loss or injury to person and/or property which primarily
27 relates to or arises from the negligence or willful misconduct of AGENCY, its elected
28 officials, officers, directors, affiliates, agents, or employees in the execution or

1 implementation of this AGREEMENT.

2 **SECTION 13. Insurance.** AGENCY shall cause AGENCY's Contractor to
3 maintain in force, until completion and acceptance of the PROJECT, a policy of
4 Contractual Liability Insurance, including coverage of Bodily Injury Liability and Property
5 Damage Liability, in the amount of \$2,000,000 minimum single limit coverage, and a
6 policy of Automobile Liability Insurance in the amount of \$1,000,000 minimum.
7 Endorsements to each policy shall be required which name the COUNTY, its officers,
8 directors, officials, agents and employees as additionally insured. COUNTY shall also
9 require AGENCY's Contractors/Consultant to maintain Worker's Compensation
10 Insurance. AGENCY shall provide Certificates of Insurance and Additional Insured
11 Endorsements which meet the requirements of this section to COUNTY upon request.

12 **SECTION 14. Section Headings.** The Section headings herein are for the
13 convenience of the Parties only and shall not be deemed to govern, limit, modify or in
14 any manner affect the scope, meaning or intent of the provisions or language of this
15 AGREEMENT.

16 **SECTION 15. Project Sign.** AGENCY may place a project sign at the project
17 site identifying the AGENCY as a funding source for the road improvement project.

18 **SECTION 16. Entire Agreement.** This AGREEMENT is intended by the Parties
19 hereto as a final expression of their understanding with respect to the subject matter
20 hereof and as a complete and exclusive statement of the terms and conditions thereof
21 and supersedes any and all prior and contemporaneous agreements and
22 understandings, oral or written, in connection therewith. Any amounts to or clarification
23 necessary to this AGREEMENT shall be in writing and acknowledged by all Parties to
24 the AGREEMENT.

25 **SECTION 17. Amendments to the Agreement.** It is agreed that the rights,
26 interests, understandings, agreements and obligations of the respective parties
27 pertaining to the subject matter of this AGREEMENT may not be amended, modified or
28 supplemented in any respect except by a subsequent written instrument evidencing the

1 express written consent of each of the parties hereto and duly executed by the Parties.

2 **SECTION 18. Successors and Assigns.** This AGREEMENT shall inure to the
3 benefit of, and be binding upon, the successors, executors, administrators, legal
4 representatives and assigns of the Parties hereto.

5 **SECTION 19. Termination by AGENCY.** AGENCY shall have the right to
6 terminate this AGREEMENT in the event COUNTY fails to perform, keep or observe
7 any of its duties or obligations hereunder; provided however, that COUNTY shall have
8 thirty (30) days in which to correct such breach or default after written notice thereof has
9 been served on it by AGENCY.

10 **SECTION 20. Termination by COUNTY.** COUNTY shall have the right to
11 terminate this AGREEMENT in the event AGENCY fails to perform, keep or observe
12 any of its other duties or obligations hereunder; provided however, that AGENCY shall
13 have thirty (30) days in which to correct such breach or default after written notice
14 thereof has been served on it by COUNTY.

15 END OF AGREEMENT

16 SIGNATURES ON NEXT PAGE

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1 **IN WITNESS WHEREOF**, AGENCY and COUNTY have executed this
2 AGREEMENT as of the date first above written.

3
4 **REDEVELOPMENT AGENCY FOR THE COUNTY OF RIVERSIDE**
5 **COUNTY OF RIVERSIDE**

6
7
8 _____
9 Bob Buster, Chairman
10 Board of Directors

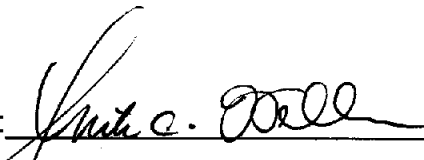
Bob Buster, Chairman
Board of Supervisors

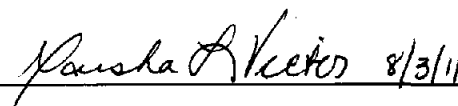
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13 **ATTEST:**
14 Kecia Harper-Ihem, Clerk of the Board

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17 BY: _____
18 Deputy

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21 **APPROVED AS TO FORM:**
22 Pamela J. Walls, Agency Counsel

APPROVED AS TO FORM:
Pamela J. Walls, County Counsel

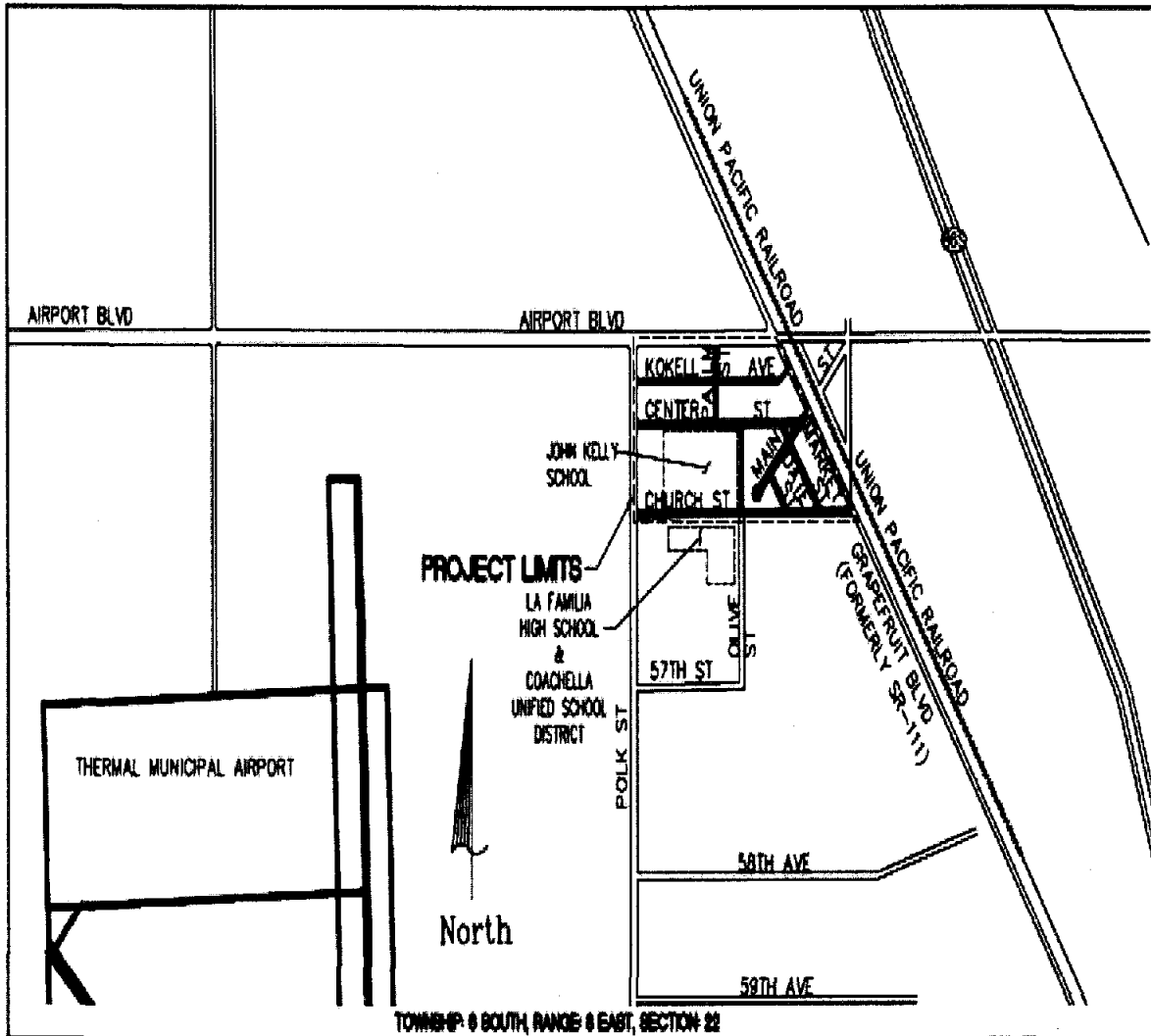
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25 BY:  8/3/11
26 Anita C. Willis, Deputy

BY:  8/3/11
Marsha L. Victor, Deputy

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EXHIBIT A
LOCATION OF PROJECT

THERMAL STREET IMPROVEMENT PROJECT



VICINITY MAP

NOT TO SCALE

1 **EXHIBIT B**

2 **SCOPE OF WORK**

3 Description: The PROJECT includes the installation of curb, gutter, sidewalk, and
4 street paving within the Thermal Town Site. In addition, upgrades to existing curb
5 ramps, driveways and the replacement of cracked and lifted sidewalk have been
6 incorporated to the project activities along with utility relocations and upgrades as
7 necessary.

8 COUNTY will oversee and/or perform the following tasks associated with the
9 PROJECT:

10
11 Construction Engineering and Inspection Services \$227,283

12
13 The Agency will provide construction survey services for the Project under a separate
14 agreement.