

**THREE RIVERS LEVEE IMPROVEMENT AUTHORITY
STATE OF CALIFORNIA**

AGREEMENT

PHASE 4 YUBA RIVER SOUTH LEVEE WATERSIDE LEVEE SLOPE FLATTENING PROJECT

CONTRACT NO. PH4-2009-10-01

THIS AGREEMENT, made and concluded this 24th day of September, 2009 between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY (TRLIA), Party of the first part and **Lorang Brothers Construction, Inc.**(the "Contractor"), party of the second part.

ARTICLE I.-- WITNESSETH, that for and in consideration of the payment and agreements hereinafter mentioned, to be made and performed by the said party of the first part, and under the conditions expressed in the bond, bearing even date with these presents, and hereunto annexed, the said party of the second part agrees with the said party of the first part at his own proper cost and expense, to do all the work and furnish all the materials, except such as are mentioned in the specifications to be furnished by said party of the first part, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of TRLIA, its construction management consultants, and the inspectors of the United States Army Corps of Engineers and the California Department of Water Resources, in accordance with the Contract Documents as listed in the "Notice to Contractors" and the provisions detailed in this document, "Labor Surcharge and Equipment Rental Rates," that are in effect when the work is accomplished and the current General Prevailing Wage Rates, of the State of California Department of Industrial Relations.

The Contractor shall furnish all plant, labor, material, equipment, etc. necessary to perform all work included in the attached bid schedule "B" of this agreement. The total value of the contract to be paid in the amounts described in bid schedule "B" shall be \$ 312,159.20 (three hundred twelve thousand, one hundred fifty nine dollars, and twenty cents)

The work to be done is described in detail in the Contract Documents as listed in the "Notice to Contractors," copies of which have been made available to the bidder.

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CONTRACT NO. PH4-2009-10-01

Said project Special Provisions are hereby made a part of this **CONTRACT NO. PH4-2009-10-01**

ARTICLE II.-- The said party of the first part hereby promises and agrees with said contractor to employ, and does hereby employ, the said Contractor to provide the all labor, materials, services, transportation, appliances and mechanical workmanship required for this contract and to do the work according to the terms and conditions herein contained and referred to the prices hereinafter set forth, and hereby contracts to pay the same at the time, in the manner and upon the conditions herein set forth; and said parties for themselves, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III.-- The State general prevailing wages are hereby specifically referred to and by this reference are made a part of this Contract. It is further expressly agreed by and between the parties hereto that should there be any conflict between the terms of this instrument and the bid or Proposal of said Contractor, then this instrument

NOTICE TO CONTRACTORS

shall control and nothing herein shall be considered as an acceptance of the said terms of said Proposal conflicting herewith.

ARTICLE IV.-- By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions before commencing the performance of the work of this Contract.

ARTICLE V.-- The improvement contemplated in the performance of this contract is an improvement over which the State of California shall exercise general supervision. The State of California therefore shall have the right to assume full and direct control over this contract whenever the State of California, at its sole discretion, shall determine that its responsibility to the United States so requires.

ARTICLE VI -- The Contractor shall carry and maintain during the life of this Agreement, such public liability, property damage and contractual liability, auto, Workers' Compensation and Builders' Risk Insurance as required by the specifications.

ARTICLE VII -- The Contractor shall defend, indemnify, and save harmless COUNTY OF YUBA and the Engineer (including their officers, agents, members, employees, affiliates, and representatives) as set forth in Section G6-03 of these Specifications.

ARTICLE VIII -- This Agreement shall bind and inure to the heirs, devisees, assignees, and successors in interest of Contractor and to the successors in interest of COUNTY OF YUBA in the same manner as if such parties had been expressly named herein.

All times stated herein or in the contract documents are of the essence hereof.

As used in this instrument the singular includes the plural, and the masculine includes the feminine and the neuter.

This Agreement may create a possessory interest subject to property taxation, and Contractor may be subject to the payment of property taxes levied on such interest.

ARTICLE IX -- In addition to its rights under Articles G5-17 and G5-18 of the General Specifications, TRRIA shall have the right to terminate this agreement without cause. In the event of such termination and in accordance with Articles G5-20 and G5-21 of the General Specifications, the Contractor shall be entitled to payment for all work done up to the time of termination.

ARTICLE X.-- And the said Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for the loss or damage, arising out of the nature of the work aforesaid, or for the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the county, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the work, and the whole thereof, in the manner and according to the plans and specifications, and the requirements of the engineer under them to wit:

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date first above written.

BY Paul G. Brunner
Paul G. Brunner, Executive Director

DATE 9-24-09

ATTEST:

Rachel Ferris
Clerk of the TRLIA Board of Directors

CONTRACTOR:

Michael Lorang
Michael Lorang, President
Lorang Brothers Construction, Inc

1175 South Auburn Street

Colfax, CA 95713

771160

License Number

9.23.09 (Seal)
Date

I hereby certify that I have examined the within Contract and find the same to be in conformance with the provisions of the State Contract Act.

Andrea P. Clark
TRLIA General Counsel

DATE 9-18-09

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

BOND NO. 929487087
PREMIUM \$4,495.00

EXECUTED IN DUPLICATE

PERFORMANCE BOND

PHASE 4 YUBA RIVER SOUTH LEVEE WATERSIDE LEVEE SLOPE FLATTENING PROJECT

CONTRACT NO. PH4-2009-10-01

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Three Rivers Levee Improvement Authority has awarded to LORANG BROTHERS CONSTRUCTION, INC., as principal, hereinafter designated as the "Contractor," a contract for the following work within Yuba County:

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AND WHEREAS, the Contractor is required to furnish a Bond in connection with said contract guarantying faithful performance thereof:

NOW, THEREFORE, we the undersigned Contractor and Surety are held and firmly bound unto the Three Rivers Levee Improvement Authority in the sum of THREE HUNDRED TWELVE THOUSAND ONE HUNDRED FIFTY NINE AND 20/100 (\$ 312,159.20) (which amount is not less than one hundred percent (100%) of the Contract prices) for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

THE CONDITION of the obligation is such,

That if the above-bounded Contractor, his or its 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 agreements in the foregoing contract, including the provisions therein for liquidated damages, and any alteration thereof made as therein provided, on his or their 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 indemnify and save harmless the said Three Rivers Levee Improvement Authority, its officers and agents, as therein stipulated, then this obligation shall become and be null and void, otherwise, it shall be and remain in full force and virtue.

No prepayment, or delay in payment, and no change, extension, addition or alteration of any provisions of said contract or in the specifications agreed to between the Contractor and the said County of Yuba, and no forbearance on the part of the said Three Rivers Levee Improvement Authority, shall operate to relieve any surety from liability on this Bond, and consent to make such alterations without further notice to or consent by any such surety is hereby given, and said surety hereby waives the provisions of Section 2819 of the California Civil Code.

NOTICE TO CONTRACTORS

ACKNOWLEDGMENT

State of California
County of Placer)

On September 23, 2009 before me, Jana B. Pilgard, Notary Public
(insert name and title of the officer)

personally appeared Kathy Rangel,
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.

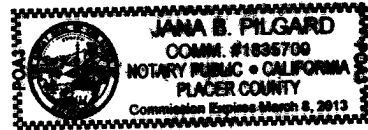
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



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

BOND NO. 929487087
PREMIUM INCLUDED

EXECUTED IN DUPLICATE

LABOR AND MATERIAL PAYMENT BOND

CONTRACT NO. PH4-2009-10-01

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the County of Yuba has awarded to
LORANG BROTHERS CONSTRUCTION, INC. as principal, hereinafter
designated as the "Contractor," a contract for performing the following work in Yuba County:

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AND WHEREAS, said Contractor is required by the provisions of Sections 3247 through 3252 of the California Civil Code to furnish a Bond in connection with said Contract, as hereinafter set forth;

NOW, THEREFORE, as the undersigned Contractor and Surety are held firmly bound unto the Three Rivers Levee Improvement Authority in the sum of THREE HUNDRED TWELVE THOUSAND ONE HUNDRED FIFTY NINE AND 20/100 dollars (\$ \$312,159.20) (which amount is not less than ~~50%~~ **100%**) of the Contract price) for the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, and administrators, successors or assigns, jointly and severally, firmly by these presents.

THE CONDITIONS this obligation is such,

That if the above-bounded Contractor, his or its heirs, executors, administrators, successors of assigns, or subcontractors shall fail to pay for any materials, provision, provender or other supplies or teams, implements or machinery, used in, upon for, about the performance of work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor and required by the provisions of Section 3247-3252 of the California Civil Code, and provided that the claimant shall have complied with provisions of said Code; the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this Bond, otherwise the above obligation shall be void. In case suit is brought upon this Bond said Surety or Sureties will pay a reasonable attorney's fee to be fixed by the court.

This Bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Section 3181 of California Civil Code, so as to give right of action to them or their assigns in any suit brought upon this Bond.

No prepayment, or delay in payment, and no change, extension, addition, or alteration of any provision of said Contract or in the Specifications agreed to between the Contractor and the said Three Rivers Levee Improvement Authority, and no forbearance on the part of the said County of Yuba, shall operate to relieve and Surety from liability on this Bond, and consent to make such alterations without further notice to or consent by any such Surety is hereby given, and said Surety hereby waives the provisions of Section 2819 of the California Civil Code.

NOTICE TO CONTRACTORS

ACKNOWLEDGMENT

State of California
County of Placer)


On September 23, 2009 before me, Jana B. Pilgard, Notary Public
(insert name and title of the officer)

personally appeared Kathy Rangel,
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.

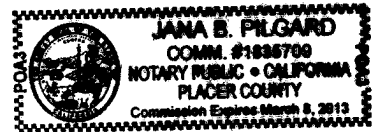
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Kathy Rangel, Individually

of Roseville, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 23rd day of July, 2008.

WESTERN SURETY COMPANY



Paul T. Bruflat

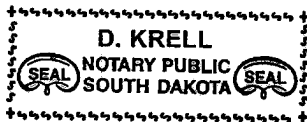
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 23rd day of July, 2008, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell

D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 23RD day of SEPTEMBER, 2009.



WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary