

Contract No. 0910-87
Valley Road Main Replacement
PWP #WA-2009-384

THIS CONTRACT FOR CONSTRUCTION, made and entered into this 8th day of September, 2009, by and between Peavine Construction, Inc., 2332 Larkin Circle, Sparks, NV 89431 hereinafter referred to as "Contractor", and Truckee Meadows Water Authority, P.O. Box 30013, Reno Nevada 89520-3013 hereinafter referred to as "Owner".

WITNESSETH:

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Owner and the Contractor agree as follows:

1. **Scope of Work.** The Contractor will furnish all labor, materials, equipment, tools, transportation, services, appliances, and appurtenances for the construction of the **Valley Road Main Replacement** in accordance with the Contract Provisions, Plans, and Specifications therefore, adopted by the Owner as prepared by Owner and all work incidental or reasonably inferable which is necessary to produce the results intended by the Contract Documents (the "Work"). The contractor represents and agrees that it has carefully examined and understands this Agreement and the other Contract Documents, has investigated the nature, locality and site of the Work and the conditions and difficulties under which it is to be performed, and that it enters into this Agreement on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of the Owner, or any of their respective officers, agents, servants, or employees.
2. **Contract Sum.** Owner shall pay the Contractor, as full and complete compensation for Contractor's timely performance of all the Work in accordance with the Contract Documents and to the satisfaction of Owner, the lump sum amount of **Nine Hundred and Fifty Thousand Dollars (\$950,000)**. The amount set forth above includes the aggregate amount of all allowances and unit price items to be furnished or installed.
3. **Progress Payments.** The Owner will pay the Contractor progress payments and the final payment in accordance with the provisions set forth in the Specifications computed from the actual quantities of work performed and accepted, and the materials furnished, at the unit and lump sum prices shown in the Proposal, as bid in conformance with the Contract Documents defined hereinafter. Owner will retain from such estimated value of the work done the amounts specified in the General Conditions. Owner shall pay to Contractor, at the end of each quarter this Agreement is in effect, interest for the quarter on the amount withheld at a rate to be determined by Owner in accordance with NRS 338.515. Except with respect to any payment withheld pursuant to NRS 338.525, the amount of payments withheld as provided herein shall be retained for a period of 30 days from the date of project Completion and acceptance. Contractor shall pay the subcontractors progress payments and pay interest on amounts retained from said progress payments in accordance with the provisions of NRS 338.510 through NRS 338.535.
4. **Time of Completion.** Contractor shall promptly commence and diligently prosecute the Work to be performed under this Agreement and achieve 100 percent completion by **December 18, 2009** to the entire satisfaction of the Owner before final payment is made. All times stated in the Contract Documents, including interim milestones and those for the delivery and installation of materials and equipment, are of the essence of this Agreement
5. **Liquidated Damages.** Owner and Contractor recognize Owner will suffer extensive damages if the Work is not completed within the time specified above, the exact amount of which is difficult to ascertain. Accordingly, if Contractor fails to achieve 100 percent completion of the Work within the time specified above, Owner shall be entitled to retain or recover from Contractor, as liquidated damages for delay (but not as a penalty) the sum of **\$1,500** per day commencing on the expiration of the time specified above and continuing until the actual date of 100 percent completion. Owner may deduct liquidated damages from any unpaid amounts then or thereafter due the Contractor under this Agreement

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6. **Prevailing Wage.** Contractor will pay, and will require all subcontractors to pay, unless otherwise exempt there from, all employees on said work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, as contained in or referenced by the Contract Provisions for this work. Contractor shall forfeit to the Owner, as a penalty, not less than \$20 nor more than \$50 for each calendar day and portion thereof that each workman employed on the public work: (a) is paid less than the designated rate for work done under the contract by the contractor or any subcontractor under him (b) is not reported to the public body awarding as required pursuant to NRS 338.070. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the Contractor shall not require more than (8) hours of labor in a day from any person employed by him hereunder. Contractor shall keep accurate records showing the name, occupation and actual per diem wages and benefits paid to each workman employed by him in connection with this project. The records shall be open to inspection by Owner, its officers and agents and at all reasonable hours.
7. **Acceptance and Final Payment.** As soon as practical following the completion of all phases of the Work, the Contractor shall make request by letter to Owner for a final inspection and acceptance of the Work, and if, in Owner's opinion, all provisions of the Contract Documents and Agreement have been satisfied, Owner will cause a Notice of Completion to be completed by the Project Manager and sent to the Labor Commissioner. Final payment, constituting the entire unpaid balance of the contract sum, shall be made by Owner to Contractor when the Contract has been fully performed by Contractor except for Contractor's responsibility to satisfy requirements, if any, which necessarily survive final payment; and the Notice of Completion has been sent to the Labor Commissioner. Final payment shall be made by Owner not more than 30 calendar days following the Notice of Completion, as specified in the General Conditions. Final payment is further subject to Owner's prior receipt from Contractor of all as-built drawings, certifications, prevailing wages, maintenance manuals, operating instructions, written guarantees, warranties, and bonds relating to the Work, and assignments of all guarantees and warranties from subcontractors, vendors, suppliers, or manufacturers, all as required by the Contract Documents. Acceptance of final payment by the Contractor shall constitute a full waiver and release by the Contractor of all claims against Owner arising out of or relating to this Agreement.
8. **Insurance.** The Contractor shall purchase and maintain prior to performing any Work on the Project, at its expense, from a company or companies authorized to do business in the State of Nevada, insurance policies containing the types of coverages and minimum limits of liability described in the General Conditions protecting from claims which may arise out of or result from the performance or non-performance of services under this Contract by the Contractor or by anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, including without limitation that Contractor shall carry insurance as required and require all subcontractors to carry industrial insurance as required by the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act. Contractor or his subcontractor's failure to pay premiums will automatically authorize Owner to withhold amounts from funds due the contractor and make insurance premium payments on behalf of the Contractor and/or his subcontractors.
9. **Performance and Payment Bonds.** The Contractor shall, prior to the execution of the Contract, furnish two bonds on the forms bound herein approved by the Owner, one in the amount of One Hundred Percent (100%) of the Contract price, to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contractor shall not begin work until such bonds are supplied to and approved by the Owner.
10. **Contract Documents.** Contract Documents include, but are not limited to the Invitation to Bid Book including the: Invitation to Bid, Instructions to Bidders, Bid Bond, Bid Bid Schedule, Contract Award Instructions, Contract Performance Bond, Payment Bond, General Conditions, Permits, Supplementary Conditions, Standard Specifications, Technical Specifications, Plans, details, Addenda, if any, Executed Change Orders, if any, Notice of Award, Notice to Proceed Plans, and any other document that is incorporated into the contract is hereinafter referred to as EXHIBIT "A" and located at the Owner's office for public inspection.

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- 11. Nondiscrimination.** In accordance with NRS 338.125, in connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or age. Such agreements shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Any violation of such provision by the Contractor shall constitute a material breach of the Contract. Further, Contractor agrees to insert this nondiscrimination provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.
- 12. Veteran's Preference.** Contractor agrees to give preference as provided in NRS 338.130. If this provision is not complied with, the Contract shall be void, and any failure or refusal to comply with this provision shall render the Contract void.
- 13. Warranty.** In addition to any other warranties provided by law or in the General conditions, Contractor warrants the Work under this Contract to be free from all defects for a period of one year from the date of final acceptance by Owner. Any defects found during this period shall be repaired by the Contractor at no cost to Owner in accordance with the requirements of the Contract Documents.
- 14. Indemnification/Hold Harmless.** Owner has established specific indemnification and insurance requirements for agreements with Contractors which are set forth in the General Conditions, which Contractor has examined, understands and agrees to perform. Indemnification and hold harmless clauses are intended to assure that Contractors accept and are able to pay for the loss liability related to their activities.
- 15. Termination.** In addition to other provisions of this Agreement, Owner has the right to terminate the Agreement without cause at any time upon giving Contractor seven days notice in writing. In the event the Agreement is terminated by Owner in accordance with this provision, Owner agrees to pay Contractor for all work satisfactorily completed and for materials installed prior to the date of termination.
- 16. Governing Law.** This Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Nevada, with venue in the County of Washoe. Each party acknowledges and agrees that the laws of the State of Nevada and the selection of venue were freely chosen.
- 17. Compliance with Laws.** Pursuant to NRS 338.153, Contractor shall comply, and shall insure each subcontractor and other person who provides labor, equipment, materials, supplies or services for the Project complies, with the requirements of all applicable state and local laws, including without limitation, any applicable licensing requirements and requirements for the payment of sales and use taxes on equipment, materials and supplies provided for the Project.
- 18. Confidentiality.** Contractor acknowledges and agrees the Drawings and Technical Specifications reveal critical infrastructure of facilities used for storing, transporting or transmitting water as contemplated by Nevada's Homeland Security Act, and that the disclosure or release of the Drawings and Technical Specifications to any unauthorized person would create a substantial likelihood of compromising, jeopardizing or otherwise threatening the public health, safety or welfare. Contractor shall not, and shall insure its Subcontractors, employees and agents shall not, knowingly disclose such documents or information or assist, solicit or conspire with another person to disclose such documents or information Contract Documents without the express prior written consent of Owner.

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Owner and Contractor hereby enter into this agreement as of the date and year first written above.

"Owner"

TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority

By: Mard Foree Date: 9-9-09

TMWA, General Manager

STATE OF NEVADA)
) ss
County of Washoe)

Chuck Cook being first duly sworn, deposes and says: That he is the Contractor, or authorized agent of the Contractor, for whom the aforesaid described work is to be performed by; that he has read the foregoing Contract and understands the terms, conditions, and requirements thereof.

CONTRACTOR:

By: Chuck Cook
Title: Secretary
Firm: Peavine Construction, Inc.
Address: 2332 Larkin Circle, Sparks, NV 89431
Telephone: (775) 359-2288
Fax: (775) 359-2685
E-mail: chuck@peavineconst.com

Chuck Cook
(Signature Of Contractor)

DATED this 4 day of September, 2009.

L.S.

ATTEST:

On this 4/7/11 day of SEPT, in the year
2009, before me, SHELLY R. MIGUEL
/Notary Public, personally appeared Chuck Cook
personally known to me (or proved to me on the basis
of satisfactory evidence) to be the person whose name
is subscribed to this instrument, and acknowledged that
he executed it.

WITNESS my hand and official seal.

Shelly R Miguel
Notary's Signature



PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that I/we **Peavine Construction, Inc.**, 2332 Larkin Circle, Sparks, NV 89431 as Principal, hereinafter called Contractor, and

GREAT AMERICAN INSURANCE COMPANY

a corporation duly organized or authorized to do business under the laws of the State of Nevada, as Surety, hereinafter called the Surety, are held and firmly bound unto Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the Sum of **Nine Hundred and Fifty Thousand Dollars (\$950,000)** for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This bond shall be governed by the laws of the State of Nevada.

WHEREAS, Contractor has by written agreement dated September 8, 2009 entered into a contract with Truckee Meadows Water Authority for **BID #0910-87** and titled "**Valley Road Main Replacement**" in accordance with drawings and specifications prepared by Truckee Meadows Water Authority and which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract then this obligation shall be null and void; otherwise it shall remain in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by Truckee Meadows Water Authority and its obligation is not affected by any such alteration or extension provided the same is within the scope of the contract. Whenever Contractor shall be, and is declared by Truckee Meadows Water Authority to be in default under the Contract, Truckee Meadows Water Authority having performed Truckee Meadows Water Authority's obligations thereunder, the Surety may promptly remedy the default or shall promptly:

- 1) Complete the Contract in accordance with its terms and conditions; or
- 2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Truckee Meadows Water Authority and the Surety jointly of the lowest responsive, responsible bidder, arrange for a contract between such bidder and Truckee Meadows Water Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price", as used in this paragraph, shall mean the total amount payable by Truckee Meadows Water Authority to Contractor under the Contract and any amendments thereto, less the amount properly paid by Truckee Meadows Water Authority to Contractor. No right of action shall accrue on this bond to or for the use of any person or corporation other than Truckee Meadows Water Authority or successors of Truckee Meadows Water Authority.

PERFORMANCE BOND

Continued for BID #0910-87 and titled "Valley Road Main Replacement"

BY:

(signature of Principle)

TITLE: Secretary

L.S.

FIRM: Peavine Construction, Inc.

Address: 2332 Larkin Circle

City, State, Zip: Sparks, NV 89431

Phone: 775-359-2288

Printed Principal's Name: Chuck Cook

Attest by:

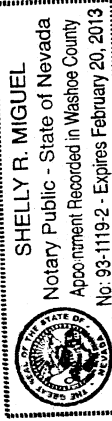
Shelly R Miguel

(signature of Notary)

Subscribed and Sworn before me this 4th day of

SEPTEMBER, 2009.

Notary public for the State of NEVADA



CLAIMS UNDER THIS BOND
MAY BE ADDRESSED TO:

Nevada Agent Information

Name of Surety

GREAT AMERICAN INSURANCE COMPANY

Name of Nevada Licensed Agent

WELLS FARGO INSURANCE SERVICES

Address 420 East South Temple

Address 604 West Moana

City Salt Lake City

City Reno

State/Zip Code UT 84111

State/Zip Code NV 89509

Name Lori Jones

Agent's Name Lori Jones

Title Attorney-In-Fact

Agent's Title Agent

Telephone 775-827-1555

Agent's Telephone 827-1555

Surety's Acknowledgment:

Nevada Agent's Acknowledgment:

By:

Lori Jones

By:

Lori Jones

NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in the State of Nevada. Certified copy of Power of Attorney must be attached.

LABOR AND MATERIAL PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS, that *L/we Peavine Construction, Inc., 2332 Larkin Circle, Sparks, NV 89431* as Principal, hereinafter called Contractor, and
GREAT AMERICAN INSURANCE COMPANY

a corporation duly organized or authorized to do business under the laws of the State of Nevada, as Surety, hereinafter called the Surety, are held and firmly bound unto Truckee Meadows Water Authority, a joint powers authority created pursuant to NRS Chapter 277, for the sum of **Nine Hundred and Fifty Thousand Dollars (\$950,000)** for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents. This bond shall be governed by the laws of the State of Nevada.

WHEREAS, Contractor has by written agreement dated September 8, 2009 entered into a contract with Truckee Meadows Water Authority for **BID #0910-87** and titled "**Valley Road Main Replacement**" in accordance with drawings and specifications prepared by Truckee Meadows Water Authority and which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- 1) A claimant is defined as one having a direct contract with the Contractor or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental of equipment directly applicable to the Contract.
- 2) The above-named Principal and Surety hereby jointly and severally agree with Truckee Meadows Water Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. Truckee Meadows Water Authority shall not be liable for the payment of any costs or expenses of any such suit.
- 3) No suit or action shall be commenced hereunder by any claimant:
 - a) Unless claimant, other than one having a direct contract with the Contractor, shall have given written notice to any two of the following: the Contractor, Truckee Meadows Water Authority, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served or served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal at any place the Principal maintains an office or conducts its business.
 - b) After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.
 - c) Other than in a court of competent jurisdiction for the county or district in which the construction contract was to be performed.

LABOR AND MATERIAL PAYMENT BOND
Continued for BID #0910-87 and titled "Valley Road Main Replacement"

4) The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

BY: [Signature] (signature of Principle)

TITLE: Secretary L.S.

FIRM: Peavine Construction, Inc.

Address: 2332 Larkin Circle

City, State, Zip: Sparks, NV 89431

Phone: 775-359-2288

Printed Principal's Name: Chuck Cook

Attest by: [Signature: Shelly R. Miguel] (signature of Notary)

Subscribed and Sworn before me this 4th day of Sept, 2009.



Notary public for the State of NEVADA

**CLAIMS UNDER THIS BOND
MAY BE ADDRESSED TO:**

Nevada Agent Information	
Name of Surety	Name of Nevada Licensed Agent
Great American Insurance Company	Wells Fargo Insurance Services
Address 420 East South Temple	Address 604 W. Moana
City Salt Lake City	City Reno
State/Zip Code UT 84111	State/Zip Code NV 89509
Name Lori Jones	Agent's Name Lori Jones
Title Attorney-In-Fact	Agent's Title Agent
Telephone 775-827-1555	Agent's Telephone 775-827-1555

Surety's Acknowledgment: [Signature]

Nevada Licensed Agent's Acknowledgment: [Signature]

By: [Signature]

NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in the State of Nevada. Certified copy of Power of Attorney must be attached.

GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 580 WALNUT STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by
this power of attorney is not more than FOUR

No. 014547

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name

LORI JONES
NICK ROSSI
TERI WOOD
KIM PEYTON

Address
ALL OF
RENO,
NEVADA

Limit of Power
ALL

\$75,000,000.00

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.
IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 11th day of, FEBRUARY, 2009.

Attest

GREAT AMERICAN INSURANCE COMPANY

STATE OF OHIO, COUNTY OF HAMILTON - ss:

DAVID C. KITCHIN (513-412-4602)

On this 11th day of FEBRUARY, 2009, before me personally appeared DAVID C. KITCHIN, to me known, being duly sworn, Company described in and which executed the above instrument; that he knows the seal of the said Company, that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated March 1, 1993.

RESOLVED: That the Division President, the Division Senior Vice President, the several Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.

RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract or suretyship or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 3rd day of September 2009