

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

CONTRACT AGREEMENT

FOR PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

CONTRACT NO. PH4-2007/08-02

THIS AGREEMENT, made and concluded this 20th day of May, 2008
between the THREE RIVERS LEVEE IMPROVEMENT AUTHORITY (TRLIA), Party of the first part
and Teichert Construction

(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 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.

FOR PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

CONTRACT NO. PH4-2007/08-02

Said project Special Provisions are hereby made a part of this **CONTRACT NO. PH4-2007/08-02**

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 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 TRLIA (including TRLIA's entity agencies, County of Yuba and Reclamation District 784) and the Engineer (including their officers, agents, members, employees, affiliates, and representatives) as set forth in Section 6-2 of the General Provisions.

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 TRLIA (including TRLIA's entity agencies, County of Yuba and Reclamation District 784) 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 5-18 and 5-19 of the General Provisions, TRLIA shall have the right to terminate this agreement without cause. In the event of such termination and in accordance with Articles 5-21 and 5-22 of the General Provisions, 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 [Signature]
Chairman of the TRLIA Board of Directors

DATE May 20, 2008

ATTEST: [Signature]
Clerk of the TRLIA Board of Directors

CONTRACTOR: [Signature]
MARK STACK

VICE PRESIDENT WOODLAND DISTRICT MANAGER

8
License Number

May 20, 2008 (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.

[Signature]
Scott Shapiro, General Counsel

DATE May 20, 2008

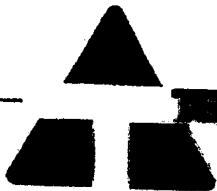
CONTRACT NO. PH4-2007/08-02

**PRICE SCHEDULE
PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT**

~~(INSERT SELECTED BIDDING SCHEDULES)~~

Item No.	Item Description	Estimated Quantity	Unit	Unit Price	TOTAL
	Modified Schedule B (see Attachment A)				24,964,729.50

TOTAL CONTRACT PRICE: 24,964,729.50



TEICHERT CONSTRUCTION

Established 1887

24207 County Road 100
Davis, CA 95616-941
P.O. Box 189
Davis, CA 95617-189
(530) 405-4200 • FAX (530) 406-429

May 14, 2008

TRLIA
c/o The Handen Company, Inc.
3250 Monitor Circle
Suite D
Ranch Cordova, CA

Attention: Doug Handen

Reference: TRLIA Phase 4 Setback Levee (Modified Schedule B) Proposal

Mr. Handen:

Attached please find proposal for the Modified Schedule B as outlined in our meetings on May 5, 2008 and May 14, 2008. The changes are either from the approved plans dated April 24, 2008 or additional phasing cost due to changes in the scope. The fuel increases are to an off-highway rate of \$3.75/gallon for the 2008 work season; if the price of fuel continues to rise additional fuel increases may be necessary.

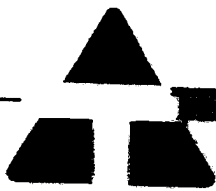
Also included is a letter from Syblon-Reid explaining the increases in unit prices for items 39C, 44C, 45C & 65C.

Please do not hesitate to call if you have any questions on the information provided.

Thank you,

Eric Stannard
Estimator - Teichert Woodland

Attachment A (Page 1 of 3)



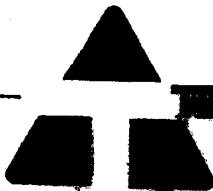
TIGHT CONSTRUCTION

Established 1987

24207 County Road 10C
Davis, CA 95616-04
P.O. Box 18
Davis, CA 95617-18
(530) 406-4200 • FAX (530) 406-422

MODIFIED SCHEDULE 'B' PROPOSAL

Bid Item	Bid Item Description	Quantity	UOM	Unit Price	Total
01B	Mobilization				
	1B Phasing Cost (Fuel Increases)	1	LS	1,230,000	1,230,000.00
	1B Phasing Cost (Tolchort Extended Overhead)	1	LS	550,000.00	550,000.00
02B	Clearing And Grubbing	8	MO	-	-
03B	Shipping Levee Foundation & Borrow Areas (BCY)	165	AC	775	127,875.00
05B	Removal Existing Roads	153,300	CY	3.10	475,230.00
07B	Removal Of Irrigation Facilities & Capping (Allowance)	1	LS	80,000	80,000.00
08B	Foundation Excavation (BCY)	\$175,000	T&M	-	-
08a-B	8B Approved Plan Changes (12'+ Deep French Excavation)	65,620	CY	2.00	131,240.00
08b-B	8B Approved Plan Changes (Demolishing for Deep French)	9,770	CY	4.85	47,384.50
08c-B	8B Phasing Cost (Pump Station Excavation)		T&M	-	-
09B	Geogrid Stabilization Soft, Wet SG	7,500	CY	7.60	57,000.00
10B	Proof Compacting Foundations	15,000	SY	17.00	255,000.00
11B	Work Pad & Temp Cap @ Cutoff Wall	77	AC	1,000	77,000.00
	11B Phasing Cost (Truck Haul from E. Borrow)	20,500	LF	10.00	205,000.00
13A-B	Backfill & Levee Embankment Const From Primary Borrow	1	LS	160,000.00	160,000.00
	13A-B Phasing Cost (Long Haul from Upst)	40,500	CY	2.00	81,000.00
13C-B	Backfill & Levee Embankment Const From Eastern Borrow	1	LS	46,100.00	46,100.00
	13C-B Phasing Cost (Truck Haul from E. Borrow)	64,150	CY	3.60	230,940.00
14B	Soil-Bentonite Cutoff Wall	1	LS	230,000.00	230,000.00
	14B Phasing Cost (Additional Moves between Section)	1,100,000	SF	8.00	8,800,000.00
	14B Phasing Cost (Ambrosen Extended Overhead)	3	EA	9,170.00	27,510.00
24B	Demolition	23	EA	4,450.00	102,350.00
25B	Destruction Of Wells	1	LS	118,000	118,000.00
26B	Maintain Power @ Inv Wells, Pump #3	800	LF	115	92,000.00
27B	Utility Service Interrups & Temp Service	1	LS	91,000	91,000.00
61B	Environmental Protect Final Grading, Erosion Protect & Rector	1	LS	13,000	13,000.00
62B	Demobilization	1	LS	295,000	295,000.00
63B	Monitor & Maintenance Of Vegetation, Drainage & Erosion Contr	1	LS	290,000	290,000.00
64B	Soil Blending Test	1	LS	10,000	10,000.00
01C	Partial Schedule C Mobilization	1	LS	16,800	16,800.00
02C	Clearing And Grubbing	1	LS	262,000	262,000.00
12C	Permanent Cap For Cutoff Wall (LF Of Levee)	263	AC	775	203,825.00
13c-C	B.F. & Levee Embankment Eastern Borrow (Limited Bland)	5,400	LF	15.00	81,000.00
	13c-C Phasing Cost (Reduced Quantity)	736,400	CY	5.00	3,682,000.00
	13c-C Phasing Cost (Grade Separation less Flagging)	1	LS	38,000.00	38,000.00
39C	36" Dia HDPE Discharge Pipe	1	LS	200,000.00	200,000.00
39a-C	14" Dia HDPE Discharge Pipe	3,384	LF	495	1,370,520.00
40C	Pump Station Structure	20	LF	500	10,000.00
41C	Cast-in-Place Motor Control Pad	755	CY	1,400	1,057,000.00
42C	Miscellaneous Metals	47	CY	2,190	102,930.00
43C	PG&E Coordination Work	60	TN	7,500	450,000.00
44C	Masonry Block Security Wall	1	LS	3,200	3,200.00
45C	Pump Control Center & Electrical Panel	120	LF	535	64,200.00
45a-C	Motor Control Center Security Structure	1	LS	725,000	725,000.00
46C	Vertical Axial Flow Or Mix Flow Sgl Stage Imp Pump	1	LS	110,000	110,000.00
46a-C	Low Flow, Vert. Axial Flow Or Mix Flow, Sgl Stage Imp Pump	4	EA	200,000	800,000.00
47C	Pump & Motor Installation, Startup & Testing	1	EA	104,000	104,000.00
48C	Backup Diesel Generator	5	EA	6,400	32,000.00
52C	Security Light	1	EA	300,000	300,000.00
53C	Siphon Breaker & Air Relief Valve	1	EA	5,300	5,300.00
54C	Combination Air Vacuum Valve (APCO 1906 & 200A Or Equal)	4	EA	6,500	26,000.00
54a-C	Combination Air Vacuum Valve (APCO 1904 & 200A Or Equal)	4	EA	3,200	12,800.00
		1	EA	3,100	3,100.00



TROBENT CONSTRUCTION

Established 1887

24237 County Road 100A
Davis, CA 95616-9410
P.O. Box 1890
Davis, CA 95617-1890
(530) 406-4200 • FAX (530) 406-4299

55C	36" Resilient Wedge Gate Valve W/Non-Rising Stem	4	EA	51,000	204,000.00
55a-C	14" Resilient Wedge Gate Valve W/Non-Rising Stem	1	EA	12,500	12,500.00
56C	36" Oil-Cushioned Swing-Type Check Valve	4	EA	65,000	260,000.00
56a-C	14" Oil-Cushioned Swing-Type Check Valve	1	EA	17,500	17,500.00
57b-C	36" Automatic Drainage Gate	4	EA	5,300	21,200.00
58C	Warning Sign	7	EA	135	945.00
62C	Demobilization	1	LS	50,000	50,000.00
63C	Monitor & Maintenance Of Vegetation, Drainage & Erosion Contr	1	LS	14,400	14,400.00
69C	Stability Berm Filter Aggregate (FCY)	5,000	CY	44	220,000.00
70C	Stability Berm Drain Aggregate (FCY)	5,000	CY	44	220,000.00
74C	Stability Berm And Drainage Geotextile	16,000	SY	3.50	56,000.00
75a-C	Pump Sta. 3 - 36" Butterfly Valve	4	EA	16,500	66,000.00
76a-C	Pump Sta. 3 - Valve Utility Box & Lid Assembly	4	EA	10,900	43,600.00
77C	Pump Sta. 3 Backfill (Matl Type 5)	10,000	CY	20	200,000.00
80C	Pump Sta. 3 Security Updates	1	LS	61,800	61,800.00
81C	Pump Sta. 3 Mud Slab	1	LS	33,400	33,400.00

\$ 24,964,729.58

PERFORMANCE BOND

FOR PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

CONTRACT NO. PH4-2007/08-02

KNOW ALL PERSONS BY THESE PRESENTS:

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

PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

AND WHEREAS, the Contractor is required to furnish a Bond in connection with said contract guaranteeing 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 _____ (\$ _____) (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.

IN WITNESS WHEREOF, we hereunto set our hands and seals on this _____ day of _____, 2008.

SURETY

By _____

Attorney in Fact

CONTRACTOR

by _____

Title _____

NOTE: Signature of those executing for the Surety must be properly acknowledged.

LABOR AND MATERIAL PAYMENT BOND

CONTRACT NO. PH4-2007/08-02

KNOW ALL PERSONS BY THESE PRESENTS:

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

PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

CONTRACT NO. PH4-2007/08-02

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 _____ dollars (\$ _____) (which amount is not less than fifty percent (50%) 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 CONDITION of 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.

CONTRACTOR

BY _____

TITLE _____

SURETY

BY _____

NOTE: Signatures of those executing for the Surety must be properly acknowledged.

PERFORMANCE BOND

FOR PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

RECEIVED

CONTRACT NO. PH4-2007/08-02

MAY 28 2008

TRLIA

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Three Rivers Levee Improvement Authority has awarded to A. Teichert & Son, Inc. dba Teichert Construction, as principal, hereinafter designated as the "Contractor," a contract for the following work within Yuba County:

PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

AND WHEREAS, the Contractor is required to furnish a Bond in connection with said contract guaranteeing 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 Twenty Four Million Nine Hundred Sixty Four Thousand Seven Hundred Twenty Nine and 50/100 Dollars (\$ 24,964,729.50) (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.

IN WITNESS WHEREOF, we hereunto set our hands and seals on this 21st day of May, 2008.

SURETY

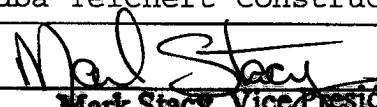
Safeco Insurance Company of America

By  Attorney in Fact Bradley N. Wright

CONTRACTOR

A. Teichert & Son, Inc.

dba Teichert Construction

by  Mark Stacy, Vice President &
Title Woodland District Manager

NOTE: Signature of those executing for the Surety must be properly acknowledged.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

State of California

County of San Francisco

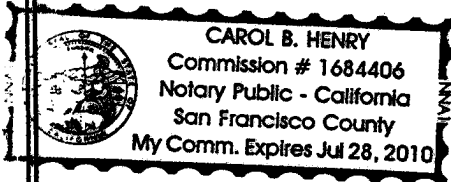
On May 21, 2008

before me, Carol B. Henry, Notary Public

personally appeared-----Bradley N. Wright-----

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 _____

A large, stylized handwritten signature in black ink, appearing to read "Carol B. Henry".

Signature of Notary Public

Place Notary Seal Above



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 00055

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****JEAN L. NEU; ERIN BAUTISTA; San Jose, CA; S. NICOLE EVANS; CAROL HENRY; BRYAN D. MARTIN; B.A. POITEVIN; WILLIAM F. WARD; BRADLEY N. WRIGHT; San Francisco, CA*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 9th day of April, 2008

Handwritten signature of Stephanie Daley-Watson

Handwritten signature of Tim Mikolajewski

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

*Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business...

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

- "On any certificate executed by the Secretary or an assistant secretary of the Company setting out, (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 21st day of May, 2008



Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.

LABOR AND MATERIAL PAYMENT BOND

CONTRACT NO. PH4-2007/08-02

Bond No. 6576029

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the County of Yuba has awarded to A. Teichert & Son, Inc. dba Teichert Construction as principal, hereinafter designated as the "Contractor," a contract for performing the following work in Yuba County:

PHASE 4 FEATHER RIVER SETBACK LEVEE PROJECT

CONTRACT NO. PH4-2007/08-02

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 Twenty Four Million Nine Hundred Sixty Four Thousand Seven Hundred Twenty Nine & 50/100 dollars (\$ 24,964,729.50) (which amount is not less than fifty percent (50%) 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 CONDITION of 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.

Signed and Sealed this 21st Day of May, 2008.

CONTRACTOR

A. Teichert & Son, Inc.

dba Teichert Construction

BY 
Mark Stacey, Vice President &

TITLE Woodland District Manager

SURETY

Safeco Insurance Company of America

BY 
Bradley N. Wright, Attorney in Fact

NOTE: Signatures of those executing for the Surety must be properly acknowledged.



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
Safeco Plaza
Seattle, WA 98185

No. 00055

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****JEAN L. NEU; ERIN BAUTISTA; San Jose, CA; S. NICOLE EVANS; CAROL HENRY; BRYAN D. MARTIN; B.A. POTTEVIN; WILLIAM F. WARD; BRADLEY N. WRIGHT; San Francisco, CA*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 9th day of April, 2008

Handwritten signature of Stephanie Daley-Watson

Handwritten signature of Tim Mikolajewski

STEPHANIE DALEY-WATSON, SECRETARY

TIM MIKOLAJEWSKI, SENIOR VICE-PRESIDENT, SURETY

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

- "On any certificate executed by the Secretary or an assistant secretary of the Company setting out, (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Stephanie Daley-Watson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 21st day of May, 2008



Handwritten signature of Stephanie Daley-Watson

STEPHANIE DALEY-WATSON, SECRETARY

Safeco® and the Safeco logo are registered trademarks of Safeco Corporation.


PRODUCER Willis North America, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191		877-945-7378		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Teichert Construction P.O. Box 1890 Davis, CA 95617-1890		INSURERS AFFORDING COVERAGE		NAIC#	
		INSURER A: Zurich American Insurance Company		16535-100	
		INSURER B: American Guarantee and Liability Insurance		26247-100	
		INSURER C: Self Insured State Cert. #1867		N2305-200	
		INSURER D:			
		INSURER E:			

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	X	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> XCU COVERAGE INCL <input checked="" type="checkbox"/> BFPD, CONTRACT GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	GLO343718206	4/1/2008	4/1/2009	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS-COMP/OP AGG \$ 4,000,000
A		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	BAP343718306	4/1/2008	4/1/2009	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$	CEO343718406	4/1/2008	4/1/2009	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000 \$ \$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	STATE CERT# 1867	4/1/2008	4/1/2009	<input checked="" type="checkbox"/> WC STAT-L-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A		OTHER Excess Workers Comp	BWS534506803	4/1/2008	4/1/2009	\$50,000,000 Occur/Aggregate

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 RE: Teichert #1300851 - Ph 4 Feather River Setback Levee (PH4-2007/08-02)
 See attached.

CERTIFICATE HOLDER Three Rivers Levee Improvement Authority Attn: Doug Handen, Construction Manager 1114 Yuba Street #218 Marysville, CA 95901	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE 
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PRODUCER 877-945-7378 Willis North America, Inc. 26 Century Blvd. P. O. Box 305191 Nashville, TN 372305191		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED Teichert Construction P.O. Box 1890 Davis, CA 95617-1890		INSURERS AFFORDING COVERAGE	NAIC#
		INSURERA: Zurich American Insurance Company	16535-100
		INSURERB: American Guarantee and Liability Insuranc	26247-100
		INSURERC: Self Insured State Cert. #1867	N2305-200
		INSURERD:	
		INSURERE:	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

2nd Layer Excess
Carrier: Westchester Fire Insurance Company
Policy Number: G22012472003
Effective Date: 4/1/2008
Expiration Date: 4/1/2009
Occurrence / Aggregate: \$4,000,000

Contractors Pollution Liability
Carrier: Steadfast Insurance Company (706) / 26387-100
Policy Number: CPL596641500
Policy Effective Date: 04/01/08
Policy Expiration Date: 04/01/09

Limits:
\$2,000,000 Each Claim
\$2,000,000 Aggregate

RE: Teichert #1300851 - Ph 4 Feather River Setback Levee (PH4-2007/08-02)

It is agreed that Three Rivers Levee Improvement Authority, its officers, officials, employees and the Handen Company are included as an Additional Insured as respects to General Liability, but solely in regards to work being performed by or on behalf of the Named Insured in connection with the job described herein.

It is understood and agreed that this insurance is primary and any other insurance maintained by the additional insured shall be excess only and not contributing with this insurance.

Waiver of subrogation applies as respects General Liability and Excess Workers Compensation per endorsement(s) attached.

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

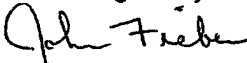
CG 24 04 10 93

**WAIVER OF TRANSFER RIGHTS OF RECOVERY AGAINST
OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

This endorsement changes the policy effective on the inception date of the policy unless another date indicated below.

Endorsement effective 4/1/2008 12:01 A.M. standard time	Policy No. GLO343718206
Named Insured Teichert Construction	Countersigned by 

(Authorized Representative)

SCHEDULE

Name of Persons or Organization:

Three Rivers Levee Improvement Authority, its officers, officials, employees and the Handen Company

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition (Section IV – COMMERCIAL GENERAL LIABILITY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.



ZURICH

Waiver of Subrogation Endorsement

Excess Insurance Policy for Self-Insurer

of Workers Compensation and employers Liability

Insured:

Teichert Construction

Policy No.:

EWS534506803

Endorsement No.:

Effective Date of this Endorsement:

4/1/2008

This policy is changed to provide:

CONDITION F – SUBROGATION – RECOVERY FROM OTHERS – GIVES US THE RIGHT TO RECOVER ALL PAYMENTS WHICH WE HAVE MADE TO YOU FROM ANYONE LIABLE FOR LOSS. WE AGREE TO WAIVE THIS RIGHT BUT ONLY TO THE EXTENT THAT YOU PERFORM WORK UNDER A WRITTEN CONTRACT WHICH REQUIRES YOU TO OBTAIN THIS AGREEMENT.

Project: RE: Teichert #1300851 - Ph 4 Feather River Setback Levee (PH4-2007/08-02)

Countersigned: _____

Authorized Signature

Additional Insured – Automatic – Owners, Lessees Or Contractors



Policy No.	Exp. Date of Pol.	Eff. Date of End.	Agency No.	Addl. Prem.	Return Prem.
GLO34371820 6	4/1/2009	4/1/2008			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: Teichert Construction

This endorsement modifies insurance provided under the:
Commercial General Liability Coverage Part

- A. **Section II – Who Is An Insured** is amended to include as an insured any person or organization who you are required to add as an additional insured on this policy under a written contract or written agreement.
- B. The insurance provided to the additional insured person or organization applies only to "bodily injury", "property damage" or "personal and advertising injury" covered under **SECTION I - Coverage A - Bodily Injury And Property Damage Liability** and **Section I - Coverage B - Personal And Advertising Injury Liability**, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
 - 1. Your acts or omissions; or
 - 2. The acts or omissions of those acting on your behalf; and resulting directly from:
 - a. Your ongoing operations performed for the additional insured, which is the subject of the written contract or written agreement; or
 - b. "Your work" completed as included in the "products-completed operations hazard", performed for the additional insured, which is the subject of the written contract or written agreement.
- C. However, regardless of the provisions of paragraphs A. and B. above:
 - 1. We will not extend any insurance coverage to any additional insured person or organization:
 - a. That is not provided to you in this policy; or
 - b. That is any broader coverage than you are required to provide to the additional insured person or organization in the written contract or written agreement; and
 - 2. We will not provide Limits of Insurance to any additional insured person or organization that exceed the lower of:
 - a. The Limits of Insurance provided to you in this policy; or
 - b. The Limits of Insurance you are required to provide in the written contract or written agreement.

D. The insurance provided to the additional insured person or organization does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional architectural, engineering or surveying services including:

1. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
2. Supervisory, inspection, architectural or engineering activities.

E. The additional insured must see to it that:

1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
2. We receive written notice of a claim or "suit" as soon as practicable; and
3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured, if the written contract or written agreement requires that this coverage be primary and non-contributory.

F. For the coverage provided by this endorsement:

1. The following paragraph is added to Paragraph 4.a. of the Other Insurance Condition of **Section IV – Commercial General Liability Conditions**:

This insurance is primary insurance as respects our coverage to the additional insured person or organization, where the written contract or written agreement requires that this insurance be primary and non-contributory. In that event, we will not seek contribution from any other insurance policy available to the additional insured on which the additional insured person or organization is a Named Insured.

2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of **Section IV – Commercial General Liability Conditions**:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured by attachment of an endorsement to another policy providing coverage for the same "occurrence", claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

G. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

Any provisions in this Coverage Part not changed by the terms and conditions of this endorsement continue to apply as written.