

80257

**CONTRACT FOR THE IMPROVEMENT OF PUBLIC WORK  
WITH DYNALECTRIC FOR THE  
AVOCADO AVENUE/FARALLON DRIVE INTERSECTION TRAFFIC SIGNAL**

THIS CONTRACT FOR THE IMPROVEMENT OF PUBLIC WORK ("Contract") is made and entered into as of this 24th day of OCTOBER, 2012 ("Effective Date") by and between the CITY OF NEWPORT BEACH, a California Municipal Corporation and Charter City ("City"), and KDC, INC., a California corporation doing business as ("DBA") DYNALECTRIC ("Contractor") whose principal place of business is 4462 Corporate Center Drive, Los Alamitos, CA 90720 and is made with reference to the following:

**RECITALS**

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City desires to engage Contractor to relocate the traffic signal located at the Avocado Avenue and Farallon Drive intersection as more fully described in the Contract Documents ("Project").
- C. City has solicited and received a proposal from Contractor and desires to retain Contractor to render services under the terms and conditions set forth in this Contract.
- D. Contractor has examined the location of all proposed work, carefully reviewed and evaluated the specifications set forth by the City for the Project, and is familiar with all conditions relevant to the performance of services and has committed to perform all work required for the price specified in this Contract over a period of 15 Calendar days commencing upon issuance of the "Notice to Proceed".

**NOW, THEREFORE**, it is mutually agreed by and between the undersigned parties as follows:

**1. TERM**

The term of this Contract shall commence on the Effective Date and shall terminate on December 31, 2012 unless terminated earlier as provided for herein.

**2. SCOPE OF WORK**

2.1. Contract Documents. The complete Contract for the Project includes all of the following documents: The Proposal, attached hereto as Exhibit A; the Faithful Performance Bond, attached hereto as Exhibit B; Labor and Materials Payment Bond, attached hereto as Exhibit C; Insurance Requirements attached hereto as Exhibit D; all Project Permits; the Standard Special Provisions and Standard Drawings; Plans and Special Provisions for **Contract No. 5197**; *Standard Specifications for Public Works Construction* (current adopted edition and all supplements), all incorporated herein by this reference, and this Contract, and all modifications and amendments thereto

(collectively the "Contract Documents"). The Contract Documents comprise the sole agreement between the parties as to the subject matter therein. Any representations or agreements not specifically contained in the Contract Documents are null and void. Any amendments must be made in writing, and signed by both parties in the manner specified in the Contract Documents.

2.2. Scope of Work. Contractor shall perform everything required to be performed, and shall provide and furnish all the labor, materials, necessary tools, expendable equipment and all utility and transportation services required for the Project as identified in the Contract Documents ("Work" or "Services").

2.3. All of the Work to be performed and materials to be furnished shall be in strict accordance with the provisions of the Contract Documents. Contractor is required to perform all activities, at no extra cost to City, which are reasonably inferable from the Contract Documents as being necessary to produce the intended results.

### 3. TIME OF PERFORMANCE

3.1. Time is of the essence in the performance of Work under this Contract and Contractor shall complete the Work within Fifteen (15) Calendar days from the date of issuance of the "Notice to Proceed." Failure to complete the Work in the time allotted may result in termination of the Contract by City and assessment of damages as outlined in Section 3.2.

3.2. The parties agree that it is extremely difficult and impractical to determine and fix the actual damages that City will sustain should the Contractor fail to complete the Project within the time allowed. Should Contractor fail to complete the work called for in this Contract within 15 calendar days from the date of issuance of the Notice to Proceed, Contractor agrees to the deduction of liquidated damages in the sum of Two Hundred Fifty Dollars and 00/100 (\$250.00) for each calendar day beyond the date scheduled for completion.

### 4. COMPENSATION

4.1. As full compensation for the performance and completion of the Project as required by the Contract Documents, City shall pay to Contractor and Contractor accepts as full payment the sum of **Forty-Two Thousand, Seven Hundred Dollars and 00/100 (\$42,700.00)**, less any money deducted pursuant to Section 3.2. Contractor shall not receive any additional compensation unless approved in advance by the City's Project Administrator (as defined below in Section 6) in writing. The City shall make full payment to Contractor no later than thirty (30) days after acceptance of Work by City.

4.2. This compensation includes:

4.2.1. Any loss or damage arising from the nature of the Work,

4.2.2. Any loss or damage arising from any unforeseen difficulties or obstructions in the performance of the Work,

4.2.3. Any expense incurred as a result of any suspension or discontinuance of the work, but excludes any loss resulting from earthquakes of a magnitude in excess of 3.5 on the Richter Scale and tsunamis, and which loss or expense occurs prior to acceptance of the work by City.

## **5. PROJECT MANAGER**

Contractor shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the term of the Contract. Contractor has designated Rick Pike to be its Project Manager. Contractor shall not remove or reassign the Project Manager without the prior written consent of City. City's approval shall not be unreasonably withheld.

## **6. ADMINISTRATION**

This Contract shall be administered by the Public Works Department. Fong Tse, Principal Civil Engineer, or his designee shall be the Project Administrator and shall have the authority to act for City under this Contract. The Project Administrator or his authorized representative shall represent City in all matters pertaining to the Services to be rendered pursuant to this Contract.

## **7. TYPE AND INSTALLATION OF MATERIALS/STANDARD OF CARE**

7.1. Contractor shall use only the standard materials and equipment as described in the Contract Documents in performing Work under this Contract. Any deviation from the materials or equipment described in the Contract Documents shall not be utilized unless approved in advance by the Project Administrator.

7.2. Contractor shall comply with the terms and conditions of the Contract Documents.

7.3. All of the Work shall be performed by Contractor or under Contractor's supervision. Contractor represents that it possesses the personnel required to perform the Services required by this Contract, and that it will perform all Work in a manner commensurate with the highest professional standards. For purposes of this Contract, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

7.4. All Services shall be performed by qualified and experienced personnel who are not employed by City, nor have any contractual relationship with City. By delivery of completed Work, Contractor certifies that the Work conforms to the requirements of this Contract; all applicable federal, state and local laws; and the highest professional standard.

7.5. Contractor represents and warrants to City that it has, shall obtain, and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Contractor to practice its profession. Contractor shall maintain a City of Newport Beach business license during the term of this Agreement.

7.6. Contractor shall not be responsible for delay, nor shall Contractor be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, acts of God, or the failure of City to furnish timely information or to approve or disapprove Contractor's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

## **8. RESPONSIBILITY FOR DAMAGES OR INJURY**

8.1. City and all officers, employees and representatives thereof shall not be responsible in any manner for any loss or damage to any of the materials or other things used or employed in performing the Project or for injury to or death of any person as a result of Contractor's performance of the Work required hereunder; or for damage to property from any cause arising from the performance of the Project by Contractor, or its subcontractors, or its workers, or anyone employed by either of them.

8.2. Contractor shall be responsible for any liability imposed by law and for injuries to or death of any person or damage to property resulting from defects, obstructions or from any cause arising from Contractor's Work on the Project, or the Work of any subcontractor or supplier selected by the Contractor.

8.3. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorney's fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Contract, any Work performed or Services provided under this Contract including, without limitation, defects in workmanship or materials or Contractor's presence or activities conducted on the Project (including the negligent and/or willful acts, errors and/or omissions of Contractor, its principals, officers, agents, employees, vendors, suppliers, subconsultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable for any or all of them).

8.4. Notwithstanding the foregoing, nothing herein shall be construed to require Contractor to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Contract. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Contractor.

8.5. Contractor shall perform all Work in a manner to minimize public inconvenience and possible hazard, to restore other work areas to their original condition and former usefulness as soon as possible, and to protect public and private

property. Contractor shall be liable for any private or public property damaged during the performance of the Project Work.

8.6. To the extent authorized by law, as much of the money due Contractor under and by virtue of the Contract as shall be considered necessary by City may be retained by it until disposition has been made of such suits or claims for damages as aforesaid.

8.7. The rights and obligations set forth in this Section shall survive the termination of this Contract.

## **9. INDEPENDENT CONTRACTOR**

City has retained Contractor as an independent contractor and neither Contractor nor its employees are to be considered employees of the City. The manner and means of conducting the Work are under the control of Contractor, except to the extent they are limited by statute, rule or regulation and the express terms of this Contract. No civil service status or other right of employment shall accrue to Contractor or its employees. Contractor shall have the responsibility for and control over the means of performing the Work, provided that Contractor is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Contractor as to the details of the performance or to exercise a measure of control over Contractor shall mean only that Contractor shall follow the desires of City with respect to the results of the Work.

## **10. COOPERATION**

Contractor agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with the Contractor on the Project.

## **11. CITY POLICY**

Contractor shall discuss and review all matters relating to policy and Project direction with the City's Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

## **12. PROGRESS**

Contractor is responsible for keeping the Project Administrator and/or his/her duly authorized designee informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings have been scheduled or are desired.

## **13. BONDING**

13.1. Contractor shall obtain, provide and maintain at its own expense during the term of this Contract: a Labor and Materials Payment Bond in the amount of one hundred percent (100%) of the total amount to be paid Contractor as set forth in this Contract and in the form attached hereto as Exhibit B which is incorporated herein by

this reference; and a Faithful Performance Bond in the amount of one hundred percent (100%) of the total amount to be paid Contractor as set forth in this Contract in the form attached hereto as Exhibit C which is incorporated herein by this reference.

13.2. The Labor and Materials Payment Bond and Faithful Performance Bond shall be issued by an insurance organization or surety (1) currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, (2) listed as an acceptable surety in the latest revision of the Federal Register Circular 570, and (3) assigned a Policyholders' Rating A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of *Best's Key Rating Guide: Property-Casualty*.

13.3. The Contractor shall deliver, concurrently with execution of this Contract, the Labor and Materials Payment Bond and Faithful Performance Bond, a certified copy of the "Certificate of Authority" of the Insurer or Surety issued by the Insurance Commissioner, which authorizes the Insurer or Surety to transact surety insurance in the State of California.

#### **14. INSURANCE**

Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit D, and incorporated herein by reference.

#### **15. PREVAILING WAGES**

Pursuant to the applicable provisions of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages including legal holidays and overtime Work for each craft or type of workman needed to execute the Work contemplated under the Contract shall be paid to all workmen employed on the Work to be done according to the Contract by the Contractor and any subcontractor. In accordance with the California Labor Code (Sections 1770 *et seq.*), the Director of Industrial Relations has ascertained the general prevailing rate of per diem wages in the locality in which the Work is to be performed for each craft, classification, or type of workman or mechanic needed to execute the Contract. A copy of said determination is available by calling the prevailing wage hotline number **(415) 703-4774**, and requesting one from the Department of Industrial Relations. The Contractor is required to obtain the wage determinations from the Department of Industrial Relations and post at the job site the prevailing rate or per diem wages. It shall be the obligation of the Contractor or any subcontractor under him/her to comply with all State of California labor laws, rules and regulations and the parties agree that the City shall not be liable for any violation thereof.

#### **16. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS**

Except as specifically authorized under this Contract, the Work to be performed under this Contract shall not be assigned, transferred contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and

outstanding capital stock of Contractor, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Contractor is a partnership or joint-venture or syndicate or cotenancy, which shall result in changing the control of Contractor. Control means fifty percent (50%) or more of the voting power, or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

## **17. SUBCONTRACTING**

The subcontractors authorized by the City, if any, to perform the Work on this Project are identified in the Proposal attached hereto as Exhibit B. Contractor shall be fully responsible to City for all acts and omissions of any subcontractors. Nothing in this Contract shall create any contractual relationship between City and subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. The City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and the City. Except as specifically authorized herein, the Work to be performed under this Contract shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

## **18. OWNERSHIP OF DOCUMENTS**

18.1. Each and every report, draft, map, record, plan, document and other writing produced (hereinafter "Documents"), prepared or caused to be prepared by Contractor, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Contractor or any other party. Contractor shall, at Contractor's expense, provide such Documents to City upon prior written request.

18.2. Documents, including drawings and specifications, prepared by Contractor pursuant to this Agreement are not intended or represented to be suitable for reuse by City or others on any other project. Any use of completed Documents for other projects and any use of incomplete Documents without specific written authorization from Contractor will be at City's sole risk and without liability to Contractor. Further, any and all liability arising out of changes made to Contractor's deliverables under this Agreement by City or persons other than Contractor is waived against Contractor and City assumes full responsibility for such changes unless City has given Contractor prior notice and has received from Contractor written consent for such changes.

## **19. RECORDS**

Contractor shall keep records and invoices in connection with the Work to be performed under this Contract. Contractor shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Contractor under this Contract. All such records and invoices shall be clearly identifiable. Contractor shall allow a representative of City to examine, audit and make transcripts or copies of such records

and invoices during regular business hours. Contractor shall allow inspection of all Work, documents, proceedings and activities related to the Contract for a period of three (3) years from the date of final payment to Contractor under this Contract.

## **20. WITHHOLDINGS**

City may withhold payment to Contractor of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Contract. Contractor shall not discontinue Work as a result of such withholding. Contractor shall have an immediate right to appeal to the City Manager or his/her designee with respect to such disputed sums. Contractor shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

## **21. CONFLICTS OF INTEREST**

21.1. The Contractor or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), which (1) requires such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Contract, and (2) prohibits such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

21.2. If subject to the Act, Contractor shall conform to all requirements of the Act. Failure to do so constitutes a material breach and is grounds for immediate termination of this Contract by City. Contractor shall indemnify and hold harmless City for any and all claims for damages resulting from Contractor's violation of this Section.

## **22. NOTICES**

22.1. All notices, demands, requests or approvals to be given under the terms of this Contract shall be given in writing, to City by Contractor and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided. All notices, demands, requests or approvals from Contractor to City shall be addressed to City at:

Attn: Fong Tse, Principal Civil Engineer  
Public Works  
City of Newport Beach  
PO Box 1768  
3300 Newport Blvd.  
Newport Beach, CA 92658-8915  
Phone: (949) 644-3321  
Fax: (949) 644-3308

22.2. All notices, demands, requests or approvals from City to Contractor shall be addressed to Contractor at:

Attn: Rick Pike  
DYNALECTRIC  
4462 Corporate Center Drive  
Los Alamitos, CA 90720  
Phone: (714) 828-7000  
Fax: (714) 484-2389

### **23. NOTICE OF CLAIMS.**

Unless a shorter time is specified elsewhere in this Contract, before making its final request for payment under the Contract Documents, Contractor shall submit to City, in writing, all claims for compensation under or arising out of this Contract. Contractor's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Contract except those previously made in writing and identified by Contractor in writing as unsettled at the time of its final request for payment. The Contractor and the City expressly agree that in addition to all claims filing requirements set forth in the Contract and Contract Documents, the Contractor shall be required to file any claim the Contractor may have against the City in strict conformance with the Tort Claims Act (Govt. Code §§ 900 *et seq.*).

### **24. TERMINATION**

24.1. In the event that either party fails or refuses to perform any of the provisions of this Contract at the time and in the manner required, that party shall be deemed in default in the performance of this Contract. If such default is not cured within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, specifying the nature of such default and the steps necessary to cure such default, the non-defaulting party may terminate the Contract forthwith by giving to the defaulting party written notice thereof.

24.2. Notwithstanding the above provisions, City shall have the right, at its sole discretion and without cause, of terminating this Contract at any time by giving seven (7) calendar days prior written notice to Contractor. In the event of termination under this Section, City shall pay Contractor for Services satisfactorily performed and costs incurred up to the effective date of termination for which Contractor has not been previously paid. On the effective date of termination, Contractor shall deliver to City all materials purchased in performance of this Contract.

### **25. EFFECT OF CONTRACTOR'S EXECUTION**

Execution of this Contract and all other Contract Documents by Contractor is a representation that Contractor has visited the Project Site as defined by the Contract Documents, has become familiar with the local conditions under which the Work is to be

performed, and has correlated all relevant observations with the requirements of the Contract Documents.

## **26. STANDARD PROVISIONS**

26.1. Compliance with all Laws. Contractor shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Contractor shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

26.2. Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

26.3. Integrated Contract. This Contract represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

26.4. Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Contract or any other attachments attached hereto, the terms of this Contract shall govern.

26.5. Interpretation. The terms of this Contract shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of the Contract or any other rule of construction which might otherwise apply.

26.6. Amendments. This Contract may be modified or amended only by a written document executed by both Contractor and City and approved as to form by the City Attorney.

26.7. Severability. If any term or portion of this Contract is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

26.8. Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

26.9. Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex, age or any other impermissible basis under law.

26.10. No Attorney's Fees. In the event of any dispute or legal action arising under this Contractor, the prevailing party shall not be entitled to attorney's fees.

26.11. Counterparts. This Contract may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**[SIGNATURES ON NEXT PAGE]**

IN WITNESS WHEREOF, the parties have caused this Contract to be executed on the dates written below.

APPROVED AS TO FORM:  
CITY ATTORNEY'S OFFICE

Date: 9/21/12

By: [Signature]  
Aaron C. Harp  
City Attorney

CITY OF NEWPORT BEACH,  
A California municipal corporation

Date: \_\_\_\_\_

By: [Signature]  
David A. Webb  
Public Works Director

ATTEST:

Date: 10-24-12

By: [Signature]  
Leilani I. Brown  
City Clerk

CONTRACTOR: KDC, Inc., a California corporation DBA DYNALECTRIC

Date: 9-21-12

By: [Signature]  
William Davenport  
Chief Financial Officer



[END OF SIGNATURES]

- Attachments: Exhibit A – Proposal  
Exhibit B – Labor and Materials Payment Bond  
Exhibit C – Faithful Performance Bond  
Exhibit D – Insurance Requirements

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**EXHIBIT A  
PROPOSAL**



**Dynalectric**

*Transportation Group  
An EMCOR Company*

4462 Corporate Center Drive, Los Alamitos, CA 90720-2539 California Contractors License # 5E0173  
(714) 828-7000 FAX (714) 484-2369  
BID ESTIMATE & SCOPE LETTER

Project:	Newport Beach - Avocado & Farallon	Date:	7/18/2012
		Bid ID#:	0
		Estimator:	Mark Griffin
Attn:		Direct #:	714 484 2354
		Email:	markg@dynalect.com

Item	Description	Qty	Unit Price	Total
1	Traffic Signal Modification @ Avocado & Farallon	1	\$ 38,825.00	\$ 38,825.00

Grand Total: \$ 38,825.00

\*Pricing is firm for 30 days.

Price includes:

Traffic Control for Dyna's Work Only  
Tax  
Bonds and encroachment permit  
4 Loops incl 1 Bike Loop

Price excludes:

Surveying  
Signing, Striping (labor to install most am reg. signs inc.)  
Engineering  
Inspection & Inspection Coets  
Traffic Control Plans and or Fees  
Removal or Remediation of Contaminated Soil  
Weekend, Shift & Night work  
Concrete Removal & Replacement  
AC Removal & Replacement

Qualifications:

Union

**CITY OF NEWPORT BEACH**

**BOND NO. 105825275 (TR), 82320759 (FE)**

**LABOR AND MATERIALS PAYMENT BOND**

WHEREAS, the City of Newport Beach, State of California, has awarded to KDC Inc. dba DYNALLECTRIC hereinafter designated as the "Principal," Contract No. 5197 for the improvement of the AVOCADO AVENUE/FARALLON DRIVE INTERSECTION TRAFFIC SIGNAL in the City of Newport Beach, in strict conformity with the Contract on file with the office of the City Clerk of the City of Newport Beach, which is incorporated herein by this reference.

WHEREAS, Principal has executed or is about to execute the Contract and the terms thereof require the furnishing of a bond, providing that if Principal or any of Principal's subcontractors, shall fail to pay for any materials, provisions, or other supplies used in, upon, for, or about the performance of the work agreed to be done, or for any work or labor done thereon of any kind, the Surety on this bond will pay the same to the extent hereinafter set forth.

NOW, THEREFORE, We the undersigned Principal, and, Travelers Casualty and Surety Company of America & Federal Insurance Company duly authorized to transact business under the laws of the State of California, as Surety, (referred to herein as "Surety") are held and firmly bound unto the City of Newport Beach, in the sum of Forty Two Thousand Seven Hundred Dollars and 00/100 (\$42,700.00) lawful money of the United States of America, said sum being equal to 100% of the estimated amount payable by the City of Newport Beach under the terms of the Contract; for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors, or assigns, jointly and severally, firmly by these present.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal or the Principal's subcontractors, fail to pay for any materials, provisions, or other supplies, implements or machinery used in, upon, for, or about the performance of the work contracted to be done, or for any other work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld and paid over to the Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, then the Surety will pay for the same, in an amount not exceeding the sum specified in this Bond, and also, in case suit is brought to enforce the obligations of this Bond, a reasonable attorney's fee, to be fixed by the Court as required by the provisions of Section 3250 of the Civil Code of the State of California.

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

**EXHIBIT B**

required by and in accordance with the provisions of Sections 3247 *et. seq.* of the Civil Code of the State of California.

And Surety, for value received, hereby stipulates and agrees that no change, extension of time, alterations or additions to the terms of the Contract or to the work to be performed thereunder shall in any wise affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alterations or additions to the terms of the Contract or to the work or to the specifications.

In the event that any principal above named executed this Bond as an individual, it is agreed that the death of any such principal shall not exonerate the Surety from its obligations under this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by the above named Principal and Surety, on the 19th day of September, 2012.

KDC Inc. dba Dynalectric  
4462 Corporate Center Drive, Los Alamitos, CA 90720

**Name of Contractor (Principal)**

Travelers Casualty and Surety Company of  
America & Federal Insurance Company

**Name of Surety**

One Tower Square, Hartford, CT 06183 (TR)  
15 Mountain View Road, Warren, NJ 07059 (FE)

**Address of Surety**

732-321-5600 (TR), 908-903-7923 (FE)

**Telephone**

  
**Authorized Signature/Title**  
WILLIAM B. DAVENPORT, EXEC. VP & CFO

  
**Authorized Agent Signature**

Rita Sagistano, Attorney-In-Fact  
**Print Name and Title**

**NOTARY ACKNOWLEDGMENTS OF CONTRACTOR  
AND SURETY MUST BE ATTACHED**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

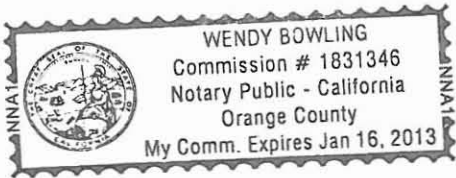
State of California

County of Orange

On 09/21/12 before me, Wendy Bowling, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared William B. Davenport  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Wendy Bowling  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: Labor and Materials Payment Bond

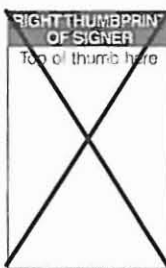
Document Date: 09/19/12 Number of Pages: 2

Signer(s) Other Than Named Above: None

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: William B. Davenport

- Individual
- Corporate Officer — Title(s): Exec VP/CFO
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: KDC Inc.  
dba Dynalectric  
dba KDC Systems

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_



POWER OF ATTORNEY

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

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 225023

Certificate No. 004929175

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Thomas Bean, Rita Sagistano, Gerard S. Macholz, Susan Lupski, Robert T. Pearson, Camille Maitland, George O. Brewster, Colette R. Chisholm, Virginia M. Lovett, and Vincent A. Walsh

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

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 20th day of June, 2012.

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

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

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

On this the 20th day of June, 2012, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.
My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 19th day of September, 20 12.

  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
HARTFORD, CT. 06183**

**ATTORNEY-IN-FACT JUSTIFICATION  
PRINCIPAL'S ACKNOWLEDGMENT — IF A CORPORATION**

State of New York, County of \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known, who, being by me duly sworn, deposes and says: That he/she resides in the City of \_\_\_\_\_; that he/she is the \_\_\_\_\_ of \_\_\_\_\_, the corporation described in and which executed the within instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order.

**PRINCIPAL'S ACKNOWLEDGMENT — IF INDIVIDUAL OR FIRM**

State of New York, County of \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_ to me known to be (the individual) (one of the firm of \_\_\_\_\_) described in and who executed the within instrument, and he/she thereupon duly acknowledged to me that he/she executed the same (as the act and deed of said firm).

**SURETY COMPANY'S ACKNOWLEDGMENT**

State of New York, County of **Nassau** } ss.

On this **19th** day of **September**, 20 **12**, before me personally appeared **Rita Sagistano**, to me known, who, being by me duly sworn, did depose and say: That he/she resides in the City of **Nassau County, NY**; that he/she is Attorney-in-Fact of **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA**, the corporation described in and which executed the within instrument; that he/she knows the corporate seal of said Company; that the seal affixed to said instrument is such corporate seal; and that he/she signed said instrument as Attorney-in-Fact by authority of the Board of Directors of said Company; and affiant did further depose and say that the Superintendent of Insurance of the State of New York has, pursuant to Chapter 882 of the Laws of the State of New York for the year 1939, constituting chapter 28 of the Consolidating Laws of the State of New York as the Insurance Law as amended, issued to **TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA** his/her certificate that said Company is qualified to become and be accepted as surety or guarantor on all bonds, undertakings, recognizances, guaranties, and other obligations required or permitted by law; and that such certificate has not been revoked.

*C. Maitland*  
Notary Public

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
Hartford, Connecticut 06183**

<b>CAMILLE MATLAND</b> <b>NOTARY PUBLIC STATE OF NEW YORK</b> <b>KINGS COUNTY</b> <b>LIC. #01MA6006044</b> <b>COMM. EXP. APRIL 20, 2014</b>
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FINANCIAL STATEMENT AS OF DECEMBER 31, 2011  
AS FILED WITH THE INSURANCE DEPT. OF THE STATE OF NEW YORK  
CAPITAL STOCK \$ 6,480,000

ASSETS	LIABILITIES																																																																														
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Securities carried at \$7,783,110 in the above statement are deposited with public authorities, as required by law



**Chubb  
Surety**

**POWER  
OF  
ATTORNEY**

**Federal Insurance Company  
Vigilant Insurance Company  
Pacific Indemnity Company**

**Attn: Surety Department  
15 Mountain View Road  
Warren, NJ 07059**

**Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Thomas Bean, George O. Brewster, Colette R. Chisholm, Susan Lupski, Gerard S. Macholz, Camille Maitland, Robert T. Pearson, Rita Sagliano of Garden City, New York**

each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than ball bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this 8th day of December, 2010.

Kenneth C. Wendel, Assistant Secretary

David B. Norris, Jr., Vice President

STATE OF NEW JERSEY  
County of Somerset

ss.

On this 8th day of December, 2010 before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR  
NOTARY PUBLIC OF NEW JERSEY  
No. 2316685  
Commission Expires July 16, 2014**

Notary Public

**CERTIFICATION**

Extract from the By-Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 19th day of September, 2012



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903-3493 Fax (908) 903-3656 e-mail: surety@chubb.com

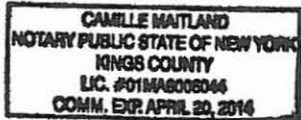
ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF ...New York..... }  
COUNTY OF ...Nassau..... } ss

On this September 19, 2012, before me personally came Rita Sagistano  
to me known, who, being by me duly sworn, did depose and say; that he/she resides in  
Nassau County, State of NY, that he/she is the Attorney-in-Fact of the  
Federal Insurance Company the corporation described in which executed the  
above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is  
such corporate seal; that it was so affixed by the Board of Directors of said corporation; and that he/she signed  
his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of  
Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New  
York, issued to Federal Insurance Company (Surety) his/her certificate of  
qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New  
York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate  
has not been revoked.

*Camille Matland*  
.....  
Notary Public

NY acknowledgement



# FEDERAL INSURANCE COMPANY

## STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2011

(in thousands of dollars)

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
Cash and Short Term Investments.....	\$ 151,942	Outstanding Losses and Loss Expenses .....	\$ 12,300,432
United States Government, State and Municipal Bonds .....	10,312,572	Unearned Premiums.....	3,395,082
Other Bonds.....	4,146,378	Ceded Reinsurance Premiums Payable.....	320,332
Stocks .....	779,367	Provision for Reinsurance .....	80,930
Other Invested Assets.....	1,924,895	Other Liabilities.....	922,290
TOTAL INVESTMENTS .....	<u>17,315,154</u>	TOTAL LIABILITIES .....	<u>17,019,066</u>
Investments in Affiliates:		Special Surplus Funds .....	222,832
Chubb Investment Holdings, Inc. ....	3,212,072	Capital Stock.....	20,980
Pacific Indemnity Company.....	2,440,763	Paid-In Surplus.....	3,106,808
Chubb Insurance Investment Holdings Ltd....	1,237,556	Unassigned Funds .....	10,356,926
Executive Risk Indemnity Inc.....	1,076,901		
CC Canada Holdings Ltd.....	747,660	SURPLUS TO POLICYHOLDERS.....	<u>13,707,546</u>
Great Northern Insurance Company .....	436,665		
Chubb Insurance Company of Australia Limited	404,315		
Chubb European Investment Holdings SLP ..	251,756		
Vigilant Insurance Company.....	233,604		
Other Affiliates .....	409,535		
Premiums Receivable .....	1,470,010	TOTAL LIABILITIES AND SURPLUS	
Other Assets .....	<u>1,490,621</u>	TO POLICYHOLDERS.....	<u>\$ 30,726,612</u>
TOTAL ADMITTED ASSETS .....	<u>\$ 30,726,612</u>		

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.  
Investments with a carrying value of \$431,309,571 are deposited with government authorities as required by law.

State, County & City of New York, — ss:

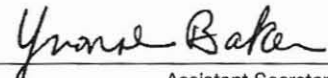
Yvonne Baker, Assistant Secretary \_\_\_\_\_ of the Federal Insurance Company

being duly sworn, deposes and says that the foregoing Statement of Assets, Liabilities and Surplus to Policyholders of said Federal Insurance Company on December 31, 2011 is true and correct and is a true abstract of the Annual Statement of said Company as filed with the Secretary of the Treasury of the United States for the 12 months ending December 31, 2011.

Subscribed and sworn to before me  
this March 31, 2012

  
\_\_\_\_\_  
Notary Public

DOROTHY M. BAKER  
Notary Public, State of New York  
No. 31-4904994  
Qualified in New York County  
Commission Expires Sept. 14, 2013

  
\_\_\_\_\_  
Assistant Secretary

**CITY OF NEWPORT BEACH**

**BOND NO. 105825275 (TR), 82320759 (FE)**

**FAITHFUL PERFORMANCE BOND**

The premium charges on this Bond is \$ 269.00, being at the rate of \$ 6.30 per thousand of the Contract price.

WHEREAS, the City of Newport Beach, State of California, has awarded to KDC Inc. dba DYNALLECTRIC hereinafter designated as the "Principal," Contract No. 5197 for the Improvement of the AVOCADO AVENUE/FARALLON DRIVE INTERSECTION TRAFFIC SIGNAL in the City of Newport Beach, in strict conformity with the Contract on file with the office of the City Clerk of the City of Newport Beach, which is incorporated herein by this reference.

WHEREAS, Principal has executed or is about to execute the Contract and the terms thereof require the furnishing of a Bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the Principal, and Travelers Casualty and Surety Company of America & Federal Insurance Company, duly authorized to transact business under the laws of the State of California as Surety (hereinafter "Surety"), are held and firmly bound unto the City of Newport Beach, in the sum of Forty Two Thousand Seven Hundred Dollars and 00/100 (\$42,700.00) lawful money of the United States of America, said sum being equal to 100% of the estimated amount of the Contract, to be paid to the City of Newport Beach, its successors, and assigns; for which payment well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors, or assigns, jointly and severally, firmly by these present.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal, or the Principal's heirs, executors, administrators, successors, or assigns, fail to abide by, and well and truly keep and perform any or all the work, covenants, conditions, and agreements in the Contract Documents and any alteration thereof made as therein provided on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to its true intent and meaning, or fails to indemnify, defend, and save harmless the City of Newport Beach, its officers, employees and agents, as therein stipulated, then, Surety will faithfully perform the same, in an amount not exceeding the sum specified in this Bond; otherwise this obligation shall become null and void.

As a part of the obligation secured hereby, and in addition to the face amount specified in this Performance Bond, there shall be included costs and reasonable expenses and fees, including reasonable attorneys fees, incurred by the City, only in the event the City is required to bring an action in law or equity against Surety to enforce the obligations of this Bond.

EXHIBIT C

Surety, for value received, stipulates and agrees that no change, extension of time, alterations or additions to the terms of the Contract or to the work to be performed thereunder shall in any way affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alterations or additions of the Contract or to the work or to the specifications.

This Faithful Performance Bond shall be extended and maintained by the Principal in full force and effect for one (1) year following the date of formal acceptance of the Project by the City.

In the event that the Principal executed this bond as an individual, it is agreed that the death of any such Principal shall not exonerate the Surety from its obligations under this Bond.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the 19th day of September, 2012.

KDC Inc. dba Dynalectric  
4462 Corporate Center Drive, Los Alamitos, CA 90720

Name of Contractor (Principal)

Travelers Casualty and Surety Company of  
America & Federal Insurance Company

Name of Surety

One Tower Square, Hartford, CT 06183 (TR)  
15 Mountain View Road, Warren, NJ 07059 (FE)

Address of Surety

732-321-5600 (TR), 908-903-7923 (FE)

Telephone

Authorized Signature/Title

WILLIAM B. DAVENPORT, EXEC. VP & CFO

Authorized Agent Signature

Rita Sagistano, Attorney-In-Fact

Print Name and Title

**NOTARY ACKNOWLEDGMENTS OF  
CONTRACTOR AND SURETY MUST BE ATTACHED**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

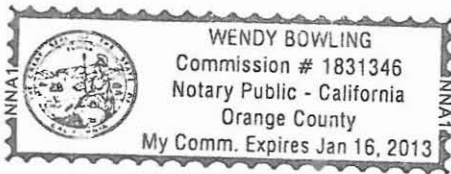
State of California

County of Orange

On 09/21/12 before me, Wendy Bowling, Notary Public  
Date Here Insert Name and Title of the Officer

personally appeared William B. Davenport  
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature Wendy Bowling  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

**Description of Attached Document**

Title or Type of Document: Faithful Performance Bond

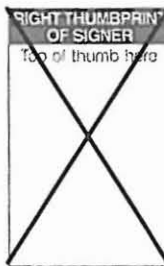
Document Date: 09/19/12 Number of Pages: 2

Signer(s) Other Than Named Above: None

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: William B. Davenport

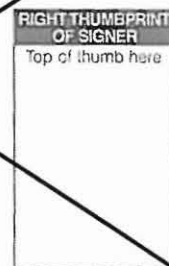
- Individual
- Corporate Officer — Title(s): Exec VP/CFO
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: KDC Inc.  
dba Dynalectric  
dba KDC Systems

Signer's Name: \_\_\_\_\_

- Individual
- Corporate Officer — Title(s): \_\_\_\_\_
- Partner —  Limited  General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: \_\_\_\_\_



Signer Is Representing: \_\_\_\_\_



POWER OF ATTORNEY

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

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company

Attorney-In Fact No. 225023

Certificate No. 004929174

KNOW ALL MEN BY THESE PRESENTS: That St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company and St. Paul Mercury Insurance Company are corporations duly organized under the laws of the State of Minnesota, that Farmington Casualty Company, Travelers Casualty and Surety Company, and Travelers Casualty and Surety Company of America are corporations duly organized under the laws of the State of Connecticut, that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Thomas Bean, Rita Sagistano, Gerard S. Macholz, Susan Lupski, Robert T. Pearson, Camille Maitland, George O. Brewster, Colette R. Chisholm, Virginia M. Lovett, and Vincent A. Walsh

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

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this 20th day of June, 2012.

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

St. Paul Mercury Insurance Company
Travelers Casualty and Surety Company
Travelers Casualty and Surety Company of America
United States Fidelity and Guaranty Company



State of Connecticut
City of Hartford ss.

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

On this the 20th day of June, 2012, before me personally appeared George W. Thompson, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal. My Commission expires the 30th day of June, 2016.



[Signature]
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 19th day of September, 20 12.

  
Kevin E. Hughes, Assistant Secretary



To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at [www.travelersbond.com](http://www.travelersbond.com). Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
HARTFORD, CT. 06183**

**ATTORNEY-IN-FACT JUSTIFICATION  
PRINCIPAL'S ACKNOWLEDGMENT — IF A CORPORATION**

State of New York, County of \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, to me known, who, being by me duly sworn, deposes and says: That he/she resides in the City of \_\_\_\_\_; that he/she is the \_\_\_\_\_ of \_\_\_\_\_, the corporation described in and which executed the within instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he/she signed his/her name thereto by like order.

**PRINCIPAL'S ACKNOWLEDGMENT — IF INDIVIDUAL OR FIRM**

State of New York, County of \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me personally appeared \_\_\_\_\_, known to be (the individual) (one of the firm of \_\_\_\_\_) described in and who executed the within instrument, and he/she thereupon duly acknowledged to me that he/she executed the same (as the act and deed of said firm).

**SURETY COMPANY'S ACKNOWLEDGMENT**

State of New York, County of **Nassau** ) ss.

On this **19th** day of **September**, 20**12**, before me personally appeared **Rita Sagistano**, to me known, who, being by me duly sworn, did depose and say: That he/she resides in the City of **Nassau County, NY**; that he/she is Attorney-in-Fact of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, the corporation described in and which executed the within instrument; that he/she knows the corporate seal of said Company; that the seal affixed to said instrument is such corporate seal; and that he/she signed said instrument as Attorney-in-Fact by authority of the Board of Directors of said Company; and affiant did further depose and say that the Superintendent of Insurance of the State of New York has, pursuant to Chapter 882 of the Laws of the State of New York for the year 1939, constituting chapter 28 of the Consolidating Laws of the State of New York as the Insurance Law as amended, issued to TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA his/her certificate that said Company is qualified to become and be accepted as surety or guarantor on all bonds, undertakings, recognizances, guaranties, and other obligations required or permitted by law; and that such certificate has not been revoked.

*C. Maitland*

Notary Public

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA  
Hartford, Connecticut 06183

<b>CAMILLE MAITLAND</b> NOTARY PUBLIC STATE OF NEW YORK KINGS COUNTY LIC. #01MA6006044 COMM. EXP. APRIL 20, 2014
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FINANCIAL STATEMENT AS OF DECEMBER 31, 2011  
AS FILED WITH THE INSURANCE DEPT. OF THE STATE OF NEW YORK  
CAPITAL STOCK \$ 6,480,000

ASSETS		LIABILITIES	
CASH AND INVESTED CASH	\$ 103,657,622	UNEARNED PREMIUMS	\$ 813,328,906
BONDS	3,525,992,354	LOSSES	937,681,730
INVESTMENT INCOME DUE AND ACCRUED	49,234,241	REINSURANCE PAYABLE ON PAID LOSSES & LOSS ADJ. EXPENSES	2,804,762
OTHER INVESTED ASSETS	249,171,807	LOSS ADJUSTMENT EXPENSES	525,055,953
PREMIUM BALANCES	239,276,662	COMMISSIONS	30,858,691
NET DEFERRED TAX ASSET	87,832,057	TAXES, LICENSES AND FEES	60,276,105
REINSURANCE RECOVERABLE	10,983,463	OTHER EXPENSES	29,866,613
SECURITIES LENDING REINVESTED COLLATERAL ASSETS	7,344,088	FUNDS HELD UNDER REINSURANCE TREATIES	95,031,416
UNDISTRIBUTED PAYMENTS	2,593,967	CURRENT FEDERAL AND FOREIGN INCOME TAXES	49,086,527
OTHER ASSETS	361,289	REMITTANCES AND ITEMS NOT ALLOCATED	18,541,351
		AMOUNTS WITHHELD / RETAINED BY COMPANY FOR OTHERS	31,860,277
		RETROACTIVE REINSURANCE RESERVE ASSUMED	3,152,706
		POLICYHOLDER DIVIDENDS	8,117,549
		PROVISION FOR REINSURANCE	6,397,371
		PAYABLE TO PARENT, SUBSIDIARIES AND AFFILIATES	53,766,609
		PAYABLE FOR SECURITIES	1,249,903
		PAYABLE FOR SECURITIES LENDING	7,344,088
		CEDED REINSURANCE NET PREMIUMS PAYABLE	(71,042,044)
		ESCHEAT LIABILITY	591,943
		OTHER ACCRUED EXPENSES AND LIABILITIES	501,836
		TOTAL LIABILITIES	\$ 2,604,372,282
		CAPITAL STOCK	\$ 6,480,000
		PAID IN SURPLUS	433,803,760
		OTHER SURPLUS	1,211,791,508
		TOTAL SURPLUS TO POLICYHOLDERS	\$ 1,652,075,268
<b>TOTAL ASSETS</b>	<b>\$ 4,256,447,550</b>	<b>TOTAL LIABILITIES &amp; SURPLUS</b>	<b>\$ 4,256,447,550</b>

Securities carried at \$7,783,110 in the above statement are deposited with public authorities, as required by law



**Chubb  
Surety**

**POWER  
OF  
ATTORNEY**

**Federal Insurance Company  
Vigilant Insurance Company  
Pacific Indemnity Company**

**Attn: Surety Department  
15 Mountain View Road  
Warren, NJ 07059**

**Know All by These Presents, That FEDERAL INSURANCE COMPANY, an Indiana corporation, VIGILANT INSURANCE COMPANY, a New York corporation, and PACIFIC INDEMNITY COMPANY, a Wisconsin corporation, do each hereby constitute and appoint Thomas Bean, George O. Brewster, Colette R. Chisholm, Susan Lupski, Gerard S. Macholz, Camille Maitland, Robert T. Pearson, Rita Sagistano of Garden City, New York**

each as their true and lawful Attorney- In- Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY have each executed and attested these presents and affixed their corporate seals on this **8th** day of **December, 2010**.

Kenneth C. Wendel, Assistant Secretary

David B. Norris, Jr., Vice President

STATE OF NEW JERSEY  
County of Somerset

On this **8th** day of **December, 2010** before me, a Notary Public of New Jersey, personally came Kenneth C. Wendel, to me known to be Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY, the companies which executed the foregoing Power of Attorney, and the said Kenneth C. Wendel, being by me duly sworn, did depose and say that he is Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By- Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with David B. Norris, Jr., and knows him to be Vice President of said Companies; and that the signature of David B. Norris, Jr., subscribed to said Power of Attorney is in the genuine handwriting of David B. Norris, Jr., and was thereto subscribed by authority of said By- Laws and in deponent's presence.

Notarial Seal



**KATHERINE J. ADELAAR**  
NOTARY PUBLIC OF NEW JERSEY  
No. 2316685  
Commission Expires July 16, 2014

Notary Public

**CERTIFICATION**

Extract from the By- Laws of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys- in- Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, Kenneth C. Wendel, Assistant Secretary of FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY (the "Companies") do hereby certify that

- (i) the foregoing extract of the By- Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U.S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U.S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this **19th day of September, 2012**



Kenneth C. Wendel, Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY Telephone (908) 903- 3493 Fax (908) 903- 3656  
e-mail: surety@chubb.com

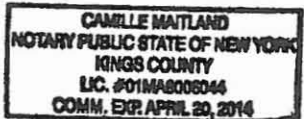
ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF ..New York..... }  
COUNTY OF ...Nassau..... } ss

On this September 19, 2012, before me personally came Rita Sagistano  
to me known, who, being by me duly sworn, did depose and say; that he/she resides in  
Nassau County, State of NY, that he/she is the Attorney-in-Fact of the  
Federal Insurance Company the corporation described in which executed the  
above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is  
such corporate seal; that it was so affixed by the Board of Directors of said corporation; and that he/she signed  
his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of  
Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New  
York, issued to Federal Insurance Company (Surety) his/her certificate of  
qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New  
York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate  
has not been revoked.

*Camille Matland*  
.....  
Notary Public

NY acknowledgement



# FEDERAL INSURANCE COMPANY

## STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

DECEMBER 31, 2011

(in thousands of dollars)

<i>ASSETS</i>		<i>LIABILITIES AND SURPLUS TO POLICYHOLDERS</i>	
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Other Bonds.....	4,146,378	Ceded Reinsurance Premiums Payable.....	320,332
Stocks .....	779,367	Provision for Reinsurance .....	80,930
Other Invested Assets.....	<u>1,924,895</u>	Other Liabilities.....	<u>922,290</u>
TOTAL INVESTMENTS .....	<u>17,315,154</u>	TOTAL LIABILITIES .....	<u>17,019,066</u>
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Chubb Investment Holdings, Inc. ....	3,212,072	Capital Stock .....	20,980
Pacific Indemnity Company.....	2,440,763	Paid-In Surplus.....	3,106,808
Chubb Insurance Investment Holdings Ltd....	1,237,556	Unassigned Funds .....	<u>10,356,926</u>
Executive Risk Indemnity Inc.....	1,076,901		
CC Canada Holdings Ltd.....	747,660	SURPLUS TO POLICYHOLDERS.....	<u>13,707,546</u>
Great Northern Insurance Company .....	436,665		
Chubb Insurance Company of Australia Limited	404,315		
Chubb European Investment Holdings SLP ..	251,756		
Vigilant Insurance Company.....	233,604		
Other Affiliates .....	409,535		
Premiums Receivable .....	1,470,010	TOTAL LIABILITIES AND SURPLUS	
Other Assets .....	<u>1,490,621</u>	TO POLICYHOLDERS.....	<u>\$ 30,726,612</u>
TOTAL ADMITTED ASSETS .....	<u>\$ 30,726,612</u>		

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.  
Investments with a carrying value of \$431,309,571 are deposited with government authorities as required by law.

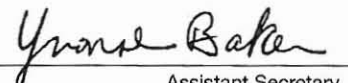
State, County & City of New York, — ss:

Yvonne Baker, Assistant Secretary \_\_\_\_\_ of the Federal Insurance Company  
being duly sworn, deposes and says that the foregoing Statement of Assets, Liabilities and Surplus to Policyholders of said  
Federal Insurance Company on December 31, 2011 is true and correct and is a true abstract of the Annual Statement of said  
Company as filed with the Secretary of the Treasury of the United States for the 12 months ending December 31, 2011.

Subscribed and sworn to before me  
this March 31, 2012

  
\_\_\_\_\_  
Notary Public

DOROTHY M. BAKER  
Notary Public, State of New York  
No. 31-4904994  
Qualified in New York County  
Commission Expires Sept. 14, 2013

  
\_\_\_\_\_  
Assistant Secretary

## EXHIBIT D

### 1. INSURANCE REQUIREMENTS - CONSTRUCTION

1.1 Provision of Insurance. Without limiting Contractor's indemnification of City, and prior to commencement of Work, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Contractor agrees to provide insurance in accordance with requirements set forth here. If Contractor uses existing coverage to comply and that coverage does not meet these requirements, Contractor agrees to amend, supplement or endorse the existing coverage.

1.2 Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

#### 1.3 Coverage Requirements.

1.3.1 Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

1.3.1.1 Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, officials, employees and agents.

1.3.2 General Liability Insurance. Contractor shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate and two million dollars (\$2,000,000) completed operations aggregate. The policy shall cover liability arising from premises, operations, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract) with no endorsement or modification limiting the scope of coverage for liability assumed under a contract.

1.3.3 Automobile Liability Insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit for each accident.

1.3.4 Umbrella or Excess Liability Insurance. Contractor shall obtain and maintain an umbrella or excess liability insurance policy with limits of not less than four million dollars (\$4,000,000) that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability and employer's liability. Such policy or policies shall include the following terms and conditions:

1.3.4.1 A drop down feature requiring the policy to respond in the event that any primary insurance that would otherwise have applied proves to be uncollectable in whole or in part for any reason;

1.3.4.2 Pay on behalf of wording as opposed to reimbursement;

1.3.4.3 Concurrency of effective dates with primary policies; and

1.3.4.4 Policies shall "follow form" to the underlying primary policies.

1.3.4.5 Insureds under primary policies shall also be insureds under the umbrella or excess policies.

1.3.5 Builder's Risk Insurance. For Contracts with property exposures during construction, Contractor shall maintain Builders Risk insurance or an installation floater as directed by City, covering damages to the Work for "all risk" or special causes of loss form with limits equal to one hundred (100%) of the completed value of contract, with coverage to continue until final acceptance of the Work by City. At the discretion of City, the requirement for such coverage may include additional protection for Earthquake and/or Flood. City shall be included as an insured on such policy, and Contractor shall provide the City with a copy of the policy.

1.3.6 Pollution Liability Insurance. Contractor shall maintain a policy providing contractor's pollution liability coverage with a total limit of liability of no less than \$5,000,000 per loss and \$5,000,000 in the aggregate per policy period dedicated to this Project. The CPL shall be obtained on an occurrence basis for a policy term inclusive of the entire period of construction. If all or any portion of CPL coverage is available only on a claims-made basis, then a 10-year extended reporting period shall also be purchased. The CPL policy shall include coverage for cleanup costs, third-party bodily injury and property damage, including loss of use of damaged property or of property that has not been physically injured or destroyed, resulting from pollution conditions caused by contracting operations. Coverage as required in this paragraph shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants. The CPL shall also provide coverage for transportation and off-Site disposal of materials. The policy shall not contain any provision or exclusion (including any so-called "insured versus insured" exclusion or "cross-liability" exclusion) the effect of which would be to prevent, bar, or otherwise preclude any insured or additional insured under the policy from making a claim which would otherwise be covered by such policy on the grounds that the claim is

brought by an insured or additional insured against an insured or additional insured under the policy. [Note: this provision can be waived if there is no known or suspected pollution at the project site. This provision is also not applicable to maintenance and repair contracts unless there is a known pollution risk.]

1.4 Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:

1.4.1 Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subcontractors.

1.4.2 Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, but not including professional liability (if required), shall provide or be endorsed to provide that City and its officers, officials, employees, and agents shall be included as insureds under such policies.

1.4.3 Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.

1.4.4 Notice of Cancellation. All policies shall provide City with thirty (30) days notice of cancellation (except for nonpayment for which ten (10) days notice is required) or nonrenewal of coverage for each required coverage.

1.5 Additional Agreements Between the Parties.

The parties hereby agree to the following:

1.5.1 Evidence of Insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

1.5.2 City's Right to Revise Requirements. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City and Contractor may renegotiate Contractor's compensation.

1.5.3 Right to Review Subcontracts. Contractor agrees that upon request, all agreements with subcontractors or others with whom Contractor enters into contracts with on behalf of City will be submitted to City for review. Failure of City to request copies of such agreements will not impose any liability on City, or its employees.

1.5.4 Enforcement of Contract Provisions. Contractor acknowledges and agrees that any actual or alleged failure on the part of the City to inform Contractor of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

1.5.5 Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type.

1.5.6 Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.

1.5.7 City Remedies for Non Compliance If Contractor or any subcontractor fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this agreement, or to suspend Contractor's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Contractor or reimbursed by Contractor upon demand.

1.5.8 Timely Notice of Claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

1.5.9 Maintenance of General Liability Coverage. Contractor agrees to maintain commercial general liability coverage for a period of ten (10) years after completion of the project or to obtain coverage for completed operations liability for an equivalent period.

1.5.10 Contractor's Insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.

**CERTIFICATE OF INSURANCE  
CHECKLIST**

**City of Newport Beach**

This checklist is comprised of requirements as outlined by the City of Newport Beach. \*

Date Received: 10/4/12 Dept./Contact Received From: Tania  
Date Completed: 10/17/12 Sent to: Tania By: Renee  
Company/Person required to have certificate: KDC, Inc. DBA: Dynalectric  
Type of contract: All other

**I. GENERAL LIABILITY**

- EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13
- A. INSURANCE COMPANY: Continental Casualty Company
- B. AM BEST RATING (A- : VII or greater): A XV
- C. ADMITTED Company (Must be California Admitted):  
Is Company admitted in California?  Yes  No
- D. LIMITS (Must be \$1M or greater): What is limit provided? \$2,000,000 / \$6,000,000
- E. ADDITIONAL INSURED ENDORSEMENT – please attach  Yes  No
- F. PRODUCTS AND COMPLETED OPERATIONS (Must include): Is it included? (completed Operations status does not apply to Waste Haulers or Recreation)  Yes  No
- G. ADDITIONAL INSURED FOR PRODUCTS AND COMPLETED OPERATIONS ENDORSEMENT (completed Operations status does not apply to Waste Haulers)  Yes  No
- H. ADDITIONAL INSURED WORDING TO INCLUDE (The City its officers, officials, employees and volunteers): Is it included?  Yes  No
- I. PRIMARY & NON-CONTRIBUTORY WORDING (Must be included): Is it included?  Yes  No
- J. CAUTION! (Confirm that loss or liability of the named insured is not limited solely by their negligence) Does endorsement include "solely by negligence" wording?  Yes  No
- K. ELECTED SCMAF COVERAGE (RECREATION ONLY):  N/A  Yes  No
- L. NOTICE OF CANCELLATION:  N/A  Yes  No

**II. AUTOMOBILE LIABILITY**

- EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13
- A. INSURANCE COMPANY: Continental Casualty Company
- B. AM BEST RATING (A- : VII or greater) A XV
- C. ADMITTED COMPANY (Must be California Admitted):  
Is Company admitted in California?  Yes  No
- D. LIMITS - If Employees (Must be \$1M min. BI & PD and \$500,000 UM, \$2M min for Waste Haulers): What is limits provided? \$2,000,000
- E. LIMITS Waiver of Auto Insurance / Proof of coverage (if individual) (What is limits provided?) N/A
- F. PRIMARY & NON-CONTRIBUTORY WORDING (For Waste Haulers only):  N/A  Yes  No
- G. HIRED AND NON-OWNED AUTO ONLY:  N/A  Yes  No
- H. NOTICE OF CANCELLATION:  N/A  Yes  No

III. WORKERS' COMPENSATION

EFFECTIVE/EXPIRATION DATE: 10/1/12 to 10/1/13

- A. INSURANCE COMPANY: American Casualty Company of Reading, PA
- B. AM BEST RATING (A- : VII or greater): A XV
- C. ADMITTED Company (Must be California Admitted):  Yes  No
- D. WORKERS' COMPENSATION LIMIT: Statutory  Yes  No
- E. EMPLOYERS' LIABILITY LIMIT (Must be \$1M or greater) \$1,000,000
- F. WAIVER OF SUBROGATION (To include): Is it included?  Yes  No
- G. SIGNED WORKERS' COMPENSATION EXEMPTION FORM:  N/A  Yes  No
- H. NOTICE OF CANCELLATION:  N/A  Yes  No

ADDITIONAL COVERAGES THAT MAYBE REQUIRED

IV. PROFESSIONAL LIABILITY

N/A  Yes  No

V POLLUTION LIABILITY

N/A  Yes  No

V BUILDERS RISK

N/A  Yes  No

**HAVE ALL ABOVE REQUIREMENTS BEEN MET?  
IF NO, WHICH ITEMS NEED TO BE COMPLETED?**

Yes  No

\_\_\_\_\_

Approved:



10/17/12

\_\_\_\_\_  
Agent of Alliant Insurance Services  
Broker of record for the City of Newport Beach

\_\_\_\_\_  
Date

**RISK MANAGEMENT APPROVAL REQUIRED** (Non-admitted carrier rated less than \_\_\_\_;

Self Insured Retention or Deductible greater than \$ \_\_\_\_\_)  N/A  Yes  No

Reason for Risk Management approval/exception/waiver:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Approved:

\_\_\_\_\_  
Risk Management

\_\_\_\_\_  
Date

\* Subject to the terms of the contract.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/15/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. 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).

<b>PRODUCER</b> MARSH USA, INC. 601 MERRITT 7 NORWALK, CT 06856 Attn: Emcor.Certrequest@marsh.com / Fax: 203-229-6787	<b>CONTACT NAME:</b> PHONE (A/C, No., Ext): E-MAIL ADDRESS:		FAX (A/C, No.):
	<b>INSURER(S) AFFORDING COVERAGE</b>		
958870-JWP-KIR-12-13                      ABCDF    312057    X	<b>INSURER A:</b> Continental Casualty Company	<b>NAIC #</b> 20443	
<b>INSURED</b> KDC INC D/B/A DYNALECTRIC 4462 CORPORATE CENTER DRIVE LOS ALAMITOS, CA 90720	<b>INSURER B:</b> American Casualty Company Of Reading, Pa	20427	
	<b>INSURER C:</b> Transportation Insurance Co	20494	
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
<b>INSURER F:</b>			

**COVERAGES**                      **CERTIFICATE NUMBER:** NYC-006468311-07                      **REVISION NUMBER:** 17

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC			GL 2095787039	10/01/2012	10/01/2013	EACH OCCURRENCE	\$ 2,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ 25,000
							PERSONAL & ADV INJURY	\$ 2,000,000
							GENERAL AGGREGATE	\$ 6,000,000
							PRODUCTS - COMP/OP AGG	\$ 14,000,000
								\$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS			BUA 2095787090	10/01/2012	10/01/2013	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
							Auto Physical Damage	\$ Included
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			L 2068208285	10/01/2012	10/01/2013	EACH OCCURRENCE	\$ 5,000,000
							AGGREGATE	\$ 5,000,000
								\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			WC 2095787008 (AOS)	10/01/2012	10/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	
B				WC 2095787011 (CA)	10/01/2012	10/01/2013	E.L. EACH ACCIDENT	\$ 1,000,000
C			N/A	WC 2095787025 (AZ, OR, WI)	10/01/2012	10/01/2013	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 RE: 312057 NEWPORT BEACH CITY HALL SIGNAL  
 ADDITIONAL INSURED UNDER ALL POLICIES (EXCEPT WORKERS COMPENSATION & EMPLOYERS LIABILITY) WHERE REQUIRED BY CONTRACT: CITY OF NEWPORT BEACH ITS OFFICERS, OFFICIALS, EMPLOYEES AND VOLUNTEERS.  
 WAIVER OF SUBROGATION AS REQUIRED BY CONTRACT. COVERAGE PROVIDED TO THE ADDITIONAL INSUREDS IS PRIMARY & NON-CONTRIBUTORY.

**CERTIFICATE HOLDER**

CITY OF NEWPORT BEACH  
 ATTN: MIKE ST. CLAIR  
 3300 NEWPORT BLVD.  
 NEWPORT BEACH, CA 92663

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE  
 of Marsh USA Inc.

Heidi Bauermeister

*Heidi E. Bauermeister*

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**ADDITIONAL REMARKS SCHEDULE**

AGENCY MARSH USA, INC.		NAMED INSURED KDC INC D/B/A DYNALECTRIC 4462 CORPORATE CENTER DRIVE LOS ALAMITOS, CA 90720	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Auto Physical Damage Comp / Coll Deductible \$500

In the event of cancellation or material change that reduces or restricts the insurance afforded by this Coverage Part (other than the reduction of aggregate limits through payment of claims as applicable), Insurer agrees to mail prior written notice of cancellation or material change to: Certificate Holder

Schedule

1. Number of days advance notice: For any statutorily permitted reason other than non-payment of premium, the number of days required for notice of cancellation as provided in paragraph 2 of either the Cancellation Common Policy Conditions or as amended by the applicable state cancellation endorsement is increased to the lesser of 60 days or the number of days required in a written contract.

For non-payment of premium, The greater of (1) the number of days required by state law or (2) the number of days required by written contract.

2. Name:

Notice will be mailed to: Certificate holder

POLICY NUMBER : GL 2095787039  
Carrier: Continental Casualty Co  
Effective date: 10-1-12 to 10-1-13

COMMERCIAL GENERAL LIABILITY  
CG 24 04 05 09

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:**

INSURED: KDC INC. D/B/A DYNALECTRIC  
CERTIFICATE HOLDER: CITY OF NEWPORT BEACH

RE: 312057 NEWPORT BEACH CITY HALL SIGNAL

CITY OF NEWPORT BEACH ITS OFFICERS, OFFICIALS, EMPLOYEES AND VOLUNTEERS.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV - Conditions**:

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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following

**BUSINESS AUTO COVERAGE FORM**  
**BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM**  
**GARAGE COVERAGE FORM**  
**MOTOR CARRIER COVERAGE FORM**  
**TRUCKERS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

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

**Named Insured:** EMCOR Group, Inc.  
**Endorsement Effective Date:** 10-1-12 to 10-1-13

### SCHEDULE

**Name(s) Of Person(s) Or Organization(s):**

INSURED: KDC INC. D/B/A DYNALECTRIC  
CERTIFICATE HOLDER: CITY OF NEWPORT BEACH

RE: 312057 NEWPORT BEACH CITY HALL SIGNAL

CITY OF NEWPORT BEACH ITS OFFICERS, OFFICIALS, EMPLOYEES AND VOLUNTEERS.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.



**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY**

---

**BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS**

This endorsement changes the policy to which it is attached.

It is agreed that **Part One - Workers' Compensation Insurance G. Recovery From Others** and **Part Two - Employers' Liability Insurance H. Recovery From Others** are amended by adding the following

We will not enforce our right to recover against persons or organizations. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

**PREMIUM CHARGE -**

The charge will be an amount to which you and we agree that is a percentage of the total standard premium for California exposure. The amount is 2%.

Carrier: American Casualty Co. of Reading, PA

Policy No: WC 2095787011

Effective date: 10/01/2012-10/01/2013



**POLICY NUMBER: BUA 2095787090**  
**Carrier: Continental Casualty Co**

**Effective date: 10/01/2012-10/01/2013**

**Amendment Other Insurance - Primary and Non-Contributory**

This endorsement modifies insurance provided under the following

BUSINESS AUTO COVERAGE FORM

The following is added to Section IV, Paragraph B.5.C Other Insurance

Regardless of the provisions of Paragraph a. above, this coverage form's liability coverage will be primary to, and non-contributory with, any other insurance available to a person or organization who qualifies as an "insured" pursuant to Paragraph A.1.c. of Who Is An Insured (Section II – Liability Coverage).

This provision is applicable only when required by written contract between you and that person or organization. That written contract must have been entered into prior to "Accident" or "Loss".

**POLICY NUMBER: GL 2095787039**  
**Carrier: Continental Casualty Co**

**Formerly Known as CG 2010 1185**  
**Effective date: 10/01/2012 - 10/01/2013**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS (FORM B)**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**NAME OF PERSON OR ORGANIZATION:**

INSURED: KDC INC. D/B/A DYNALECTRIC  
CERTIFICATE HOLDER: CITY OF NEWPORT BEACH

RE: 312057 NEWPORT BEACH CITY HALL SIGNAL

CITY OF NEWPORT BEACH ITS OFFICERS, OFFICIALS, EMPLOYEES AND VOLUNTEERS.

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

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.



Countersigned by \_\_\_\_\_

Authorized Representative

POLICY NUMBER : BUA 2095787090  
CARRIER : Continental Casualty Co

Business Auto Policy  
Effective date: 10/01/2012-10/01/2013

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **Blanket Additional Insured – As Required By Contract**

This endorsement modifies insurance provided under the following:

### **Business Auto Coverage Form**

#### **Schedule**

Name of person or organization:

Any person or organization for whom you are obligated to provide Business Auto Liability Insurance coverage as an additional insured by contract or agreement.

Paragraph 1. Who is An Insured (Section II – Liability Coverage) is amended to include as an Insured the person or organization show in the schedule, but only with respect to liability arising out of the ownership, maintenance or use of a covered auto.

Our limit of liability for the additional Insured will not exceed the limits of liability of this policy.

The inclusion of more than one insured in this policy will not operate to increase our limit of liability.



POLICY NUMBER: GL 2095787039  
Carrier: Continental Casualty Co  
Effective date: 10-1-12 to 10-1-13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT - OTHER INSURANCE  
PRIMARY AND NON-CONTRIBUTORY**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

Paragraph **a. Primary Insurance of 4. Other Insurance of Section IV- Commercial General Liability** Conditions is deleted and replaced with the following:

**a. Primary Insurance**

This insurance is primary except when Paragraph **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below. However, coverage afforded to an additional insured under the terms of an endorsement attached to this policy is primary insurance and we will not seek contribution from any such additional insured's primary insurance if:

- (1) You have agreed in writing in a contract or agreement that this insurance will be primary and non-contributory, and
- (2) The written contract or written agreement is currently in effect or becomes effective during the policy period and was executed prior to:
  - (a) The "bodily injury" or "property damage";
  - or (b) The offense that caused the "personal and advertising injury" for which the additional insured seeks coverage under this Coverage Part.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
09/19/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. 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).

PRODUCER Arthur J Gallagher Risk Management Services, Inc.  2 Gannett Drive, 3rd Floor  White Plains, NY 10604	CONTACT NAME: Giselle Robinson PHONE (A/C, No, Ext): 914-697-6067 E-MAIL ADDRESS: giselle_robinson@ajg.com	FAX (A/C, No): 914-323-4567
	INSURER(S) AFFORDING COVERAGE INSURER A: LEXINGTON INS CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
INSURED KDC Inc. dba: Dynalectric 4462 Corporate Center Drive  Los Alamitos, CA 90720		

**COVERAGES**

CERTIFICATE NUMBER: 29120283

REVISION NUMBER:

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$	
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$	
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$	
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below						<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$	
A	Contractors Pollution Liability			23462701	07/31/12	07/31/13	Per Claim: 5,000,000 Each Aggregate: 5,000,000	


DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Job No. 312057; Job Name: Newport Beach City Hall Signal; Contract # 5197.

As respects Contractor's Pollution Liability, City of Newport Beach, its officers, officials, employees and agents are agents are included as Additional Insured, where required by written contract (Form LEXDOC).

Retroactive Date: 1/1/1968.

**CERTIFICATE HOLDER****CANCELLATION**

City of Newport Beach  Attn: Mike St. Clair 3300 Newport Boulevard  Newport Beach, CA 92663  USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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**ADDITIONAL REMARKS SCHEDULE**

AGENCY MARSH USA, INC.		NAMED INSURED KDC INC D/B/A DYNALECTRIC 4462 CORPORATE CENTER DRIVE LOS ALAMITOS, CA 90720	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
 FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

Auto Physical Damage Comp / Coll Deductible \$500

In the event of cancellation or material change that reduces or restricts the insurance afforded by this Coverage Part (other than the reduction of aggregate limits through payment of claims as applicable), Insurer agrees to mail prior written notice of cancellation or material change to: Certificate Holder

Schedule

1. Number of days advance notice: For any statutorily permitted reason other than non-payment of premium, the number of days required for notice of cancellation as provided in paragraph 2 of either the Cancellation Common Policy Conditions or as amended by the applicable state cancellation endorsement is increased to the lesser of 60 days or the number of days required in a written contract.

For non-payment of premium, The greater of (1) the number of days required by state law or (2) the number of days required by written contract.

2. Name:

Notice will be mailed to: Certificate holder

POLICY NUMBER: GL 2095786635

Formerly known as 20 10 11 85

Carrier: Continental Casualty Co

Effective date: 10/01/2011 – 10/01/2012

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED — OWNERS, LESSEES OR  
CONTRACTORS (FORM B)**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

**Name of Person or Organization:**

All persons or organizations you are required to by contract to add as an additional insured and the contract requires the use of former ISO endorsement CG 2010 11/85 or its equivalent or products/completed operations coverage.

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

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

This endorsement is part of your policy and takes effect on the effective date of your policy, unless another effective date is shown above.



Countersigned by \_\_\_\_\_

Authorized Representative

POLICY NUMBER:GL 2095786635  
Effective Date: 10-1-11 to 10-1-12  
Carrier: Continental Casualty Company

COMMERCIAL GENERAL LIABILITY  
CG 24 04 05 09

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

**Name Of Person Or Organization:**

Any person or organization with whom you agree under a contract to waive your right to recover against them. You must agree to this waiver prior to the date of loss.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – Conditions:

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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

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

**Named Insured:** EMCOR Group, Inc.

**Endorsement Effective Date:** 10-1-11 to 10-1-12

### **SCHEDULE**

**Name(s) Of Person(s) Or Organization(s):**

ANY PERSON OR ORGANIZATION ON WHOSE BEHALF YOU ARE REQUIRED TO OBTAIN THIS  
WAIVER OF OUR RIGHT TO RECOVER FROM UNDER A CONTRACT OR AGREEMENT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

POLICY NUMBER: BUA 2095786697  
CARRIER: Continental Casualty Co

Business Auto Policy  
Effective date: 10/01/2011-10/01/2012

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **Blanket Additional Insured – As Required By Contract**

This endorsement modifies insurance provided under the following:

Business Auto Coverage Form

Schedule

Name of person or organization:

Any person or organization for whom you are obligated to provide Business Auto Liability Insurance coverage as an additional insured by contract or agreement.

Paragraph 1. Who is An Insured (Section II – Liability Coverage) is amended to include as an insured the person or organization show in the schedule, but only with respect to liability arising out of the ownership, maintenance or use of a covered auto.

Our limit of liability for the additional insured will not exceed the limits of liability of this policy.

The inclusion of more than one insured in this policy will not operate to increase our limit of liability.

This endorsement is part of your policy and takes effect on the effective date of your policy, unless another effective date is shown above.



**WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY**

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**BLANKET WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS**

This endorsement changes the policy to which it is attached.

It is agreed that **Part One – Workers' Compensation Insurance G. Recovery From Others** and **Part Two – Employers' Liability Insurance H. Recovery From Others** are amended by adding the following:

We will not enforce our right to recover against persons or organizations. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

**PREMIUM CHARGE -**

The charge will be an amount to which you and we agree that is a percentage of the total standard premium for California exposure. The amount is 2%.

Carrier: American Casualty Co. of Reading, PA.

Policy no: WC 2095786618

Effective date: 10/01/2011-10/01/2012