

1 **ROAD IMPROVEMENT AGREEMENT FOR WIDENING AND TRAFFIC SIGNAL**
2 **MODIFICATIONS AT COUNTRY CLUB AND CAMERON PARK DRIVE INTERSECTION**
3 **BETWEEN THE COUNTY AND THE DEVELOPER**

4 **THIS AGREEMENT**, made this 9th day of September 2003,
5 by and between the **COUNTY OF EL DORADO**, a political subdivision of the State of California,
6 hereinafter "County", and **SYCAMORE CAMERON PARK, LLC**, hereinafter "Developer",
7 concerning the construction of offsite road improvements at the intersection of Country Club Drive and
8 Cameron Park Drive intersection, hereinafter "Project", in accordance with the improvement plans,
9 entitled **CAMERON PARK COMMERCIAL OFFSITE IMPROVEMENTS PLANS (CARTER &**
10 **BURGESS, INC. PLANS)**, and cost estimates prepared by Carter & Burgess, Inc., Registered Civil
11 Engineer, and approved by Warren R. Pesses, Deputy Director, hereinafter "Deputy", El Dorado County
12 Department of Transportation, hereinafter "Department".

13 The parties agree to the following:

14 **SECTION 1. THE WORK**

15 Developer will, at his own cost and his expense, in a workmanlike manner, faithfully and
16 fully construct or cause to be constructed the improvements to Country Club Drive and Cameron Park
17 Drive Intersection and to perform the requirements of this Agreement in accordance with the plans,
18 change orders, and itemized cost estimate approved by Deputy and hereby made a part of this Agreement
19 for all purposes as fully as if incorporated herein.

20 An itemized account of the estimated cost of said improvements is set forth in Exhibit A,
21 attached hereto and incorporated by reference herein.

22 County will require Developer to make such alterations, deviations, additions to or
23 deletions from the improvements shown and described on the plans, specifications, and cost estimate as
24 may be reasonably deemed by the County Engineer for the Department of Transportation to be necessary
25 or advisable for the proper completion or construction of the whole work contemplated, provided the
26 amount of such changes in the improvements does not exceed ten percent (10%) of the total estimated
27 cost of the improvements.
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1 Developer will, at his own cost and expense, in a workmanlike manner, faithfully and fully
2 construct or cause to be constructed the improvements as delineated in Exhibit A.

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4 **SECTION 2. TRAFFIC CONTROL**

5 A Traffic Control Plan shall be prepared by a Registered Civil Engineer and submitted to
6 the Department of Transportation for review and approval prior to the start work on the
7 Country Club Drive and Cameron Park Drive Intersection portion of the Improvement Plans.

8 The Traffic Control Plan shall address access to adjacent properties and the safe and
9 convenient passage of public traffic through the work area. Road closure will not be permitted, and two
10 (2) lanes of traffic must be open at the end of each working day. The Plan shall include proposed
11 flagging, signage, protective barriers, and limits on excavation within four (4) feet of the travel ways
12 open to traffic. The Plan shall also include the proposed staging of the improvements.

13 **SECTION 3. TIME**

14 Developer shall cause the commencement of items of work after receiving a notice to
15 proceed from the Department and shall complete the project no later than **17 June 2004** subject to
16 extensions for delays not within the control of Developer. Construction activities shall be between 7:00
17 a.m. and 7:00 p.m., Monday through Friday; and 9:00 a.m. and 5:00 p.m. on Saturday.

18 **SECTION 4. WARRANTY**

19 Developer warrants the materials and workmanship utilized on this Project for a period of
20 one (1) year and shall make such replacements and repairs during such one (1) year period, at his sole
21 cost and expense, as are necessary due to defects. County will retain a portion of the security posted in
22 the amount of ten percent (10%) of the Performance Bond for one (1) year following acceptance of the
23 work by the County to secure the repair of any hidden defects in workmanship or materials which may
24 appear.

25 **SECTION 5. PERFORMANCE BOND**

26 The Developer shall deliver to the Department, a performance bond issued by the
27 Developer's surety company, acceptable to the County, naming the County as obligee, in the sum of
28 **Four Hundred Thirty Three Thousand Five Hundred Six (\$433,506.00)** respectively, based on one

1 hundred percent (100%) of the improvement costs agreed to be performed herein, 100% of the erosion
2 control cost, and 100% of project administration, staking, and contingency conditioned upon the
3 faithful performance of this Agreement on or before the completion date specified above, and in the form
4 approved by County Counsel and County. Such a bond is a condition precedent of Count entering into
5 this Agreement. Other sureties may be used upon request and approval.

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7 **SECTION 6. INDEMNIFICATION**

8 To the fullest extent allowed by law, Developer shall defend, indemnify and hold the
9 County harmless against and from any and all claims, suits, losses, damages, and liability for damages of
10 every name, kind, and description, including attorneys' fees and costs incurred, brought for, or on
11 account of, injuries to or death of any person including but not limited to workers, County employees,
12 and the public, or damage to property, or any economic or consequential losses, which are claimed to or
13 in any way arise out of or are connected with the Developer's work, operation, construction of the
14 improvements, or performance of this Agreement, regardless of the existence or degree of fault or
15 negligence on the part of the County, the Developer, any Contractor(s), Subcontractor(s), and
16 employee(s) of any of these, except for the sole or active negligence of the County, its officers and
17 employees, or as expressly prescribed by statute. This duty of Developer to indemnify and hold the
18 County harmless includes the duties to defend set forth in California Civil Code Section 2778.

19 This duty to indemnify is separate and apart from the insurance requirements and shall not
20 be limited thereto.

21 **SECTION 7. ATTORNEY FEES**

22 Developer shall pay costs and reasonable attorney fees should County be required
23 to commence an action to enforce the provisions of this Agreement or in enforcing the security
24 obligations provided herein.

25 **SECTION 8. INSURANCE**

26 **GENERAL INSURANCE REQUIREMENTS:** Developer shall provide proof of a policy of insurance
27 satisfactory to the El Dorado County Risk Manager and documentation evidencing that Developer
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1 maintains insurance that meets the following requirements. In lieu of this requirement, Developer may
2 have Contractor provide proof of a policy of insurance satisfactory to the El Dorado County Risk
3 Manager and documentation evidencing that Contractor maintains said insurance so long as Contractor's
4 insurance meets these same requirements and standards, and subject to Contractor assuming the same
5 obligations as Developer as follows:

- 6 1. Full Workers' Compensation and Employers' Liability Insurance covering all
7 employees performing work under this Agreement as required by law in the State of
8 California.
- 9 2. Commercial General Liability Insurance of not less than Two Million Dollars (\$2,000,000)
10 combined single limit per occurrence for bodily injury and property damage, including but not
11 limited to endorsements for the following coverage: Premises, personal injury, operations,
12 products and completed operations, blanket contractual, and independent contractors liability.
- 13 3. Automobile Liability Insurance of not less than One Million Dollars (\$1,000,000) is required
14 in the event motor vehicles are used by the Developer in performance of the Agreement.
- 15 4. In the event Developer or his agent(s) are licensed professional(s) and are performing
16 professional services under this contract, professional liability insurance is required, with a
17 limit of liability of not less than One Million Dollars (\$1,000,000) per occurrence.
- 18 5. Explosion, Collapse, and Underground (XCU) coverage is required when the scope of work
19 includes XCU exposure.

20 **PROOF OF INSURANCE REQUIREMENTS:**

- 21 1. Developer shall furnish proof of coverage satisfactory to the El Dorado County Risk
22 Manager as evidence that the insured required herein is being maintained. The insurance
23 will be issued by an insurance company acceptable to the Risk Manager, or be provided
24 through partial or total self-insurance likewise acceptable to the Risk Manager.
- 25 2. The County of El Dorado, its officers, officials, employees, and volunteers are
26 included as additional insured, but only insofar as the operations under this Agreement
27 are concerned. This provision shall apply to all liability policies except Workers'
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1 Compensation and Professional Liability insurance policies. Proof that the County is
2 named additional insured shall be made by providing the Risk Manager with a certified
3 copy, or other acceptable evidence, of an endorsement to insurance policy naming the
4 County an additional insured.

5 3. In the event Developer cannot provide an occurrence policy, Developer shall provide
6 insurance covering claims made as a result of performance of this Agreement for not less
7 than three (3) years following completion of performance of this Agreement.

8 4. Any deductibles or self-insured retentions must be declared to and approved by the County.
9 At the option of the County, either: the insurer shall reduce or eliminate such deductibles or
10 self-insured retentions as respects to the County, its officers, officials, employees, and
11 volunteers; or Developer shall procure a bond guaranteeing payment of losses and related
12 investigations, claim administration, and defense expenses.

13 **INSURANCE NOTIFICATION REQUIREMENTS:**

14 1. The insurance required herein shall provide that no cancellation or material change in any
15 policy shall become effective except upon thirty (30) days prior written notice to the County
16 of El Dorado at the office of the Department of Transportation, 2850 Fairlane Court,
17 Placerville, CA 95667.

18 2. Developer agrees that the insurance required herein shall be in effect at all times during
19 the term of this Agreement. In the event said insurance coverage expires at any time or
20 times during the term of this Agreement, Developer agrees to provide at least thirty (30)
21 days prior to said expiration date, a new certificate of insurance evidencing insurance
22 coverage as provided for herein for not less than the remainder of the term of the
23 Agreement, or for a period of not less than one (1) year (for an occurrence policy) or
24 three (3) years (for a claims made policy). New certificates of insurance are subject to
25 the approval of the Risk Manager.
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1 **ADDITIONAL STANDARDS:** Certificate shall meet such additional standards as may be
2 determined by the contracting County Department, either independently or in consultation with the Risk
3 Manager, as essential for protection of the County.

4 **COMMENCEMENT OF PERFORMANCE:** Developer shall not commence performance of this
5 Agreement unless and until compliance with each and every requirement of the insurance policy is
6 achieved.

7 **MATERIAL BREACH:** Failure of Developer to maintain the insurance required herein, or to comply
8 with any of the requirements of the insurance provisions, shall constitute a material breach of the entire
9 Agreement.

10 **REPORTING PROVISIONS:** Any failure to comply with the reporting provisions of the policies shall
11 not affect coverage provided to the County, its officers, officials, employees, or volunteers.

12 **PRIMARY COVERAGE:** Developer's insurance coverage shall be primary insurance as respects the
13 County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by
14 the County, its officers, officials, employees, or volunteers shall be excess of the Developer's insurance
15 and shall not contribute with it.

16 **PREMIUM PAYMENTS:** The insurance companies shall have no recourse against the County
17 of El Dorado, its officers, agents, employees, or any of them for payment of any premiums or
18 assessments under any policy issued by any insurance company.

19 **DEVELOPER'S OBLIGATIONS:** Developer's indemnity and other obligations shall not be limited
20 by the insurance required herein and shall survive the expiration of this Agreement.

21 **GOVERNING PRECEDENCE:** To the extent that this Section 8, "Contractor's Insurance", is
22 inconsistent with 7-1.12, "Responsibility for Damage", of the State of California, Department of
23 Transportation, Caltrans, Standard Specifications, July, 1992, this Article shall govern; otherwise each
24 and every provisions of such Section 7-1.12 shall be applicable to this Agreement.

25 **SECTION 9. RESPONSIBILITY OF ENGINEER**

26 Developer shall employ an engineer to administer the construction which includes, but is
27 not limited to, construction staking, preparing and approving change orders, and keeping abreast of
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1 the various construction activities. The Department shall be notified in advance of terminating
2 the services of the engineer. Stakes or marks shall be set by the engineer in accordance with
3 the requirements of the Department in order to complete the work as specified in this Agreement.
4 Changes in the work shall be described by change orders, drawings, and written description which
5 shall be prepared by the engineer and approved by the Department.

6 **SECTION 10. INSPECTION**

7 Construction inspection and material testing in accordance with the State of California,
8 Department of Transportation, Standard Specifications, 1992 Edition, will be performed by an authorized
9 representative of the Department. All testing shall be accomplished to the reasonable satisfaction of the
10 Department.

11 **SECTION 11. RECORD DRAWINGS**

12 Developer shall have an engineer prepare Record Drawings describing the finished work.
13 The Record Drawings shall be submitted to the Department at the completion of the work.

14 **SECTION 12. FEES**

15 The Developer shall pay all fees in accordance with the County Community
16 Development Services fee schedule, including but not limited to application, plan checking, construction
17 oversight, inspection, administration and acceptance of the work by the County.

18 **SECTION 13. PUBLIC UTILITIES**

19 Developer shall investigate and determine if existing public and private utilities conflict
20 with the construction of the project. Developer shall make all necessary arrangements with the owners
21 of such utilities for their protection, relocation, or removal. Developer shall pay all costs of protection,
22 relocation, or removal of utilities.

23 **SECTION 14. RIGHT-OF-WAY CLEARANCE**

24 Developer shall obtain fee title for right-of-way purpose for the Project and arrange to
25 have ownership of such land granted to the County (Irrevocable Offer of Dedication) with a definite and
26 certain legal description. (Easements may be provided in lieu of fee title when acceptable to the
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1 County.) Said right-of-way and slope easements shall be sufficient to accommodate all cuts, fills,
2 and appurtenances which are included in the project and are to be accepted for maintenance by County.

3 A Record of Survey, the purpose of which is to show the right-of-way acquired and granted to
4 County, shall be obtained by the Developer and filed with the County Surveyor of County
5 upon completion of the right-of-way acquisition. The Record of Survey shall show all new property
6 lines and monuments for the tracts granted to County. Monuments will be of the type and
7 placed in locations required by the Deputy in accordance with the Land Surveyors' Act. Developer
8 shall obtain agreements of entry from adjacent property owners of any work that will be performed
9 outside County road right-of-way, such as grading existing driveways to conform with new road grades.

10 **SECTION 15. ADMINISTRATION AND ACCEPTANCE**

11 The County Officer or employee with the responsibility for administering this Agreement
12 is the Director, El Dorado County Department of Transportation or his successor. Upon completion of
13 the project and upon receipt by the Board of Supervisors of County of a certification from the
14 Department that all work has been completed and the conditions of this Agreement fulfilled, the Board
15 of Supervisors will accept the road improvements on Country Club Drive and Cameron Park Drive
16 Intersection for maintenance.

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18 The County shall be entitled to costs and expense incurred by the County for Construction
19 oversight, inspection, administration and acceptance of the work in accordance with this agreement.

20 (CONTINUED ON NEXT PAGE)

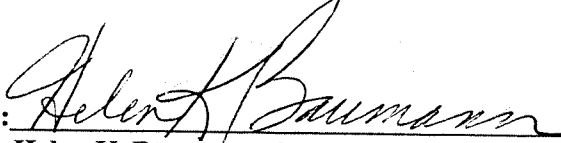
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SECTION 16. THE PROJECT

Developer is constructing and completing the project to provide operational and capacity improvements to Country Club Drive and Cameron Park Drive Intersection as a condition of approval for the Cameron Park Commercial Development, (APN 109-201, 02, 03, & 04) and is acting as an independent agent and not an agent of County.

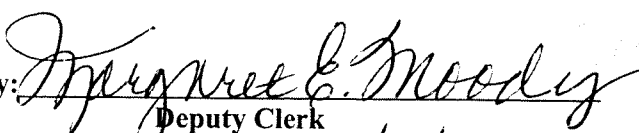
IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereinbefore named the day and year first above written.

COUNTY OF EL DORADO

By: 
Helen K. Baumann, Chair
BOARD OF SUPERVISORS 9/9/03


ATTEST

DIXIE L. FOOTE, Clerk of the Board of Supervisors

By: 
Deputy Clerk
9/9/03

SYCAMORE CAMERON PARK, LLC

By: Mark Engstrom
Developer

By: 
Mark Engstrom

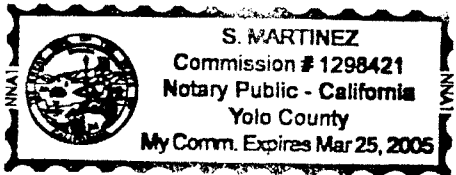
1 STATE OF CALIFORNIA)
2 COUNTY OF _____)

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4 On this 17 day of July 2003, before me, S. Martinez
_____, a Notary Public, personally appeared Mark Engstrom

5 _____, personally known to me (or proved to
6 me on the basis of satisfactory evidence) to be the person(s) whose name is/are subscribed to the within
7 instrument, and acknowledged 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.

8 WITNESS my hand and official seal.

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S. Martinez

Notary Public in and for said County and State
Address of Owner:
840 Jefferson Blvd
West Sacramento, Ca 95691

16 STATE OF CALIFORNIA)
17 COUNTY OF _____)

18 On this _____ day of _____, 200_, before me, _____
19 _____, a Notary Public, personally appeared _____

20 _____, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose
21 name is/are subscribed to the within instrument, and acknowledged that he/she/they executed the same in
22 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.

23 WITNESS my hand and official seal.

Notary Public in and for said County and State
Address of Owner:

ENGINEER'S ESTIMATE
(Country Club Drive Widening - Sycamore Cameron Park LLC)

Exhibit A
Page 1 of 3

Measurement and Payment for this work shall be as follows:					
Item	Description	Quantity	Units	UNIT PRICE	TOTAL
1	Roadway Excavation	384	CY	\$38.50	\$14,784
2	Aggregate Base	151	CY	\$115.00	\$17,365
3	Asphalt Concrete Pavement	163	TN	\$140.00	\$22,820
4	Cold Plane Asphalt Concrete (2 in.)	400	SY	\$10.00	\$4,000
5	Curb & Gutter	232	LF	\$32.00	\$7,424
6	Sidewalk	1,044	SF	\$8.00	\$8,352
7	Landscape and Irrigation Treatment	1,125	SF	\$7.75	\$8,719
8	Storm Drain, 12" Plastic Pipe	260	LF	\$65.00	\$16,900
9	Drain Inlet	1	EA	\$2,500.00	\$2,500
10	Drainage Manhole	1	EA	\$4,500.00	\$4,500
11	Right-of-Acquisition (Northside Widening Only)	2,035	sf	\$10.00	\$20,350
	Total Direct Cost				\$127,714
	Project Indirect Costs				
	Contractor Bonds				\$868
	Construction Management (3%)				\$3,831
	Construction Staking (4%)				\$5,109
	Contingency (30%)				\$38,314
	FINAL COST				\$175,836

File: P333136/10x/Coof/Estimates: Engineers Estimate Country Club Drive Widening.xls

Approved for Amount
CA Coleman Sr. Civil Engineer
Dr. Susan Dyer 7/14/03

ENGINEER'S ESTIMATE
(Cameron Park Drive Widening - Marshal Medical)

Exhibit B
Page 2 of 3

Measurement and Payment for this work shall be as follows:					
Item	Description	Quantity	Units	UNIT PRICE	TOTAL
1	Remove & Salvage Existing Cobble Stones	1,107	CY	\$8.50	\$9,410
2	Remove Existing Stormdrains	170	LF	\$6.00	\$1,020
3	Roadway Excavation	270	CY	\$38.50	\$10,395
4	Aggregate Base	106	CY	\$115.00	\$12,190
5	Asphalt Concrete Pavement	82	TN	\$140.00	\$11,480
6	Curb & Gutter	181	LF	\$32.00	\$5,792
7	Landscape and Irrigation Treatment	2,304	SF	\$7.75	\$17,856
8	Storm Drain, 30" Reinforced Concrete Pipe	60	LF	\$125.00	\$7,500
	Total Direct Cost				\$75,643
	Project Indirect Costs				
	Contractor Bonds				\$514
	Job Bond				\$461
	Insurance				\$961
	Contingency (20%)				\$15,129
	FINAL COST				\$92,707

File: P\333136\10x\Cost Estimates: Engineers Estimate Cameron Park Widening.xls

Approved For Bidding
CA Cochran Sr. CIVIL ENGINEER
Dr. Sweig, DSI 7/14/03

ENGINEER'S ESTIMATE

Cameron Park/Country Club Drive Common Area of Work
(Marshal Medical and Sycamore Cameron Park LLC)

Exhibit C

Page 3 of 3

Measurement and Payment for this work shall be as follows:					
Item	Description	Quantity	Units	UNIT PRICE	TOTAL
1	Remove & Salvage Traffic Signs	1	LS	\$2,000.00	\$2,000
2	Remove Existing Stormdrains	80	LF	\$10.00	\$800
3	Roadway Excavation	84	CY	\$38.50	\$3,234
4	Traffic Control	1	LS	\$10,000.00	\$10,000
5	Aggregate Base	98	CY	\$115.00	\$11,270
6	Asphalt Concrete Pavement	84	TN	\$140.00	\$11,760
7	Curb & Gutter	70	LF	\$32.00	\$2,240
8	Sidewalk	274	SF	\$8.00	\$2,192
9	Landscape and Irrigation Treatment	980	SF	\$7.75	\$7,595
10	Storm Drain, 30" Reinforced Concrete Pipe	90	LF	\$125.00	\$11,250
11	Drain Inlets	2	EA	\$2,500.00	\$5,000
12	Signage and Stripping	1	LS	\$5,600.00	\$5,600
13	Traffic Signal & Lighting	1	LS	\$37,250.00	\$37,250
14	Miscellaneous Electrical	1	LS	\$1,625.00	\$1,625
15	Mobilization	1	LS	\$8,000.00	\$8,000
	Total Direct Cost				\$119,816
	Project Indirect Costs				
	Contractor Bonds				\$815
	Construction Management (3%)				\$3,594
	Construction Staking (4%)				\$4,793
	Contingency (30%)				\$35,945
	FINAL COST				\$164,963

File: P\333136\10x\Cost Estimates: Engineers Estimate Common Area Widening.xls

Amount For Bonding
 CA Coleen in civil engineer
 Dev. Sus DOT 7/14/09

County of El Dorado, State of California
Department of Transportation

Copy

PERFORMANCE BOND

Bond No. SW3352

KNOW ALL MEN BY THESE PRESENT, that we,
S.D. DEACON CORP. OF CALIFORNIA

the Developer in the Agreement hereto annexed, as Principal, and ST. PAUL FIRE AND MARINE INSURANCE COMPANY
as Surety, are held firmly bound unto the County of El Dorado, a Political Subdivision of the State of California, hereinafter called the
"Obligee" in the sum of FOUR HUNDRED THIRTY THREE THOUSAND FIVE HUNDRED SIX AND NO/100THS DOLLARS
(\$433,506.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, jointly and
severally, firmly by these present.

The condition of the above obligation is that if said Principal as Developer in the Agreement hereto annexed shall faithfully perform each and all of the
conditions of said Agreement to be performed by him, and shall furnish all tools, equipment, apparatus, facilities, transportation, labor and material, other
than material, if any, agreed to be furnished by the Obligee, necessary to perform and complete, and to perform and complete in a good and workmanlike
manner, the work of in strict conformity with the terms and conditions set forth in the Agreement hereto annexed, then this obligation shall be null and void;
otherwise bond shall remain in full force and effect and the said Surety will complete the work under its own supervision, by Contract or otherwise, and pay
all costs thereof for the balance due under terms of the Agreement, and the said Surety, for value received, hereby stipulates and agrees that no change,
extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder shall in any wise affect its obligation on this
bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit,
including a reasonable attorney's fee to be fixed by the court.

This guarantee shall insure the Obligee during the work required by any Agreement and for a period of one (1) year from the date of acceptance of the work
against faulty or improper materials or workmanship that may be discovered during that time.

No right of action shall accrue under this bond to or for the use of any person other than the Obligee named herein.

Dated: July 17, 2003.

Correspondence or Claims relating to this bond should be sent
to the Surety at the following address:

580 California Street
San Francisco, CA 94104

S.D. DEACON CORP. OF CALIFORNIA

By *[Signature]* Principal
Richard G. Smith, President

ST. PAUL FIRE AND MARINE INSURANCE COMPANY

By *[Signature]* Surety
Cynthia L. Lewis, Attorney in Fact

NOTE: Signatures of those executing for the surety must be properly acknowledged, and a Power of Attorney attached.

CERTIFICATE OF ACKNOWLEDGMENT

State of California
County of _____ SS

On this _____ day of _____ in the year 20____, before me _____, personally
appeared _____, personally known to be (or proved to me on the basis of satisfactory
evidence) to be the person whose name is subscribed to this instrument as the attorney in fact of
_____, and acknowledged to me that he subscribed the name of the said
company thereto as surety, and his own name as attorney-in-fact.

(SEAL)

Notary Public

Released 4/6/05

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Francisco

On July 17, 2003 before me M. Moody, Notary Public

personally appeared-----Cynthia L. Lewis-----

personally known to me - OR -

proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.



WITNESS my hand and official seal.

M. Moody

Signature of Notary

StPaul Surety

St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company
Seaboard Surety Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.
St. Paul Medical Liability Insurance Company

Bond No. SW3352

**RIDER CONTAINING
DISCLOSURE NOTICE OF TERRORISM COVERAGE**

This disclosure notice is required by the Terrorism Risk Insurance Act of 2002 (the "Act"). No action is required on your part. This Disclosure Notice is incorporated in and a part of the attached bond, and is effective the date of the bond.

You should know that, effective November 26, 2002, any losses covered by the attached bond that are caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by the Act. Under this formula, the United States reimburses 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

Under the Act, there is a cap on our liability to pay for covered terrorism losses if the aggregate amount of insured losses under the Act exceeds \$100,000,000,000 during the applicable period for all insureds and all insurers combined. In that case, we will not be liable for the payment of any amount which exceeds that aggregate amount of \$100,000,000,000.

The portion of your premium that is attributable to coverage for acts of terrorism is **\$0.00.**

IMPORTANT NOTE: THE COST OF TERRORISM COVERAGE IS SUBJECT TO CHANGE ON ANY BONDS THAT PREMIUM IS CHARGED ANNUALLY.

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.

Power of Attorney No. 23563

Certificate No. 1715177

KNOW ALL MEN BY THESE PRESENTS: That Seaboard Surety Company is a corporation duly organized under the laws of the State of New York, and 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, and that United States Fidelity and Guaranty Company is a corporation duly organized under the laws of the State of Maryland, and 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

Susan Hecker, Janet C. Rojo, Swan Lee, Cynthia L. Lewis, Maureen O'Connell, Steven N. Passerine, Laura L. Plaisant, Betty L. Tolentino, Antoinette D. Mitchell, M. Moody, and Peter D. Holley

of the City of San Francisco, State California, their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety to, and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments 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 sealed this 20th day of March, 2003.

Seaboard Surety Company
St. Paul Fire and Marine Insurance Company
St. Paul Guardian Insurance Company
St. Paul Mercury Insurance Company

United States Fidelity and Guaranty Company
Fidelity and Guaranty Insurance Company
Fidelity and Guaranty Insurance Underwriters, Inc.



PETER W. CARMAN, Vice President

THOMAS E. HUIBREGTSE, Assistant Secretary

State of Maryland
City of Baltimore

On this 20th day of March, 2003, before me, the undersigned officer, personally appeared Peter W. Carman and Thomas E. Huihregtse, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Seaboard Surety Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, United States Fidelity and Guaranty Company, Fidelity and Guaranty Insurance Company, and Fidelity and Guaranty Insurance Underwriters, Inc.; and that the seals affixed to the foregoing instrument are the corporate seals of said Companies; and that they, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the names of the corporations by themselves as duly authorized officers.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 1st day of July, 2006.



Rebecca Easley-Onokala

REBECCA EASLEY-ONOKALA, Notary Public