

Los Angeles Unified School District

Facilities Services Division Facilities Construction Contracts

DAVID L. BRWER III
Superintendent of Schools

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Chief Facilities Executive
Facilities Services Division

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Facilities Contracts

January 25, 2008

FAXED
Fax No. (818) 363-9538

ENTERPRISE PAINTING / DECORATING

11210 Haskell Avenue
Granada Hills, CA 91344
Attn.: Carlos Gomez, Owner

NOTICE OF AWARD – COMPLETION CONTRACT

Contract No.: 0610249C
Project: Mark Twain Middle School (33A07543)
Project Description: Paint & Refinish the Exterior & Masonry Stucco of the School Buildings
& Appurtenant Structures
Contract Amount: \$198,000.00
Contract Duration: 210 Calendar Days

This is your notice that you have been awarded the contract for the above-referenced project on January 25, 2008, hereby Defined as the **EFFECTIVE DATE OF THE COMPLETION CONTRACT**.

Attached is your copy of the executed contract documents.

If you have any questions, please contact your project Owner Authorized Representative (OAR), Daniel Sabedra, at (213) 346-2163.

Sincerely,


CHRISTY GUZMAN
Contract Administration Analyst

CG/mg

c: T. Dillon
M. Fall
M. Maxwell
W. Balugon
D. Sabedra
Inspection Section
Dan Sloan, Parsons
Robert Reider, OCIP
Universal Reprographics, Inc. (URI)
AON
File – 0610249C

COMPLETION CONTRACT

THIS COMPLETION CONTRACT (the "Contract") is entered into this 25th day of January, 2008 by and between **LOS ANGELES UNIFIED SCHOOL DISTRICT** (the "Owner") and **ENTERPRISE PAINTING/DECORATING** (the "Completion Contractor").

RECITALS:

WHEREAS, Ladera Construction Co. (the "Former Contractor") and The Los Angeles Unified School District (the "Owner") entered into a contract (the "Original Contract") for the Former Contractor to furnish all labor and material and perform all work for the Mark Twain Middle School to complete the Painting and Refinishing the Exterior and Masonry Stucco of the School Buildings and Appurtenant Structures (Project Number 33.07543, referred to as the "Project") in accordance with the terms and provisions of the Original Contract, including all contract documents forming a part of the Original Contract (The Original Contract was numbered 0610249.);

WHEREAS, Former Contractor is in default of the Original Contract, has been removed from the Project by the Owner, and the Owner has terminated the Former Contractor's right to proceed;

WHEREAS, the parties to this Contract intend for Completion Contractor to complete all of the work required by the Original Contract for the Project. In exchange for Completion Contractor's performance under this Contract, Owner agrees to make payment to Completion Contractor as required by this Contract; and,

WHEREAS, the Owner and the Completion Contractor desire to enter into this Contract under the terms and conditions hereinafter set forth.

NOW, THEREFORE, the Owner and the Completion Contractor, for and in consideration of the mutual obligations and promises hereinafter set forth, do contract and agree as follows:

AGREEMENTS:

1. **Contract Documents.** This Contract consists of the terms and provisions contained herein; all documents or specific portions of documents which may be referred to herein or in any Exhibits attached hereto and incorporated herein by reference, thereby making them a part hereof; and the Original Contract, including all General, Supplementary and Special Conditions, drawings, specifications, forms, addenda and documents forming a part of the Original Contract; and any modifications to the Original Contract, all of which are incorporated herein by reference and which are hereinafter referred to collectively as the "Contract Documents."

2. **Strict Compliance.** Except as otherwise provided for herein, the Completion Contractor shall be bound to the Owner by all of the terms and provisions of the Original Contract Documents shall strictly comply therewith. Furthermore, except as otherwise provided herein, the Completion Contractor shall be bound in the same manner and to the same extent that the Former Contractor would be bound to the Owner under the Original Contract, including but not limited to the conditions or determinations by the Owner, with respect to all work performed by the Completion Contractor. The Completion Contractor shall have no responsibility or liability for indebtedness incurred or work performed by the Former Contractor.

2.1 This Completion Agreement shall not be effective for any purpose, and the Completion Contractor is not authorized to perform any of the work hereunder, unless and until: (a) this Completion Agreement is fully executed, (b) the Completion Contractor is given Notice to Proceed with the work from the District, and (c) the Completion Contractor provides to the District the Bonds and confirmation of enrollment in the Owner Controlled Insurance Program (OCIP) as required by this Completion Agreement. Each of these conditions is a condition precedent to the enforceability and validity of this Completion Agreement.

3. **Work to be Performed.** Except as otherwise provided herein, the Completion Contractor shall furnish and pay for all labor, materials, services and equipment and shall do everything else necessary to perform and satisfactorily complete the Original Contract as required by the Contract Documents to the reasonable satisfaction of the Owner.

3.1 **Services of Project Architect.** Completion Contractor shall have no responsibility for the design of the Project. The Owner shall cause the Project Architect to provide all services required under the terms of the Original Contract and/or necessary for Completion Contractor to complete construction of the Project in a timely manner and in accordance with the applicable drawings and specifications, including without limitation timely response by the Project Architect to RFIs and other questions involving the interpretation of drawings and other design documents.

4. **Time for the Performance of the Work.** The Completion Contractor shall complete the work within **two hundred ten (210)** days of the date on which the District provides the Completion Contractor with a Notice to Proceed with the work.

4.1 Notwithstanding anything else contained in the Contract, under no circumstance shall the Completion Contractor be liable to the Owner for any delay in the prosecution of the Contract Work arising from or related to (i) the correction of defects or deficiencies in or arising from any work performed prior to the date of this Contract on the project, including but not limited to, any such work performed by Preexisting Subcontractors; for purposes of this Contract, "Preexisting Subcontractors" are subcontractors who worked on the Project prior to the date of this Contract under a contract with Former Contractor; (ii) the performance or failure to perform after the date of this Contract of any Preexisting Subcontractors, (iii) the Completion Contractor's need to replace a Preexisting Subcontractor who (for any reason) is either terminated from working on the Project or otherwise fails to

perform the work for which it was retained, (iv) a dispute with any Preexisting Subcontractor(s) pertaining to the Preexisting Subcontractor's agreement the Owner and/or the Former Contractor, (v) any dispute between the Owner and/or any Preexisting Subcontractor(s) regardless of whether or not the Completion Contractor is a party thereto, (vi) any action or inaction by the Owner which delays the Completion Contractor's prosecution of the Contract Work, and (vii) any event deemed to fall within the scope of the Force Majeure provision found at section 19, below. Any delay arising from or related to items (i) through (vii) (an "Excepted Delay") shall result in an automatic, day-for-day extension of the approved completion schedule but only to the extent that the Excepted Delay is an activity that is on the critical path of the schedule.

4.2 Completion Contractor shall comply with any reasonable written order to accelerate issued by Owner, with the cost of such acceleration becoming part of the Cost of the Work except to the extent such acceleration is necessary due to make up delays which are the responsibility of Completion Contractor. In entering into this Contract, Owner and Completion Contractor both anticipate that acceleration of some or all of the work will be necessary in order to meet or to come as close as practicable to meeting applicable schedule deadlines.

4.3 Completion Contractor and Owner recognize that time is of the essence with this Contract and that Owner will suffer financial loss and damage if the Work is not completed within the time specified in paragraph 4 herein, and as that time is appropriately adjusted as permitted by this Contract. Completion Contractor and Owner also recognize that it will be impracticable to determine actual damages which Owner will sustain in the event the Work is not complete by the time set forth in paragraph 4.1 herein. If it is determined that the Work is delayed beyond the time set forth in paragraph 4.1 herein, and that Completion Contractor is the cause of that delay, instead of requiring proof of any resulting damage caused to Owner, Completion Contractor and Owner agree that as **liquidated damages** for said delay, and not as a penalty, Completion Contractor shall pay Owner **\$500.00** for each day after the time specified in paragraph 4.1 until Substantial Completion of the Work is achieved. Given the inherent complexities of this Project and the challenges facing both parties, Completion Contractor and Owner agree that the amount stipulated herein for liquidated damages is a reasonable estimate of the damages that would be sustained by Owner.

5. **Compensation to Completion Contractor:** Payment to the Completion Contractor will be made on a lump sum basis, in accordance with this Completion Agreement; provided that in no event shall the Completion Contractor be entitled to greater payment than set forth in this Agreement in the amount of **ONE HUNDRED NINETY EIGHT THOUSAND AND 00/100 DOLLARS (\$ 198,000.00)** plus or minus all approved change orders. Payment to the Completion Contractor shall be full and final compensation for the complete and competent performance of the work.

5.1 Completion Contractor shall at all times supervise, manage, oversee, and direct the completion of the Project using its best skill and judgment, and in doing so Completion Contractor shall at all times exercise its best efforts to assure that all construction work, labor, equipment, and materials performed or furnished for the Project after the date of this Contract

complies with all applicable drawings, specifications, and other Contract Documents.

6. **Payment.** The Completion Contractor shall submit an invoice for work when all work is complete to the satisfaction of the District's Representatives. Submission of the completion invoice, including all supporting documentation provided for in the contract documents, is a required condition precedent to the payment by the District for the work completed. The District shall pay the Completion Contractor within **forty-five (45)** days of the submission of the completion invoice such amounts upon verification of adequate documentation and approval.

6.1 Payments from the Owner shall be made payable to the Completion Contractor and transmitted to the Completion Contractor at the following address, unless and until the Owner is notified by the Completion Contractor in writing of any different address:

**Enterprise Painting/Decorating
1210 Haskell Avenue
Granada Hills, CA 91344**

6.2 Owner shall make progress payments to the Completion Contractor on a monthly basis. Payments from Owner to Completion Contractor shall be made within 30 days after Owner receives each request for payment from Completion Contractor. Each progress payment will be in the amount of the completed Cost of the Work during the pay period plus a portion of the Fee as provided in Exhibit C to this Contract. All reasonable documentation necessary to evaluate the Completion Contractor's costs shall be provided with the monthly Completion Contractor Requisition. Owner's reasonable approval of the documentation submitted with each Completion Contractor Requisition is a condition precedent to Completion Contractor receiving payment for such Completion Contractor Requisition.

6.3 Provided the Former Contractor's agreements with the Preexisting Subcontractors contain such retention provisions, Owner shall hold 10% retention out of each monthly progress payment, and Completion Contractor shall withhold the same 10% from its subcontractors. By way of example, if Completion Contractor receives a payment request for a subcontractor in the amount of \$100,000, then Owner will pay the Completion Contractor on account of this subcontractor and Completion Contractor will pay to the subcontractor \$90,000 (with the remainder to be paid when retention is released by the Owner at the end of the Project). Owner shall hold 10% retention out of each monthly progress payment on Completion Contractor's direct labor services, material, or equipment. Owner shall not withhold any retention on Completion Contractor's fee or general conditions costs including management, supervision and administration.

6.4. The parties hereto expressly agree that it shall not be an obligation of the Completion Contractor hereunder to assist the Owner in resolving disputes arising between them and/or with Pre-existing Subcontractors and/or the Former Contractor to the extent that such disputes arise from actions or omissions prior to commencement of Completion Contractor's

services. Any labor and/or management time expended by the Completion Contractor at the request of Owner in assisting the parties in resolving such disputes (including without limitation the compilation of documentation and/or other evidence, preparing for and providing testimony, performing analysis and preparing reports or other written statements) shall be billed to the Owner at the hourly rate(s) payable hereunder for the labor classifications performing such tasks.

6.5 Final payment shall be made to the Completion Contractor within thirty (30) days after final completion of the Contract and the Owner's acceptance of the Project, provided that (1) the Completion Contractor shall have furnished evidence reasonably satisfactory to the Owner that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, materials, equipment, taxes or other items performed, furnished or incurred for or in connection with Completion Contractor's performance under this Contract, and (2) the Completion Contractor shall have fully performed its obligations under this Contract, including but not limited to all obligations required pursuant to the terms of the Original Contract for final payment excepting only those obligations, if any, which despite its best diligent and timely efforts Completion Contractor is unable to perform or complete due to circumstances beyond its control. The foregoing provisions concerning final payment are subject to the Owner's accountant reviewing and reporting on the Completion Contractor's final accounting with regard to the cost incurred in completing the work; provided, however, that such review shall take place within the thirty (30) day period referenced in the prior sentence. If the Owner determines the cost to complete the work as substantiated by the Completion Contractor's final accounting is less than the amount claimed by the Completion Contractor, then any ensuing dispute shall be resolved by the Owner and Completion Contractor under the dispute resolution process contained in the Contract Documents; provided, however, that the Owner shall make timely payment of any undisputed amounts due and owing to the Completion Contractor.

6.6 No payment made under this Contract shall operate as an acceptance of any part of Completion Contractor's work or as Owner's admission that this Contract, or any part of it, has been complied with if the facts are otherwise.

7. **Pre-existing Subcontractors.** Except as otherwise agreed by Owner and Completion Contractor, Owner shall assign the subcontracts of Pre-existing Subcontractors on the Project to Completion Contractor; provided, however, that the Owner shall be solely responsible hereunder for the performance or failure to perform of all Preexisting Subcontractors, except as set forth herein. In the event of such an assignment of a subcontract, Completion Contractor shall accept such assignment unless it provides Owner with good cause for rejecting the Pre-existing Subcontractor. The Completion Contractor shall not require such subcontractors to execute new subcontracts. Prior to requiring the Completion Contractor to accept assignment of any Pre-existing Subcontractor, Owner shall provide the Completion Contractor an accurate accounting of all payments made and/or due to each Pre-existing Subcontractor at the time of assignment and Owner shall require each Pre-existing Subcontractor to provide Insurance Certificates which name the Completion Contractor as additionally insured as a prerequisite of such assignment.

7.1 It is the express intent of the parties that the Owner shall be responsible at all times for the past performance of all Pre-existing Subcontractors. Completion Contractor shall be responsible for the quality of work of all Subcontractors, including Pre-existing Subcontractors, installed after the date of commencement of services under this Contract by Completion Contractor. Completion Contractor shall not be responsible for any Pre-existing Subcontractor's financial obligations, either before or after the commencement of services for this Completion Contract, for sub-subcontractors, labor, material suppliers, equipment suppliers, etc. relating in any way to any Preexisting Subcontractor. Completion Contractor does not warrant the existing agreements between the Former Contractor and any Preexisting Subcontractor are complete or are in compliance the Contract Documents or that such Pre-existing Subcontractors have sufficient qualified manpower to complete the project within the schedule constraints. The extent of Completion Contractor's liability for Pre-existing Subcontractors is limited to the actual work put in place "under the Completion Contractor's watch" to be in compliance with the Contract Documents.

7.2 Completion Contractor shall not, without Owner's written consent, pay any Pre-existing Subcontractor for any claim the Pre-existing Subcontractor may have, for claims which arose prior to commencement of Completion Contractor's services.

7.3 Completion Contractor shall have authority to order changes to Pre-existing Subcontractor contracts or new Subcontractor contracts in order to perform the scope of work of this Contract; provided however, that Completion Contractor shall obtain Owner's prior written approval of such each individual change if the monetary amount of each individual change exceeds 10% of the Pre-existing Subcontractor or new Subcontractor's contract.

8. **Bonds.** Within seven (7) days from the issuance of the Notice of Intent to Award, the Completion contractor shall provide to the District both of the following bonds: (a) a payment bond, as required by Civil Code Sections 3247 et seq., with a penal sum limit equal to 100% of the Completion Contract; and (b) a faithful performance bond issued on the form in the original contract, with a penal sum limit equal to 100% of the amount of the Completion contract. Both Bonds shall be issued by a corporate surety authorized and admitted to transact business in California as defined in Civil Code Procedure Section 995.120 and be listed by the U. S. Treasury with a bonding capacity in excess of the amount of the Completion Contract.

Unless otherwise provided herein, the Completion Contractor shall provide and maintain such types and amounts of insurance coverages as required by the Original Contract for the Owner. Written proof satisfactory to the Owner of compliance with this section shall be furnished to the Owner *before* any work is performed under this Contract. Such proof of insurance shall provide for thirty (30) days written notice to the Owner prior to the cancellation or modification of any insurance referred to therein. Owner shall be named as an additional insured by endorsement. Insurance provisions or Certificates of Insurance which only provide that the insurer shall "endeavor" to provide notice to the Owner prior to cancellation are not acceptable. The Owner will be responsible for any property or "all-risk" insurance including any deductibles relating thereto. Completion Contract shall provide Owner with a performance and

payment bond with a penal sum of \$198,000.00. Once either a Guaranteed Maximum Price is agreed to by the parties, or the second phase of this Contract is commenced, Completion Contractor agrees to obtain an increase of this penal sum to reflect and amount equal either to the Guaranteed Maximum Price or to the Project Budget.

9. **Indemnification.** The Completion Contractor further specifically obligates himself to the Owner in the following respects, to wit:

(a) To the extent of Completion Contractor's fault or negligence, if any, to defend and indemnify the Owner against and save Owner harmless from any and all claims, suits or liability on account of any wrongful or negligent act or omission of the Completion Contractor or breach of this Contract by the Completion Contractor or any of Completion Contractor's officers, agents, employees or servants;

(b) To pay for all materials furnished and work and labor performed under this Contract (except for that material furnished and work and labor performed prior to commencement of Completion Contractor's services), and to satisfy the Owner thereupon whenever demand is made, and to indemnify the Owner against and save them and the premises harmless from any and all claims, suits or liens therefore by others than the Completion Contractor;

(c) To comply with all laws, ordinances and regulations bearing on the Completion Contractor's work and the conduct thereof;

(d) The Completion Contractor warrants and guarantees the work and materials performed by the Completion Contractor (but not Pre-existing Subcontractors) pursuant to this Contract to the same extent as required by the Original Contract and agrees to repair and/or replace any defect in materials or workmanship arising from the Work performed by the Completion Contractor hereunder and which may occur or develop during the applicable warranty period(s).

9.1 If at any time there shall be filed any lien, or claim for work, labor or materials furnished or claimed to be furnished in the performance of the Work or the supplying of materials by the Completion Contractor under this Contract for which the Completion Contractor has received payment from the Owner, the Completion Contractor shall within ten (10) days after the filing thereof cause the same to be fully discharged (or bonded around) as a cost of the work. If the Completion Contractor fails to cause such lien to be discharged (or does not bond around such lien), then the Owner shall have the right to retain out of any payment then due or thereafter to become due under the terms of this Contract an amount sufficient to indemnify it completely against any such lien or claim, including the costs of its discharge and of defending against it. Should there prove to be any such lien or claim after all payments have been made to the Completion Contractor hereunder (for which Completion Contractor is liable) the Completion Contractor shall refund to the Owner all reasonable amounts which the Owner may be compelled to pay in discharging such lien or satisfying such claim and all costs in connection

therewith.

9.2 Owner's Obligation to Indemnify Completion Contractor.

(a) Owner shall defend, indemnify and hold Completion Contractor harmless from any claim, demand, or cause of action arising from any design defect or error by the Former Contractor, Project Architect or any of the Project Architect's sub-consultants.

(b) Owner further agrees to defend, indemnify and hold Completion Contractor harmless from any claim, demand, cause of action, or lawsuit asserted against Completion Contractor by any and all subcontractors who have provided or do hereafter provide work, labor, equipment or materials to the Project, arising from Completion Contractor's entering into or performance under this Contract, except to the extent that any such claim, demand, or cause of action arises from the active negligence or willful misconduct of Completion Contractor or from Completion Contractor's material breach of any of the terms of this Contract or of a contract with a Pre-existing Subcontractor or new subcontractor.

(c) Owner further agrees to defend, indemnify and hold Completion Contractor harmless from any claim, demand, cause of action, or lawsuit asserted against Completion Contractor by the Former Contractor, arising from Completion Contractor's entering into or performance under this Contract, except to the extent that any such claim, demand, or cause of action arises from the active negligence or willful misconduct of Completion Contractor or from Completion Contractor's material breach of any of the terms of this Contract.

(d) It is assumed by the parties that the subcontractor substitution provisions of the Subletting and Subcontracting Fair Practices Act (California Public Contract Code section 4100 et seq., hereafter "Act") do not apply to this Contract or completion of the Project. In the event that Completion Contractor replaces any subcontractor (including Pre-existing Subcontractors) on the Project without following the Act, Owner will defend (with counsel of Completion Contractor's choice), indemnify and hold Completion Contractor harmless from any claim, action or proceeding brought against Completion Contractor that in any way arises out of or relates to Completion Contractor's failure to follow the Act. Notwithstanding the foregoing, Completion Contractor shall provide Owner with a list of any subcontractor it intends to use on the Project prior to that subcontractor commencing work on the Project, and in any event, a list of all subcontractors it intends to use on the Project within 60 days of commencing work under this Contract. Completion Contractor agrees to notify Owner in writing within 24 hours of its intention to replace a subcontractor with another unlisted subcontractor, and in any event, prior to that new, unlisted subcontractor commencing work on the Project.

10. Protection of Work. The Completion Contractor specifically agrees that it is responsible for the protection of his work and that of the Former Contractor until final completion and acceptance thereof by the Owner. As a Cost of the Work, the Completion Contractor will repair or replace any damage to this work which occurs prior to said final acceptance. If the damage is caused by the fault or neglect of Completion Contractor, the repair

or replacement shall be performed by Completion Contractor at no additional expense to Owner. Completion Contractor shall be responsible for providing security for the site during the performance of this Contract.

11. **Assignment.** The Completion Contractor shall not assign or sublet the Contract or any right or interest therein, nor shall the Completion Contractor assign any moneys due or to become due hereunder without the prior written consent of the Owner. Any such assignment of the Contract or assignment of any moneys due or to become due without such consent shall be null and void and of no force and effect and the Owner shall not be required to recognize any such assignment. The Completion Contractor shall not sub-contract the Contract or any part thereof without the prior written consent of the Owner, which consent shall not be unreasonably withheld or delayed.

12. **Subcontractors.** The Completion Contractor hereby covenants and agrees that it shall pay all of its subcontractors and suppliers, including any Preexisting Subcontractors but only for work performed or materials and equipment provided on or after the Completion Contractor's commencement of work under this Completion Contract. In the event that the Completion Contractor does not pay its subcontractors and suppliers any amounts *not* disputed by the Completion Contractor, the Owner shall have the right to pay such unpaid subcontractors or suppliers directly and deduct said amounts paid from any payment otherwise due to the Completion Contractor.

13. **Maintenance of Records and Accounts.** The Completion Contractor shall maintain separate records and accounts covering all Cost of the Work. The Completion Contractor shall make such records and accounts and supporting vouchers reasonably available for inspection and verification by the Owner until the expiration of three (3) years from the date of final payment under this Contract.

14. **Existing Latent Defects and Warranty Work Applicable to the Work of the Former Contractor.**

14.1 The Completion Contractor shall be responsible for correcting or repairing any existing defects or existing deficient work of which it is aware (Existing Defects) performed by the Former Contractor or its subcontractors or suppliers, as part of the Cost of the Work and as part of completing the Project. The Completion Contractor shall also correct Latent Existing Defects in the work of the Former Contractor as such Latent Existing Defects become known during the course of the Completion Contractor's prosecution of the Work under this Contract. "Latent Existing Defects" means a hidden defect in the work put in place prior to the date of this Contract, which a reasonably careful inspection would not reveal.

14.2 **Warranty Work Applicable to the Work of the Former Contractor.** Notwithstanding the foregoing, the Completion Contractor does not assume the Former Contractor's Warranty and Guaranty obligations under the Original Contract.

14.3 Procedure Upon Discovery of Existing Latent Defect. Upon discovery of an Existing Latent Defect, Completion Contractor shall first determine what subcontractor was responsible for causing such defect, and what subcontractor's work was affected by such defect. Completion Contractor shall then issue in writing to that Subcontractor a Notice to Cure. If the Subcontractor fails to timely cure or initiate the repair of the defect, Completion Contractor shall cause the repair of such defect through either another subcontractor or through its own forces, and back charge the responsible Subcontractor for all costs associated with that repair. If the Completion Contractor is unable to determine what Subcontractor is responsible for the existing latent defect or a subcontractor refuses to accept responsibility, then Completion Contractor shall immediately notify Owner and Completion Contractor shall arrange for the repair of that Existing Latent Defect upon written approval by the Owner as a Cost of the Work.

15. Independent Contractor. Except as otherwise provided in this Contract, the Completion Contractor will be permitted to exercise the full prerogatives of a prime contractor in prosecuting the work, including but not limited to the selection and classification of supervisors and workers, scheduling, determination of equipment and material requirements, and the establishment of work hours and work week, including overtime. It is further understood and agreed that the Completion Contractor is an independent contractor in connection with all work to be performed by it pursuant to the Contract Documents.

16. Changes. Except as otherwise provided in this Contract, any and all provisions relating to changes or claims contained in the Original Contract are specifically incorporated herein by reference and shall be binding between the Completion Contractor and the Owner.

17. Disputes.

17.1 The contractual remedial procedure described in the Original Contract is specifically incorporated herein by reference and made a part of this Contract.

18. Termination of Agreement.

18.1 Termination for Convenience. This Contract may be terminated in whole or in part by the Owner at any time for the Owner's convenience, provided the Completion Contractor is given not less than ten (10) calendar days written notice of intent to terminate (the "Termination Notice") and an opportunity for consultation with the Owner prior to termination. Upon receipt of the Termination Notice, the Completion Contractor shall promptly discontinue all services (unless the Termination Notice directs otherwise) and deliver or otherwise make available to the Owner all data, drawings, specifications, reports, estimates, summaries, and such other information and materials that may have been accumulated by the Completion Contractor in performing this Contract. The Completion Contractor's measure of damages shall be limited to the amount due under this Contract to the Completion Contractor for work performed up to the date of termination, plus all other reasonable and unavoidable costs incurred for demobilizing field forces, plant and equipment, quitting the project site, and terminating subcontracts and

purchase orders. The termination of this Contract for any reason, whether for convenience or for cause as described in paragraph 18.2 below, shall not relieve the Completion Contractor of its continuing responsibilities under this Contract and the Original Contract for the work performed and materials supplied.

18.2 *Termination for Cause.* Should the Completion Contractor, at anytime, in the reasonable judgment of the Owner and except as permitted in the Contract, refuse or fail to supply a sufficient number of properly skilled workmen or materials, tools, equipment, facilities, or supplies of a proper quality; or fail in any respect to prosecute the work with promptness and diligence; or interfere with unduly or impede the work of others on the Project; or fail in the performance of any of its obligations under this Contract or under the Original Contract, and should the Completion Contractor fail within three (3) calendar days after receipt of written notice from the Owner to remedy such default; or if a Petition of Bankruptcy should be filed by or against the Completion Contractor; or if the Completion Contractor shall become insolvent or fail to make prompt payment to all the subcontractors and/or materialmen or laborers (except in the case of disputes related to such payments); or shall violate any applicable state, federal, local or municipal law, ordinance, rules and regulations pertaining to the work; or disregard the reasonable instructions of the Owner, the Owner may, in any such event, either terminate this Contract or may exclude the Completion Contractor and its employees and agents from the work without terminating this Contract. In any case, the Owner may take possession of all materials, equipment and tools, and complete, itself or through others, the Completion Contractor's work. The Owner's costs for correcting defective work done by the Completion Contractor shall be reimbursed in full by the Completion Contractor. In the event of any default under this paragraph, the Completion Contractor shall not be entitled to any further payments under this Contract until the Completion Contractor's work shall be entirely finished and accepted by the Owner. The remedies afforded to the Owner in the above circumstances are cumulative to any remedies available under the Original Contract or at law or equity, which remedies specifically are also declared to be available to the Owner as against the Completion Contractor.

18.3 If the Completion Contractor is terminated for cause in accordance with this paragraph, and it is later determined that the Completion Contractor did not fail to fulfill its contractual obligations, then any such termination by the Owner shall be deemed to have been a termination for convenience, and in such event, adjustment of the contract price provided for in this Contract for termination for convenience shall be made as provided herein.

19. **Force Majeure.** In the event the construction of the Project is interrupted or prevented by acts of God, acts of war or rebellion, labor disturbances (other than those caused by the Completion Contractor), acts of Government or governmental officers or any cause beyond the control of the Owner, the Owner shall be liable to Completion Contractor only for the actual added costs, if any, reasonably incurred by Completion Contractor on account of such acts or events.

20. **Prior Understanding or Representation.** The Owner assumes no responsibility for any understanding or representations made by any of its officers, agents,

construction consultants or attorneys prior to the execution of this Contract, unless such understanding or representations by the Owner are expressly stated in this Contract.

21. **Whole Agreement.** This Contract contains the entire understandings and agreements of the parties hereto. All oral or written agreements prior to the effective date of this Contract and which relate to this Contract and the matters set forth herein are declared null and void. Any modification of this Contract must be made in writing and executed by the parties hereto. The Contract shall be binding upon the parties hereto, their respective heirs, executors, administrators, successor and assigns.

22. **Conflicts, Interpretations, Order of Precedence.** This Contract and all of its component parts, including the Original Contract and the attached Exhibits, are intended to be complimentary and are intended to require all work and services by the Completion Contractor necessary to complete the Project in a first-class manner in strict compliance with this Contract and the Original Contract. The Completion Contractor shall review the Contract Documents, including the Contract and the Exhibits before signing the Contract Documents and advise the Owner whether any of the parts of the Contract Documents conflict and whether any of the Contract Documents fail to require of the Completion Contractor all work and services necessary to complete the Project in a first-class manner in strict compliance with this Contract and the Original Contract. In the case of a conflict between the terms of the Contract, the Original Contract, or the terms of the annexed Exhibits, the following Order of Precedence applies:

- (i) This Contract (and its Exhibits) has priority over the Original Contract (and related Exhibits) and any other agreement or document;
- (ii) The Original Contract (and related Exhibits) has priority over any other agreement or document, except for this Contract (and its Exhibits).
- (iii) This Contract (and its Exhibits) and the Original Contract, have priority over the Solicitation for Offers.

23. **Captions.** The captions at the beginning of each Section of this Contract are for convenience only and are to be given no weight in construing the provisions of this Contract.

24. **Interpretation.** In the event that there is any provision of this Contract which is inconsistent or conflicting with any other documents forming a part of this Contract, including but not limited to the Original Contract referred to herein, the terms and conditions of this Contract shall govern and control.

25. **Governing Law and Venue.** This Contract is executed pursuant to and governed by the laws of the State of California.

26. **Notice.** Any notice required to be made under the terms of this Contract shall be deemed made if either party mails such notice by first class mail, postage prepaid, as follows:

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//

As to the Completion Contractor:
Enterprise Painting/Decorating
11210 Haskell Avenue
Granada Hills, CA 91344
Attention: Carlos Gomez
Phone (818) 363-1247
Fax (818) 363-9538

As to the Owner:
Los Angeles Unified School District
312 North Garey Street
Los Angeles, CA 90012
Attention: Daniel Sabedra
Phone: (213) 346-2163
Fax: (213) 346-9978

With a copy to:
Los Angeles Unified School District
Facilities Legal Counsel Office
333 S. Beaudry, 23rd Floor
Los Angeles, CA 90071
Attention: Mark Fall, Esq.
Phone: (213) 241-4969
Fax: (213) 241-8386

27. Construction of Contract. It is understood and agreed by the Owner and the Completion Contractor that this Contract shall be construed without any regard to any presumption or other rule requiring construction against the party causing this Contract, or any Exhibits attached to this Contract, to be drafted.

28. Execution in Counterparts and Facsimile. This Contract may be executed in one or more counterparts, each of which shall be deemed to be an original, fax signatures shall be deemed original.

29. Miscellaneous Provisions.

29.1 Nothing contained in this Contract shall be construed to be in substitution of or derogation of any of Owner's common law or statutory rights as Owner.

29.2 It is agreed that this Contract is intended to be solely for the benefit of the parties hereto and shall not create a right or benefit in favor of any person not a party hereto or in any way increase the rights of third persons or increase the obligations of any party hereto to any third person.

29.3 In the event of litigation to enforce the terms of this Contract, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees and experts' fees.

29.4 Owner reserves to itself all claims of any kind that the Former Contractor has asserted or could assert against the Owner pursuant to the Original Contract.

29.5 This Agreement may be executed in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement. Faxed signatures on this Agreement shall be considered original signatures.

IN WITNESS WHEREOF, the parties hereto have affixed their hands and seals to this Contract the day and year first set forth above, and the individuals who execute this Contract personally represent and warrant that they have full authority to execute this Contract on behalf of the respective parties.

Completion Contractor: ENTERPRISE PAINTING / DECORATING
11210 Haskell Avenue
Granada Hills, CA 91344

By: 

Owner: LOS ANGELES UNIFIED SCHOOL DISTRICT
333 S. Beaudry, 23rd Floor
Los Angeles, CA 90071

By: 

Terry Dillon
Director, Facilities Contracts

Date: 1/25/08

FAITHFUL PERFORMANCE BOND

WHEREAS, LOS ANGELES UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION,

hereinafter called OWNER, and Enterprise Painting/Decorating

hereinafter called CONTRACTOR, have entered into a Contract, which is incorporated by reference herein in its entirety,

dated: January 7, 2008

for: Mark Twain Middle School - Paint & Refinish the Exterior & Masonry Stucco of the School Buildings & Appurtenant Structures

Contract Amount: One Hundred Ninety Eight Thousand Dollars and No/100 (\$198,000.00)

NOW, THEREFORE, CONTRACTOR, as Principal, and Arch Insurance Company as Surety, are held and firmly bound to OWNER in the amount set forth under the bond, for the payment whereof in the manner specified, the CONTRACTOR and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents:

FAITHFUL PERFORMANCE BOND

In an amount equal to One Hundred Percent (100%) of the above Contract Amount. The condition of this obligation is that if the CONTRACTOR shall in a workmanlike manner promptly, competently, and faithfully perform all of the terms and conditions of the Contract in strict conformity therewith, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees that no adjustment to the Contract Amount and or Contract Times, alteration, additions and/or deletions to the terms of the Contract, or to the Work to be performed thereunder, shall in anyway affect its obligations on the above bond, and it does hereby waive notice of any such change, adjustment, alteration, addition or deletion to the terms of the Contract Documents.

In case any suit is brought upon this bond, reasonable attorneys' fees shall be awarded to the prevailing party, only the amount thereof being within the Court's discretion. Attorneys' fees awarded against the Surety can exceed the penal sum of this bond.

Signed and sealed this 8th day of January 20 08

CONTRACTOR
Enterprise Painting/Decorating

SURETY Arch Insurance Company

By Conny B. McCormick
Title owner

By William J. Shupper Attorney-in-Fact
Address 135 N. Los Robles Ave, Ste 825, Pasadena, CA 91101
Telephone Number (626) 683-4991
Bond Number SU 5024458

OWNER will obtain the following certification:

CERTIFICATION BY LOS ANGELES COUNTY CLERK'S OFFICE

I hereby certify:

1. The named Surety is currently certified by the State Insurance Commissioner as an admitted Surety Insurer and such authority is in full force and effect.
2. This office has on file the financial statement of the named surety for the period ending _____ showing capital and surplus not less than ten (10) times the Contract Amount.

Conny B. McCormick, County Clerk

Date _____ By _____ Deputy

(THIS DOCUMENT CANNOT BE ALTERED, MODIFIED, OR CHANGED)
END OF DOCUMENT

PAINT & REFINISH THE EXTERIOR & MASONRY STUCCO
OF THE SCHOOL BUILDINGS & APPURTENANT STRUCTURES
MARK TWAIN MIDDLE SCHOOL (PROJECT NO. 33A07543)
COMPLETION CONTRACT NO. 0610249C

REVISED 08/30/2003
FAITHFUL PERFORMANCE BOND
00605-1

TOTAL P.004

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange

On JAN 08 2008
Date

before me,

Susan E. Morales

Here Insert Name and Title of the Officer

personally appeared

William J. Shupper

Name(s) of Signer(s)



Place Notary Seal Above

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

Susan E. Morales
Signature of Notary Public

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: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William J. Shuper

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☒ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing:

Arch Insurance Company

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing:

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint

Raymond E. Gail and William J. Shupper of Rancho Cucamonga, CA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of *issuance of this power* for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

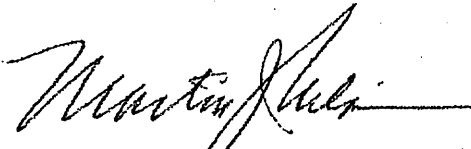
This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.


In Testimony Whereof, the Company has caused this instrument to be signed and its corporate seal to be affixed by their authorized officers, this 30th day of January, 2007.

Arch Insurance Company

Attested and Certified


Martin J. Nilsen, Secretary



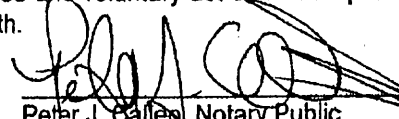

Edward M. Titus, Vice President

STATE OF NEW YORK SS

COUNTY OF NEW YORK SS

I Peter J. Calleo, a Notary Public, do hereby certify that Edward M. Titus and Martin J. Nilsen personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the Arch Insurance Company, a Corporation organized and existing under the laws of the State of Missouri, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary acts for the uses and purposes therein set forth.

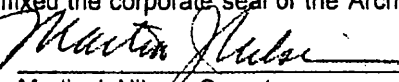
PETER J. CALLEO, ESQ.
Notary Public, State of New York
No. 02CA6109336
Qualified in New York County
Commission Expires May 3, 2008


Peter J. Calleo, Notary Public
My commission expires 5-03-2008

CERTIFICATION

I, Martin J. Nilsen, Secretary of the Arch Insurance Company, do hereby certify that the attached Power of Attorney dated on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said Edward M. Titus, who executed the Power of Attorney as Vice President, was on the date of execution of the attached Power of Attorney the duly elected Vice President of the Arch Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Arch Insurance Company on this 30th day of JANUARY, 2007.


Martin J. Nilsen, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

PLEASE SEND ALL CLAIM INQUIRIES RELATING TO THIS BOND TO THE FOLLOWING ADDRESS:

**Arch Contractors & Developers Group
135 N. Robles Ave., Ste. 825
Pasadena, CA 91101**



PAYMENT BOND
(LABOR AND MATERIAL)

WHEREAS, LOS ANGELES UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION,

hereinafter called the OWNER, and Enterprise Painting/Decorating

hereinafter called the CONTRACTOR, have entered into a Contract

dated January 7, 2008for Mark Twain Middle School - Paint & Refinish the Exterior & Masonry Stucco of the School Buildings & Appurtenant StructuresContract Amount One Hundred Ninety Eight Thousand Dollars and No/100 (\$198,000.00)

NOW, THEREFORE, the CONTRACTOR, as Principal, and the following named Surety,

are held and firmly bound to the OWNER in the amount set forth under the bond, for the payment whereof in the manner specified, the Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents:

PAYMENT BOND

In an amount equal to One Hundred Percent (100%) of the above Contract Amount. The condition of this obligation is that if the Contractor or his Subcontractors, fail to pay for any materials, provisions, provender or other supplies, or teams, used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the CONTRACTOR and his Subcontractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor that the surety will pay for the same, in an amount not exceeding the sum specified above, and also, in case suit is brought upon the bond, a reasonable attorney's fee, to be fixed by the court.

This bond is executed in accordance with the requirements of Section 3247 et seq. of the Civil Code and acts amendatory thereof; and shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under and by virtue of the provisions of Section 3181 of the Civil Code and acts amendatory thereof, or to their assigns.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the Work to be performed thereunder shall in anywise affect its obligations on the above bonds, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents.

Signed and sealed this 8th day of January 20 08CONTRACTOR/PRINCIPAL
Exterior Painting/Decorating

SURETY Arch Insurance Company

By [Signature]
Title OWNERBy [Signature]
William J. Shupper Attorney-in-Fact
Address 135 N. Los Robles, Ste 825, Pasadena, CA 91101
Telephone Number (626) 683-4991
Bond Number SU 5024458

The OWNER will obtain the following certification:

CERTIFICATION BY LOS ANGELES COUNTY CLERK'S OFFICE

I hereby certify:

1. That the Surety named above has been certified by the State Insurance Commissioner as an admitted Surety Insurer and that such authority is in full force and effect.
2. That there is on file in this office the financial statement of the surety for the period ending showing capital and surplus not less than ten times the amount of the above Contract Amount.

Conny B. McCormack, County Clerk

Date By Deputy(THIS DOCUMENT CANNOT BE ALTERED, MODIFIED, OR CHANGED)
END OF DOCUMENTPAINT & REFINISH THE EXTERIOR & MASONRY STUCCO
OF THE SCHOOL BUILDINGS & APPURTENANT STRUCTURES
MARK TWAIN MIDDLE SCHOOL (PROJECT NO. 33A07543)
COMPLETION CONTRACT NO. 0610249CREVISED 08/30/2003
PAYMENT BOND
(LABOR AND MATERIAL)
00600-1

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

County of Orange

On JAN 08 2008
Date

before me,

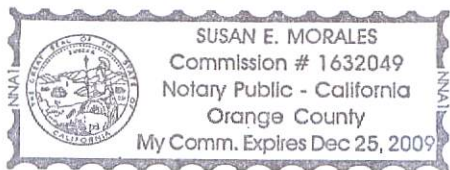
Susan E. Morales

Here Insert Name and Title of the Officer

personally appeared

William J. Shupper

Name(s) of Signer(s)



Place Notary Seal Above

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

Susan E. Morales
Signature of Notary Public

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: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: William J. Shuper

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

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer Is Representing:
Arch Insurance Company

Signer's Name: _____

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

**RIGHT THUMBPRINT
OF SIGNER**

Top of thumb here

Signer Is Representing: _____

POWER OF ATTORNEY

Know All Men By These Presents:

That the Arch Insurance Company, a corporation organized and existing under the laws of the State of Missouri, having its principal office in Kansas City, Missouri (hereinafter referred to as the "Company") does hereby appoint

Raymond E. Gail and William J. Shupper of Rancho Cucamonga, CA (EACH)

its true and lawful Attorney(s)-in-Fact, to make, execute, seal, and deliver from the date of issuance of this power for and on its behalf as surety, and as its act and deed:

Any and all bonds and undertakings

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver bonds or undertakings that guarantee the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

The Company may revoke this appointment at any time.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by its regularly elected officers at its principal office in Kansas City, Missouri.

This Power of Attorney is executed by authority of resolutions adopted by unanimous consent of the Board of Directors of the Company on March 3, 2003, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

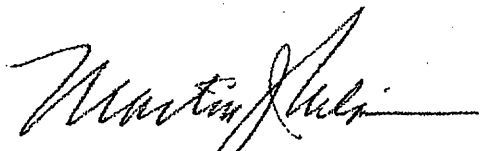
This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the unanimous consent of the Board of Directors of the Company on March 3, 2003:

VOTED, That the signature of the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to the resolution adopted by the Board of Directors on March 3, 2003, and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company.


In Testimony Whereof, the Company has caused this instrument to be signed and its corporate seal to be affixed by their authorized officers, this 30th day of January, 2007.

Arch Insurance Company

Attested and Certified


Martin J. Nilsen, Secretary



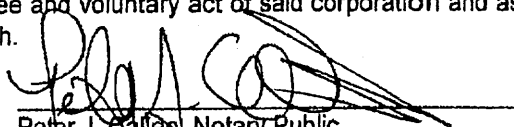

Edward M. Titus, Vice President

STATE OF NEW YORK SS

COUNTY OF NEW YORK SS

I Peter J. Calleo, a Notary Public, do hereby certify that Edward M. Titus and Martin J. Nilsen personally known to me to be the same persons whose names are respectively as Vice President and Secretary of the Arch Insurance Company, a Corporation organized and existing under the laws of the State of Missouri, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that they being thereunto duly authorized signed, sealed with the corporate seal and delivered the said instrument as the free and voluntary act of said corporation and as their own free and voluntary acts for the uses and purposes therein set forth.

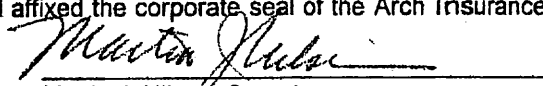
PETER J. CALLEO, ESQ.
Notary Public, State of New York
No. 02CA6109336
Qualified in New York County
Commission Expires May 3, 2008


Peter J. Calleo, Notary Public
My commission expires 5-03-2008

CERTIFICATION

I, Martin J. Nilsen, Secretary of the Arch Insurance Company, do hereby certify that the attached Power of Attorney dated on behalf of the person(s) as listed above is a true and correct copy and that the same has been in full force and effect since the date thereof and is in full force and effect on the date of this certificate; and I do further certify that the said Edward M. Titus, who executed the Power of Attorney as Vice President, was on the date of execution of the attached Power of Attorney the duly elected Vice President of the Arch Insurance Company.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the Arch Insurance Company on this _____ day of JAN 08 2008


Martin J. Nilsen, Secretary

This Power of Attorney limits the acts of those named therein to the bonds and undertakings specifically named therein and they have no authority to bind the Company except in the manner and to the extent herein stated.

PLEASE SEND ALL CLAIM INQUIRIES RELATING TO THIS BOND TO THE FOLLOWING ADDRESS:

Arch Contractors & Developers Group
135 N. Robles Ave., Ste. 825
Pasadena, CA 91101



Los Angeles Unified School District

Facilities Services Division Facilities Construction Contracts

DAVID BREWER III
Superintendent of Schools

JOSEPH A. MEHULA
Chief Facilities Executive
Facilities Services Division

TERRY DILLON
Director
Facilities Contracts

January 7, 2008

ENTERPRISE PAINTING/DECORATING

11210 Haskell Avenue
Granada Hills, CA 91344
Attn: Carlos Gomez, Owner

Faxed:
Fax No. (818) 363-9538

NOTICE OF INTENT TO AWARD COMPLETION CONTRACT

Contract No.: 0610249C (COMPLETION CONTRACT)
Project: MARK TWAIN MIDDLE SCHOOL (PROJECT NO. 33A07543)
Project Description: PAINT & REFINISH THE EXTERIOR & MASONRY STUCCO OF THE
SCHOOL BUILDINGS & APPURTENANT STRUCTURES
Contract Amount: \$198,000.00
Contract Duration: 210 Calendar Days

Attached is the Completion Contract package (plans and specifications) for the completion of the remaining work of the above-referenced project. Please refer to the stipulations under the Completion Agreement.

The Los Angeles Unified School District ("District") requires that in order for you to proceed with the completion work, please furnish the following documents indicated below to the FACILITIES CONSTRUCTION CONTRACTS Attn: Christy Guzman, 1545 Wilshire Boulevard, Suite 100, Los Angeles, CA 90017, no later than 4:00 p.m. Wednesday, January 16, 2008.

1. Completed Bid Forms
- X 2. Signed Completion Agreement
- X 3. Bonds – Executed by contractor, and by Attorney-in-Fact for surety. The bonds with acknowledgment attached must be executed by a surety who is an admitted insurer authorized to transact surety insurance in the State of California. It is NOT necessary for the contractor or surety to obtain the Los Angeles County Clerk's Office certification prior to returning the bond to FACILITIES CONSTRUCTION CONTRACTS.
4. Original Certificate of Insurance, as indicated below, executed by an authorized representative of insurer:
 Workers' Compensation
 Comprehensive General Liability
 Automobile Liability (Owned, hired, and non-owned)
 The Facilities Contracts Administration already has the required insurance certificates on file
- X 5. Confirmation of Enrollment in the Owner Controlled Insurance Program (OCIP)
It is your responsibility to enroll into the OCIP. Please contact the Insurance Administrator at AON Risk Services at (213) 630-1327, to obtain enrollment packages.

X 6. I certify under penalty of perjury under the laws of the State of California that my firm and all Subcontractors employed by my firm are in compliance with all requirements as set forth in the bidding and contract documents for this project. I further certify that my firm's prequalification status remains unchanged and eligible for award of this contract.

Executed on 1-9-2008, at Los Angeles, California
Date City


Signature of Authorized Representative

Carlos Bomez owner
Print Name Title

1-9-2008
Date

If you should have any questions regarding this notice, please don't hesitate to contact me at (213) 207-2318.

Please sign and return this notice to CHRISTY GUZMAN at Facilities Construction Contracts.
Name

Sincerely,


CHRISTY GUZMAN
Contract Administration Analyst

CG/mg

c: T. Dillon
M. Fall
J. Doyle
M. Maxwell
W. Balugon
D. Sabedra
AON
File

Bid No: 0610249C
P/S