

CONTRACT FOR PUBLIC WORK

COUNTY OF MONTEREY

STATE OF CALIFORNIA

CONTRACT NO. 11-551120

THIS AGREEMENT, made in triplicate by and between the COUNTY OF MONTEREY, a political subdivision of the State of California, hereinafter called the "County," and Telfer Oil Company, hereinafter called the "Contractor,"

WITNESSETH:

(1) THE WORK

The Contractor shall do all the work and furnish all the materials, except such as are mentioned in any of the contract documents to be furnished by the County, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of the County, the following public work:

**PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the SEAL COAT 2010
CONTRACT NO. 11-551120**

in accordance with this agreement and with all of the following additional contract documents which are incorporated into and made a part of this agreement:

- (a) The Standard Specifications, dated May 2006, and the Standard Plans, dated May 2006, including issued amendments through November 30, 2010, of the State of California, Department of Transportation.
- (b) The Special Provisions for the work.
- (c) The Notice to Bidders calling for bids.
- (d) The Payment and Performance bonds required.
- (e) Certificate of Insurance.
- (f) Rate List
- (g) The accepted bid/proposal including the following:

| | |
|-----|--|
| (1) | List of Subcontractors |
| (2) | Equal Employment Opportunity Certification |
| (3) | Public Contract Code |
| | Section 10285.1 Statement |
| | Section 10162 Questionnaire |
| | Section 10232 Statement |
| (4) | Non-Collusion Affidavit |

| | |
|------|---|
| (5) | Debarment and Suspension Certification |
| (6) | Statement Concerning Employment of Undocumented Aliens |
| (7) | Contractor's Certificate as to Worker's Compensation |
| (8) | Contractor's Certification of Good-Faith Effort to Hire Monterey Bay Area Residents |
| (9) | List of Satisfied Public Agencies |
| (10) | Bidder's Bond |

All contract documents are intended to cooperate, so that any work called for in one and not mentioned in another is to be executed the same as if mentioned in all. However, should there be any conflict between the terms of this instrument and the Contractor's bid or proposal, then this instrument shall control.

2. WORKERS' COMPENSATION

In accordance with the provisions of Section 3700 of the Labor Code, the Contractor and every Subcontractor will be required to secure the payment of compensation to his employees.

3. CONTRACT PRICE

The County shall pay the Contractor the following prices for the performance of this contract:

PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the
SEAL COAT 2010 PROJECT
CONTRACT NO. 11-551120

| ITEM NO. | ITEM CODE | ITEM | UNITS | ESTIMATED QUANTITY | UNIT PRICE INCLUDING 8.25% TAX (In Figures) | ITEM TOTAL INCLUDING 8.25% TAX (In Figures) |
|----------|-----------|---|-------|--------------------|---|---|
| 1 | | PASS or Equivalent for the San Miguel Road Maintenance District | TONS | 115 | \$777.00 | \$89,355.00 |
| 2 | | PASS or Equivalent for the Monterey Road Maintenance District | TONS | 179 | \$777.00 | \$139,083.00 |
| 3 | 374492 | PMCRS2h for the Greenfield Road Maintenance District | TONS | 239 | \$650.00 | \$155,350.00 |
| 4 | 374492 | PMCRS2h for the San Ardo Road Maintenance District | TONS | 287 | \$650 | \$186,550.00 |
| 5 | | FastSet for the San Miguel Road Maintenance District | TONS | 25 | \$500.00 | \$12,500.00 |

| | | | | | | |
|-------------------|--|--|------|-----|-------------|---------------------|
| 6 | | FastSet for the Monterey Road Maintenance District | TONS | 62 | \$500.00 | \$31,000.00 |
| 7 | | Accessorial Charges on Spreading | HRS | 210 | \$195.00 | \$40,950.00 |
| 8 | | Accessorial Charges on Unloading | HRS | 44 | \$110.00 | \$4,840.00 |
| 9 | | Other Accessorial Charges * | LS | 1 | \$42,968.66 | \$42,968.66 |
| TOTAL COST | | | | | | \$702,596.66 |

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates appearing opposite their respective signatures.

CONTRACTOR:

Telfer Oil Company
(Name of Company)

By: _____

Name: Michael S. Telfer

Title: Managing General Agent

Date: May 6, 2011

COUNTY OF MONTEREY:

By: _____

Name: Yazdan T. Emrani, P.E.

Title: Director of Public Works

Date: 6/7/11

APPROVE AS TO FORM

By: Cynthia L. Hasson

Name: Cynthia L. Hasson

Title: Deputy County Counsel

Date: 5-10-11

**APPROVE AS TO INDEMNITY /
RISK MANAGEMENT
INSURANCE LANGUAGE
COUNTY OF MONTEREY**

By: APPROVED AS TO INDEMNITY/

Name: Steven E. Match
INSURANCE LANGUAGE

Title: Risk Manager: Stephen Schumaker

Date: 5-11-11

MONTEREY COUNTY BOARD OF SUPERVISORS

| | |
|--|-----------------------|
| MEETING: May 24, 2011 – Consent | AGENDA NO.: 50 |
| SUBJECT: <ul style="list-style-type: none">a. Award a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;b. Approve the Performance and Payment Bonds executed and provided by Telfer Oil Company;c. Authorize a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; andd. Authorize the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work. | |
| DEPARTMENT: RMA - Public Works | |

RECOMMENDATIONS:

It is recommended that the Board of Supervisors:

- a. Award a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;
- b. Approve the Performance and Payment Bonds executed and provided by Telfer Oil Company;
- c. Authorize a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; and
- d. Authorize the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

The Board approved the Plans and Special Provisions for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120, on April 12, 2011. The project was subsequently advertised and bids were solicited. An addendum was issued to remove seventy one (71) tons of PMCRS2h in the Greenfield maintenance district. The revised Engineer's Estimate for the project is \$676,621. The bids were opened on May 2, 2011, and the lowest responsible base bidder was Telfer Oil Company in the amount of \$702,596.66. The lowest bid is approximately 4% greater than the revised Engineer's Estimate.

This contract consists of the procurement and application of PASS or equal and FastSet or equal for scrub seal and fog seal operations on selected roads in the San Miguel and Monterey maintenance districts, and PMCRS2h asphalt emulsion for chip seal operations on selected roads in the Greenfield and San Ardo maintenance districts.

Award Telfer Oil Company contract for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project

May 24, 2011

Page 2

Accessorial charges associated with procuring emulsion for pavement-surfacing projects (scrub seal, chip seal and fog seal) are included in the contract. The contract is a component of the Seal Coat 2010 Project. The Department of Public Works' maintenance forces shall be responsible for all other project incidentals including but not limited to the control of traffic and the spreading of screenings over the applied emulsion. Approximately 43.5 miles of roads with an equivalent square yardage of 558,300 are planned for treatment.

Telfer Oil Company is unable to promise to make a good-faith effort to comply with the good-faith local hiring provisions set forth in Monterey County Code Section 5.08.120. The Contractor is contractually obligated to provide two drivers and two spreader trucks to spread the emulsion for the project; the majority of the workers are County maintenance forces. Oil spreading requires highly specialized skills to meet quality and efficiency standards of the Special Provisions. The majority of Contractors for chip seal projects use their own experienced drivers to operate their specialized spreader trucks to avoid loss while maintaining quality. Two additional bids were received by the Department of Public Works: one from Western Emulsions, Inc. in the amount of \$714,193.54, and another from VSS Emultech in the amount of \$716,435.81. Only VSS Emultech agreed to make the good-faith effort to comply with Code Section 5.08.120, which they did by placing a help wanted ad in a local paper. As it is or likely that such specialized personnel are not locally available, placing an ad in the paper does not guarantee that the drivers ultimately used by the selected contractor for this project will be hired locally. The Department of Public Works recommends acceptance of Telfer Oil Company's bid as the lowest responsive bidder as it is the best interests of the County to do so.

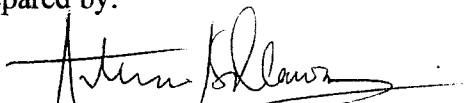
OTHER AGENCY INVOLVEMENT:

County Counsel and Contracts/Purchasing attended the bid opening and reviewed the low bid for conformance with applicable regulations. County Counsel and Risk Management approved the Contract and Bonds as to form, and insurance provisions, respectively.

FINANCING:

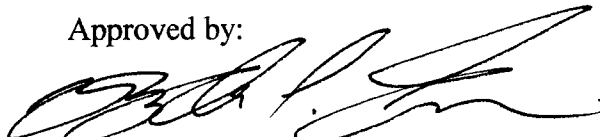
There is no financial impact to the General Fund. Sufficient appropriations are included in the FY 2010-11 Road Fund budget (Fund 002, Unit 8195) for this project. The estimated total cost for this contract is \$702,596.66, with a contingency of 10% of the base bid in the amount of \$70,259, for a total contract of \$772,855.

Prepared by:



Arturo A. Adlawan, P.E. (831) 755-4823
Civil Engineer

Approved by:



Yazdan T. Emrani, M.S., P.E.
Director of Public Works

Dated: May 16, 2011

Attachments: Board Order; Project Budget; Bid Summary; Contract; Bonds (on file with the Clerk of the Board); Location Map

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

- a. Award a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;
- b. Approve the Performance and Payment Bonds executed and provided by Telfer Oil Company;
- c. Authorize a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; and
- d. Authorize the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.....

Upon motion of Supervisor _____, seconded by Supervisor _____, and carried by those members present, the Board hereby:

- a. Awarded a contract to Telfer Oil Company, the lowest responsible base bidder, for the Procurement (Delivery and Application) of Asphalt Emulsion for the Seal Coat 2010 Project, Contract No. 11-551120; in the total amount of \$702,596.66;
- b. Approved the Performance and Payment Bonds executed and provided by Telfer Oil Company;
- c. Authorized a contingency (not to exceed 10% of the Contract amount) to provide funding for approved contract change orders; and
- d. Authorized the Director of Public Works to execute the contract and subject to the terms of the Public Contract Code, approve change orders to the contract that do not exceed 10% of the original contract amount and do not significantly change the scope of work.

PASSED AND ADOPTED on this 24th day of May, 2011, by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book _____, for the meeting on _____.

Dated:

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____, Deputy

**MONTEREY COUNTY DEPARTMENT OF PUBLIC WORKS
PROCUREMENT (DELIVERY & APPLICATION) OF ASPHALT EMULSION
FOR THE SEAL COAT 2010 PROJECT
CONTRACT NO. 11-551120**

CONTRACT BUDGET

| | |
|---------------------------------------|-----------------------|
| Base Bid | \$702,596 |
| 10% Contingency | <u> \$70,259</u> |
| TOTAL ESTIMATED CONTRACT COST: | \$772,855 |

REVENUE

| | |
|---------------------------------|------------------|
| Road Fund (Fund 002, Unit 8195) | \$772,855 |
| TOTAL: | \$772,855 |

**BID SUMMARY SHEET:
BOARD OF SUPERVISORS, COUNTY OF MONTEREY**

Project: Seal Coat 210 Project No. 11-~~43~~1120

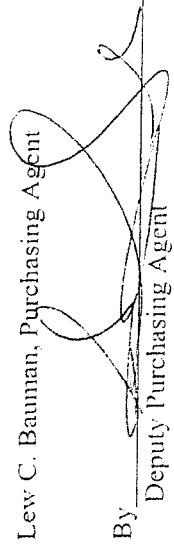
Department: Public Works

Authority: Ordinance No. 1862 as amended by Ordinance No. 2628

| <u>Bidders:</u> | <u>Estimated Cost:</u> Base Bid Amount |
|---|---|
| Western Emulsions Inc. 3 Monarch Bay Plaza, Ste 210 Dana Point CA 92629 | \$ 114,193.36 \$ |
| Telfer Oil Co. P.O. Box 709 Martinez, CA 94553 | \$ 702,596.66 \$ |
| VSS Emultech PO Box 981150 West Sacramento, CA 95798 | \$ 716,435.81 \$ |
| | \$ \$ \$ |
| | \$ \$ \$ |
| | \$ \$ \$ |

Certification: I certify that bids listed above were opened, examined, and declared by me on May 2, 2011 at 3:00 P.M., in the Clerk to the Board's Closed Session Room, 1st Fl., Government Center, Salinas, CA

Lew C. Bauman, Purchasing Agent

By  Deputy Purchasing Agent

CONTRACT FOR PUBLIC WORK

COUNTY OF MONTEREY

STATE OF CALIFORNIA

CONTRACT NO. 11-551120

THIS AGREEMENT, made in triplicate by and between the COUNTY OF MONTEREY, a political subdivision of the State of California, hereinafter called the "County," and Telfer Oil Company, hereinafter called the "Contractor,"

WITNESSETH:

(1) THE WORK

The Contractor shall do all the work and furnish all the materials, except such as are mentioned in any of the contract documents to be furnished by the County, necessary to construct and complete in a good, workmanlike and substantial manner and to the satisfaction of the County, the following public work:

**PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the SEAL COAT 2010
CONTRACT NO. 11-551120**

in accordance with this agreement and with all of the following additional contract documents which are incorporated into and made a part of this agreement:

- (a) The Standard Specifications, dated May 2006, and the Standard Plans, dated May 2006, including issued amendments through November 30, 2010, of the State of California, Department of Transportation.
- (b) The Special Provisions for the work.
- (c) The Notice to Bidders calling for bids.
- (d) The Payment and Performance bonds required.
- (e) Certificate of Insurance.
- (f) Rate List
- (g) The accepted bid/proposal including the following:

| | |
|-----|--|
| (1) | List of Subcontractors |
| (2) | Equal Employment Opportunity Certification |
| (3) | Public Contract Code |
| | Section 10285.1 Statement |
| | Section 10162 Questionnaire |
| | Section 10232 Statement |
| (4) | Non-Collusion Affidavit |

| | |
|------|---|
| (5) | Debarment and Suspension Certification |
| (6) | Statement Concerning Employment of Undocumented Aliens |
| (7) | Contractor's Certificate as to Worker's Compensation |
| (8) | Contractor's Certification of Good-Faith Effort to Hire Monterey Bay Area Residents |
| (9) | List of Satisfied Public Agencies |
| (10) | Bidder's Bond |

All contract documents are intended to cooperate, so that any work called for in one and not mentioned in another is to be executed the same as if mentioned in all. However, should there be any conflict between the terms of this instrument and the Contractor's bid or proposal, then this instrument shall control.

2. WORKERS' COMPENSATION

In accordance with the provisions of Section 3700 of the Labor Code, the Contractor and every Subcontractor will be required to secure the payment of compensation to his employees.

3. CONTRACT PRICE

The County shall pay the Contractor the following prices for the performance of this contract:

PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the SEAL COAT 2010 PROJECT
CONTRACT NO. 11-551120

| ITEM NO. | ITEM CODE | ITEM | UNITS | ESTIMATED QUANTITY | UNIT PRICE INCLUDING 8.25% TAX (In Figures) | ITEM TOTAL INCLUDING 8.25% TAX (In Figures) |
|----------|-----------|---|-------|--------------------|---|---|
| 1 | | PASS or Equivalent for the San Miguel Road Maintenance District | TONS | 115 | \$777.00 | \$89,355.00 |
| 2 | | PASS or Equivalent for the Monterey Road Maintenance District | TONS | 179 | \$777.00 | \$139,083.00 |
| 3 | 374492 | PMCRS2h for the Greenfield Road Maintenance District | TONS | 239 | \$650.00 | \$155,350.00 |
| 4 | 374492 | PMCRS2h for the San Ardo Road Maintenance District | TONS | 287 | \$650 | \$186,550.00 |
| 5 | | FastSet for the San Miguel Road Maintenance District | TONS | 25 | \$500.00 | \$12,500.00 |

| | | | | | | |
|-------------------|--|--|------|-----|-------------|---------------------|
| 6 | | FastSet for the Monterey Road Maintenance District | TONS | 62 | \$500.00 | \$31,000.00 |
| 7 | | Accessorial Charges on Spreading | HRS | 210 | \$195.00 | \$40,950.00 |
| 8 | | Accessorial Charges on Unloading | HRS | 44 | \$110.00 | \$4,840.00 |
| 9 | | Other Accessorial Charges * | LS | 1 | \$42,968.66 | \$42,968.66 |
| TOTAL COST | | | | | | \$702,596.66 |

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the dates appearing opposite their respective signatures.

CONTRACTOR:

Telfer Oil Company
(Name of Company)

By: _____

Name: Michael S. Telfer

Title: Managing General Agent

Date: May 6, 2011

COUNTY OF MONTEREY:

By: _____

Name: Yazdan T. Emrani, P.E.

Title: Director of Public Works

Date: _____

APPROVE AS TO FORM

By: Cynthia L. Hasson

Name: Cynthia L. Hasson

Title: Deputy County Counsel

Date: 5-10-11

APPROVE AS TO INDEMNITY /
RISK MANAGEMENT
INSURANCE LANGUAGE
COUNTY OF MONTEREY

By: APPROVED AS TO INDEMNITY /

Name: Steven P. Marick

Title: Risk Manager

Date: 5-11-11

Bond Number: 929419948
Premium: Included in the
Performance Bond

COUNTY OF MONTEREY

PAYMENT BOND
(Civil Code Section 3249)

WHEREAS, the County of Monterey has awarded to Principal, as Contractor, a contract for the following project:

**PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the
SEAL COAT 2010 PROJECT
CONTRACT NO. 11-551120**

AND WHEREAS, Principal, as Contractor, is required to furnish a bond in connection with said contract, to secure the payment of claims of laborers, mechanics, materialmen, and other persons furnishing labor and materials on the project, as provided by law.

NOW, THEREFORE, we Telfer Oil Company, as Principal,
and Western Surety Company as Surety, are held and firmly bound
unto the County of Monterey, a political subdivision of the State of California (hereinafter called
"County"), and to the persons named in California Civil Code Section 3181 in the penal sum of
Seven Hundred Two Thousand Five Hundred Ninety Six and for the payment of which
66/100 dollars-----
sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs,
executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the Principal, or any of Principal's heirs, executors, administrators, successors, assigns, or Subcontractors, (1) fails to pay in full all of the persons named in Civil Code Section 3181 with respect to any labor or materials furnished by said persons on the project described above, or (2) fails to pay in full all amounts due under the California Unemployment Insurance Code with respect to work or labor performed on the project described above, or (3) fails to pay for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and Subcontractors pursuant to Unemployment Insurance Code Section 13020 with respect to such work and labor, then the Surety shall pay for the same.

Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract on the call for bids, or to the work to be performed thereunder, or the specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to the work, or to the specifications.

If suit is brought upon this bond by the County and judgment is recovered, the Surety shall pay all litigation expenses incurred by the County in such suit, including court costs, expert witness fees and investigation expenses.

This bond inures to the benefit of any of the persons named in Civil Code Section 3181, and such persons or their assigns shall have a right of action in any suit brought upon this bond, subject to any limitations set forth in Civil Code Sections 3247 et seq. (Civil Code, Division 3, Part 4, Title 15, Chapter 7: Payment Bond for Public Works).

IN WITNESS WHERE OF the above-bounden parties have executed this instrument under their several seals this 4th day of May, 2011, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)

Telfer Oil Company

Principal

By 

Name and Title

Michael S. Telfer
Managing General Agent

(Corporate Seal)

Western Surety Company

Surety

By 

Name and Title Christopher J. Angelo, Attorney-in-Fact

(Attach notary acknowledgment for all signatures and attorney-in-fact certificate for signature by surety's representative.)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

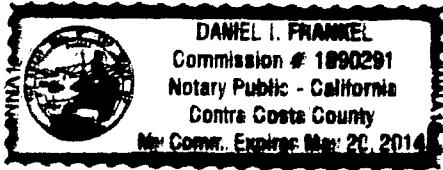
State of California

County of Contra Costa }

On May 6, 2011 before me, Daniel I. Frankel, Notary Public
Date Here insert Name and Title of the Officer

personally appeared Michael S. Taffer
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature: [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

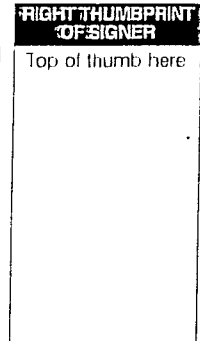
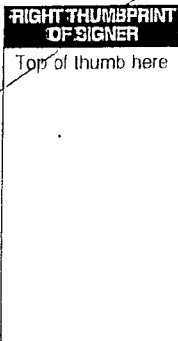
Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____



CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Sacramento

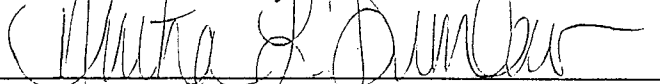
On May 4, 2011 before me, Anitra L. Dumlao - Notary Public
(Here insert name and title of the officer)

personally appeared Christopher J. Angelo

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 of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/~~they~~ is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - Indicate title or type of attached document, number of pages and date.
 - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Randall L Jorgensen, Joseph H Weber, Christopher J Angelo, Paul F Bystrowski, Carol Dunn, John E Murphy, Sandi Pullen, Individually

of Sacramento, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 3rd day of November, 2006.

WESTERN SURETY COMPANY



Paul T. Bruflat

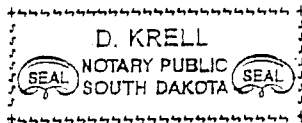
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 3rd day of November, 2006, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

November 30, 2012



D. Krell

D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4th day of May, 2011.



WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

COUNTY OF MONTEREY

PERFORMANCE BOND

WHEREAS, the County of Monterey has awarded to Principal, Telfer Oil Company, as Contractor, a contract for the following project:

**PROCUREMENT (DELIVERY and APPLICATION) of ASPHALT EMULSION for the
SEAL COAT 2010 PROJECT
CONTRACT NO. 11-551120**

WHEREAS, Principal, as Contractor, is required to furnish a bond in connection with said contract, to secure the faithful performance of said contract.

NOW, THEREFORE, we Telfer Oil Company, as Principal, and Western Surety Company

as Surety, are held and firmly bound
unto the County of Monterey, a political subdivision of the State of California (hereinafter called "County"), in the penal sum of Seven Hundred Two Thousand Five Hundred
Ninety Six and 66/100 dollars, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

If the Principal, as Contractor, or Principal's heirs, executors, administrators, successors, or assigns, (1) shall in all things stand to and abide by and well and truly keep and perform the covenants, conditions, and agreements in said contract and any alteration thereof made as therein provided, on Principal's part to be kept and performed, at the time and in the manner therein specified and in all respects according to their true intent and meaning, and (2) shall defend, indemnify and save harmless the County, the members of its board of supervisors, and its officers, agents and employees as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and virtue.

Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract on the call for bids, or to the work to be performed thereunder, or the specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to the work, or to the specifications.

Whenever the Principal, as Contractor, is in default, and is declared in default, under the contract by the County of Monterey, the County of Monterey having performed its obligation under the contract, Surety may promptly remedy the default, or shall promptly:

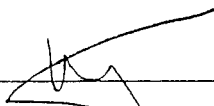
- (1) Complete the contract in accordance with its terms or conditions, or
- (2) Obtain a bid or bids for submission to County of Monterey for completing the contract in accordance with its terms or conditions, and upon determination by County of Monterey and Surety of the lowest responsible and responsive bidder, arrange for a contract between such bidder and County of Monterey, and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of contract price.

If suit is brought upon this bond by the County and judgment is recovered, the Surety shall pay all litigation expenses incurred by the County in such suit, including court costs, expert witness fees and investigation expenses.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals this 4th day of May, 2011, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal)


Telfer Oil Company
Principal

By 

Name and Title Michael S. Telfer
Managing General Agent

(Corporate Seal)

Western Surety Company
Surety

By 

Name and Title Christopher J. Angelo, Attorney-in-Fact

(Attach notary acknowledgment for all signatures and attorney-in-fact certificate for signature by surety's representative.)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

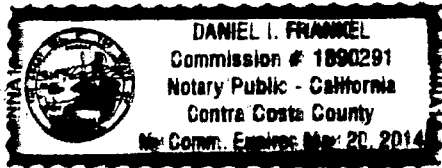
State of California

County of Contra Costa }

On May 6, 2011 before me, Daniel I. Frankel, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Michael S. Telfer
Name(s) of Signer(s)

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



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

WITNESS my hand and official seal.

Signature: _____

Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer — Title(s): _____ Corporate Officer — Title(s): _____

Individual Partner — Limited General Individual Partner — Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer is Representing: _____ Signer is Representing: _____

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of Sacramento

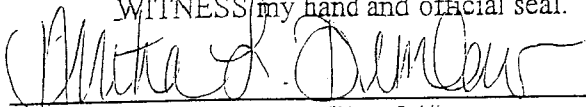
On May 4, 2011 before me, Anitra L. Dumlao - Notary Public-----
(Here insert name and title of the officer)

personally appeared Christopher J. Angelo-----

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.

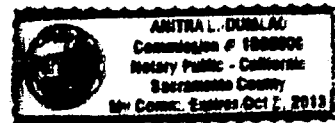
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____ Document Date _____

(Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
 Corporate Officer

(Title)

- Partner(s)
 Attorney-in-Fact
 Trustee(s)
 Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they- is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudged, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ✦ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ✦ Indicate title or type of attached document, number of pages and date.
 - ✦ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Randall L Jorgensen, Joseph H Weber, Christopher J Angelo, Paul F Bystrowski, Carol Dunn, John E Murphy, Sandi Pullen, Individually

of Sacramento, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 3rd day of November, 2006.



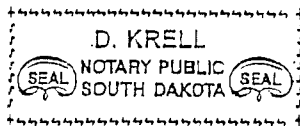
WESTERN SURETY COMPANY

Paul T. Bruflat
Paul T. Bruflat, Senior Vice President

State of South Dakota }
County of Minnehaha } ss

On this 3rd day of November, 2006, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Senior Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
November 30, 2012



D. Krell
D. Krell, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4th day of May, 2011.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

Authorizing By-Law

ADOPTED BY THE SHAREHOLDERS OF WESTERN SURETY COMPANY

This Power of Attorney is made and executed pursuant to and by authority of the following By-Law duly adopted by the shareholders of the Company.

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, and Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/05/2011

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

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

| PRODUCER LIC #0660864 Argo Insurance Group, Inc. 2300 Contra Costa Blvd Suite 375 Pleasant Hill, CA 94523 1-925-671-5110 | CONTACT NAME: Liz Boehmer PHONE (A/C, No, Ext): 925-852-0401 E-MAIL ADDRESS: Lizb@argoinsurance.com PRODUCER CUSTOMER ID #: | FAX (A/C, No): 925-852-0451 | | | | | | | | | | | | | | |
|---|---|-----------------------------|-------------------------------|--------|------------------------------------|-------|------------------------------|-------|------------|--|------------|--|------------|--|------------|--|
| INSURED Telfer Oil Company PO Box 709 Martinez, CA 94553 | <table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: LIBERTY MUT FIRE INS CO</td> <td>23035</td> </tr> <tr> <td>INSURER B: GREAT AMER INS CO</td> <td>16691</td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table> | | INSURER(S) AFFORDING COVERAGE | NAIC # | INSURER A: LIBERTY MUT FIRE INS CO | 23035 | INSURER B: GREAT AMER INS CO | 16691 | INSURER C: | | INSURER D: | | INSURER E: | | INSURER F: | |
| INSURER(S) AFFORDING COVERAGE | NAIC # | | | | | | | | | | | | | | | |
| INSURER A: LIBERTY MUT FIRE INS CO | 23035 | | | | | | | | | | | | | | | |
| INSURER B: GREAT AMER INS CO | 16691 | | | | | | | | | | | | | | | |
| INSURER C: | | | | | | | | | | | | | | | | |
| INSURER D: | | | | | | | | | | | | | | | | |
| INSURER E: | | | | | | | | | | | | | | | | |
| INSURER F: | | | | | | | | | | | | | | | | |

COVERAGES

CERTIFICATE NUMBER: 21073176

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE | ADDL SUBR INSP. WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|--|---------------------|-----------------|-------------------------|-------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | X X | TB2661036901031 | 02/01/11 | 02/01/12 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$ |
| A | AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | X X | AS7661036901051 | 02/01/11 | 02/01/12 | COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$ |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000 | | TUU033259302 | 02/01/11 | 02/01/12 | EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$ \$ |
| A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below: | Y/N N N/A | WC2661036901111 | 02/01/11 | 02/01/12 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |

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

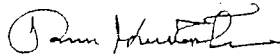
County of Monterey, their officers, agents, and employees are Additional Insureds per the language provided in the attached LN2001 0605 & CA2048 0299.

A.M. Best rating: A++XV - RE Project: Procurement (Delivery and Application) of Asphalt Emulsion For the Seal Coat 2010 Project Contract #11-551120

Primary wording applies per the language provided in the attached CG0001.1207.

Waiver of Subrogation applies to General Liability, Auto & Workers Comp per the attached CG2404, AX1210 & WC040306.

30 day notice of cancellation except 10 days for non-payment of premium.

| | |
|--|---|
| CERTIFICATE HOLDER Contract #11-551120 Monterey County Department of Public Works 168 West Alisal Street, 2nd Floor Salinas, CA 93901 USA | CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  |
|--|---|

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED

This endorsement modifies insurance provided under the following.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SECTION II - WHO IS AN INSURED is amended to include as an insured any person or organization for whom you have agreed in writing to provide liability insurance. But:

The insurance provided by this amendment:

- 1 Applies only to "bodily injury" or "property damage" arising out of (a) "your work" or (b) premises or other property owned by or rented to you;
- 2 Applies only to coverage and minimum limits of insurance required by the written agreement, but in no event exceeds either the scope of coverage or the limits of insurance provided by this policy; and
- 3 Does not apply to any person or organization for whom you have procured separate liability insurance while such insurance is in effect, regardless of whether the scope of coverage or limits of insurance of this policy exceed those of such other insurance or whether such other insurance is valid and collectible.

The following provisions also apply:

- 1. Where the applicable written agreement requires the insured to provide liability insurance on a primary, excess, contingent, or any other basis, this policy will apply solely on the basis required by such written agreement and Item 4. Other Insurance of SECTION IV of this policy will not apply.
- 2. Where the applicable written agreement does not specify on what basis the liability insurance will apply, the provisions of Item 4. Other Insurance of SECTION IV of this policy will govern.
- 3. This endorsement shall not apply to any person or organization for any "bodily injury" or "property damage" if any other additional insured endorsement on this policy applies to that person or organization with regard to the "bodily injury" or "property damage".
- 4. If any other additional insured endorsement applies to any person or organization and you are obligated under a written agreement to provide liability insurance on a primary, excess, contingent, or any other basis for that additional insured, this policy will apply solely on the basis required by such written agreement and Item 4. Other Insurance of SECTION IV of this policy will not apply, regardless of whether the person or organization has available other valid and collectible insurance. If the applicable written agreement does not specify on what basis the liability insurance will apply, the provisions of Item 4. Other Insurance of SECTION IV of this policy will govern.

This endorsement is executed by the LIBERTY MUTUAL FIRE INSURANCE COMPANY

Premium \$

Effective Date 2/1/2011 Expiration Date 2/1/2012

For attachment to Policy No TB2-661-036901-031

Audit Basis

Issued To Telfer Oil Company, A Partnership of Telfer Tank Lines, Inc., & Telfer Enterprises, Inc. and as per Endorsement #1

Dorothy P. Kelly
SECRETARY

Edward F. Kelly
PRESIDENT

Counter-signed by _____
Authorized Representative

Issued

Sales Office and No

End Serial No.

Named Insured Schedule

Asphalt Service Company, Inc.
Mulberry Land Co., LLC
Continental Western Transportation Co., Inc.
Telfer Highway Technologies, LLC
Telfer Oil Company 401K & Profit Sharing Plan
Continental Western 401K & Profit Sharing Plan
DBA's:
Western Oil & Spreading
Windsor Fuel Company
Telfer Geosynthetics
Telfer Geosynthetics DBA California Paving Fabrics

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

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

SCHEDULE

| |
|--|
| <p>Name Of Person Or Organization: Any person or organization with whom you have agreed in writing to waive any right of recovery prior to a loss.</p> |
| <p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p> |

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

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

This endorsement is executed by the LIBERTY MUTUAL FIRE INSURANCE COMPANY

Premium \$

Effective Date 2/1/2011 Expiration Date 2/1/2012

For attachment to Policy No. TB2-661-036901-031

Audit Basis

Issued To

Dorothy R. Leary
SECRETARY

Edward F. Kelly
PRESIDENT

Countersigned by

Authorized Representative

Issued

Sales Office and No.

End. Serial No.

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

- (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

- (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I - Coverage A - Bodily Injury And Property Damage Liability.

- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

Business Auto Coverage Form
Garage Coverage Form
Truckers Coverage Form
Motor Carrier Coverage Form

SCHEDULE

Premium: INCL

Name of Person or Organization:

Any person or organization for whom you perform work under a written contract if the contract requires you to obtain this agreement from us, but only if the contract is executed prior to the injury or damage occurring.

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US condition is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your operations of a covered auto done under contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above.

Policy No: AS7-661-036901-051
Effective Date: 2/1/2011
Expiration Date: 2/1/2012
Sales Office: 0395

Issued By: Liberty Insurance Corp.

Endt Serial No:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

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

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

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

SCHEDULE

Name of Person(s) or Organization(s):

Any person or organization whom you have agreed in writing to add as an additional insured, but only to coverage and minimum limits of insurance required by the written agreement, and in no event to exceed either the scope of coverage or the limits of insurance provided in this policy.

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

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

Policy No: AS7-661-036901-051
Effective Date: 2/01/2011
Expiration Date: 2/01/2012
Sales Office: 0395

Issued By: Liberty Insurance Corp.

Endt Serial No:

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA

This endorsement changes the policy to which it is attached effective on inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective 12:01 AM 02/01/11 forms a part of Policy No. WC2661036901111

Issued to: Telfer Oil Company

By: LIBERTY MUT FIRE INS CO

Premium: INCL

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us).

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 5% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

County of Monterey, their officers, agents and employees

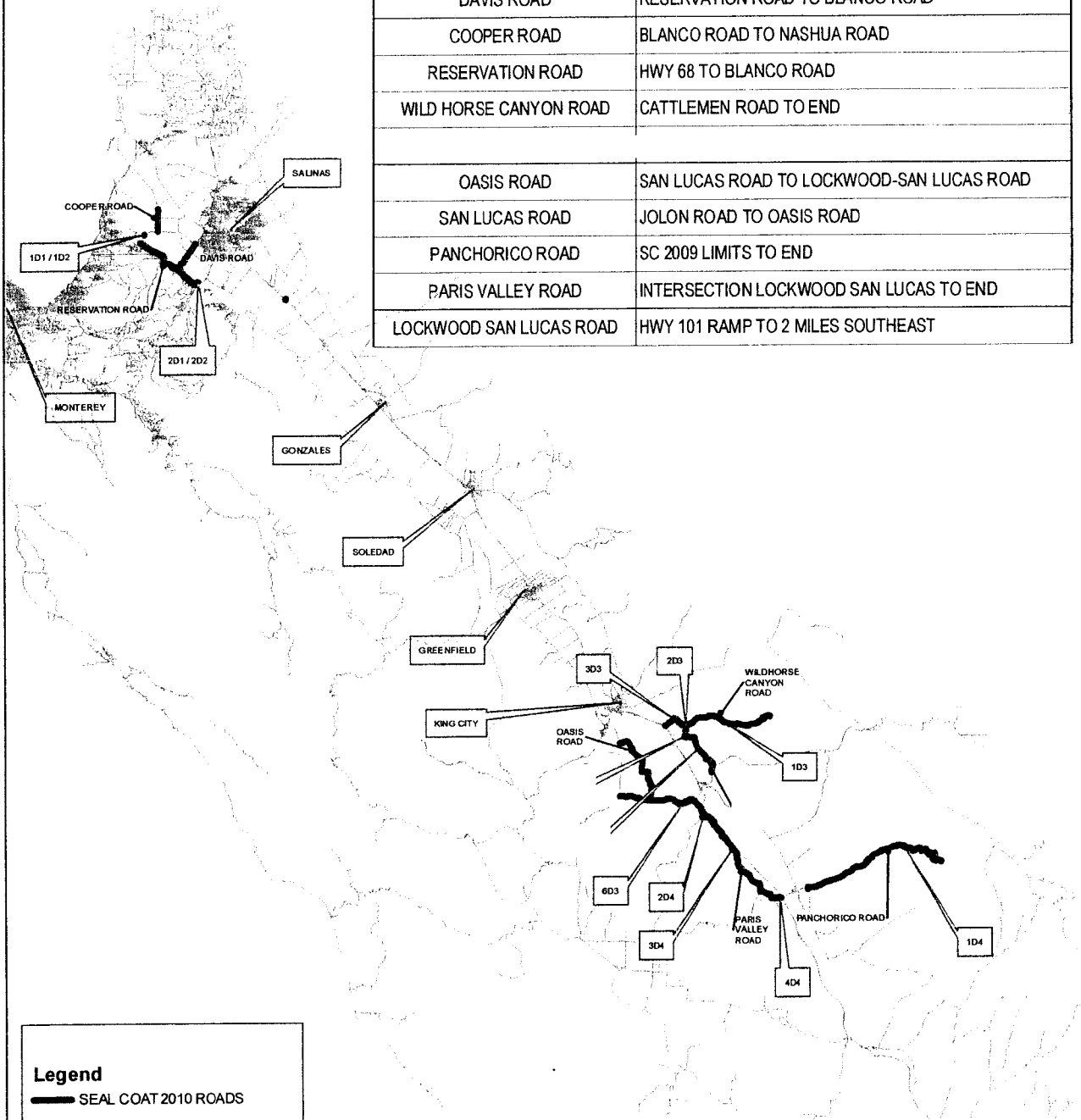
Job Description

RE Project: Procurement (Delivery and Application) of Asphalt Emulsion For the Seal Coat 2010
Project Contract #11-551120

LOCATION MAP AND ROAD LIST

PROCUREMENT (DELIVERY AND APPLICATION) OF ASPHALT EMULSION FOR THE SEAL
COAT 2010 PROJECT
(CONTRACT NO. 11 - 551120)

| ROAD NAME | LIMITS |
|-------------------------|---|
| DAVIS ROAD | RESERVATION ROAD TO BLANCO ROAD |
| COOPER ROAD | BLANCO ROAD TO NASHUA ROAD |
| RESERVATION ROAD | HWY 68 TO BLANCO ROAD |
| WILD HORSE CANYON ROAD | CATTLEMEN ROAD TO END |
| OASIS ROAD | SAN LUCAS ROAD TO LOCKWOOD-SAN LUCAS ROAD |
| SAN LUCAS ROAD | JOLON ROAD TO OASIS ROAD |
| PANCHORICO ROAD | SC 2009 LIMITS TO END |
| PARIS VALLEY ROAD | INTERSECTION LOCKWOOD SAN LUCAS TO END |
| LOCKWOOD SAN LUCAS ROAD | HWY 101 RAMP TO 2 MILES SOUTHEAST |



Legend

- SEAL COAT 2010 ROADS
- MONTEREY COUNTY ROADS
- STOCKPILE LOCATION