

MOSCOW URBAN RENEWAL AGENCY

PUBLIC WORKS CONSTRUCTION AGREEMENT

THIS PUBLIC WORKS CONSTRUCTION AGREEMENT ("Agreement") is made by and between Germer Construction ("CONTRACTOR"), and the Moscow Urban Renewal Agency, a public body, corporate and politic ("MURA") (individually referred to as "Party" and collectively as the "Parties").

AGREEMENT

In consideration of the mutual covenants contained herein, the Parties hereby agree as follows:

1. Scope of Work and Schedule. CONTRACTOR shall perform the tasks and services set forth below ("Scope of Work" or "Work").

See Exhibit A – Scope of Work.

The Work to be performed under this Agreement shall commence upon a written /email notice to proceed. The Work shall be substantially complete by October 14, 2011 and fully complete by October 31, 2011.

2. Performance of the Work. CONTRACTOR agrees to perform the Work in a good and workmanlike manner in accordance with all applicable City of Moscow and/or Latah County ordinances and other applicable governmental laws, codes and regulations, including all State of Idaho, EPA and OSHA regulations.

3. Amount and Method of Payment.

(a) Amount and Method of Payment. MURA agrees to pay CONTRACTOR an amount not to exceed thirty-two thousand five hundred DOLLARS (\$32,500.00) based on time and materials for the Work.

(b) Invoices. After completing the Work, CONTRACTOR shall provide MURA an invoice in a format acceptable to MURA for the Work performed.

(c) Notice Required Prior to Overages. CONTRACTOR shall submit a change order request to MURA if CONTRACTOR anticipates that costs for the Scope are expected to exceed the not-to-exceed limit set for this Agreement. MURA will determine in its sole judgment if an amendment to the not-to-exceed limit is

appropriate. Change orders shall not be binding unless approved by MURA in writing.

- (d) **Payment of Invoices.** As the work of this project should have duration of approximately 60 days or less, only one payment will be made to the Contractor unless other specification provisions state otherwise. Payment in full will be made within thirty (30) calendar days after all demolition and site work have been completed.
- (e) **Correcting Deficiencies.** If the Work does not meet the requirements of this Agreement as MURA may determine, MURA shall notify CONTRACTOR in writing and specify all deficiencies in the Work that do not meet the requirements. CONTRACTOR shall have seven (7) working days to correct or modify the Work to comply with the requirements of the Agreement as set forth in MURA's written notice. If MURA again determines the Work fails to meet the requirements, MURA may withhold payment until deficiencies have been corrected to MURA's satisfaction or may terminate this Agreement for cause as set forth in Section 17. of this Agreement. No interest shall accrue on unpaid amounts withheld by MURA under this provision.

4. **Insurance Requirements.** Upon execution of this Agreement and prior to commencing any services under this Agreement, CONTRACTOR shall obtain at its sole cost and expense and thereafter maintain, for the duration of the Agreement, at least the minimum insurance coverages set forth below:

- (a) Worker's compensation insurance as required by applicable law or regulation;
- (b) Employer's liability insurance in the minimum amount of \$100,000 each accident for bodily injury, \$100,000 each employee for bodily injury by disease and 500,000 policy limit for bodily injury by disease;
- (c) Commercial general liability insurance covering all operations by or on behalf of the CONTRACTOR with minimum limits of liability of \$1,000,000 for each occurrence and \$2,000,000 aggregate for both bodily injury and property damage. The commercial general liability insurance policy shall name MURA as Additional Insured and shall protect its officers, agents and employees from and against any and all claims, losses, actions, and judgments for damages or injury to persons or property arising out of or in connection with the CONTRACTOR's negligence during the performance of this Agreement; and
- (d) Automobile liability insurance including coverage for owned, hired, and non-owned automobiles. The limits of liability shall not be less than \$1,000,000 combined single limit each accident for bodily injury and property damage combined. CONTRACTOR shall require each of its subcontractors to include in their liability insurance policies coverage for automobile contractual liability.

All insurance required in this Agreement shall be occurrence based coverage as opposed to claims based coverage and shall be procured from companies which are authorized to do business in Idaho.

5. Independent Contractor Relationship. CONTRACTOR is an independent contractor and is not an employee, servant, agent, partner, or joint venturer of MURA. MURA shall determine the Work to be done by CONTRACTOR, but CONTRACTOR shall determine the legal means by which it accomplishes the Work specified by MURA. This Agreement shall not be construed to create any employer-employee relationship between MURA and CONTRACTOR.

6. Discrimination Prohibited. In performing the Work required herein, CONTRACTOR shall not discriminate against any person on the basis of race, color, religion, sex, national origin or ancestry, age or handicap. Violation of this section shall constitute a material breach of this Agreement and deemed grounds for cancellation, termination or suspension of the Agreement by MURA, in whole or in part, and may result in ineligibility for further work for MURA.

7. Requisite Skill. CONTRACTOR represents that it possesses the requisite skill, knowledge, and experience necessary to perform the Work under this Agreement.

8. Federal, State, and Local Payroll Taxes. Neither federal, state or local income taxes, nor payroll taxes of any kind shall be withheld and paid by MURA on behalf of CONTRACTOR or the employees of CONTRACTOR. CONTRACTOR shall not be treated as an employee for federal or state tax purposes.

9. Fringe Benefits. Because CONTRACTOR is engaged in its own independently established business, CONTRACTOR is not eligible for, and shall not participate in, any employee pension, health, or other fringe benefit plans of MURA.

10. Equipment, Tools, Materials or Supplies. CONTRACTOR shall supply, at CONTRACTOR's sole expense, all equipment, tools, materials and/or supplies to accomplish the Work to be performed herein.

11. Right of Control. MURA agrees that it will have no right to control or direct the details, manner, or means by which CONTRACTOR accomplishes the results of the Work performed hereunder. CONTRACTOR has no obligation to work any particular hours or days or any particular number of hours or days. CONTRACTOR agrees, however, that its other contracts shall not interfere with its performance under this Agreement. MURA agrees to coordinate project schedules, respective commencements and deadlines with other contractors that are part of project team.

12. Coordination of the Work with Others. CONTRACTOR agrees to coordinate the Work with any other contractor or entity hired by MURA to perform work associated with the Sack Warehouse Demolition Project, if necessary.

13. Liens. CONTRACTOR agrees that it shall not file any liens against property owned or controlled by MURA (the "Property"). Subject to MURA's payment of the compensation in accordance with the terms of this Agreement, CONTRACTOR will promptly discharge all liens, if any, filed against the Property by CONTRACTOR's subcontractors, suppliers and materialmen, and agents and persons employed by any of such persons.

14. Reasonable Satisfaction. If, following completion of the Work, MURA is not reasonably satisfied with the Work, MURA shall inform CONTRACTOR of the deficiencies and may withhold payment until CONTRACTOR remedies said deficiencies, which may include re-doing the Work at CONTRACTOR's expense.

15. Warranty. CONTRACTOR warrants that the Work will be performed in good faith and in a workmanlike manner. CONTRACTOR acknowledges that it will be liable for any breach of this warranty.

16. Indemnity. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold MURA harmless from and against all claims, damages, losses and expenses including without limitation attorney fees arising out of or resulting from the negligent or intentionally wrongful acts or omissions of CONTRACTOR, its agents, employees, subcontractors, materialmen and suppliers relating to the Work performed pursuant to this Agreement.

17. Termination by MURA.

- (a) For Convenience. MURA may terminate this Agreement at its convenience at any time by giving CONTRACTOR seven (7) days written notice.
- (b) For Cause. To terminate this Agreement for cause, MURA shall provide written notice (the "Termination Notice") to CONTRACTOR specifying the grounds for termination in sufficient detail to provide CONTRACTOR with a reasonable opportunity to cure. If CONTRACTOR does not cure or otherwise rectify the grounds for termination or take reasonable steps to do so within three (3) days of its receipt of the Termination Notice, MURA may terminate this Agreement.

If this Agreement is terminated by MURA as provided herein, CONTRACTOR shall be paid an amount for the Work completed as of the date of termination, less amounts already paid and any damages to MURA resulting from CONTRACTOR's breach of the Agreement. MURA may withhold any payments to the CONTRACTOR for purposes of set-off until such time as the exact amount of damages due MURA is determined.

18. Attorneys Fees. In the event of any controversy, claim or action being filed or instituted between the Parties hereto to enforce the terms and conditions of this Agreement or arising from the breach of any provision thereof, the prevailing Party will be entitled to receive from the other Party all costs, damages, and expenses, including reasonable attorneys' fees through all levels of action. The prevailing Party will be that Party who is awarded judgment as a result of trial or arbitration, or who receives a payment of money or other concession or agreements from the other Party in settlement of claims asserted by that Party.

19. Nonwaiver. No covenant, term or condition contained in this Agreement nor the breach thereof may be waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be a waiver of any other covenant, term or condition herein. Acceptance by a Party of any performance by another Party after the time the same shall have become due shall not constitute a waiver by the first Party of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by the first Party in writing.

20. Notice. All notices required to be given in writing hereunder shall be deemed to have been validly given on that day if personally delivered to the address set forth below or, if mailed, three (3) business days after the deposit thereof in the United States mail, postage prepaid, by certified or registered mail, return receipt requested to the addresses set forth below:

To MURA:
Jeffrey Jones
Executive Director
Moscow Urban Renewal Agency
206 East Third Street
Moscow ID 83843
(208-883-7007) [For convenience and not to be used for notices required to be in writing.]

To CONTRACTOR:
Larry Germer
President
Germer Construction
140 E. Palouse River Drive
Moscow, Idaho 83843
(208-882-8482) [For convenience and not to be used for notices required to be in writing.]

Informal notices may be delivered in person, by telephone, U.S. Mail, courier, Fax or E-mail.

21. Assignment. It is expressly agreed and understood by the Parties hereto, that CONTRACTOR shall not have the right to assign, transfer, hypothecate or sell any of its rights under this Agreement except upon the prior express written consent of MURA.

22. Counterparts. This Agreement may be executed in any number of counterparts. Such counterparts shall be deemed to be original instruments. Counterparts together shall constitute one (1) agreement.

23. Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof.

24. Amendments. This Agreement may not be amended, modified or changed except by a writing signed by each of the Parties hereto.

25. Governing Law. The interpretation of this Agreement and any disputes or claims that arise from this Agreement will be governed by the laws of the state of Idaho.

26. Severability. If any part of this Agreement is held unenforceable, the remaining portions of the Agreement will nevertheless remain in full force and effect.

27. Successors in Interest. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Parties hereby, and their respective successors and assigns.

28. Accident Prevention: The CONTRACTOR shall provide and maintain work environments and procedures which will:

- a) Safeguard the public and Government personnel, property, materials, supplies, and equipment exposed to CONTRACTOR operations and activities.
- b) Comply with all local, County, State, or other applicable legal requirements and will exercise all legally required safety precautions at all times.
- c) Ensure that all CONTRACTOR employees who are performing Work in the streets wear an appropriate safety vest.
- d) Avoid interruptions of Government operations and delays in project completion dates; and will exercise due care during the performance of work to protect from damage all existing facilities, structures, landscaping and utilities on local jurisdiction and private property.
- e) For these purposes on contracts for construction or dismantling, demolition, or removal of improvements, the CONTRACTOR shall:
 - i) Provide appropriate safety barricades, signs, and signal lights;
 - ii) Ensure that any additional measures the MURA determines to be reasonably necessary for the purposes are taken.
 - iii) Report to MURA immediately any CONTRACTOR caused damages.

iv) Effect the prompt repair any damage to any public property incurred while installing the required items. Repairs to be completed as quickly as is reasonably possible and as required by local ordinance.

30. Payment and Performance Bonds. CONTRACTOR shall secure and pay for a Performance Bond and a Labor and Materials Payment Bond listing MURA as an obligee, which bonds shall be for 100% of the applicable Contract Amount for the Project. Bonds shall be issued by a surety company authorized to do business in Idaho.

IN WITNESS WHEREOF, the CONTRACTOR and MURA have executed this Agreement effective as of the date last written below.

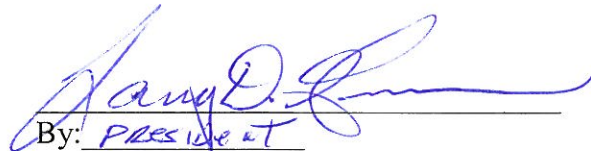
[signatures on following page]

Moscow Urban Renewal Agency

Germer Construction



Jeffrey Jones, Executive Director


By: PRESIDENT
Its: _____

Date: 08-30-2011

Date: 8/31/2011

Exhibit A – Scope of Work

1. DOCUMENTS

1.01 Project Submittals

- A. Submit required building permit application as required by the City of Moscow Building Division.
- B. Submit a site sketch plan to the MURA indicating the extent of demolition, removal sequence and location and construction of barricades and fences.
- C. Contractor shall add to the site sketch plan the locations of capped and active utilities and subsurface construction. The revised /updated site sketch plan shall be submitted to the MURA prior to the project close-out.

2. SCOPE & EXECUTION

2.01 Project Scope and Conditions

The scope of work shall include the demolition of the Sack Warehouse building located 317 W. 6th Street, Moscow, Idaho 83843, in accordance with Sections 1.01 – 2.23 inclusive.

- A. Contractor warrants it is prepared and equipped to properly dispose of any hazardous materials (Asbestos and /or Lead Based Paint) as outlined in the separately bound report prepared by Strata Geotechnical and Materials Testing [Asbestos Inspection and Lead in Paint Sampling, Former Sack Warehouse and “Coffee House” Structures, August 3, 2011] and incorporated in this contract by reference.
- B. Contractor shall furnish, install and maintain as part of the contract a temporary six (6') foot chain link security fence around the perimeter of the site as indicated on Attachment A. The security fence shall extend across the sidewalk on 6th street and shall exclude pedestrian access. Designated entrance gates shall be locked at all times when site is unattended. Owner is to be provided access (keys) to site at all times.
- C. As necessary, the Contractor shall provide temporary erosion and sediment control on the respective property prior to the start of demolition operations. Sediment control shall be maintained for the full duration of the project. Contractor shall be responsible for the maintenance of controls and control structures and shall be responsible for any clean-up due to failure or inefficiency of such controls.

- D. Contractor will minimize the production of dust due to demolition operations;
- E. Disconnect /cap all existing utilities.
- F. Protect existing structures and other elements that are not to be removed.
- G. Remove the entire building including footings and foundation walls (use of explosives is not permitted).
- H. Storage of salvage materials for sale on the work site is prohibited. Signs advertising salvage materials shall not be placed at the work site.
- I. Take precautions to prevent catastrophic or uncontrolled collapse of structures to be removed; do not allow worker or public access within range of potential collapse of unstable structures.
- J. Conduct operations to minimize effects on and interference with adjacent structures and occupants.
- K. Grading, backfill, and return to grade shall be performed as follows:
 - a) All crawl spaces, lower levels, foundation areas, and any below ground area shall be filled and compacted with select earth (no rocks clods, etc.).
 - b) Backfill materials shall be placed in horizontal, uniform layers not exceeding six (6) inches in depth
 - c) Each layer of backfill shall be compacted to a relative compaction of not less than ninety-five percent (95%), as determined as ASTM D1557 Method A.
 - d) The site shall be backfilled level with the sidewalk and /or existing grade of adjacent property.
 - e) The Contractor shall import fill as necessary to establish proper surface grades.
 - f) The site shall be left clean, clear and with a raked finish
- L. All demolition materials and debris shall be removed from the work concurrently with progress of work. Contractor shall not allow mud and debris from vehicle transporting demolition materials to litter any streets. Contractor shall clean-up any such mud or debris at its sole expense.

2.02 Permits

- A. Obtain required permits.
- B. The costs of all fees, permits and licenses associated with the work shall be the responsibility of the Contractor, compensation for which shall be included in the unit price for demolition and shall not be separately compensated.

2.03 Power

- A. All power for lighting, operation of the contractor's plant or equipment, or for any other use by the contractor, shall be provided by the contractor's sole cost and expense.

2.04 Sanitary Facilities

- A. The contractor shall furnish, install, and maintain ample sanitary facilities for the workmen. All such facilities and services shall be furnished in strict accordance with existing and governing health regulations.

2.05 Right-of-Ways /Work Areas

- A. Do not obstruct roadways or sidewalks without the required permits.
- B. Obtain written permission from owners of adjacent properties when demolition equipment will traverse, infringe upon or limit access to their property.

2.06 Safekeeping of Equipment

- A. It shall be understood that the responsibility for protection and safekeeping of equipment and materials on or near the site will be entirely that of the contractor and that no claim shall be made against the MURA by reason of any act of an employee or trespasser.

2.07 Utilities

- A. Coordinate work with utility companies; notify before starting work and comply with their requirements; obtain required permits.
- B. Protect existing utilities from damage.
- C. Do not disrupt public utilities without permit from authority having jurisdiction.
- D. Do not close, shut off, or disrupt existing utility branches or take-offs that are in use without at least three (3) days prior written notification to Owner.

- E. Locate and mark utilities to remain; mark using highly visible tags or flags, with identification of utility type; protect from damage due to subsequent construction, using substantial barricades if necessary.
- F. Remove exposed piping, valves, meters, equipment, supports, and foundations of disconnected and abandoned utilities.
- G. If additional or unexpected utility conflicts occur, the contractor shall be responsible for coordinating with the affected utility company to resolve the conflict and maintain progress on the project.

2.08 Protection of Existing Trees

- A. The contractor shall protect all trees adjacent to the public right-of-way from injury. Any trees damaged or destroyed by the contractor in performing the work, without the approval of the MURA's representative shall be replaced at the contractor's expense with material of equal or greater value.

2.09 General Work Sequence

- A. Establish temporary facilities, barricades and security fencing
- B. Establish erosion control
- C. Disconnect utilities from the Sack Warehouse
- D. Remove site improvements and remove utilities from within Limits of Demolition
- E. Backfill and Grade
- F. Site Cleanup
- G. Project Closeout

2.10 Disposal /Ownership of Materials

- A. Upon demolition and removal from the work site, all demolition and abatement materials shall become the property of the Contractor.
- B. The Contractor shall dispose of materials in accordance with all federal, state, and local rules, regulations, statutes, and ordinances.

2.11 Exchange of Data

- A. All information, data, and reports in the MURA's possession and necessary for the carrying out of the work, shall be furnished to the Contractor without charge, and the parties shall cooperate with each other in every way possible in carrying out the scope of services.

2.12 Confidentiality of Documents

- A. Any reports, data, design or similar information given to or prepared or assembled by the Contractor under this contract which the MURA requests to be kept as confidential shall not be made available to any individual or organization by the Contractor without prior written approval of the MURA.

2.13 Compliance With Laws

- A. Contractor agrees to comply with all applicable federal, state and local laws or rules and regulations applicable to the provision of services and products hereunder. Contractor affirmatively states that payment of all local, state, and federal taxes and assessments owed by Contractor is current.

2.14 Contractor's Responsibility for Subcontractors

- A. It is further agreed that Contractor shall be as fully responsible to the MURA for the acts and omissions of its Subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons it directly employs.
- B. Contractor shall cause appropriate provisions to be inserted in all subcontracts relating to this work, to bind all Subcontractors to Contractor by all the terms herein set forth, insofar as applicable to the work of Subcontractors and to give Contractor the same power regarding termination of any subcontract as the MURA may exercise over Contractor under any provisions of this contract.
- C. Nothing contained in this contract shall create any contractual relation between the Subcontractor and the MURA or between any Subcontractors.

2.15 Close Out of Demolition Permit

- A. After the final inspection has been conducted and the site work approved, the MURA and Moscow City Building Division will close out the building permit. At that time, the MURA will return the performance bond to the contractor.

Attachment I – Location Map



**INSCO INSURANCE SERVICES, INC.**

Underwriting Manager for:
Developers Surety and Indemnity Company
Indemnity Company of California
17780 Fitch, Suite 200 - Irvine, California 92614 - (949) 263-3300

PAYMENT BOND - PUBLIC WORKBond No. 489866P

Premium included in Performance bond

KNOW ALL MEN BY THESE PRESENTS, That

Germer Construction Inc, as Principal,
and Developers Surety and Indemnity Company, a corporation authorized to transact a general surety business
in the State of Iowa as Surety, are held and firmly bound unto

Moscow Urban Renewal Agency, as Obligee in the sum of
thirty two thousand, five hundred dollars & 00/100

Dollars (\$ 32,500.00) for the payment whereof, in lawful money of the United States, said Principal
and Surety bind themselves, their heirs, administrators, successors and assigns, jointly and severally, firmly by these
presents.

The Condition of the foregoing obligation is such that: whereas, the above bounden Principal has entered into a contract,
dated August 30, 2011, with the obligee to do the following work, to wit:
YEAR

Demolition of the Sack Warehouse Building, Moscow ID

Now, therefore, if the above bounded Principal, contractor, person, company or corporation, or his or its sub-contractor, fails
to pay any claimant named in Section 3181 of the Civil Code of the State of California, or amounts due under the Unemployment
Insurance Code, with respect to work or labor performed by any such claimant, that the Surety on this bond will pay the
same, in an amount not exceeding the aggregate sum specified in this bond, and also, in case suit is brought upon this
bond, a reasonable attorney's fee, which shall be awarded by the court to the prevailing party in said suit, and attorney's
fees to be taxed as costs in said suit.

This bond shall inure to the benefit of any person named in Section 3181 of the Civil Code of the State of California so as
to give a right of action to them or their assigns in any suit brought upon this bond.

This bond is executed and filed to comply with the provisions of the act of Legislature of the State of California as designated
in Civil Code, Sections 3247-3252 inclusive, and all amendments thereto.

Signed and Sealed this 31st day of August, 2011
YEAR

Germer Construction Inc

Principal

Developers Surety and Indemnity Company

Surety

By

Della J Allen

Attorney-in-Fact

**POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA**
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

Della J. Allen, Cherie Ashby, Lisa Smith, Karol McBride, James M. Hewitt, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this January 1st, 2008.

By: *Daniel Young*
Daniel Young, Vice-President

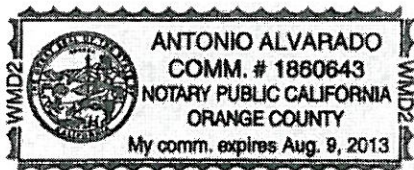
By: *Stephen T. Pate*
Stephen T. Pate, Senior Vice-President

State of California
County of Orange



On January 31, 2011 before me, Antonio Alvarado, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Daniel Young and Stephen T. Pate
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

Antonio Alvarado
Antonio Alvarado, Notary Public

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 31 day of August 2011

By: *Gregg Okura*
Gregg Okura, Assistant Secretary



INSCO INSURANCE SERVICES, INC.

Underwriting Manager for:
Developers Surety and Indemnity Company
Indemnity Company of California
17780 Fitch, Suite 200 • Irvine, California 92614 • (949) 263-3300

PERFORMANCE BOND – PUBLIC WORK

Bond No. 489866P

\$468.00 premium is for contract term
and is subject to adjustment based on final
Contract Price.

KNOW ALL MEN BY THESE PRESENTS: That we, Germer Construction Inc

As Principal, and Developers Surety and Indemnity Company, a corporation duly authorized under the laws of the
State of Iowa to become surety on bonds and undertakings, as Surety, are held and firmly bound unto

Moscow Urban Renewal Agency

As Oblige in the full and just sum of

thirty two thousand, five hundred dollars and 00/100

Dollars, (\$32,500.00), lawful money of the United States of America, to be paid to the said
Obligee, successors or assigns; for which payment, well and truly to be made, we bind ourselves, our heirs, executors,
successors, administrators and assigns, jointly and severally, firmly by these presents.

The Condition of the foregoing obligation is such that: whereas the above bounden Principal has entered into a contract,
dated August 30, 2011, with the Oblige to do and perform the following work, to-wit:
YEAR

Demolition of the Sack Warehouse Building, Moscow ID

as is more specifically set forth in said contract, to which contract reference is hereby made;

Now therefore, if the said Principal shall well and truly perform the work contracted to be performed under said contract in
accordance with the plans and specifications, then the above obligation to be void, otherwise to remain in full force and
virtue.

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

Sealed with our seals and dated this 31st day of August, 2011
YEAR

Germer Construction Inc

Principal

Developers Surety and Indemnity Company

By

Della J Allen

Attorney-in-Fact

**POWER OF ATTORNEY FOR
DEVELOPERS SURETY AND INDEMNITY COMPANY
INDEMNITY COMPANY OF CALIFORNIA**
PO Box 19725, IRVINE, CA 92623 (949) 263-3300

KNOW ALL BY THESE PRESENTS that except as expressly limited, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, do each hereby make, constitute and appoint:

Della J. Allen, Cherie Ashby, Lisa Smith, Karol McBride, James M. Hewitt, jointly or severally

as their true and lawful Attorney(s)-in-Fact, to make, execute, deliver and acknowledge, for and on behalf of said corporations, as sureties, bonds, undertakings and contracts of suretyship giving and granting unto said Attorney(s)-in-Fact full power and authority to do and to perform every act necessary, requisite or proper to be done in connection therewith as each of said corporations could do, but reserving to each of said corporations full power of substitution and revocation, and all of the acts of said Attorney(s)-in-Fact, pursuant to these presents, are hereby ratified and confirmed.

This Power of Attorney is granted and is signed by facsimile under and by authority of the following resolutions adopted by the respective Boards of Directors of DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA, effective as of January 1st, 2008.

RESOLVED, that a combination of any two of the Chairman of the Board, the President, Executive Vice-President, Senior Vice-President or any Vice President of the corporations be, and that each of them hereby is, authorized to execute this Power of Attorney, qualifying the attorney(s) named in the Power of Attorney to execute, on behalf of the corporations, bonds, undertakings and contracts of suretyship; and that the Secretary or any Assistant Secretary of either of the corporations be, and each of them hereby is, authorized to attest the execution of any such Power of Attorney;

RESOLVED, FURTHER, that the signatures of such officers may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures shall be valid and binding upon the corporations when so affixed and in the future with respect to any bond, undertaking or contract of suretyship to which it is attached.

IN WITNESS WHEREOF, DEVELOPERS SURETY AND INDEMNITY COMPANY and INDEMNITY COMPANY OF CALIFORNIA have severally caused these presents to be signed by their respective officers and attested by their respective Secretary or Assistant Secretary this January 1st, 2008.

By: *Daniel Young*
Daniel Young, Vice-President

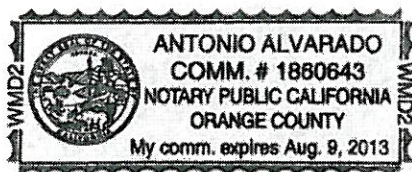
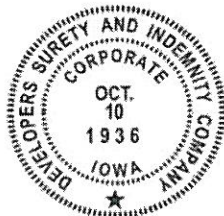
By: *Stephen T. Pate*
Stephen T. Pate, Senior Vice-President

State of California
County of Orange

On January 31, 2011 before me, _____
Date

Antonio Alvarado, Notary Public
Here Insert Name and Title of the Officer

personally appeared Daniel Young and Stephen T. Pate
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 _____

Antonio Alvarado
Antonio Alvarado, Notary Public

CERTIFICATE

The undersigned, as Secretary or Assistant Secretary of DEVELOPERS SURETY AND INDEMNITY COMPANY or INDEMNITY COMPANY OF CALIFORNIA, does hereby certify that the foregoing Power of Attorney remains in full force and has not been revoked and, furthermore, that the provisions of the resolutions of the respective Boards of Directors of said corporations set forth in the Power of Attorney are in force as of the date of this Certificate.

This Certificate is executed in the City of Irvine, California, this 31 day of August 2011

By: *Gregg Okura*
Gregg Okura, Assistant Secretary



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/31/2011

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 Stonebraker McQuary Agency 616 5th St. PO Box 9 Clarkston WA 99403		CONTACT NAME: Cherie Ashby PHONE (A/C No. Ext): (509) 758-5529 FAX (A/C No.): (509) 758-5311 E-MAIL ADDRESS: cashby@stonebrakermcquary.com													
INSURED Germer Construction, Inc. 140 E. Palouse River Dr Moscow ID 83843		INSURER(S) AFFORDING COVERAGE <table border="1"><tr><td>INSURER A: CNA-Continental Insurance</td><td>NAIC # 35289</td></tr><tr><td>INSURER B: CNA-Transportation Ins Co</td><td>20494</td></tr><tr><td>INSURER C: State Insurance Fund</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></table>		INSURER A: CNA-Continental Insurance	NAIC # 35289	INSURER B: CNA-Transportation Ins Co	20494	INSURER C: State Insurance Fund		INSURER D:		INSURER E:		INSURER F:	
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INSURER C: State Insurance Fund															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER: 11/12-2ndALL

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 INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY					EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		2049503308	5/9/2011	5/9/2012	MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER					PRODUCTS - COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					\$
B	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS	2049503437	5/9/2011	5/9/2012	BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						Medical payments \$ 5,000
B	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input type="checkbox"/> OCCUR				EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE				AGGREGATE \$ 1,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$		2049503387	5/9/2011	5/9/2012	\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY					WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	530352	4/1/2011	4/1/2012	E.L. EACH ACCIDENT \$ 100,000
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				E.L. DISEASE - EA EMPLOYEE \$ 100,000
						E.L. DISEASE - POLICY LIMIT \$ 500,000

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

This Certificate of Insurance neither affirmatively nor negatively amends, extends, nor alters the coverage afforded by the policy or policies numbered in this certificate.

The Moscow Urban Renewal Agency, its officers, agents and employees are additional insureds on general liability as respects the Demolition of the Sack Warehouse Building project.

CERTIFICATE HOLDER**CANCELLATION**

Moscow Urban Renewal Agency
206 East Third St
Moscow, ID 83843

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

Cherie Ashby/DELLA