Sierra County
Board of Supervisors’
Agenda Transmittal &
Record of Proceedings

**Meeting Date:** November 5, 2019

**Type of Agenda Item:**
- Regular
- Timed
- Consent

**Department:** Transportation and Planning

**Approving Party:** Tim H. Beals, Director

**Phone Number:** 530-289-3201

**Agenda Item:** Discussion and direction on request from Sierra Pacific Industries (SPI) to release a performance bond and a payment bond both in the amount of $114,032.00 posted by SPI in October 2008 to secure subdivision improvements (sidewalks) for the Loyalton Business Park-Phase 1A Final Map approved by County Resolution 2008-165.

**Supportive Documents Attached:**
- Memo
- Resolution
- Agreement
- Other

**Background Information:** Bond and supporting documents pertaining to the subject

**Funding Source:**
- General Fund Impact

**Other Fund:**
- Amount: $ N/A

**Are Additional Personnel Required?**
- Yes, -- --
- No

**Is This Item Allocated in the Budget?**
- Yes ☑ No ☐

**Is a Budget Transfer Required?**
- Yes ☐ No ☑

**Space Below for Clerk’s Use**

**Board Action:**
- Approved
- Approved as amended
- Adopted
- Adopted as amended
- Denied
- Other
- No Action Taken
- Set public hearing
  - For: ______________________
- Direction to: ______________
- Referred to: ______________
- Continued to: ______________
- Authorization given to: ______________

**决议:**
- Resolution 2019- ____________
- Agreement 2019- ____________
- Ordinance ______________

**Vote:**
- Ayes:
- Noes:
- Abstain:
- Absent:
- By Consensus

**Comments:**

---

**Clerk to the Board** ______________________  **Date** ______________________
5. AGENDA ITEM: Resolution approving final map for the Loyalton Business Park, making determination on the irrevocable offer of dedication for the roads identified on the final map; and approval of subdivision improvement agreement for completion of required improvements.

6. SUPPORTIVE DOCUMENTS RELATIVE TO THIS ITEM:
   IF CONTRACT OR AGREEMENT ATTACH: ☐ RESOLUTION
   ☐ COPY OF CONTRACT

7. BACKGROUND INFORMATION:
   PREVIOUS RELEVANT BOARD ACTIONS ☐ NONE

8. FUNDING SOURCE(S)

<table>
<thead>
<tr>
<th>Applicant</th>
<th>9. CURRENT YEAR COST</th>
<th>10. ANNUAL COST</th>
<th>11. IS THIS ITEM ALLOCATED IN THE BUDGET?</th>
<th>IS A BUDGET TRANSFER REQUIRED?</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>☐ YES ☐ NO</td>
<td>☐ YES ☐ NO</td>
</tr>
</tbody>
</table>

12. WILL PROPOSAL REQUIRE ADDITIONAL PERSONNEL?
   ☐ YES ☐ NO
   □ PERMANENT
   □ LIMITED TERM

13. PRIORITY
   ☑ ROUTINE OPERATION
   ☐ SPECIAL PROJECT
   ☐ PRIORITY
   □ A □ B □ C □ NONE

14. RECOMMENDED ACTION OR MOTION
   Approve resolution, reject irrevocable offer of dedication, approve subdivision improvement agreement, approve the Final Map

AUTHORIZED SIGNATORY: Chairman, Board of Supervisors or Responsible Administrator
The Clerk is hereby authorized to issue a separate resolution or minute order in conformance with the Board’s action as may be required.
☐ Other: ☐ (See Attached)

SIGNATURE OF AGENCY OR DEPARTMENT AUTHORIZED REPRESENTATIVE: ____________________________
DATE: ____________________________

16. APPROVED AS TO FORM: APPROVED AS TO FUNDING SOURCES:

COUNTY COUNSEL COMMENTS: ____________________________
AUDITOR/RISK MANAGER: ____________________________

17. BOARD ACTION
   ☐ APPROVED
   ☐ APPROVED AS AMENDED
   ☐ SET PUBLIC HEARING
   ✔ NO ACTION TAKEN
   ☐ DENIED ☐ ADOPTED AS AMENDED
   ☐ ADOPTED
   ☐ RESOLUTION NO. ____________________________
   ☐ AGREEMENT NO. ____________________________
   ☐ ORDINANCE NO. ____________________________
   □ VOTE ☑ YES ☐ NO
   ☐ ABSTAIN
   ☐ ABSENT: ____________________________
   ☐ DIRECTION TO ____________________________
   ☐ REFERRED TO ____________________________
   ☐ CONTINUED TO ____________________________
   ☐ OTHER ____________________________
   ☐ NO RESPONSE REQUESTED FROM CLERK

BY: ____________________________
Clerk of the Board

Date: ________________
RESOLUTION APPROVING SUBDIVISION SECURITY AGREEMENT AND FINAL MAP FOR THE LOYALTON BUSINESS PARK AND TAKING ACTION ON OFFERS OF DEDICATION

WHEREAS, the Sierra County Planning Commission approved a negative declaration and tentative map for a subdivision identified as the Loyalton Business Park-Phase 1; and,

WHEREAS, the tentative map was approved as a 13 parcel subdivision, subject to conditions and mitigation measures and the final map complies with the conditions of approval of the Sierra County Planning Commission, mitigation measures of the adopted negative declaration and mitigation monitoring plan, with the Subdivision Map Act, and with the Sierra County Code; and,

NOW, THEREFORE BE IT RESOLVED, that the Board of Supervisors takes the following actions:
   Section One- Approves the final map for the Loyalton Business Park-Phase 1 and authorizes the recordation of the final map by the County Surveyor; and,
   Section Two- Approves the subdivision security agreement and attachments pertaining to the completed and remaining improvements for the final map for the Loyalton Business Park-Phase 1; and,
   Section Three- Rejects the offer of dedication as shown on the final map and such offer shall remain open in perpetuity.

ADOPTED by the Board of Supervisors of the County of Sierra on the 7th day of October, 2008 by the following vote:
AYES:
NOES:
ABSENT:
ABSTAIN:

COUNTY OF SIERRA

PATRICIA WHITLEY
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:

HEATHER FOSTER
CLERK OF THE BOARD

APPROVED AS TO FORM:

JAMES A. CURTIS
COUNTY COUNSEL
SUBDIVISION IMPROVEMENT AGREEMENT

This Agreement, made and entered into this 7th day of October, 2008, by and between Sierra Pacific Industries (hereinafter referred to as "Subdivider") as owner of that certain land to be subdivided and as shown on that Final Map for the Loyalton Business Park-Phase 1A (Planning Department File No.1263) (hereinafter referred to as the "Subdivision") and the COUNTY OF SIERRA, a political subdivision of the State of California (hereinafter referred to as "County").

WITNESSETH

WHEREAS, Subdivider is required by County, as a condition of approval of its subdivision, to construct certain improvements and all improvements with the exception of sidewalks have been constructed and accepted by the County; and

WHEREAS, Subdivider desires to defer construction of said sidewalk improvements until after the final map for the Subdivision is recorded in the official County records, in accordance with the provisions of the Sierra County Code; and

WHEREAS, Subdivider has presented certain improvement plans to the County outlining the improvements constructed/accepted and to be constructed by the developer and which improvement plans are entitled Sierra Pacific Industries-Industrial Park Phase 1 consisting of nineteen (19) sheets, prepared by K.B. Foster Civil Engineering and dated March 28, 2004, copies of which are on file with the Sierra County Department of Public Works and which are incorporated herein by reference.

NOW, THEREFORE, BE IT HEREBY AGREED by and between the parties that:

1. County agrees that upon the execution of this Agreement and receipt by County from Subdivider of cash, or good and sufficient surety bonds, or instruments of credit from a recognized financial institution, as provided for by State law and in accordance with this Agreement and any provisions set out in the Board of Supervisors Resolution approving of this agreement, to approve the final map of the Subdivision and to record the offer to dedicate the roads and streets and utility easements of the Subdivision.

2. Subdivider agrees to completely construct all of the sidewalk improvements referenced herein and as shown on the aforementioned improvement plans upon the sale of the sixth (6th) parcel. It is agreed that all of the sidewalk improvements required by the Subdivider to be constructed within and for the benefit of the development are set forth in the improvement plans. All of said improvements shall be constructed in strict accordance with said improvement plans and any subsequent changes required by changes in County, State or Federal law.

3. Subdivider warrants that the improvement plans conform with the conditions of subdivision approval as set forth in County's approval for this Subdivision and with all State laws and County ordinances. Subdivider further warrants that the improvement plans are adequate to accomplish the work shown thereon in a good and workerlike manner and in accordance with accepted construction practices. Should the improvement plans, at any time prior to the completion of the work specified thereon, prove to be inadequate in any respect, then Subdivider agrees to make such changes in the improvement plans as are necessary to complete the work in a good or workerlike manner and in accordance with accepted construction practices. Subdivider further agrees to make any changes in the improvement
plans to bring them into full compliance with applicable County, State or Federal law in effect at the time of construction.

4. Subdivider shall employ a licensed civil engineer who shall be responsible for inspecting the improvements during the construction thereof and who, upon completion, shall be responsible for certifying to the County that said improvements have been fully and properly installed in all manner and things. Notwithstanding the above, the County shall have an absolute right to separately inspect the construction work at any time.

5. Upon final completion of the work of installing the afore-stated improvements, and upon certification thereof by Subdivider’s engineer as set forth in paragraph 4, the Subdivider shall notify the County of such event. Thereafter, the county (pursuant to Government Code Section 66499.8) shall have two (2) months in which to accept the Subdivider’s certification of completion or to express the rejection of same. Should the County reject any such notice of completion, the County shall specify in writing to Subdivider the reasons for the rejection. Thereafter Subdivider shall promptly make all required corrections. Upon acceptance by the County of the work of the improvements, Subdivider shall file a notice of completion pursuant to California Civil Code Section 3117 and shall provide a copy thereof to County.

6. Should Subdivider fail to complete any or all of the improvements referenced herein within the time established therefore in Paragraph 2 above, the County may, at its sole option, after notifying Subdivider pursuant to the Sierra County Code, construct the improvements and recover the cost thereof from Subdivider and/or its successors in interest and/or from the sureties or security tendered herewith. In any such event, Subdivider shall, upon receipt of written notice from the County, immediately discontinue all work under this Agreement.

7. Subdivider shall, upon execution of this Agreement, deposit with County cash, irrevocable instruments of credit from a recognized financial institution or such corporate surety bonds as shall be accepted by County. Security shall be provided for (1) the full and faithful performance of the Subdivider’s obligation under this Agreement and (2) the payment of all labor and materials claims that properly result from undertaking the construction of the subdivision improvements. The security instrument shall be in the full face amount of $114,032.00 (representing 150% of the estimated cost of the improvements). Said security shall not lapse due to the expiration of any period of time but shall remain in effect until the improvements are fully and satisfactorily completed. The security instrument shall also state that any additions, alterations or modifications to this Agreement or to the improvement plans or any portion thereof, including any extensions of time within which the work hereunder may be completed, shall not release or exonerate the surety on the bond or the financial institution’s obligation given in connection with this Agreement. Subdivider agrees to increase any security it has posted if, prior to construction, there is a change in the law or any circumstance which would require modifications to the improvements causing an increase in construction costs.

8. All security posted by the Subdivider or its sureties to secure payment of labor and materials shall be released by the County pursuant to the Sierra County Code.

9. All security posted by the Subdivider or its sureties to secure the faithful performance of this Agreement shall, upon acceptance of the full and satisfactory construction of the improvements by the County be reduced to 10% of the actual cost of work per Government Code Section 66499.9, which shall remain in effect for a period of one year from the date of acceptance by the County and in order to guarantee and warrant the construction of the improvements against any defective work or labor done or defective materials furnished in the performance of this Agreement. The County shall be authorized to attach the security in order to repair any defects discovered within the one year warranty period.
10. For the purpose of providing notice to the Subdivider with regard to any event or right the Subdivider may have hereunder, Subdivider agrees that notice will be deemed delivered to and received by Subdivider upon the notice being deposited in the United States mail, postage prepaid and addressed to:

Sierra Pacific Industries  
PO Box 496014  
Redding, California 96049

11. Subdivider agrees to be liable for the total cost of construction of all of the subject improvements and any other costs or fees relating to the improvements. In the event that County should exercise its right to seize the security and contract for construction of any of the improvements, Subdivider shall, notwithstanding the engineer's estimate and any security posted, reimburse to County all funds expended by County in excess of the security posted, including compensation to County for all County staff time spent thereon.

12. County shall not be responsible for any of the costs of said improvements or for the performance or nonperformance of the work of construction of said improvements, or for a defect therein or any injury resulting therefrom, and the Subdivider shall indemnify County and hold County free and harmless from any claims or liability resulting from or arising out of the same, whether or not Subdivider or County completed said improvements.

13. Subdivider shall have sole responsibility for making all arrangements and assuming all expenses as may be required in connection with the furnishing and installing of electrical and telephone facilities.

IN WITNESS WHEREOF, the parties have so agreed on the date first above written.

ATTEST:  
Clerk of the Board  
COUNTY OF SIERRA  
By: Chairman, Board of Supervisors

APPROVED AS TO FORM:  
County Counsel  
SIERRA PACIFIC INDUSTRIES  
By: M. D. Emmerson  
CFO
PERFORMANCE BOND

Whereas, The Board of Supervisors of the County of Sierra, State of California, and Sierra Pacific Industries (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement dated October 7, 2008, whereby principal agrees to install and complete certain designated subdivision improvements, consisting generally of Sidewalk Improvements along Road "A", Road "B" and Road "C" of Phase 1A of the Loyalton Development Project, which agreement is hereby referred to and made a part hereof; and

Whereas, Said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said subdivision agreement.

Now, therefore, we, the principal and The Continental Insurance Company, as surety, are held and firmly bound unto the The Board of Supervisors of the County of Sierra, State of California hereinafter called "Obligee" in the penal sum of One Hundred Fourteen Thousand Thirty Two and 00/100 dollars ($114,032.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their 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 shall indemnify and save harmless the County of Sierra, 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 effect. As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by county (or city) in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

In witness whereof, this instrument has been duly executed by the principal and surety above named, on September 30, 2008.

SIERRA PACIFIC INDUSTRIES

By: ____________________________

THE CONTINENTAL INSURANCE COMPANY

By: ____________________________

Krista M. Lee, Attorney-in-Fact
PAYMENT BOND

Bond No. 929430632

Whereas, The Board of Supervisors of the County of Sierra, State of California, and Sierra Pacific Industries (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement dated October 7, 2008, whereby principal agrees to install and complete certain designated subdivision improvements, consisting generally of Sidewalk Improvements along Road "A", Road "B" and Road "C" of Phase 1A of the Loyalton Development Project, which agreement is hereby referred to and made a part hereof; and

Whereas, Under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of Sierra to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, are held firmly bound unto the The Board of Supervisors of the County of Sierra, State of California and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the agreement and referred to in Title 15 commencing with Section 3082) of Part 4 of Division 3 of the Civil Code in the sum of One Hundred Fourteen Thousand Thirty Two and 00/100 dollars ($114,032.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by county (or city) in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond. Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

In witness whereof, this instrument has been duly executed by the principal and surety above named, on September 30, 2008.

SIERRA PACIFIC INDUSTRIES

By: __________________________

THE CONTINENTAL INSURANCE COMPANY

By: __________________________

Krista M. Lee, Attorney-in-Fact
Tim,
We need to get our bond released on the industrial park in Loyalton. We sold the property a couple of years ago and the buyers should be forced by the county to post the bond. Would appreciate if you would release our bond. Thank you.

Gary Blanc
PO Box 496014
Redding, CA 96049-6014
Physical Address
19794 Riverside Ave
Anderson, CA 96007
Phone (530) 378-8149
Fax (530) 378-8139
Cell (530) 945-4222

CONFIDENTIALITY NOTICE: This communication and any accompanying document(s) may contain confidential and privileged information of Sierra Pacific Industries. They are intended for the sole use of the addressee and any unauthorized review, use, copying, disclosure, distribution or the taking of any action in reliance upon the communication is prohibited. Moreover, any inadvertent disclosure shall not compromise or waive any privilege, right of confidentiality, or intellectual property right where applicable, including the attorney-client privilege as to this communication or otherwise, copyrights, trade secrets and other intellectual property rights. If you have received this communication in error, please contact our IS Department at HelpDesk@spi-ind.com or by telephone at (866) 866-4685.
LOYALTON BUSINESS PARK - Phase 1A

Industrial Phase 1a
(13 Lots)

Available
Pending
Sold

Lot 1
1.02 AC
$189,000

Lot 2
1.02 AC
$189,000

Lot 3
1.22 AC
$209,000

Lot 4
1.36 AC
$209,000

Lot 5
.85 AC
$175,000

Lot 6
.85 AC
$139,000

Lot 7
.80 AC
$135,000

Lot 8
.59 AC
$125,000

Lot 9
.55 AC
$119,000

Lot 10
.61 AC
$129,000

Lot 11
.60 AC
$129,000

Lot 12
.56 AC
$125,000

Lot 13
.56 AC
$125,000

Attractive Seller Financing Available!

The Loyalton Business Park is open for business! This first release offers 13 industrial zoned parcels, ranging from .55 acres to 1.36 acres in size. Electric and water service is available at each lot and septic sites have been tested and approved (buyer to install septic system). All lots are level and are served by paved roads. Loyalton Business Park zoning provides for light industrial and service retail uses. Build your own industrial complex at a fraction of the cost!

11425 Donner Pass Road
Truckee, CA 96161
www.hemig-erle.com

HEMIG & ERLE
REAL ESTATE FIRM

Truckee (530) 582-8158
Sierra Valley (530) 994-3600
Fax (530) 582-8031

2008
Examples of Loyalton Business Park Permitted Uses:

- Professional Offices
- Research & Development
- Warehousing
- Storage Facility
- Distribution Center
- Small Scale Manufacturing
- Wood Product Manufacturing
- Metal Product Manufacturing
- Repair Services
- Paper Products
- Car Wash
- Day Care Center
- Recreation & Fitness Center
- Recycle Station
- Food Service
- Laundries
- Business Support Service
- Hand Craft Industries
- Glass Products
- Stone/Concrete
- Clothing Services
- Admin. & Sales Office
- Merchandise Show Room
- Tire Shop
- Farm & Timber Supply
- Sign Shop
- Electrical Supply

Regional Map of Loyalton, California Area

Call Hemig & Erle for an information packet including site & topographic maps, zoning detail, purchase requirements and seller financing.
RESOLUTION 2008-165

RESOLUTION APPROVING FINAL MAP FOR THE LOYALTON BUSINESS PARK
AND TAKING ACTION ON OFFERS OF DEDICATION

WHEREAS, the Sierra County Planning Commission approved a negative declaration
and tentative map for a subdivision identified as the Loyalton Business Park-Phase 1a; and,

WHEREAS, the tentative map was approved as a 13 parcel subdivision, subject to
conditions and mitigation measures, and the final map complies with the conditions of approval
of the Sierra County Planning Commission, mitigation measures of the adopted negative
declaration and mitigation monitoring plan, with the Subdivision Map Act, and with the Sierra
County Code;

NOW, THEREFORE BE IT RESOLVED, that the Board of Supervisors takes the
following actions:

Approves the final map for the Loyalton Business Park-Phase 1a and authorizes the
recordation of the final map by the County Surveyor; and,

Rejects the offer of dedication as shown on the final map and such offer shall remain
open in perpetuity.

ADOPTED by the Board of Supervisors of the County of Sierra on the 7th day of
October, 2008 by the following vote:

AYES: Supervisors Huebner, Nunes, Mitchell and Whitley
NOES: None
ABSENT: Supervisor Gutman
ABSTAIN: None

COUNTY OF SIERRA

PATRICIA WHITLEY
CHAIRMAN, BOARD OF SUPERVISORS

ATTEST:
HEATHER FOSTER
CLERK OF THE BOARD

APPROVED AS TO FORM:
JAMES A. CURTIS
COUNTY COUNSEL
MEMO
September 5, 2008

TO: Sierra County Planning Department
101 Courthouse Square.
P.O. Box 530.
Downieville, CA 95936

Attention: Brandon Pangman

FROM: Daniel B. Bastian, Sierra County Engineer

RE: Sierra Pacific Industries - sidewalk estimate

I received an e-mail copy of the engineer's estimate for future sidewalks on 9/2/2008 from Alicia Brenner. Originally I had felt the unit price proposed for the concrete walkway was too low, however I have been involved in some contemporary bid openings in Plumas County that show the unit price is comparable (although there have been many bidders that are much higher than the proposed unit price.) The projects that I have been dealing with require prevailing wage and therefore unit prices are somewhat higher than a private project (which this would be.)

An additional item was added for design ($3000,) which seems about right.

No increase in the unit price for delay of actual construction was added - and there's nothing that would require it. A contingency item is included which could be construed as covering future cost increases.

Based on the above comments, it is my considered opinion that the engineer's estimate would adequately fund the project, as generally described in the improvement plans, if completed in the near future.

Please let me know if you have any questions.

Attachment

cc: Tim Beals
Alicia Brenner, SPI

Trans4.doc
# Engineer's Construction Cost Estimate

**Future Sidewalks**  
**Sierra Pacific Industries - Loyalton**  
**Phase 1A - 13 Lots**

Based on the sidewalk layout and details shown on the Sierra Pacific Industries Industrial Park Phase I plans prepared by K.B. Foster Civil Engineering, Inc. Dated Mar. 28, 2004

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>UNIT OF MEASURE</th>
<th>ESTIMATED QUANTITY</th>
<th>UNIT PRICE</th>
<th>ITEM TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mobilization</td>
<td>LS</td>
<td>1</td>
<td>$6,000.00</td>
<td>$6,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Concrete Walkway</td>
<td>SF</td>
<td>12,022</td>
<td>$5.00</td>
<td>$60,110.00</td>
</tr>
<tr>
<td>3</td>
<td>Design</td>
<td>LS</td>
<td>1</td>
<td>$3,000.00</td>
<td>$3,000.00</td>
</tr>
</tbody>
</table>

Subtotal: $69,110.00  
10% Contingency: $6,911.00  
TOTAL: $76,021.00

File No. 01284  
August 29, 2008

[Signature]

James F. Rienstra  
No. 0044156  
Exp. 6.30.09  
State of California  
8/29/08

P:\2001\01284\Excel\ConstCost-Walkway_8-29-08.xls
SUBDIVISION IMPROVEMENT AGREEMENT

This Agreement, made and entered into this 7th day of October, 2008, by and between Sierra Pacific Industries (hereinafter referred to as "Subdivider") as owner of that certain land to be subdivided and as shown on that Final Map for the Loyalton Business Park-Phase 1A (Planning Department File No.1263) (hereinafter referred to as the "Subdivision") and the COUNTY OF SIERRA, a political subdivision of the State of California (hereinafter referred to as "County").

WITNESSETH

WHEREAS, Subdivider is required by County, as a condition of approval of its subdivision, to construct certain improvements and all improvements with the exception of sidewalks have been constructed and accepted by the County; and

WHEREAS, Subdivider desires to defer construction of said sidewalk improvements until after the final map for the Subdivision is recorded in the official County records, in accordance with the provisions of the Sierra County Code; and

WHEREAS, Subdivider has presented certain improvement plans to the County outlining the improvements constructed/accepted and to be constructed by the developer and which improvement plans are entitled Sierra Pacific Industries-Industrial Park Phase 1 consisting of nineteen (19) sheets, prepared by K.B. Foster Civil Engineering and dated March 28, 2004, copies of which are on file with the Sierra County Department of Public Works and which are incorporated herein by reference.

NOW, THEREFORE, BE IT HEREBY AGREED by and between the parties that:

1. County agrees that upon the execution of this Agreement and receipt by County from Subdivider of cash, or good and sufficient surety bonds, or instruments of credit from a recognized financial institution, as provided for by State law and in accordance with this Agreement and any provisions set out in the Board of Supervisors Resolution approving of this agreement, to approve the final map of the Subdivision and to record the offer to dedicate the roads and streets and utility easements of the Subdivision.

2. Subdivider agrees to completely construct all of the sidewalk improvements referenced herein and as shown on the aforementioned improvement plans upon the sale of the sixth (6th) parcel. It is agreed that all of the sidewalk improvements required by the Subdivider to be constructed within and for the benefit of the development are set forth in the improvement plans. All of said improvements shall be constructed in strict accordance with said improvement plans and any subsequent changes required by changes in County, State or Federal law.

3. Subdivider warrants that the improvement plans conform with the conditions of subdivision approval as set forth in County's approval for this Subdivision and with all State laws and County ordinances. Subdivider further warrants that the improvement plans are adequate to accomplish the work shown thereon in a good and workmanlike manner and in accordance with accepted construction practices. Should the improvement plans, at any time prior to the completion of the work specified thereon, prove to be inadequate in any respect, then Subdivider agrees to make such changes in the improvement plans as are necessary to complete the work in a good or workmanlike manner and in accordance with accepted construction practices. Subdivider further agrees to make any changes in the improvement plans to bring them into full compliance with applicable County, State or Federal law in effect at the time of construction.
4. Subdivider shall employ a licensed civil engineer who shall be responsible for inspecting the improvements during the construction thereof and who, upon completion, shall be responsible for certifying to the County that said improvements have been fully and properly installed in all manner and things. Notwithstanding the above, the County shall have an absolute right to separately inspect the construction work at any time.

5. Upon final completion of the work of installing the afore-stated improvements, and upon certification thereof by Subdivider's engineer as set forth in paragraph 4, the Subdivider shall notify the County of such event. Thereafter, the county (pursuant to Government Code Section 66499.8) shall have two (2) months in which to accept the Subdivider's certification of completion or to express the rejection of same. Should the County reject any such notice of completion, the County shall specify in writing to Subdivider the reasons for the rejection. Thereafter, Subdivider shall promptly make all required corrections. Upon acceptance by the County of the work of the improvements, Subdivider shall file a notice of completion pursuant to California Civil Code Section 3117 and shall provide a copy thereof to County.

6. Should Subdivider fail to complete any or all of the improvements referenced herein within the time established therefore in Paragraph 2 above, the County may, at its sole option, after notifying Subdivider pursuant to the Sierra County Code, construct the improvements and recover the cost thereof from Subdivider and/or its successors in interest and/or from the sureties or security tendered herewith. In any such event, Subdivider shall, upon receipt of written notice from the County, immediately discontinue all work under this Agreement.

7. Subdivider shall, upon execution of this Agreement, deposit with County cash, irrevocable instruments of credit from a recognized financial institution or such corporate surety bonds as shall be accepted by County. Security shall be provided for (1) the full and faithful performance of the Subdivider's obligation under this Agreement and (2) the payment of all labor and materials claims that properly result from undertaking the construction of the subdivision improvements. The security instrument shall be in the full face amount of $114,032.00 (representing 150% of the estimated cost of the improvements). Said security shall not lapse due to the expiration of any period of time but shall remain in effect until the improvements are fully and satisfactorily completed. The security instrument shall also state that any additions, alterations or modifications to this Agreement or to the improvement plans or any portion thereof, including any extensions of time within which the work hereunder may be completed, shall not release or exonerate the surety on the bond or the financial institution's obligation given in connection with this Agreement. Subdivider agrees to increase any security it has posted if, prior to construction, there is a change in the law or any circumstance which would require modifications to the improvements causing an increase in construction costs.

8. All security posted by the Subdivider or its sureties to secure payment of labor and materials shall be released by the County pursuant to the Sierra County Code.

9. All security posted by the Subdivider or its sureties to secure the faithful performance of this Agreement shall, upon acceptance of the full and satisfactory construction of the improvements by the County be reduced to 10% of the actual cost of work per Government Code Section 66499.9, which shall remain in effect for a period of one year from the date of acceptance by the County and in order to guarantee and warrant the construction of the improvements against any defective work or labor done or defective materials furnished in the performance of this Agreement. The County shall be authorized to attach the security in order to repair any defects discovered within the one year warranty period.

10. For the purpose of providing notice to the Subdivider with regard to any event or right the
Subdivider may have hereunder, Subdivider agrees that notice will be deemed delivered to and received by Subdivider upon the notice being deposited in the United States mail, postage prepaid and addressed to:

Sierra Pacific Industries
PO Box 496014
Redding, California 96049

11. Subdivider agrees to be liable for the total cost of construction of all of the subject improvements and any other costs or fees relating to the improvements. In the event that County should exercise its right to seize the security and contract for construction of any of the improvements, Subdivider shall, notwithstanding the engineer's estimate and any security posted, reimburse to County all funds expended by County in excess of the security posted, including compensation to County for all County staff time spent thereon.

12. County shall not be responsible for any of the costs of said improvements or for the performance or nonperformance of the work of construction of said improvements, or for a defect therein or any injury resulting therefrom, and the Subdivider shall indemnify County and hold County free and harmless from any claims or liability resulting from or arising out of the same, whether or not Subdivider or County completed said improvements.

13. Subdivider shall have sole responsibility for making all arrangements and assuming all expenses as may be required in connection with the furnishing and installing of electrical and telephone facilities.

IN WITNESS WHEREOF, the parties have so agreed on the date first above written.

ATTEST:  COUNTY OF SIERRA

Clerk of the Board  By:  [Signature]

[Name]  Chairman, Board of Supervisors

APPROVED AS TO FORM:  SIERRA PACIFIC INDUSTRIES

[Name]  By:  [Signature]

[Title]  CFO

County Counsel

P:\jac\Sierra\FORMS\CONTRACT\Subdivision Improvement Agmt.doc
ACKNOWLEDGMENT

State of California
County of Shasta

On October 3, 2008 before me, Susan E. Witherspoon, Notary Public (insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Susan E. Witherspoon (Seal)
To: Cindy Ellsmore, Treasurer-Tax Collector
From: Miriam Dines, Office Manager
Date: October 10, 2008
Re: Bond Transmittal

For safe keeping, please store the following in the county safe:

Performance and Payment Bond (Bond number 929430632) in the amount of $114,032.00 from Sierra Pacific Industries relative to the Loyalton Development Project.

Thank you, and if you have questions, please contact me.

mhd1008
PERFORMANCE BOND

Whereas, The Board of Supervisors of the County of Sierra, State of California, and Sierra Pacific Industries (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement dated October 7, 2008, whereby principal agrees to install and complete certain designated subdivision improvements, consisting generally of Sidewalk Improvements along Road "A", Road "B" and Road "C" of Phase 1A of the Loyalton Development Project, which agreement is hereby referred to and made a part hereof; and

Whereas, Said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said subdivision agreement.

Now, therefore, we, the principal and The Continental Insurance Company, as surety, are held and firmly bound unto the The Board of Supervisors of the County of Sierra, State of California hereinafter called "Obligee" in the penal sum of One Hundred Fourteen Thousand Thirty Two and 00/100 dollars ($114,032.00) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their 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 shall indemnify and save harmless the County of Sierra, 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 effect. As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by county (or city) in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered. The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

In witness whereof, this instrument has been duly executed by the principal and surety above named, on September 30, 2008.

SIERRA PACIFIC INDUSTRIES

By: [Signature]

THE CONTINENTAL INSURANCE COMPANY

By: [Signature]

Krista M. Lee, Attorney-in-Fact
POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania corporation, is a duly organized and existing corporation having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Kathie L Wieg, Heidi Bockus, Krista M Lee, Jay A Miley, Suzanne Holden, Individually

of Seattle, WA, 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 them 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 is hereby ratified and confirmed.

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

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 30th day of August, 2007.

The Continental Insurance Company

[Signature]

Thomas P. Stillman Senior Vice President

State of Illinois, County of Cook, ss:

On this 30th day of August, 2007, before me personally came Thomas P. Stillman to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of The Continental Insurance Company, a Pennsylvania corporation, 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 September 17, 2009

[Signature]

Eliza Price Notary Public

CERTIFICATE

I, Mary A. Ribikawski, Assistant Secretary of The Continental Insurance Company, a Pennsylvania corporation, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors 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 30th day of September, 2008.

The Continental Insurance Company

[Signature]

Mary A. Ribikawski Assistant Secretary

Form F6850-1/2007
All-Purpose
Certificate of Acknowledgment

State of Washington
County of King

On September 30, 2008 before me, Kathie L. Wiegers, Notary Public, personally appeared

☑ personally known to me - OR ☐ 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.

Witness my hand and official seal.

Krista M. Lee
NAME(S) OF SIGNER(S)

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

CAPACITY CLAIMED BY SIGNER
☐ Individual(s)
☐ Corporate Officer:
☐ Title(s)
☐ Partner(s)
☑ Attorney-in-Fact
☐ Trustee(s)
☐ Subscribing Witness
☐ Guardian/Conservator
☐ Other:

DESCRIPTION OF ATTACHED DOCUMENT(S)
Type of Document
Performance Bond

Number of Pages
One (1)

Date of Document
September 30, 2008

Signer(s) Other Than Named Above
Sierra Pacific Industries

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
The Continental Insurance Company

14
ACKNOWLEDGMENT

State of California
County of Shasta

On October 1, 2008 before me, Susan E. Witherspoon, Notary Public
(insert name and title of the officer)

personally appeared G.R. Emerson
who proved to me on the basis of satisfactory evidence to be the person(1) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Susan E. Witherspoon  (Seal)
PAYMENT BOND

Bond No. 929430632

 Whereas, The Board of Supervisors of the County of Sierra, State of California, and Sierra Pacific Industries (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement dated October 7, 2008, whereby principal agrees to install and complete certain designated subdivision improvements, consisting generally of Sidewalk Improvements along Road "A", Road "B" and Road "C" of Phase 1A of the Loyalton Development Project, which agreement is hereby referred to and made a part hereof; and

Whereas, Under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the County of Sierra to secure the claims to which reference is made in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, are held firmly bound unto the The Board of Supervisors of the County of Sierra, State of California and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the agreement and referred to in Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code in the sum of One Hundred Fourteen Thousand Thirty Two and 00/100 dollars ($114,032.00), for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by county (or city) in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond. Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect. The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

In witness whereof, this instrument has been duly executed by the principal and surety above named, on September 30, 2008.

SIERRA PACIFIC INDUSTRIES

[Signature]

THE CONTINENTAL INSURANCE COMPANY

[Signature]

Krista M. Lee, Attorney-in-Fact
POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That The Continental Insurance Company, a Pennsylvania corporation, is a duly organized and existing corporation having its principal office in the City of Chicago, and State of Illinois, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Kathie L Wiegars, Heidi Bockus, Krista M Lee, Jay A Miley, Suzanne Holden, Individually

of Seattle, WA, 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 them 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 is hereby ratified and confirmed.

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

In Witness Whereof, The Continental Insurance Company has caused these presents to be signed by its Senior Vice President and its corporate seal to be hereto affixed on this 30th day of August, 2007.

The Continental Insurance Company

Thomas P. Stillman
Senior Vice President

State of Illinois, County of Cook, ss:

On this 30th day of August, 2007, before me personally came Thomas P. Stillman to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Chicago, State of Illinois; that he is a Senior Vice President of The Continental Insurance Company, a Pennsylvania corporation, 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.

Eliza Price
Notary Public

My Commission Expires September 17, 2009

CERTIFICATE

I, Mary A. Ribikawski, Assistant Secretary of The Continental Insurance Company, a Pennsylvania corporation, do hereby certify that the Power of Attorney herein above set forth is still in force, and further certify that the By-Law and Resolution of the Board of Directors 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 30th day of September, 2008.

The Continental Insurance Company

Mary A. Ribikawski
Assistant Secretary

Form F6850-1/2007
All-Purpose
Certificate of Acknowledgment

State of Washington
County of King

On September 30, 2008 before me, Kathie L. Wiegers, NAME OF NOTARY PUBLIC, personally appeared

Krista M. Lee
NAME(S) OF SIGNER(S)

☐ personally known to me - OR ☐ 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.

Witness my hand and official seal.

[Signature]
SIGNATURE OF NOTARY PUBLIC

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

CAPACITY CLAIMED BY SIGNER
☐ Individual(s)
☐ Corporate Officer:
☐ Title(s)
☐ Partner(s)
☒ Attorney-in-Fact
☐ Trustee(s)
☐ Subscribing Witness
☐ Guardian/Conservator
☐ Other:

DESCRIPTION OF ATTACHED DOCUMENT(S)
Type of Document
Payment Bond

Number of Pages
One (1)

Date of Document
September 30, 2008

Signer(s) Other Than Named Above
Sierra Pacific Industries

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
The Continental Insurance Company
ACKNOWLEDGMENT

State of California
County of Shasta

On October 3, 2008 before me, Susan E. Witherspoon, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature Susan E. Witherspoon (Seal)