

Memo

To: Mayor LaBelle/Tonka Bay City Council
Joe Kohlmann, City Administrator

From: Greg Kluver/Public Works Superintendent

Date: May 22, 2012

Re: 2012 Seal Coat Bid

On May 7th at 10:00 a.m. at the Shorewood City offices sealed bids for the joint 2012 Seal Coat Project between Shorewood, Tonka Bay and Victoria were opened.

Streets to be seal coated in Tonka Bay will include: Tonka Bay Road, Tonka Bay Lane, West Point Avenue, West Point Drive, West Point Circle, West Point Court, West Point Road, Interlachen Lane, Interlachen Place, Fairhope Avenue, and Circle Road.

As a result of the bid opening, two bids were received and are as follows:

1. Allied Blacktop Company, Maple Grove, MN in the amount of \$297,248, Tonka Bay's portion is \$50,813.
2. Pearson Brothers Inc., Hanover, MN. In the amount of \$308,997.62, Tonka Bay's portion is \$56,889.12.

The 2012 budget for Street repairs is \$65,600. Of this amount, \$54,600 has been identified for seal coating. The project as identified in the specifications must be completed by August 30, 2012

Attachments include: Bid from Allied Blacktop, bid from Pearson Brothers Inc., Capital Purchase Narrative, and Resolution

Council Action Requested:

Consider a motion to approve the low bid from Allied Blacktop Company in the attached resolution. Approval would be contingent upon approval from the Cities of Shorewood and Victoria.

RESOLUTION 12-

**A RESOLUTION ACCEPTING PROPOSAL AND AWARDING CONTRACT
FOR BITUMINOUS SEAL COATING OF STREETS**

WHEREAS, pursuant to an advertisement for proposals for local improvements for the Cities of Tonka Bay, Shorewood, and Victoria, Minnesota, bids were received, opened on May 7, 2012 and tabulated; and

WHEREAS, the City Council has determined that Allied Blacktop Company has submitted the lowest responsible quote in compliance with the specifications in the amount of \$297,248; and

WHEREAS, Tonka Bay's portion of this amount is \$50,813.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tonka Bay, Minnesota, that the Mayor and City Administrator are hereby authorized and directed to enter into a contract with the firm of Allied Blacktop Company for the purpose of bituminous seal coating of city streets, according to the plans and specifications therefore approved by the City Council on file in the office of the City Administrator/Clerk.

Adopted by the City Council of the City of Tonka Bay this 22nd day of May, 2012.

Motion introduced by _____ and seconded by _____.

Roll call vote:

Ayes:
Nayes:
Absent:

William LaBelle, Mayor

ATTEST:

Joseph Kohlmann, City Clerk/Administrator

City of Shorewood
 Bid Tabulation
 2012 Sealcoat
 Shorewood City Project No. 12 - 05

Bids Opened: 10:00 A.M. Engineer: City of Shorewood
 7-May-12

No	Bidder	Bid Bond / Check (5%)	Addendum	Bid
1	Pearson Brothers	✓		308,997.62
2	Allied Blacktop	✓		297,248.00
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

I hereby certify that this tabulation is a correct and true representation of the bids received on this date for this Improvement Project

 James Landini,
 City Engineer

 Jean Panchyshyn
 Deputy Clerk/Executive Secretary

 Date

 Date

Exhibit A

PROPOSAL FORM

2012 BITUMINOUS SEAL COATING OF STREETS
FOR THE CITIES OF
SHOREWOOD, VICTORIA AND TONKA BAY, MINNESOTA

TOTAL BID
\$ 308,997.62

BIDDER'S FIRM NAME: PEARSON Bros Inc
OFFICIAL ADDRESS: 11079 Lamont Ave
NO HANNOVA, MN 55341

PHONE NUMBER: 763-391-6622
FAX NUMBER: 763-391-6627

To The City Councils of:

Shorewood, Minnesota
5755 Country Club Road
Shorewood, MN 55331

Tonka Bay, Minnesota
4901 Manitou Road
Tonka Bay, MN 55331

Victoria, Minnesota
7951 Rose Street
Victoria, MN 55386

City Officials:

1. The following proposal is made for **2012 Bituminous Seal Coating of Streets** within the Cities of Shorewood, Victoria and Tonka Bay, Minnesota.
2. The Undersigned certifies that the Contract Documents listed in the Instructions to Bidders have been carefully examined, and that the site of the work has been personally inspected. The Undersigned declares that the amount and nature of the work to be done is understood, and that at no time will misunderstanding of the Contract Documents be pleaded. On the basis of the Contract Documents, the undersigned proposes to furnish all necessary apparatus to do all the work, furnish and install all the materials in the manner specified, to finish the entire project within the time hereinafter specified, and to accept as full compensation, therefore, the sum of the various products obtained by multiplying each unit price herein bid for the work or materials, by quantities thereof actually incorporated into the completed project, as determined by the Engineer. The Undersigned understands that the quantities mentioned herein are approximate only, and are subject to increase or decrease, and hereby proposes to perform all quantities of work as either increased or decreased, in accordance with the provisions of the specifications, at the unit prices bid in the following Proposal Schedules, unless such schedule designated lump sum or plan quantity bids.

PROPOSAL FORM

PROPOSAL SCHEDULE: Bidder agrees to perform all work described in the specifications for the following unit prices:

City of Shorewood

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
1. Furnish and Install Bituminous Material For Seal Coat (CRS-2P) And Seal Coat Aggregate FA-2, Granite	106,900 SY	\$ <u>1.39</u> /SY	\$ <u>148,591.00</u>
2. Traffic Control	Lump Sum	\$ <u>3,000.00</u> /LS	\$ <u>3,000.00</u>
		Subtotal (1)	\$ <u>151,591.00</u>

City of Victoria

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
2. Furnish and Install Bituminous Material For Seal Coat (CRS-2P) And Seal Coat Aggregate FA-2, Dresser Traprock	65,005 SY	\$ <u>1.50</u> /SY	\$ <u>97,507.50</u>
2. Traffic Control	Lump Sum	\$ <u>3,000.00</u> /LS	\$ <u>3,000.00</u>
		Subtotal (2)	\$ <u>100,507.50</u>

City of Tonka Bay

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
1. Furnish and Install Bituminous Material For Seal Coat (CRS-2P),	11,273 Gal	\$ <u>3.44</u> /Gal	\$ <u>38,779.12</u>
2. Install Owner Furnished Seal Coat Aggregate FA-2, Granite	504 Ton	\$ <u>30.00</u> /Ton	\$ <u>15,120.00</u>

PROPOSAL FORM

3. Traffic Control Lump Sum \$ 3,000 /LS \$ 3,000.00
Subtotal (3) \$ 56,899.12

Total Bid = Subtotal (1) + Subtotal (2) + Subtotal (3) = \$ 308,997.62

(Total Bid shall also be noted top left of page 1 of this proposal form)

- 4. The Contract shall be awarded to the lowest responsible bidder for the **Total Bid**, as defined above. The Owner reserves the right to delete any items of the proposal form.
- 5. The Undersigned further proposes to execute the Contract Agreement and to furnish satisfactory bond within ten (10) days after notice of the award of contract has been received. The Undersigned further proposes to begin work as specified, to complete the work on or before date specified, and to maintain at all times a Contract Bond, approved by the City, in an amount equal to the total bid.
- 6. In submitting this proposal it is understood that the right is reserved by the Owner to reject any or all proposals and to waive informalities.
- 7. In submitting this proposal, the Undersigned acknowledges receipt of Addenda Nos. _____ issued to the Contract Documents.
- 8. If a corporation, what is the state of incorporation?
_____ Minnesota _____
- 9. If a partnership, state full name of all co-partners.

Official Address
11079 Hamont Ave NE
Hanover, MN 55341

Firm Name: PEARSON Bros INC
By: Jack E Pearson
Title: President
By: _____
Title: _____

Dated May 3, 2012

AFFIDAVIT AND INFORMATION REQUIRED OF BIDDERS

Affidavit of Non-Collusion:

I hereby swear (or affirm) under the penalty for perjury:

- (1) That I am the bidder (if the bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the bidder is a corporation);
- (2) That the attached bid or bids have been arrived at by the bidder independently, and have been submitted without collusion with, and without any agreement, understanding, or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation to bid, designed to limit independent bidding or competition;
- (3) That the contents of the bid or bids have not been communicated by the bidder or its surety on any bond furnished with the bid or bids, and will not be communicated to any person prior to the official opening of the bid or bids; and
- (4) That I have fully informed myself regarding the accuracy of the statements made in this affidavit.

Signed: Jack E Pearson
 Firm Name: PEARSON BROS INC

Subscribed and sworn to before me this

3 Day of May, 20 12
Christine M. Armstrong
 Notary Public



My commission expires 1-31, 20 15

Bidder's E. I. Number: (Number used on Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941): 41-1751395

Fair Trade Items: List below each item upon which a bid is made, the price of which is affected by a resale price maintenance or Fair trade contract between the bidder and the person or firm supplying the item to the bidder. (Use reverse side if necessary). _____

THE AMERICAN INSTITUTE OF ARCHITECTS



AIA Document A310

Bid Bond

Bond No.: 183914

KNOW ALL MEN BY THESE PRESENTS, that we Pearson Bros. Inc.

11079 Lamont Avenue NE, Hanover, MN 55341
as Principal, hereinafter call the Principal, and Merchants Bonding Company (Mutual)
2100 Fleur Drive Des Moines, IA 50321-1158

a corporation duly organized under the laws of the State of Iowa
as Surety, hereinafter called the Surety, are held and firmly bound unto City of Shorewood

5755 Country Club Road, Shorewood, MN 55331
as Obligee, hereinafter called the Obligee, in the sum of Five Percent of Bid Amount

Dollars (\$ 5 %),
for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind
ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these
presents.

WHEREAS, the Principal has submitted a bid for 2012 Bituminous Seal Coating of Streets

NOW THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with
the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding
or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt
payment of labor and materials furnished in the prosecution thereof, or in the event of the failure of the Principal to enter
such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the
penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith
contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise
to remain in full force and effect.

Signed and sealed this 30th day of April 2012 ~~XXX~~

Pearson Bros. Inc.

Chesterine Lemmon
(Witness)

Jack E. Pearson (Principal) (Seal)
Jack E. Pearson (Title) President

Gail Kummer
(Witness)

Merchants Bonding Company (Mutual)
Vicky M Hesse (Surety) (Seal)
Vicky M Hesse (Title) Attorney-in-Fact

MERCHANTS
BONDING COMPANY™
POWER OF ATTORNEY

Bond #: 183914

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations duly organized under the laws of the State of Iowa (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint, individually,

Vicky M Hesse

of **St Cloud** and State of **MIN** their true and lawful Attorney-in-Fact, with full power and authority hereby conferred in their name, place and stead, to sign, execute, acknowledge and deliver in their behalf as surety any and all bonds, undertakings, recognizances or other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

Five Million (\$5,000,000.00) Dollars

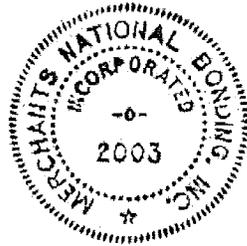
and to bind the Companies thereby as fully and to the same extent as if such bond or undertaking was signed by the duly authorized officers of the Companies, and all the acts of said Attorney-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This Power-of-Attorney is made and executed pursuant to and by authority of the following By-Laws adopted by the Board of Directors of the Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 2nd day of **March**, 2012.



MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By

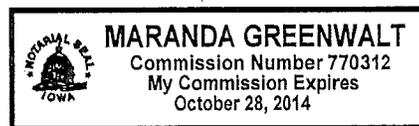
Larry Taylor

President

STATE OF IOWA
COUNTY OF POLK ss.

On this 2nd day of **March**, 2012, before me appeared Larry Taylor, to me personally known, who being by me duly sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument is the Corporate Seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.

In Testimony Whereof, I have hereunto set my hand and affixed my Official Seal at the City of Des Moines, Iowa, the day and year first above written.



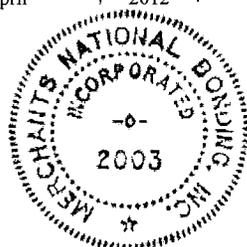
Maranda Greenwalt

Notary Public, Polk County, Iowa

STATE OF IOWA
COUNTY OF POLK ss.

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 30th day of **April**, 2012.



William Warner Jr.

Secretary

INDIVIDUAL OR PARTNERSHIP ACKNOWLEDGEMENT

STATE OF _____
COUNTY OF _____ } ss

On the _____ day of _____, 20____, before me,
a Notary Public within and for said county, personally appeared, _____

to me known to be the person (s) described in and who executed the foregoing instrument, as Principal (s), and acknowl-
edged to me that they executed the same as their free act and deed.

Notary Public _____
County, _____
My commission expires _____

(Notarial Seal)

CORPORATE ACKNOWLEDGEMENT

STATE OF Minnesota
COUNTY OF Wright } ss

On the 4th day of May, 2012 before me,
personally appeared Jack E. Pearson

to me known, who being by me duly sworn, did depose and say: that he resides in Ramsey, MN
that he is the President of the Pearson Bros., Inc.

the corporation described in and which executed the foregoing instrument: that he knows the seal of said corporation; that
the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the board of directors of said cor-
poration: and that he signed his name thereto by like order.



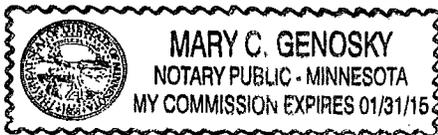
Christine M. Armstrong
Notary Public Wright
County, Minnesota
My Commission expires 1-31-15

ACKNOWLEDGMENT OF CORPORATE SURETY

STATE OF Minnesota
COUNTY OF Stearns } ss

On the 30th day of April, 2012, before me,
appeared Vicky M. Hesse - Attorney In Fact

to me personally known, who being by me duly sworn, did say that he is the aforesaid officer or attorney-in-fact of
the surety company; that the seal affixed to the foregoing instrument is the corporate seal of the surety company, and that
said instrument was signed and sealed in behalf of the surety company by the aforesaid officer, by authority of its board
of directors: and the aforesaid officer acknowledged said instrument to be the free act and deed of the surety company.



Mary C. Genosky
Notary Public Stearns
County, Minnesota
My commission expires 1-31-15

(Notarial Seal)

PROPOSAL FORM

2012 BITUMINOUS SEAL COATING OF STREETS
FOR THE CITIES OF
SHOREWOOD, VICTORIA AND TONKA BAY, MINNESOTA

TOTAL BID
\$ 297,248.00

BIDDER'S FIRM NAME: Allied Blacktop Company
OFFICIAL ADDRESS: 10503 89th Ave N
Maple Grove, MN 55369

PHONE NUMBER: (763) 425-0575
FAX NUMBER: (763) 425-1046

To The City Councils of:

Shorewood, Minnesota
5755 Country Club Road
Shorewood, MN 55331

Tonka Bay, Minnesota
4901 Manitou Road
Tonka Bay, MN 55331

Victoria, Minnesota
7951 Rose Street
Victoria, MN 55386

City Officials:

1. The following proposal is made for **2012 Bituminous Seal Coating of Streets** within the Cities of Shorewood, Victoria and Tonka Bay, Minnesota.
2. The Undersigned certifies that the Contract Documents listed in the Instructions to Bidders have been carefully examined, and that the site of the work has been personally inspected. The Undersigned declares that the amount and nature of the work to be done is understood, and that at no time will misunderstanding of the Contract Documents be pleaded. On the basis of the Contract Documents, the undersigned proposes to furnish all necessary apparatus to do all the work; furnish and install all the materials in the manner specified, to finish the entire project within the time hereinafter specified, and to accept as full compensation, therefore, the sum of the various products obtained by multiplying each unit price herein bid for the work or materials, by quantities thereof actually incorporated into the completed project, as determined by the Engineer. The Undersigned understands that the quantities mentioned herein are approximate only, and are subject to increase or decrease, and hereby proposes to perform all quantities of work as either increased or decreased, in accordance with the provisions of the specifications, at the unit prices bid in the following Proposal Schedules, unless such schedule designated lump sum or plan quantity bids.

PROPOSAL FORM

PROPOSAL SCHEDULE: Bidder agrees to perform all work described in the specifications for the following unit prices:

City of Shorewood

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
1. Furnish and Install Bituminous Material For Seal Coat (CRS-2P) And Seal Coat Aggregate FA-2, Granite	106,900 SY	\$ <u>1.33</u> /SY	\$ <u>142,177.00</u>
2. Traffic Control	Lump Sum	\$ <u>5,500.00</u> /LS	\$ <u>5,500.00</u>
		Subtotal (1)	\$ <u>147,677.00</u>

City of Victoria

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
2. Furnish and Install Bituminous Material For Seal Coat (CRS-2P) And Seal Coat Aggregate FA-2, Dresser Traprock	65,005 SY	\$ <u>1.45</u> /SY	\$ <u>94,257.25</u>
2. Traffic Control	Lump Sum	\$ <u>4,500.00</u> /LS	\$ <u>4,500.00</u>
		Subtotal (2)	\$ <u>98,757.25</u>

City of Tonka Bay

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total</u>
1. Furnish and Install Bituminous Material For Seal Coat (CRS-2P),	11,273 Gal	\$ <u>3.75</u> /Gal	\$ <u>42,273.75</u>
2. Install Owner Furnished Seal Coat Aggregate FA-2, Granite	504 Ton	\$ <u>10.00</u> /Ton	\$ <u>5,040.00</u>

PROPOSAL FORM

3. Traffic Control Lump Sum \$ 3,500.00 LS \$ 3,500.00
Subtotal (3) \$ 50,813.75

Total Bid = Subtotal (1) + Subtotal (2) + Subtotal (3) = \$ 297,248.00

(Total Bid shall also be noted top left of page 1 of this proposal form)

- 4. The Contract shall be awarded to the lowest responsible bidder for the **Total Bid**, as defined above. The Owner reserves the right to delete any items of the proposal form.
- 5. The Undersigned further proposes to execute the Contract Agreement and to furnish satisfactory bond within ten (10) days after notice of the award of contract has been received. The Undersigned further proposes to begin work as specified, to complete the work on or before date specified, and to maintain at all times a Contract Bond, approved by the City, in an amount equal to the total bid.
- 6. In submitting this proposal it is understood that the right is reserved by the Owner to reject any or all proposals and to waive informalities.
- 7. In submitting this proposal, the Undersigned acknowledges receipt of Addenda Nos. _____ issued to the Contract Documents.
- 8. If a corporation, what is the state of incorporation?
Minnesota
- 9. If a partnership, state full name of all co-partners.

Official Address
Allied Blacktop Company
10503 89th Avenue North
Maple Grove, MN 55369

Firm Name: Allied Blacktop Company
By: Peter M Capistrant
Title: Peter M Capistrant, President
By: _____
Title: _____

Dated May 7, 2012

AFFIDAVIT AND INFORMATION REQUIRED OF BIDDERS

Affidavit of Non-Collusion:

I hereby swear (or affirm) under the penalty for perjury:

- (1) That I am the bidder (if the bidder is an individual), a partner in the bidder (if the bidder is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the bidder is a corporation);
- (2) That the attached bid or bids have been arrived at by the bidder independently, and have been submitted without collusion with, and without any agreement, understanding, or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation to bid, designed to limit independent bidding or competition;
- (3) That the contents of the bid or bids have not been communicated by the bidder or its surety on any bond furnished with the bid or bids, and will not be communicated to any person prior to the official opening of the bid or bids; and
- (4) That I have fully informed myself regarding the accuracy of the statements made in this affidavit.

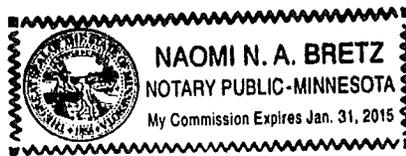
Signed: Peter M Capistrant
Peter M Capistrant, President
Firm Name: Allied Blacktop Company

Subscribed and sworn to before me this

7 Day of May, 2012

Naomi A. Bretz
Notary Public

My commission expires Jan. 31, 2012



Bidder's E. I. Number: (Number used on Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941): 41-0827871

Fair Trade Items: List below each item upon which a bid is made, the price of which is affected by a resale price maintenance or Fair trade contract between the bidder and the person or firm supplying the item to the bidder. (Use reverse side if necessary). _____

BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we Allied Blacktop Company

10503-89th Avenue North, Maple Grove, MN 55369

as Principal, hereinafter called the Principal, and Western Surety Company

101 South Phillips Avenue, Sioux Falls, SD 57104

a corporation duly organized under the laws of the State of South Dakota as Surety, hereinafter

called the Surety, are held and firmly bound unto City of Shorewood

as Obligee, hereinafter called the Obligee, in the sum of

Five Percent of Bid Amount Dollars (\$ 5% of Bid),

for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for

2012 Bituminous Seal Coating of Streets

NOW, THEREFORE, if the Obligee shall accept the bid of the Principal and the Principal shall enter into a Contract with the Obligee in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Obligee the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Obligee may in good faith contract with another party to perform the Work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this 7 day of May, 2012

[Signature]
(Witness)

Allied Blacktop Company
(Principal) (Seal)

Peter M Capistranti
(Title)
Peter M Capistranti, President

[Signature]
(Witness)

Western Surety Company
(Surety) (Seal)

[Signature]
(Title)
John G. Hagberg, Attorney-in-fact

ACKNOWLEDGMENT OF PRINCIPAL (Individual)

STATE OF _____
COUNTY OF _____ } ss.:

On this _____ day of _____, in the year _____, before me personally come(s) _____, to me known and known to me to be the person(s) who (is) (are) described in and who executed the foregoing instrument and acknowledge(s) to me that _____ he _____ executed the same.

NOTARY PUBLIC

ACKNOWLEDGMENT OF PRINCIPAL (Partnership)

STATE OF _____
COUNTY OF _____ } ss.:

On this _____ day of _____, in the year _____, before me personally come(s) _____ a member of the co-partnership of _____ to me known and known to me to be the person who is described in and who executed the foregoing instrument, and acknowledges to me that he executed the same as and for the act and deed of the said co-partnership.

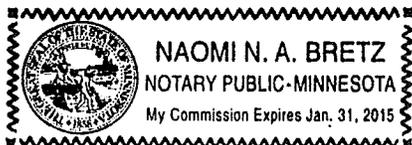
NOTARY PUBLIC

ACKNOWLEDGMENT OF PRINCIPAL (Corporation)

STATE OF Minnesota
COUNTY OF Hennepin } ss.:

On this 7 day of May, in the year 2012, before me personally come(s) Peter M Copistrant to me known, who, being by me duly sworn, deposes and says that he resides in the City of Big Lake that he is the President of the Allied Blacktop Company the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by the order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

Naomi N. A. Bretz
NOTARY PUBLIC

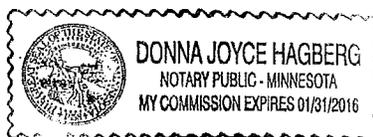


ACKNOWLEDGMENT OF SURETY

STATE OF Minnesota
COUNTY OF Hennepin } ss.:

On this 7 day of May, in the year 2012, before me personally come(s) John G. Hagberg Attorney(s)-in-Fact of Western Surety Company with whom I am personally acquainted, and who, being by me duly sworn, says that he reside(s) in Plymouth, MN that he is (are) the Attorney(s)-in-Fact of Western Surety Company the company described in and which executed the within instrument; that he know(s) the corporate seal of such Company; and that the seal affixed to the within instrument is such corporate seal and that it was affixed by order of the Board of Directors of said Company, and that he signed said instrument as Attorney(s)-in-Fact of the said Company by like order.

Donna Joyce Hagberg
NOTARY PUBLIC



2012 Capital Purchases Narrative

Streets CIP

Street Repairs - \$65,600

Seal coating	54,600
Striping and Crack Seal	3,000
General Patching	8,000

(Henn. Cty. Road Aid Allocation revenue offsets \$3,000)

Road project priorities for 2012 are as follows:

The City's goal is to sealcoat 1/3 of all streets each year in order to maximize their useful life.

Costs are based upon the same square yards as three years ago, the pricing we received this year plus an additional increase to purchase all the rock in 2011 instead of screening and reusing last years rock.

The following streets are scheduled for 2012 Seal Coating:

Tonka Bay Road, Tonka Bay Lane, West Point Road, West Point Drive, West Point Circle, West Point Court, West Point Avenue, Fairhope Avenue, Interlachen Lane, Interlachen Place, Circle Road

City Hall/Public Works Facility CIP

Miscellaneous Repairs - \$10,000

Includes repairs to the Brick work on the building, monuments, fascia, railings, steps, and electrical work.

Parks CIP

Lighting - \$2,700

Includes installing lighting and electrical to Wekota Park Flag (other options are available to light as well).

Trash Receptacles - \$2,000

This includes replace the last two remaining receptacles in the Park.

Court Resurfacing - \$25,000

This includes installing a Sport Court and replacing the hoops at Manitou (grant will also be applied for from Hennepin County)

Signs- \$8,000

This includes beginning to replace the entrance monuments and park signs.

Equipment CIP

Office Equipment- \$7,000

3 new computers, monitors, installation, server battery backup, paper shredder, office furniture, etc.

Lawn Mower - \$7,000

This includes a walk behind mower not included in the original CIP count in 2009.