



CONTRACT

FILED
DATE 11/3/03
DONNA K. JACKSON
CITY CLERK

THIS AGREEMENT made this _____ day of _____, 20____, by and

Knish Corporation, a

Corporation organized and existing under the laws of the State of Minnesota

~~_____ a partnership consisting of -~~

~~_____ an individual trading as _____~~

(Strike out the two terms not applicable)

hereinafter called the "Contractor" and the City of Jonesboro, Arkansas, hereinafter called the "Owner".

WITNESSETH:

That the Contractor and the Owner for the consideration stated herein mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, incidentals and services, including utility and transportation services and perform and complete all work required for the construction of the DOWNTOWN SIDEWALK IMPROVEMENTS, AHTD JOB NO. 100557, in strict accordance with the Contract Documents, including all Addenda thereto

Addendum No. 1 dated September 5, 2003

_____ dated _____

_____ dated _____

as prepared by the Engineer.

ARTICLE 2. The Contract Price. The Owner will pay the Contractor, because of his performance of the Contract, for the total quantities of work performed at the lump sum and unit prices stipulated in the Proposal, subject to additions and deductions as provided in the Section entitled "CHANGES IN THE WORK" under the GENERAL CONDITIONS.

ARTICLE 3. Contract Time. The Contractor agrees to begin work within ten (10) calendar days after issuance by the Owner of a "Work Order" or "Notice to Proceed" and to complete the work within 180 working days thereafter (except as modified in the GENERAL CONDITIONS of these Contract Documents). If the Contractor shall fail to complete the work

within the time specified, he and his Surety shall be liable for payment to the Owner, as liquidated damages ascertained and agreed, and not in the nature of a penalty, the amount specified in the SPECIAL CONDITIONS of these Contract Documents for each day of delay. To the extent sufficient in amount, liquidated damages shall be deducted from the payments to be made under this Contract.

ARTICLE 4. Contract. The executed Contract Documents shall consist of the following:

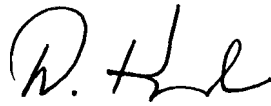
- | | |
|------------------------------|---|
| a. This Agreement (Contract) | f. General Conditions |
| b. Addenda | g. Supplemental General Conditions |
| c. Advertisement for Bids | h. Special Conditions |
| d. Instructions to Bidders | i. Technical Specifications including
Special Provisions |
| e. Proposal | j. Drawings (Plans) |
| | k. Performance-Payment Bond |

This Contract, together with other Documents enumerated in this Article 4, which said other Documents are as fully a part of the Contract as if hereto attached or herein repeated, form the Contract between the parties hereto. In the event that any provisions in any component part of this Contract conflicts with any provision of any other component part, the conflict shall be resolved by the Engineer whose decision shall be final.

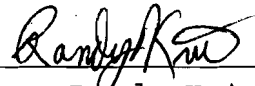
ARTICLE 5. Surety. The Surety on the Performance-Payment Bond shall be a surety company of financial resources satisfactory to the Owner, authorized to do business in the State of Arkansas, and shall comply with applicable Arkansas laws.

IN WITNESS WHEREOF, the parties hereto have caused this CONTRACT to be executed in four (4) counterparts, each of which shall be considered an original on the day and year first above written.

ATTEST:



Donna Knish
Secretary

Knish Corporation
(Contractor)
By 

Randy Knish
Title President

14127 Groveland Trail
(Street)
Lonsdale, MN 55046
(City)



ARKANSAS PERFORMANCE-PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE, KNISH CORPORATION

as Principal, hereinafter called Principal, and NORTH AMERICAN SPECIALTY

INSURANCE COMPANY of 1200 ARLINGTON HEIGHTS ROAD, ITASCA

State of IL, as Surety, hereinafter called the Surety, are held and firmly bound unto the City of Jonesboro as Obligee, hereinafter called Owner, in the amount of SIX HUNDRED TWENTY FOUR THOUSAND FIVE HUNDRED FIFTY SEVEN AND 00/100 Dollars

(\$ 624,557.00) in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly, severally, and firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, The Principal entered into a Contract with the Owner by written Agreement dated the _____ day of _____, 20____, a copy of which is attached hereto and made a part hereof, hereinafter referred to as the Contract, for the construction of DOWNTOWN SIDEWALK IMPROVEMENTS, AHTD JOB NO. 100557.

NOW THEREFORE, if the Principal shall well and truly perform and complete in good, sufficient, and workmanlike manner all of the work required by said Contract and within the time called for thereby to the satisfaction of the Owner, and shall pay all persons for labor, materials, equipment, and supplies furnished by said Principal in accordance with said Contract (failing which such persons shall have a direct right to action against the Principal and Surety under this obligation, but subject to the Owner's priority) and shall hold and save harmless the Owner from any and all claims, loss, and expense of every kind and nature arising because of or resulting from the Principal's operation under said Contract, except payments to the Principal rightly due the Principal for work under said Contract, then this obligation shall be null and void; otherwise to remain in full force and effect.

Any alterations which may be made in the terms of the Contract, or in the work to be done under it, or the giving by the Owner of an extension of time for the performance of the Contract, or any other forbearance on the part either of the Owner or Principal to the other shall not release in any way the Principal and Surety, or either of them, their heirs, personal representatives, successors, or assigns from their liability hereunder, notice to the Surety of any alteration, extension, or forbearance hereby being waived.

In no event shall the aggregate liability of the Surety exceed the sum set herein.

No suit, action, or proceeding shall be brought on this bond outside the State of Arkansas. No suit, action, or proceeding shall be brought on this bond, except by the Owner, after six (6) months from the date on which final payment to the Contractor falls due. No suit, action, or proceeding shall be brought by the Owner after two (2) years from the date on which final payment to the Contractor falls due.

This bond is executed pursuant to the terms of Arkansas Code Ann. §§ 18-44-501 et. seq.

Executed on this _____ day of _____, 20_____.

SEAL

Knish Corporation
(Principal)

By Randy Knish
Randy Knish

Title President

SEAL

NORTH AMERICAN SPECIALTY
INSURANCE COMPANY
(Surety)

By Joan K. Remick
(Attorney-in-Fact)

JOAN K. REMICK

NOTES:

1. This bond form is mandatory. No other forms will be acceptable.
2. The date of the Bond must not be prior to the date of the Contract.
3. Any surety executing this Bond must appear on the U.S. Treasury Department's most current list (Circular 570, as amended) and be authorized to transact business in the State of Arkansas.
4. Attach Power of Attorney.

SURETY ACKNOWLEDGMENT

STATE OF MINNESOTA,
COUNTY OF Washington } SS.

On this _____ day of _____, _____, before me appeared

Joan K. Remick

to me personally known, who, being duly sworn, did say that he is the Attorney-in-Fact of the North American Specialty Insurance
Company

that the seal affixed to the foregoing instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and said Joan K. Remick acknowledged said instrument to be the free act and deed of said corporation.

Jennifer Lynn Murphy
Notary Public, Washington County, Minn.
My commission expires _____

ACKNOWLEDGMENT OF PRINCIPAL

For Corporation

STATE OF Minnesota
COUNTY OF Rice } SS.

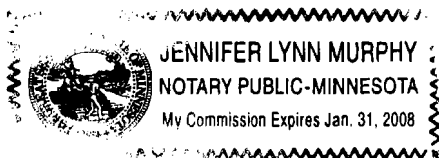
On this _____ day of _____, _____, before me personally came

Randy Knish

to me known, who, being by me duly sworn, did depose and say; that he resides in Lonsdale, MN
that he is the President
of the Knish Corporation

the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that is was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

(Seal)



Jennifer Lynn Murphy
Notary Public Rice County, MN
My commission expires _____

NAS SURETY GROUP

NORTH AMERICAN SPECIALTY INSURANCE COMPANY
WASHINGTON INTERNATIONAL INSURANCE COMPANY

GENERAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, THAT North American Specialty Insurance Company, a corporation duly organized and existing under laws of the State of New Hampshire, and having its principal office in the City of Manchester, New Hampshire, and Washington International Insurance Company, a corporation organized and existing under the laws of the State of Arizona and having its principal office in the City of Itasca, Illinois, each does hereby make, constitute and appoint:

TERRY STARKS, DAVID E. SELL, ROBERT E. CLEMANTS

MELISSA M. NORDIN and JOAN K. REMICK

jointly or severally

Its true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver, for and on its behalf and as its act and deed, bonds or other writings obligatory in the nature of a bond on behalf of each of said Companies, as surety, on contracts of suretyship as are or may be required or permitted by law, regulation, contract or otherwise, provided that no bond or undertaking or contract or suretyship executed under this authority shall exceed the amount of:

TEN MILLION (10,000,000.00) DOLLARS

This Power of Attorney is granted and is signed by facsimile under and by the authority of the following Resolutions adopted by the Boards of Directors of both North American Specialty Insurance Company and Washington International Insurance Company at meetings duly called and held on the 24th of March, 2000:

"RESOLVED, that any two of the President, any Executive Vice President, any Vice President, any Assistant Vice President, the Secretary or any Assistant Secretary be, and each or any of them hereby is authorized to execute a Power of Attorney qualifying the attorney named in the given Power of Attorney to execute on behalf of the Company bonds, undertakings and all contracts of surety, and that each or any of them hereby is authorized to attest to the execution of any such Power of Attorney and to attach therein the seal of the Company; and it is

FURTHER RESOLVED, that the signature of such officers and the seal of the Company 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 or facsimile seal shall be binding upon the Company when so affixed and in the future with regard to any bond, undertaking or contract of surety to which it is attached."



Handwritten signature of Paul D. Amstutz

By

Paul D. Amstutz, President & Chief Executive Officer of Washington International Insurance Company & Vice President of North American Specialty Insurance Company



Handwritten signature of Steven P. Anderson

By

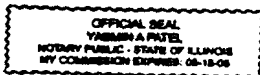
Steven P. Anderson, Executive Vice President of Washington International Insurance Company & Vice President of North American Specialty Insurance Company

IN WITNESS WHEREOF, North American Specialty Insurance Company and Washington International Insurance Company have caused their official seals to be hereunto affixed, and these presents to be signed by their authorized officers this 5 day of September, 2003.

North American Specialty Insurance Company
Washington International Insurance Company

State of Illinois
County of Du Page ss:

On this 5 day of September, 2003, before me, a Notary Public personally appeared Paul D. Amstutz, President and CEO of Washington International Insurance Company and Vice President of North American Specialty Insurance Company and Steven P. Anderson, Executive Vice President of Washington International Insurance Company and Vice President of North American Specialty Insurance Company, personally known to me, who being by me duly sworn, acknowledged that they signed the above Power of Attorney as officers of and acknowledged said instrument to be the voluntary act and deed of their respective companies.



Handwritten signature of Yasmin A. Patel

Yasmin A. Patel, Notary Public

I, James A. Carpenter, the duly elected Assistant Secretary of North American Specialty Insurance Company and Washington International Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney given by said North American Specialty Insurance Company and Washington International Insurance Company, which is still in full force and effect.

IN WITNESS WHEREOF, I have set my hand and affixed the seals of the Companies this day of, 20.

Handwritten signature of James A. Carpenter

James A. Carpenter, Vice President & Assistant Secretary of Washington International Insurance Company & Assistant Secretary of North American Specialty Insurance Company

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
ENDORSEMENT**

Coverage for acts of terrorism as defined in § 102(1) of the Terrorism Risk Insurance Act of 2002 ("the Act") is already included in this surety bond. You should know that, effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The portion of your annual premium that is attributable to coverage for acts of terrorism is \$0.

As your insurance/surety company we are sending you this notice to comply with the Terrorism Risk Insurance Act of 2002.

For questions regarding this notice please visit our website www.nassurety.com or you may call our office at 630- 227- 4825.

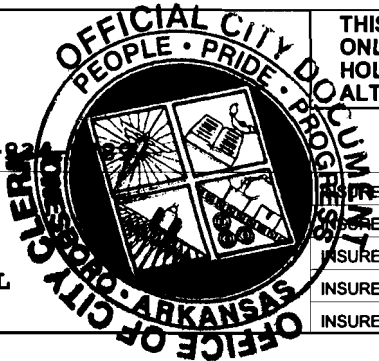
' ACORD. CERTIFICATE OF LIABILITY INSURANCE OP ID SP KNISHC1 DATE (MM/DD/YY) 10/22/03

PRODUCER
 Heartman Insurance
 330 Central Ave., PO Box 449
 Faribault MN 55021
 Phone: 507-334-5577 Fax: 507-822-1111

INSURED
 KNISH CORPORATION
 14127 GROVELAND TRAIL
 LONSDALE MN 55046

INSURERS AFFORDING COVERAGE
 INSURER A: **HAWKEYE-SECURITY INSURANCE**
 INSURER B:
 INSURER C:
 INSURER D:
 INSURER E:

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.



COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	CBP9707627	04/01/03	04/01/04	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$ 100,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> OCP				PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY	BA9708127	04/01/03	04/01/04	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				PROPERTY DAMAGE (Per accident) \$
<input checked="" type="checkbox"/> NON-OWNED AUTOS					
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC AGG \$
A	EXCESS LIABILITY	CU9708627	04/01/03	04/01/04	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$ 5,000,000
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input checked="" type="checkbox"/> RETENTION \$ 10,000				\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WC9708527	04/01/03	04/01/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$ 500000
	E.L. EACH ACCIDENT \$ 500000				
	E.L. DISEASE - EA EMPLOYEE \$ 500000 E.L. DISEASE - POLICY LIMIT \$ 500000				
	OTHER				

FILED
 DATE 11/27/03
 DONNA K. JACKSON
 CITY CLERK

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 CERTIFICATE HOLDER NAMED ADDITIONAL INSURED ON THE GENERAL LIABILITY RE:
 AHTD JOB NO. 100557 - CITY OF JONESBORO - DOWNTOWN SIDEWALK IMPROVEMENTS.
 EXCLUSIONS REFER TO POLICY.

CERTIFICATE HOLDER N **ADDITIONAL INSURED; INSURER LETTER:** ASSOCIT **CANCELLATION**

ASSOCIATED ENGINEERING AND TESTING, LLC
 1825 E NETTLETON AVE
 PO BOX 1462
 JONESBORO AR 72403-1462

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Grant S. Wilson

IMPORTANT

If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.