



IN WITNESS WHEREOF, the parties to these present have executed this contract in four (4) counterparts, each of which shall be deemed an original, in year and day first above mentioned.

APPROVED BY COMMISSIONERS COURT ON, November 12, 2008.

CONTRACTOR: [Signature]

Name of Firm: McAllen Construction, Inc.

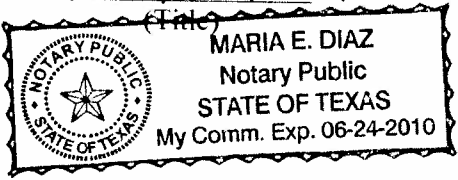
Address: P.O. Box 32414 McAllen, TX 78502

Fed. I.D. # / S.S.##: 74-145 7522

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledged before me on this the 15<sup>th</sup> day of December 2008, by Vice President and on behalf of McAllen Construction, Inc. (A corporation)



[Signature]  
Notary Public-Signature

APPROVED AS TO FORM:

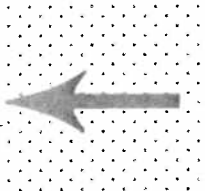
Atlas & Hall, LLP  
BY: [Signature]  
Atlas & Hall, LLP

ATTEST:

COUNTY OF HIDALGO:

\_\_\_\_\_  
Arturo Guajardo, Jr., County Clerk

\_\_\_\_\_  
Juan D. Salinas, III, County Judge



**PAYMENT BOND**

**KNOW ALL MEN BY THESE PRESENTS**, that McAllen Construction, Inc.  
P.O. Box 3244, McAllen, TX 78502

(hereinafter called the Principal(s), as Principal(s), and Great American Insurance Company of New York

bound onto Hidalgo County hereinafter called the Surety(s), as Surety(s), are held and firmly

amount of Five Hundred Eleven Thousand Four Hundred Sixty Six and 00/100 (hereinafter called the Oblige), in the

Dollars (\$ 511,466.00 ) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the Principal has entered into a certain written contract with the Oblige, dated the 12th day of November, 2008, for the Construction of McColl Road Irrigation Canal Siphon

Which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH**, that if the said Principal shall pay all claimants supplying labor and material to him or a subcontractor in the prosecution of the work provided in said contract in accordance with the plans, specifications and contract documents, then this obligation shall be void; otherwise to remain in full force and effect.

**PROVIDED, HOWEVER**, that this bond is executed pursuant to the provisions of Texas Government Code, Section 2253.021(c) for the beneficiaries described by such sub-section, and provisions of said Section to the same extent as if it were copied in length herein.

**IN WITNESS WHEREOF**, this instrument is executed in four counterparts, each one of which shall be deemed an original, this the 12th day of November A.D., 2008.

McAllen Construction, Inc.  
Principal

**ATTEST:**

\_\_\_\_\_  
(Principal) Secretary  
(SEAL)

*Maria Delgado*  
Witness to Principal  
P.O. Box 3244  
(Address)  
McAllen, TX 78502  
(City, State, Zip)

By: *Trey Pebley*  
Signature

Trey Pebley  
(Print / Type Name)  
P.O. Box 3244  
(Address)  
McAllen, TX 78502  
(City, State, Zip)

**PAYMENT BOND (Continued)**

Great American Insurance Company of New York  
Surety

**ATTEST:**

\_\_\_\_\_  
(Surety) Secretary  
(SEAL)

Mary Edwards  
\_\_\_\_\_  
Witness to Surety

P.O. Box 8550  
(Address)

Brownsville, TX 78526  
(City, State, Zip)

By: \_\_\_\_\_  
Attorney-in-Fact (Signature)

Peggy Gonzalez, Attorney-in-Fact  
(Print / Type Name)

P.O. Box 8550  
(Address)

Brownsville, TX 78526  
(City, State, Zip)

Notes: Date of Bond must be prior to date of Contract.  
Provide correct name of Contractor, indicate corporation, partnership or an individual, as case may be.  
Provide correct name of Surety and Surety must attach its original power of attorney to this BOND.  
If Contractor is partnership, all partners must sign and execute BOND.  
Indicate County or Parish and State.

**CERTIFICATE AS TO CORPORATE PRINCIPAL**

I, Trey Pesley, certify that I am the secretary of the corporation named as Principal in the BOND; that Trey Pesley who signed the BOND on behalf of Principal, was then VP of the corporation; that I know his or her signature, and his or her signature is genuine; and that the BOND was duly signed for and on behalf of the corporation by authority of its governing body.

[Signature]  
\_\_\_\_\_  
Secretary's Signature

(Corporate Seal)

**PERFORMANCE BOND**

Bond # CA878 45 58

**KNOW ALL MEN BY THESE PRESENTS**, that McAllen Construction, Inc.  
P.O. Box 3244, McAllen, TX 78502

(hereinafter called the Principal(s), as Principal(s), and Great American Insurance Company of New York

bound onto Hidalgo County hereinafter called the Surety(s), as Surety(s), are held and firmly

amount of Five Hundred Eleven Thousand Four Hundred Sixty Six and 00/100 (hereinafter called the Oblige), in the

Dollars (\$ 511,466.00 ) for the payment whereof, the said Principal and Surety bind themselves, and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

**WHEREAS**, the Principal has entered into a certain written contract with the Oblige, dated the 12th day of November, 2008, for the Construction of McColl Road Irrigation Canal Siphon

Which contract is hereby referred to and made a part hereof as fully and to the same extent as if copies at length herein.

**NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH**, that if the said Principal shall faithfully perform the work in accordance with the plans, specifications and contract documents, then this obligation shall be void; otherwise to remain in full force and effect.

**PROVIDED, HOWEVER**, that this bond is executed pursuant to the provisions of Texas Government Code, Section 2253.021 (b), for the benefit of Oblige and provisions of said Section to the same extent as if it were copied in length herein.

**IN WITNESS WHEREOF**, this instrument is executed in four counterparts, each one of which shall be deemed an original, this the 12th day of November A.D., 2008.

**ATTEST:**

(Principal) Secretary  
(SEAL)

[Signature]  
Witness to Principal  
P.O. Box 3244  
(Address)  
McAllen, TX 78502  
(City, State, Zip)

McAllen Construction, Inc.  
Principal

By: [Signature]  
Signature

Trey Pesley  
(Print / Type Name)  
P.O. Box 3244  
(Address)  
McAllen, TX 78502  
(City, State, Zip)

**PERFORMANCE BOND (Continued)**

**ATTEST:**

\_\_\_\_\_  
(Surety) Secretary  
(SEAL)  
Mary Edwards  
\_\_\_\_\_  
Witness to Surety  
\_\_\_\_\_  
P.O. Box 8550  
(Address)  
\_\_\_\_\_  
Brownsville, TX 78526  
(City, State, Zip)

Great American Insurance Company of New York  
Surety

By: [Signature]  
\_\_\_\_\_  
Attorney-in-Fact (Signature)  
  
\_\_\_\_\_  
Peggy Gonzalez, Attorney-in-Fact  
(Print / Type Name)  
\_\_\_\_\_  
P.O. Box 8550  
(Address)  
\_\_\_\_\_  
Brownsville, TX 78526  
(City, State, Zip)

Notes: Date of Bond must be prior to date of Contract.  
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Provide correct name of Surety and Surety must attach its original power of attorney to this BOND.  
If Contractor is partnership, all partners must sign and execute BOND.  
Indicate County or Parish and State.

**CERTIFICATE AS TO CORPORATE PRINCIPAL**

I, Trey Pasley, certify that I am the secretary of the corporation named as Principal in the BOND; that Trey Pasley who signed the BOND on behalf of Principal, was then VP of the corporation; that I know his or her signature, and his or her signature is genuine; and that the BOND was duly signed for and on behalf of the corporation by authority of its governing body.

[Signature]  
\_\_\_\_\_  
Secretary's Signature

(Corporate Seal)

**GREAT AMERICAN INSURANCE COMPANY OF NEW YORK**

New York

Administrative Office: 580 WALNUT STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by this power of attorney is not more than **FIVE**

No. **0** 15621

**POWER OF ATTORNEY**

**KNOW ALL MEN BY THESE PRESENTS:** That the GREAT AMERICAN INSURANCE COMPANY OF NEW YORK, a corporation organized and existing under and by virtue of the laws of the State of New York, does hereby nominate, constitute and appoint the person or persons named below its true and lawful attorney-in-fact, for it and in its name, place and stead to execute in behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

Name	Address	Limit of Power
RAY HUGHSTON	PEGGY GONZALEZ	ALL
CHRIS HUGHSTON	MARY EDWARDS	\$75,000,000.
DAVID C. HUGHSTON	BROWNSVILLE, TEXAS	

This Power of Attorney revokes all previous powers issued in behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF, the GREAT AMERICAN INSURANCE COMPANY OF NEW YORK has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this **17TH** day of **JUNE**, **2008**.

Attest

GREAT AMERICAN INSURANCE COMPANY OF NEW YORK

DAVID C. KITCHIN (513-412-4602)

STATE OF OHIO, COUNTY OF HAMILTON-ss:

On this **18TH** day of **JUNE**, **2008**, before me personally appeared **DAVID C. KITCHIN**, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is the Divisional Senior Vice President of the Bond Division of Great American Insurance Company of New York, the Company described in and which executed the above instrument; that he knows the seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company of New York by unanimous written consent dated July 27, 1995.

*RESOLVED: That the Divisional President, the Divisional Senior Vice President, the several Divisional Vice Presidents and Divisional Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.*

*RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract or suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.*

**CERTIFICATION**

I, **EVE CUTLER ROSEN**, Senior Vice President, General Counsel & Assistant Secretary of Great American Insurance Company of New York, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of July 27, 1995 have not been revoked and are now in full force and effect.

Signed and sealed this **12th** day of **November**, **2008**

**GREAT AMERICAN INSURANCE COMPANY  
GREAT AMERICAN INSURANCE COMPANY OF NEW YORK**

**IMPORTANT NOTICE:**

To obtain information or make a complaint:

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

**1-800-252-3439**

You may write the Texas Department of Insurance at:

P. O. Box 149104  
Austin, TX 78714-9104  
FAX# 1-512-475-1771

Your notice of claim against the attached bond may be given to the Surety Company that issued the bond by sending it to the following address:

Mailing Address: Great American Insurance Company  
580 Walnut Street  
Cincinnati, OH 45202

You may also contact the Great American Insurance Company Claim Office by telephone at:

Telephone Number: (513) 369-5000

## NOTICE-DISCLOSURE OF TERRORISM PREMIUM

The Terrorism Risk Insurance Act of 2002 establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an Act of Terrorism. The Act provides that, to be certified, an Act of Terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States.

In accordance with the Terrorism Risk Insurance Act of 2002, we are providing this disclosure notice for all bonds on which Great American Insurance Company, its affiliates (including, but not limited to Great American Alliance Insurance Company, Great American Insurance Company of New York and Great American Assurance Insurance Company) is the surety.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the terms of the Act. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

This Coverage Part/Policy covers certain losses caused by terrorism. In accordance with the Federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the coverage arising from losses for Terrorist Acts Certified under that Act.

The portion of your annual premium that is attributable to coverage for Terrorist Acts Certified under the Act is : \$:00.