- 11.1.2 Other Mandatory Insurance Requirements. The Contractor shall comply with the following requirements, which shall be deemed applicable to all carriers and insurance policies provided pursuant to Paragraph 11.1.1, above:
- .1 Insurer Rating. Any and all insurance carrier(s) providing insurance coverage under any and all policy(ies) of insurance provided by Contractor pursuant to <u>Paragraph 11.1.1</u>, above, shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) (unless such requirements are waived in writing by the County Risk Manager, and if the County's Risk Manager waives such requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term);
- .2 Self Insured Retentions. Contractor shall advise County in writing the dollar amount of any "self insured retention" maintained by the Contractor that exceeds \$500,000 per occurrence. Each such self insured retention must have the prior written consent of the County Risk Manager before the commencement of any Work or operations or activities relating to the Work. If Contractor is notified that a self insured retention is unacceptable to the County, then at the election of the County, exercised in the County's sole and absolute discretion, by means of the written approval of the County's Risk Manager, the insurance carriers affected shall either: (1) reduce or eliminate such self-insured retention as respects the Construction Contract; or (2) procure a bond, satisfactory to County and approved by County in writing, which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- .3 Evidence of Insurance. Contractor shall cause Contractor's insurance carrier(s) to furnish to the County either: (1) properly executed original certificate(s) of insurance and certified original copy(ies) of endorsement(s) effecting the coverage(s) required by this Section 11.1, or (2) if requested to do so orally or in writing by the County Risk Manager, provide original, certified copy(ies) of policy(ies) including all endorsement(s) and all attachment(s) thereto, showing such insurance is in full force and effect. Such certificate(s) and all policies of insurance provided by Contractor pursuant to this Section 11.1 shall contain the covenant of the insurance carrier(s) that thirty (30) Days' written notice shall be given to the County prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. Each certificate of insurance and endorsement shall be signed by an individual expressly authorized by the insurance carrier to do so on the carrier's behalf. Contractor shall, if requested, provide written proof of such authorization. Contractor shall not commence any Work or any activities or operations related to the performance of the Work unless and until Contractor has complied with all of the requirements of this Section 11.1.
- .4 Modification, Cancellation, Changes in Limits. A material modification, cancellation, expiration, or reduction in coverage, shall constitute an Event of Contractor Default for which County shall have right, without limitation to its other rights or remedies provided for in the Contract Documents or under Applicable Laws, to terminate this Construction Contract. Such Event of Contractor Default may only be deemed cured if the County receives, prior to the effective date of such material modification, cancellation, expiration or reduction in coverage, properly executed original certificate(s) of insurance and original, certified copy(ies) of policy(ies) and endorsement(s), including all attachment(s) thereto, evidencing that the coverage(s) required by this Section 11.1 is(are) and will continue, without any gap in coverage, in full force and effect in accordance with all of the requirements of this Section 11.1
- .5 Primary Coverage. It is understood and agreed to by County and Contractor that the Contractor's insurance coverage(s) provided under this <u>Section 11.1</u> shall be construed as primary insurance, and the County's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- .6 Additional Coverages. County reserves the right to modify, adjust, add to and/or increase the types, amounts and terms of any insurance required under this Section 11.1 if the County Risk Manager determines, in the exercise of his/her sole and absolute discretion, that the type, amount or terms of the insurance required by this Section 11.1 has(have) become inadequate or that additional risk or exposure exists (such as, without limitation, the use of aircraft, watercraft, cranes, etc.) due to: (1) a Change in the Work; (2) the period of time of Contractor's actual performance of the Work continuing for longer than five (5) years from the Date of Commencement, whether due to Contract Adjustment or for any for any other reason; or (3) other circumstances not reasonably foreseeable to County.

- .7 Subcontractors. Contractor shall include provisions in its subcontracts requiring each Subcontractor to assume an obligation toward Contractor to furnish insurance that complies with all of the requirements of this Section 11.1 as apply to Contractor's insurance provided to Owner and requiring such Subcontractors to furthermore include provisions in their contracts with lower-Tier Subcontractors likewise requiring such lower Tier Subcontractors assume the same obligations for providing such insurance and for passing through all such obligations to all lower Tier Subcontractors.
- .8 Self-Insurance. If approved by County, in the exercise of its sole and absolute discretion, the insurance requirements contained in this Section 11.1 may be met with a program(s) of self-insurance provided that such program has been submitted to County and approved in writing by County prior to commencement of the Work or of any activity or operation related to the performance of the Work.
- .9 Notice of Claim. Contractor agrees to notify County of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the Work.

ARTICLE 12 BONDS

12.1 PERFORMANCE BOND AND PAYMENT BOND

- 12.1.1 **Performance and Payment Bonds.** Within ten (10) Days after the issuance of the Notice of Intent to Award and prior to commencing Work, Contractor shall deliver to County a good and sufficient labor and materials payment bond ("Payment Bond") and a good and sufficient performance bond ("Performance Bond"), each in the amount of one hundred percent (100%) of the Contract Price.
- 12.1.2 **Changes.** The penal amounts of the Performance Bond and Payment Bond shall be increased on account of Change Orders and Unilateral Change Orders increasing the Contract Price. If requested by County, Contractor shall deliver to County evidence of such increases.
- 12.1.3 **Replacement.** Should any bond required hereunder or any Surety on such bond become or be determined by County to be insufficient, it shall be replaced within ten (10) Days by a bond that fully complies with the requirements of this <u>Section 12.1</u>.
- 12.1.4 **Duration.** The Payment Bond shall remain in effect until Acceptance of the Work and all Claims of Contractor and the Subcontractors, of any Tier, have been fully and finally resolved. The Performance Bond shall remain in effect and assure faithful performance of all Contractor's obligations under the Contract Documents, including, without limitation, all warranty obligations.
- 12.1.5 **Condition of Payment.** No payments to Contractor for Work performed shall be made or due until there has been full compliance with the requirements of this <u>Section 12.1</u>.
- 12.1.6 **Surety Rating.** Any Surety company issuing the Payment Bond or Performance Bond shall be, at all times while such bond is in effect, an Admitted Surety. The Surety company issuing the Performance Bond shall additionally have at all such times a current A.M. Best rating of A VIII (A:8) or better.
- 12.1.7 **Premiums.** The premiums for the Performance Bond and Payment Bond are included in the Contract Price and shall be paid by Contractor at Contractor's Own Expense.
- 12.1.8 **Obligee.** The Performance Bond shall name County as obligee. All performance bonds, if any, purchased by Subcontractors shall name County as a dual obligee with Contractor.
- 12.1.9 **No Exoneration.** The Performance Bond and Payment Bond shall contain provisions to the effect that Changes, Change Orders, Unilateral Change Orders, Construction Change Directives, Modifications, Changes and Contract Adjustments shall in no way release or exonerate Contractor or its Surety from their obligations and that notice thereof is waived by the Surety.

- 12.1.10 **Communications.** County shall have the right to communicate with Surety with respect to matters that are related to performance of the Work. Contractor shall be provided with a copy of all such communications that are in writing. Such communications shall not create or be interpreted as creating any contractual obligation of County to Surety.
- 12.1.11 **No Limitation.** The requirements of this <u>Section 12.1</u> pertaining to the Performance Bond and the Payment Bond shall be without limitation to any other obligations Contractor may have under Applicable Laws to provide bonding for the benefit of, and to assure payment to the Subcontractors performing the Work for, the Project.
- 12.1.12 **Subcontractor Bonds.** Each performance bond, if any, furnished by a first-Tier Subcontractor shall include a provision whereby the Surety consents to the contingent assignment of Contractor's rights under such bond to County as provided in <u>Section 5.3</u>, above.
- 12.1.13 Claims. By incorporation of the Construction Contract into the Performance Bond issued by Surety, Surety shall be deemed, subject to the other terms of the Performance Bond, to be bound by all of the obligations assumed by Contractor under the Contract Documents, including, without limitation, bound by any determination, resolution, award or judgment entered or made upon any Claim by or against Contractor.

ARTICLE 13 UNCOVERING AND CORRECTION OF THE WORK

13.1 UNCOVERING OF THE WORK

If a portion of the Work is covered contrary to the request or direction of County, Construction Manager, Inspector of Record or Architect, or contrary to the requirements of the Contract Documents, it must, if required by the any of them, be uncovered for observation and be re-covered by Contractor at Contractor's Own Expense.

13.2 CORRECTION OF THE WORK

Contractor shall promptly correct Defective Work, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. All such Defective Work shall be either: (1) replaced and all the Work disturbed thereby made good by Contractor at Contractor's Own Expense; or (2) County may exercise its option pursuant to Section 13.4, below, to accept such Work and adjust the Contract Price.

13.3 GUARANTEE TO REPAIR PERIOD

- 13.3.1 **Guarantee To Repair Period.** Besides guarantees and warranties required elsewhere in the Contract Documents, Contractor guarantees the Work as provided hereinbelow. The period of this guarantee, termed the "Guarantee To Repair Period," is for one (1) year commencing as follows:
- .1 for any portion of the Work that, upon Substantial Completion of the overall Work, is fully and finally complete and usable in all respects independent of other portions of the Work that are not fully and finally complete, on the date of Substantial Completion of such portion of the Work;
- .2 for space beneficially occupied or for separate systems fully utilized prior to Substantial Completion, from the first date of such beneficial occupancy or full utilization, as established by an appropriate written notice by County of intent to take beneficial occupancy; or
- .3 for all Work other than that described in <u>Subparagraph 13.3.1.1</u>, above or <u>Subparagraph 13.3.1.2</u>, above, from the date of Final Completion of the Work.
- 13.3.2 **Repair by Contractor.** Subject to the provisions of <u>Paragraph 13.3.3</u>, below, Contractor shall do the following: (1) correct, repair, replace, remove and restore, to the County's satisfaction, any Defective Work that becomes apparent during the progress of the Work or during the Guarantee To Repair Period; (2) correct, repair, replace, remove and restore, to the County's satisfaction, any other parts of the Work and any other real or

personal property which is damaged or destroyed as a result of Defective Work or the correction of Defective Work; and (3) remove from the Site all the Work identified by the County as Defective Work, whether incorporated or not and whether discovered before or after Substantial or Final Completion. Ordinary wear and tear, abuse, or neglect by County or by County employees, its staff, visitors, public or others (except for those under the control or responsibility of Contractor or its Subcontractors) who are authorized or admitted by County to enter, use or occupy the Work, or who enter, use or occupy the Work after Final Completion, are excepted from the foregoing guarantee. All Losses resulting from Defective Work, including, without limitation, all costs of such correction, repair, replacement, removal and restoration, additional testing, inspection and additional service fees and costs of Construction Manager, Inspector of Record, Architect, County Consultants or others whose services may be made necessary thereby as well as any Loss to any other parts of the Work and any other real or personal property which is damaged or destroyed as a result of Defective Work or the correction, repair, replacement, removal or restoration of Defective Work, shall be paid for by Contractor at Contractor's Own Expense. Contractor shall correct, repair, replace, remove and restore Defective Work at such times as are acceptable to the County and in such a manner as to avoid, to the greatest extent practicable, disruption to the activities of the County, its staff, visitors, the public or others. Contractor shall notify the County in writing upon the completion of such correction, repair, replacement, removal and restoration.

- Notice by County. Except as otherwise provided in this Paragraph 13.3.3 where immediate corrections are needed due to dangerous conditions or risk of imminent Loss or interruption of County operations, the County will give notice to Contractor of Defective Work observed prior to Final Completion in accordance with the provision of Section 15.1, below, governing the occurrence of an Event of Contractor Default and the Contractor shall proceed to cure such Event of Contractor Default in accordance with the requirements of Section 15.1, below, and Paragraph 13.3.2, above. With respect to Defective Work observed after Final Completion, the County will give notice to Contractor with reasonable promptness and Contractor shall commence the correction. repair, replacement, removal and restoration as required by Paragraph 13.3.2, above, no later than ten (10) Days after mailing of such notice to Contractor and Contractor shall thereupon diligently and continuously prosecute such correction, replacement, repair, or restoration to completion. Notwithstanding the foregoing, if in the County's opinion the presence of Defective Work, whether observed prior to Final Completion or after Final Completion and during the Guarantee To Repair Period, poses a risk or threat: (1) to life, safety or the protection of property; (2) of imminent Loss to the County or to any other person or entity; or (3) of causing an interruption in the operations of the County, then County will have the right, in the exercise of its sole and absolute discretion, to proceed with correction or replacement of the Defective Work without prior notice to Contractor, but in such cases will attempt to notify Contractor as soon as possible of the conditions encountered and the action taken by County. Such action by County without prior notice to Contractor shall not relieve Contractor of its responsibility for the costs of such County action or for any Loss occasioned by the Defective Work or necessitated by the County's action, whether such Loss occurs before or after such County action is implemented or completed.
- 13.3.4 Correction by County. If Contractor fails to perform any of its obligations under Paragraph 13.3.2, above, to correct, repair, replace, remove or restore then County, or Separate Contractors under the County's direction, may, notwithstanding any other provisions of this Article 13, proceed to do so and all costs associated therewith (including, without limitation, the cost to store any materials removed) shall be the responsibility of and paid by Contractor at Contractor's Own Expense. Such action by County will not relieve Contractor of the guarantees provided in this Article 13 or elsewhere in the Contract Documents. In addition to Contractor's other obligations under Paragraph 13.3.2, above, Contractor shall correct, repair, replace, remove and restore, to the County's satisfaction and at Contractor's Own Expense any other parts of the Work and any other real or personal property that are damaged or destroyed as a result of such actions by County or the Separate Contractors.
- 13.3.5 Sale. If Contractor does not pay the costs of, or any of the Losses associated with, the correction, repair, replacement, removal or restoration required by the provisions of Paragraph 13.3.2, above, then within five (5) Days after notice by the County, County may sell any materials or other items of Work removed at auction or at private sale or otherwise dispose of such materials or items and shall account for the net proceeds thereof, after deducting all such costs and Losses, and all costs of sale. If such net proceeds of sale do not cover the Losses for which Contractor is liable to the County, the County may at its option reduce the Contract Price or any payments due to Contractor by such deficiency or recover such deficiency from Contractor.
- 13.3.6 **No Limitation.** Contractor's obligations under this <u>Article 13</u> are in addition to, and not in limitation of, its warranty obligations under <u>Section 3.5</u>, above, and any other obligation, guaranty or warranty of Contractor or any other third party under the Contract Documents. Nothing contained in this <u>Article 13</u> shall be

construed to shorten any periods of limitation with respect to other obligations of Contractor under the Contract Documents that are for longer specified periods. Establishment of the Guarantee To Repair Period in no way limits either Contractor's liability for Defective Work or the time within which proceedings may be commenced to enforce Contractor's obligations under the Contract Documents.

13.4 ACCEPTANCE OF NONCONFORMING WORK

Notwithstanding any other provisions of the Contract Documents to the contrary, the County shall have the option, exercised in its sole and absolute discretion after notice to Contractor, in lieu of requiring that Defective Work be remedied or corrected, to reduce the Contract Price to reflect the reduced value of the performance received by County. Such option shall be exercised solely by written notice to Contractor and shall not be implied from any act or omission by County. If there are no remaining payments of the Contract Price to be made to Contractor, or if the remaining payments and retention are insufficient to cover the amount of the reduction of the Contract Price, Contractor shall promptly pay to County the amount of any such deficiency.

ARTICLE 14 MISCELLANEOUS PROVISIONS

14.1 GOVERNING LAW

The interpretation and enforcement of the Construction Contract and other Contract Documents and of the performance by the parties thereunder shall, notwithstanding application of the principles of conflicts of laws, be governed by the laws of the State of California. The Superior Court for the County of Riverside shall have exclusive jurisdiction and venue over any legal proceedings arising out of or involving the interpretation or enforcement of, or other matters relating to, the Construction Contract, the other Contract Documents or the performance of the parties thereunder.

14.2 TIME OF ESSENCE

All time limits stated in the Contract Documents relative to Contractor's performance of its obligations under the Contract Documents are of the essence.

14.3 SUCCESSORS AND ASSIGNS

The Construction Contract and other Contract Documents shall be binding on successors, assigns and legal representatives of County and Contractor, respectively. Contractor shall not assign, sublet or transfer an interest in or claim under this Construction Contract without advance written approval of County, which approval may be granted or withheld by County in its sole and absolute discretion, and any assignment, subletting or transfer without written approval by County shall be deemed void from its inception. Any assignment, subletting or transfer, whether or not approved by County, will not release Contractor from any of its obligations under the Contract Documents to County. County shall have the right to assign, sublet or transfer its interest in or any claim under the Construction Contract upon written notice to Contractor.

14.4 WRITTEN NOTICE

Any notice from one party to the other or otherwise under the Contract Documents shall be in writing and shall be dated and signed by the party giving such notice or by a duly authorized representative of such party. Any such notice shall be deemed to have been duly served if served in the following manner, and in accordance with Civil Code §8100 et seq.:

14.4.1 **Notice to County.** If notice is given to County: (1) by personal delivery thereof to County; or (2) by depositing same in United States mail, enclosed in a sealed envelope addressed to County at Economic Development Agency, Riverside Centre, 3403 Tenth Street, 4th Floor, Riverside, CA 92501, and to such other address as set forth in the Bidding Documents as the location for submission of Bids and sent by registered or certified mail with postage prepaid, or express mail or overnight delivery by an express mail carrier; or (3) by leaving the notice and mailing a copy in the manner provided in Code of Civil Procedure §415.20.

- 14.4.2 **Notice to Contractor.** If notice is given to Contractor: (1) by personal delivery thereof to Contractor; or (2) by depositing same in United States mails, enclosed in a sealed envelope addressed to Contractor at its address stated in the Construction Contract, or if none is so stated at the address on the records of the Contractor's State License Board and sent by registered or certified mail with postage prepaid or express mail or overnight delivery by an express mail carrier; or (3) by leaving the notice and mailing a copy in the manner provided in Code of Civil Procedure §415.20.
- 14.4.3 **Notice to Claimant.** If notice is given to a claimant as defined in Civil Code §8004: (1) by personal delivery thereof to claimant; or (2) by depositing same in United States mail, enclosed in a sealed envelope addressed to claimant at its address stated in: a preliminary notice, stop payment notice, or claim against a payment bond; or on the records of the Contractor's State License Board; and sent by registered or certified mail with postage prepaid or express mail or overnight delivery by an express mail carrier; or (3) by leaving the notice and mailing a copy in the manner provided in code of Civil Procedure §415.20.
- 14.4.4 **Notice to Surety.** If notice is given to the Surety: (1) by personal delivery to the Surety; or (2) by depositing same in United States mail, enclosed in a sealed envelope, addressed to the Surety at the address of the Surety shown in the applicable Performance Bond or Payment Bond, or if none is shown, the address on the records of the Department of Insurance, and sent by registered or certified mail with postage prepaid or express mail or overnight delivery by an express mail carrier; or (3) by leaving the notice and mailing a copy in the manner provided in Code of Civil Procedure §415.20.

14.5 RIGHTS AND REMEDIES

- 14.5.1 **County Rights.** Rights and remedies available to the County under the Contract Documents are in addition to and not a limitation of County's rights and remedies otherwise available under other provisions of the Contract Documents or Applicable Laws.
- 14.5.2 **Writing Required.** Provisions of the Contract Documents may be waived by County only in writing signed by the Director stating expressly that it is intended as a waiver of specified provisions of the Contract Documents.
- 14.5.3 **Subsequent Breach.** A waiver by either party of any breach of any term, covenant, or condition contained in the Contract Documents shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained therein whether of the same or a different character.

14.6 NO NUISANCE

Contractor shall not maintain, commit or permit the maintenance or commission of any nuisance in connection with the performance of Work.

14.7 EXTENT OF AGREEMENT

The Contract Documents represent the full and complete understanding of every kind or nature between the parties and all preliminary negotiations and prior representations, proposals and contracts, of whatever kind or nature, are merged herein and superseded hereby. No verbal agreement or implied covenant shall be held to vary the provisions of the Contract Documents. Any modification of this Construction Contract or the other Contract Documents will be effective only by written instrument signed by both County and Contractor and shall, if required by Applicable Laws, be formally approved or ratified by the Board of Supervisors.

14.8 NO THIRD-PARTY RIGHTS

Nothing contained in the Construction Contract or the other Contract Documents is intended to make any person or entity who is not a signatory to this Construction Contract a third-party beneficiary of any right of Contractor (including, without limitation, any right of Contractor to a benefit derived from, or to the enforcement of, an obligation assumed by County) that is expressly or impliedly created by the terms of the Contract Documents or by operation of Applicable Laws.

14.9 **SEVERABILITY**

Should any part, term, portion or provision of the Construction Contract or the other Contract Documents, or the application thereof to any party or circumstance, be held to be illegal, invalid or in conflict with Applicable Laws, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, portions or provisions, or the application thereof to any other party or circumstances, shall be deemed severable and the same shall remain enforceable and valid to the fullest extent permitted by Applicable Laws.

14.10 PROVISIONS REQUIRED BY APPLICABLE LAWS

Each and every provision of law and clause required by Applicable Laws to be inserted in the Construction Contract or other Contract Documents shall be deemed to be inserted in the Contract Documents shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted or if inserted and requires correction, then upon request of either party these General Conditions shall forthwith be amended by the parties to the Construction Contract to make such insertion or correction.

14.11 SURVIVAL

All provisions of the Contract Documents that either expressly, or by their nature, require performance or assumption by Contractor of an obligation that extends beyond termination of the Construction Contract or Final Completion of the Work, including, without limitation, Contractor's obligations of, or relating to, indemnification, insurance, ownership of documents, retention and audit of books and records, warranties and guaranties and resolution of Claims shall be deemed to survive either termination of the Construction Contract or Final Completion of the Work.

14.12 FEDERAL GRANTS

In the event of a federal grant or other federal financing participation in the funding of the Project, Contractor shall, as required in connection with, or as a condition to, such federal grant or other federal financing participation, permit access to and grant the right to examine its books covering its services performed and expenses incurred under the Construction Contract or other Contract Documents by the federal agency and comply with all applicable federal agency requirements including, without limitation, those pertaining to work hours, overtime compensation, non-discrimination, and contingent fees.

14.13 PROHIBITED INTERESTS

Contractor agrees not to accept any employment or representation which will, or is likely to, make Contractor "financially interested" (as provided in California Government Code §§1090 and 87100, hereinafter "financially interested") in any decision made by County on any matter in connection with which Contractor has been retained in connection with the Project. Without limitation to the foregoing, transactions and interests prohibited by this Section 14.13 include the following: (1) no official or employee of County who is authorized in such capacity and on behalf of County to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting or approving any architectural, engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the Project, shall become directly or indirectly financially interested in the performance of the Construction Contract or in any part thereof; (2) no officer, employee, architect, construction manager, attorney, engineer or inspector of or for County who is authorized in such capacity and on behalf of County to exercise any executive, supervisory or other similar functions in connection with Construction Contract or in any part thereof; and (3) Contractor shall receive no compensation hereunder, and shall repay County for any compensation received by Contractor hereunder, should Contractor or any of the Subcontractors aid, abet or knowingly participate in violation of this Section 14.13.

14.14 ASSIGNMENT OF ANTI-TRUST ACTIONS

California Public Contract Code §7103.5(b), which is hereby incorporated by this reference, provides:

"In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, contractor or the subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of

action it may have under Section 4 of the Clayton Act, (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to Contractor, without further acknowledgement by the parties."

Contractor for itself and all the Subcontractors agrees to assign to County all rights, title and interest in and to all such causes of action Contractor and all the Subcontractors may have in connection with purchases related to or under the Contract Documents. This assignment shall become effective at the time County tenders Final Payment to Contractor, and Contractor shall require assignments from all the Subcontractors to comply herewith.

14.15 NO WAIVER

County's approval, acceptance, use or payment for any or part of Contractor's performance of the Work shall not in any way alter Contractor's obligations, or waive any of County's rights, under Contract Documents.

14.16 CONSENT TO PHOTOGRAPHING

Contractor is advised that County intends, from time to time, to take photographs, videotapes and/or motion pictures of the Work, and workers located on the Site and proximate settings. Contractor consents to the use of Contractor's name and likeness in instructional or training uses, news releases, advertising and/or publicity throughout the world in perpetuity, in all media now known or hereafter invented. Contractor shall include in its contracts with its Subcontractors a consent by the Subcontractor to the use of Subcontractor's name and the likenesses of its employees on the same terms as provided for herein applicable to such consent by Contractor.

ARTICLE 15 DEFAULT, TERMINATION AND SUSPENSION

15.1 COUNTY REMEDIES FOR DEFAULT

- 15.1.1 **Event of Default.** Each and any of the following shall be considered an Event of Contractor Default:
 - .1 Contractor files a petition, or has filed against it a petition, for bankruptcy or is adjudged bankrupt;
 - .2 Contractor makes a general assignment for the benefit of its creditors:
 - .3 a receiver is appointed on account of Contractor's insolvency:
- .4 Contractor defaults, by failing or refusing to perform any obligation set forth in the Construction Contract, General Conditions or elsewhere in the Contract Documents (including, without limitation, the performance or installation of Defective Work) and thereafter: (1) fails to commence to cure such default within two (2) working days after receipt of written notice of default; (2) if the default can be cured within three (3) Days, Contractor fails or refuses after commencing to cure in accordance with Clause (1) hereof to fully cure such default within three (3) Days, Contractor fails after commencing to cure in accordance with Clause (1) hereof to diligently and continuously prosecute and fully cure such default within ten (10) Days after receipt of such written notice;
- .5 Contractor fails or refuses to perform an obligation set forth in the Construction Contract, General Conditions or other Contract Documents that either (1) cannot be cured, or (2) cannot be cured within the 10-Day cure period set forth in <u>Subparagraph 15.1.1.4</u>, above;
- .6 a breach of any other agreement between County and Contractor as provided in Paragraph
 15.1.9, below; or

- .7 if Contractor was previously prequalified as a condition for its bidding the Project pursuant to a Prequalification conducted by County, Contractor's prequalification status has been revoked or cancelled due to any of the following: (1) receipt by County of new information indicating that a statement made in Contractor's Prequalification Submittal (as defined in the Prequalification Documents) was false or misleading; (2) ownership of 50% of more of the stock or assets Contractor has changed; (3) if Contractor is a Project Joint Venture, its Principal Managing Partner (as those terms are defined in the Prequalification Documents) has ceased to function, or fully function, in the capacity of a Principal Managing Partner; or (4) Contractor has failed to comply with the requirements of the Prequalification Documents pertaining to minimum safety Prequalification requirements for Subcontractors.
- 15.1.2 **County's Remedies.** Without limitation to the County's other rights or remedies under the Contract Documents or Applicable Laws, if there is an Event of Contractor Default, County shall have the right to exercise any one or more of the following remedies:
- .1 Take Over Work. County may, without terminating the Construction Contract and without incurring any additional liability or responsibility to Contractor (including, without limitation, any obligation to agree to a Contract Adjustment for any portion of the taken-over or non-taken-over Work), take over and perform, or engage others to perform, all or a portion of the Work.
- .2 Suspend Work. County may, without terminating the Construction Contract and without incurring any additional liability or responsibility to Contractor (including, without limitation, any obligation to agree to a Contract Adjustment for any portion of the suspended or non-suspended Work), suspend Contractor's performance of all or a portion of the Work for as long a period of time as the County determines, in its sole discretion, is appropriate.
- .3 Termination. County may, without incurring any additional liability or responsibility to Contractor, terminate the Construction Contract, the Work or any portion thereof.
- .4 Surety. If there is an Event of Contractor Default pursuant to any of Subparagraphs 15.1.1.1 through 15.1.1.5, above, County may, with or without terminating the Construction Contract and without incurring any additional liability or responsibility to Contractor or Surety (including, without limitation, any obligation to agree to a Contract Adjustment), exercise its rights under the Performance Bond furnished by Contractor by giving Surety ten (10) Days' written notice of demand to perform; provided, however, that if the Surety fails, within seven (7) Days after receipt by Surety of written demand, to deliver to the County written notice of its unconditional intention to perform or does not commence performance of the Work within ten (10) Days from receipt of such notice of demand, the County may, at Contractor's Own Expense and/or the expense of the Surety, and with or without terminating the Construction Contract, proceed to complete the Work by any other means County deems expedient. By executing its Performance Bond incorporating the terms of the Construction Contract, Surety shall be deemed to have agreed, without limitation, to the provisions of this Paragraph 15.1.2 as constituting a binding obligation of Surety under its Performance Bond that shall control over any conflicting provisions set forth in the Performance Bond. Neither delivery by Surety of such written notice of unconditional intention to perform nor its timely performance of the Work in accordance with the terms of the Contract Documents and Performance Bond shall constitute waiver by Surety of any rights it may have under the Performance Bond and Applicable Laws to limit its liability to the penal amount of the Performance Bond.
- 15.1.3 **Contractor Tools, Equipment.** Upon County's exercise of one or more of its remedies following an Event of Contractor Default, County shall have the right, but not the obligation, to perform or complete all or any portion of the Work using any means that County may deem expedient, including, without limitation, taking possession and utilization of any or all of the materials, equipment, appliances, tools, plant and other property not owned by Contractor that are on the Site for County's use in performing the Work.
- 15.1.4 **Contractor Obligations.** Upon exercise by County of its remedies following an Event of Contractor Default, Contractor shall, unless County directs in writing otherwise, do the following:
 - .1 immediately discontinue performance of the Work to the extent specified in writing by County;
- .2 remove no materials, equipment or tools (other than those owned by Contractor and not necessary for performance of a portion of the Work not terminated or discontinued) from the Site unless directed to do so by County and take all actions necessary or appropriate, or that the County may direct in writing, for the protection

and preservation of the Work, any materials, equipment or tools at the Site and any materials or equipment in transit to the Site;

- .3 place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for Contractor to continue performance of such portion, if any, of the Work that is not discontinued or terminated by County in its written notice;
- .4 provide to the County, in writing, no later than two (2) Days after request by County, a statement listing or providing: (1) all subcontract agreements, purchase orders and contracts that are outstanding, as well as any change orders, amendments and modifications thereto; (2) the status of invoicing, payments and balance owing under each such subcontract agreement, purchase order and contract; (3) the status of performance and any claims asserted under each such subcontract agreement, purchase order and contract; and (4) providing such other information as the County may determine to be necessary in order to decide whether to accept assignment of any such subcontract agreement, purchase order or contract;
- .5 promptly following and in accordance with County's written direction: (1) assign to the County or its designee those subcontract agreements, purchase orders or contracts, or portions thereof, that the County elects in writing to accept by assignment; (2) cancel, on the most favorable terms reasonably possible, any subcontract agreement, purchase order or contract, or portion thereof, that the County does not elect to accept by assignment; and (3) if requested by County, settle, with the prior written approval of County of the terms of settlement, outstanding liabilities to Subcontractors with respect to the Work terminated or discontinued;
 - 6. not terminate any insurance required by the Contract Documents;
 - 7. thereafter continue only such performance as may be directed by County;
- 8. deliver to the County the documents required to delivered pursuant to Paragraph 1.3.6, above; and
- 9. at the written request and option of County, exercised in its sole discretion, deliver to the County, and transfer title to the County of, any completed items, materials, products, equipment or other unincorporated parts of the Work that have not been previously delivered to the Site.

15.1.5 Accounting and Payment

.1 Full Termination or Discontinuance.

- (1) Further Payment. In the event an exercise by County of any of its remedies following an Event of Contractor Default results in a termination or discontinuance of the entire Work, then no further payment shall be due to Contractor for the Work until an accounting has been conducted in accordance with this Paragraph 15.1.5.
- (2) Time for Accounting. Within forty-five (45) Days after Final Completion of the Work by Contractor, Surety, County or others at request of County, an accounting shall be made pursuant to this <u>Paragraph 15.1.5</u> of the amount due to Contractor or County.
- Paragraph 15.1.5, the Contractor Amount exceeds the County Amount, then the difference shall be paid by County to Contractor within fifteen (15) Days after demand by Contractor following completion of such accounting. If the Gounty Amount exceeds the Contractor Amount, then the difference shall be paid by Contractor to County within fifteen (15) Days after demand by County following completion of such accounting. Payment by Contractor of the amount due to County pursuant to such accounting shall not be construed as a release of Contractor's obligation to County for, or County's right to recover from Contractor, any Losses, of any kind whatsoever, not part of the calculation of the County Amount (including, without limitation, additional Losses related to circumstances that formed the basis for calculation of the County Amount) that may be then or thereafter owing to or recoverable by County under Applicable Laws or the Contract Documents.

- (4) Contractor Amount. The Contractor Amount used as the basis for payment pursuant to the accounting under this <u>Paragraph 15.1.5</u> shall be calculated as follows:
- (a) take a portion of the Contract Price determined by multiplying (i) the Contract Price, by (ii) the County's Good Faith Determination of the percentage of the Work properly performed by Contractor and (A) in permanent place, (B) previously fabricated and delivered to the Site or (C) fabricated and en route for delivery to the Site and delivered to the Site within a reasonable time after Contractor's receipt of such written notice; and
- (b) subtract therefrom all amounts previously paid by County to Contractor or to Subcontractors.
- (5) County Amount. The County Amount used as the basis for payment pursuant to the accounting under this Paragraph 15.1.5 shall be calculated based on the sum of all past, present and future Losses to County resulting or reasonably certain to result, directly or indirectly, from any or all of the following: (a) any negligence, willful misconduct, or Defective Work on the part of Contractor or any Subcontractor; (b) any Event of Contractor Default, whether or not constituting the basis of the County's termination or discontinuance; (c) the County's exercise of its rights and remedies under and in accordance with the Contract Documents or Applicable Laws following the occurrence of an Event of Contractor Default; and (d) the payment by County of amounts to Contractor or any Subcontractor that were not owing to Contractor or that were in excess of the amount to which Contractor was entitled under the Contract Documents.
- .2 Partial Termination or Discontinuance. In the event an exercise by County of its remedies for an Event of Contractor Default results in a discontinuance or termination of only a portion of the Work, then the Contract Price and Contract Time shall be adjusted under the provisions of Article 7 and Article 8, above, applicable to Deleted Work. Contractor shall thereafter continue to be paid for its performance of the other portions of the Work in accordance with the terms of the Contract Documents, less any amounts that County is entitled to withhold under the terms of the Contract Documents.
- .3 Exclusive Compensation. Contractor agrees to accept such amounts, if any, as allowed under this Paragraph 15.1.5 as its sole and exclusive compensation in the event of an exercise by County of its remedies permitted by the Contract Documents or Applicable Laws following an Event of Contractor Default.
- Performance Bond furnished by Contractor, Contract Documents or Applicable Laws, the County has the right to suspend, take over or terminate the performance of the Work by Surety in the event of any of the following: (1) failure of Surety or its contractors to begin the Work within a reasonable time in such manner as to ensure full compliance with the Contract Documents within the Contract Time; (2) abandonment of the Work by Surety or its contractors; (3) if at any time the County makes a Good Faith Determination that the Work is unnecessarily or unreasonably delayed by Surety or its contractors; (4) violation by Surety or its contractors of any terms of the Contract Documents, Performance Bond or Applicable Laws; or (5) failure by Surety or its contractors to follow instructions of the County for performance of the Work or for performance of the Work within the Contract Time. By executing its Performance Bond incorporating the terms of the Construction Contract, Surety shall be deemed to have agreed, without limitation, to the provisions of this Paragraph 15.1.6 as constituting a binding obligation of Surety under its Performance Bond that shall control over any conflicting provisions set forth in the Performance Bond.
- 15.1.7 **Conversion.** In the event a termination for cause by the County is adjudged by a court or by binding arbitration conducted in accordance with the Contract Documents to have been wrongful, such termination shall be deemed converted to a termination for convenience pursuant to Section 15.3, below, in which case Contractor agrees to accept such amount, if any, as permitted by Paragraph 15.3.3, below, as its sole and exclusive compensation and agrees to waive any right to recovery of any other compensation or Loss, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity or other consequential, direct, indirect or incidental damages, of any kind.
- 15.1.8 **Substantial Performance Waived.** The legal doctrine that a contractor may recover for substantial performance of a building contract is to have no application to the Construction Contract. Any Event of Contractor Default, whether occurring before or after the Work is Substantially Completed, shall be deemed material

and shall give rise to the right of County to exercise its remedies permitted under the Contract Documents or Applicable Laws.

- 15.1.9 Cross Default. Contractor agrees that a breach of any other agreement between Contractor and County, whether related or unrelated to the Project, that is not cured in accordance with the terms of such other agreement constitutes an Event of Contractor Default under the Construction Contract, thereby entitling County to assert all its rights and remedies hereunder including, but not limited to, a specific right of off set by County against any amounts otherwise payable to Contractor under the Construction Contract or any other agreement between Contractor and County.
- 15.1.10 Rights Cumulative. All of County's rights and remedies under the Contract Documents are cumulative, and shall be in addition to and not a limitation upon those rights and remedies available under Applicable
- Materiality. Designation in the Contract Documents of certain defaults as "material" shall not be construed as implying that other defaults not so designated are not material nor as limiting County's right to terminate or exercise its other rights or remedies for default to only material defaults.
- County Action. No termination or action taken by County after termination shall prejudice any rights or remedies of County provided by Applicable Laws or by the Contract Documents, including, without limitation, the right of County to proceed against Contractor to recover all Losses suffered by reason of Contractor's default.

SUSPENSION BY COUNTY FOR CONVENIENCE 15.2

- Suspension Order. Without limitation to the County's rights under Section 15.1, above, County may, at any time, for its convenience and without the occurrence of any Event of Contractor Default, order Contractor, in writing, to suspend, delay or interrupt performance of the Work, in whole or in part. Upon receipt of such an order, Contractor shall comply with its terms and take all reasonable steps to minimize additional costs that are incurred applicable to the portion of the Work suspended, delayed or interrupted by County.
- 15.2.2 Resumption. If an order issued by the County pursuant to this Section 15.2 is canceled or expires, Contractor shall resume and continue with the previously affected portion of the Work. In such event, Contractor shall be entitled to a Contract Adjustment for additional Allowable Costs necessarily caused by such order and compensation allowed under Section 3.3 of the Construction Contract for Compensable Delay; provided, however, that no such Contract Adjustment shall be made: (1) to the extent that performance either is, was or would have been so suspended, delayed or interrupted by another cause for which Contractor or any of the Subcontractors is responsible or for which Contractor would not be entitled to a Contract Adjustment; (2) to the extent that a Contract Adjustment on account thereof is made or denied under another provision of the Contract Documents; or (3) for any general or specific escalation in prices of the Work.
- Limitation. The provisions of this Section 15.2 shall not apply unless a written order is issued by County pursuant to this Section 15.2.

15.3 TERMINATION BY COUNTY FOR CONVENIENCE

- Right to Terminate for Convenience. Without limitation upon any of County's other rights or remedies under the Contract Documents or Applicable Laws, County shall have the option, at its sole discretion and without the occurrence of any Event of Contractor Default or any other cause, to terminate the Construction Contract or Work, in whole or in part, for its convenience by giving five (5) Days written notice to Contractor.
- Contractor Obligations. Upon receipt of notice of termination for convenience pursuant to this Section 15.3, Contractor shall, unless such notice directs otherwise, comply with all of the provisions of Paragraph 15.1.4, above.
- Contractor Compensation. Following a termination for convenience pursuant to this Section 15.3 and within sixty (60) Days after receipt of a complete and timely Application for Payment from

Contractor, an accounting shall be conducted in accordance with the process set forth in Paragraph 15.1.5, above. In such event, the amount due to Contractor shall be the Contractor Amount as calculated in the same manner provided for in Paragraph 15.1.5, above, except that there shall be added to the calculation of the Contractor Amount an amount for: (1) the reasonable, actual and direct Allowable Costs incurred and paid by Contractor (and not by Subcontractors) for (a) demobilizing Contractor's facilities from the Site, and (b) Contractor's administering the close out of its participation in the Project for a period of no longer than fifteen (15) Days; plus (2) a markup to Contractor on the Contractor's Allowable Costs incurred under Clause (1) of this Paragraph 15.3.4 that is based on the percentage for Allowable Markup that Contractor is permitted to charge pursuant to Article 7, above, for Compensable Changes involving Extra Work that is Self-Performed Work.

- 15.3.4 **Exclusive Compensation.** Contractor agrees to accept the compensation allowed under Paragraph 15.3.3, above, as its sole and exclusive compensation in the event of a termination by County for convenience and waives any claim for Loss related to County's termination for convenience, including, but not limited to, loss of anticipated profits, loss of revenue, lost opportunity, or other consequential, direct, indirect, or incidental damages, of any kind.
- 15.3.5 **Subcontractors.** Contractor shall include provisions in all of its subcontracts, purchase orders and other contracts with the Subcontractors permitting termination for convenience by Contractor on terms that are consistent with, and that afford no greater rights of recovery against Contractor for termination than are afforded to Contractor under, this <u>Section 15.3</u>.

15.4 TERMINATION BY CONTRACTOR

- 15.4.1 **Contractor's Remedies**. Subject to the provisions of <u>Paragraph 15.4.2</u>, below and <u>Paragraph 15.4.3</u>, below, Contractor's sole right to terminate the Construction Contract shall be its right to terminate, for cause only, upon the occurrence of either of the following:
- .1 the entire Work is stopped for one hundred sixty (160) consecutive Days, through no act or fault of Contractor or any of the Subcontractors, of any Tier, or any employee or agent of any of them, due to issuance of an order of a court or other Governmental Authority or due to a declaration of a national emergency making material unavailable; or
- .2 the entire Work is suspended by Contractor, in accordance with a proper exercise by Contractor of its rights under <u>Section 9.8</u>, above, for a continuous period of thirty (30) Days.
- 15.4.2 **Notice of Intention to Terminate**. If one of the reasons to terminate as described in Paragraph 15.4.1, above, exists, Contractor may, upon thirty (30) Days written notice to County, terminate the Construction Contract and recover from County as its sole and exclusive compensation such sums as are permitted under Paragraph 15.3.3, above.
- 15.4.3 **Continuous Performance.** Provided that Contractor is paid undisputed sums due in accordance with the requirements of the Construction Contract, Contractor shall not stop, delay or interrupt continuous performance of the Work by reason of any dispute or disagreement with County, including, without limitation, any disputes or disagreements over payments of money claimed due under the Contract Documents.

15.5 WARRANTIES

All obligations of Contractor and the Subcontractors under the Contract Documents with respect to warranties and guarantees of the Work will continue in force and shall apply, notwithstanding a termination or other discontinuance of the Work by County or Contractor pursuant to an exercise of rights by either under this Article 15, to any portion of the Work that at the time of such termination or discontinuance has been completed or partially completed by Contractor to the point that it is substantially ready (exclusive of any incidental work that may be needed to connect such portion to other Work to other Work or Existing Improvements or to energize such portion of the Work for operation) for use or occupancy by County.

ARTICLE 16 NON-DISCRIMINATION

16.1 NON-DISCRIMINATION IN SERVICES

- **16.1.1** Contractor must, in accordance with Applicable Laws, not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability. For the purpose of this <u>Section 16.1</u>, discrimination in the provision of services may include, but is not limited to the following:
 - .1 denying any person any service or benefit or the availability of a facility;
- .2 providing any service or benefit to any person which is not equivalent to, or is in a non-equivalent manner or at a non-equivalent time from, that provided to others;
- .3 subjecting any person to segregation or separate treatment in any manner related to the receipt of any service;
- .4 restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; or
- .5 treating any person differently from others in determining admission, enrollment, eligibility, membership, or any other requirement or condition which persons must meet in order to be provided any service or benefit.
- 16.1.2 Contractor shall ensure that services are provided without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability.
- 16.1.3 Contractor shall establish and maintain written procedures under which any person applying for, performing or receiving services hereunder, may seek resolution from Contractor of a complaint with respect to any alleged discrimination. Such persons shall be advised by Contractor of these procedures. A copy of such procedures shall be posted by Contractor in a conspicuous place, available and open to the public, in each of Contractor's facilities where services are provided hereunder.

16.2 NON-DISCRIMINATION IN EMPLOYMENT

Contractor must, in accordance with Applicable Laws, not discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability. Without limitation to any other provisions of this Section 16.2, in the performance of the obligations under the Contract Documents, Contractor and the Subcontractors shall comply with all applicable provisions of the California Fair Employment Practices Act (California Government Code §§12940-48) and the applicable equal employment provisions of the Civil Rights Act of 1964 (42 U.S.C. §§200e - 217), whichever is more restrictive. Contractor and the Subcontractors shall ensure that qualified applicants are employed and that employees are treated during employment without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability, in accordance with requirements of Applicable Laws. Such shall include, but not be limited to, the following:

- .1 employment, promotion, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; or
 - .2 selection for training, including apprenticeship.
- 16.2.1 Contractor agrees to post in conspicuous places in each of Contractor's facilities providing services hereunder, available and open to employees and applicants for employment, notices setting forth the provisions of this Section 16.2.

- 16.2.2 Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability, in accordance with requirements of Applicable Laws.
- **16.2.3** Contractor shall send to each labor union, or workers' representative with which it has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or the workers' representative of Contractor's commitments under this <u>Section 16.2</u>.
- 16.2.4 Contractor certifies and agrees that it will deal with the Subcontractors, bidders and vendors without regard to race, color, religion, national origin, ancestry, sex, age, sexual orientation, marital status, AIDS or disability, in accordance with the requirements of Applicable Laws.
- **16.2.5** In accordance with Applicable Laws, Contractor shall allow duly authorized representatives of the County, State, and Federal government access to its employment records during regular business hours in order to verify compliance with the provisions of this <u>Section 16.2</u>. Contractor shall provide such other information and records as such representatives may require in order to verify compliance with the provisions of this <u>Section 16.2</u>.
- 16.2.6 If County finds that any of the provisions of this <u>Section 16.2</u> have been violated by Contractor or any of the Subcontractors, such violation shall constitute a material breach of the Construction Contract for which County may cancel, terminate or suspend the Construction Contract. While County reserves the right to determine independently that the anti-discrimination provisions of the Construction Contract have been violated, a determination by the California Fair Employment and Housing Commission or the Federal Equal Employment Opportunity Commission that Contractor or the Subcontractor has violated State or Federal anti-discrimination laws shall constitute a finding by County that Contractor or the Subcontractor has violated the provisions of this <u>Section 16.2</u>.
- 16.2.7 Contractor hereby agrees that it will comply with §504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794) and similar Applicable Laws relating to employment of or access to persons with disabilities, all requirements imposed by applicable Federal Regulations, and all guidelines and interpretations issued pursuant thereto, to the end that no qualified disabled person shall, on the basis of disability, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity of Contractor receiving Federal Financial Assistance.

END OF GENERAL CONDITIONS

EXHIBIT "C"

HOURLY RATES SCHEDULE

Kitchell CEM's schedule of hourly rates, by personnel classification, is listed below. These rates are *fully burdened* and <u>include</u> direct salary, mandatory costs, applicable taxes, benefits, overhead and profit:

Classification	Rate/Hour
Core Team	
Senior Project/Construction Manager	\$ 165
Sr. Construction Manager	\$ 165
Construction Manager	\$ 160
Assistant Construction Manager	\$ 145
Field Engineer	\$ 90
Document Control Manager	\$ 74
Support	
Estimator	\$ 125
Scheduler	\$ 123 \$ 149
Constructability Reviewer	\$ 130

Sub-Consultants

See Exhibit "O" for a copy of the Sub-Consultant agreement (including their hourly rates) approved by the County of Riverside per Article 1.6 of this agreement.



EXHIBIT "D"

INITIAL PROGRAM

(Not Used)

EXHIBIT "E"

KEY PERSONNEL LIST

Name:	Job Title:
Russell A. Fox	President
Dave Giannelli	Vice President
David E. Koval	Secretary
Daniel G. Mills	Regional Executive
Ron Ecker	Sr. Construction Manager
Canh Tran	Construction Manager
Tim Prechel	Estimator
Edd Olha	Scheduler
Kristina Bushnell	Document Controls Manager



EXHIBIT "F"

MASTER PROJECT SCHEDULE

Description	Date
Van Horn Youth Treatment and Education Center	
Issue RFQ Pre-Qualification Packages	April 14, 2014
RFQ Pre-Qualification Award and Release PlansBOS	June 17, 2014
3. Begin Bid Phase	June 17, 2014
4. Bids Due	August 18, 2014
5. Approval of Contract Pending DOF approval_BOS	September 30, 2014
6. Pooled Money Investment Board Interim Loan Approval	October 15, 2014
7. DOF approval of Contract	October 20, 2014
8. Issue Notice To Proceed	October 24, 2014
9. Construction Complete	February 24, 2016
10. Occupancy Complete	May 24, 2016



EXHIBIT "G"

PROPERTY DESCRIPTION

Van Horn Youth Treatment and Education Center Legal Description

That portion of Section 12, Township 3 South, Range 6 West, San Bernardino Base and Meridian in the incorporated city of Riverside, County of Riverside, State of California, described as follows:

Commencing at the Southeasterly corner of Block 55 of a map entitled La Granada on file in Book 12, Pages 42 through 49 inclusive in the office of the Recorder of said County of Riverside, point also being the Southeast Right of Way corner of Selma Avenue as shown on said map, point also being on the Northerly extension of the Easterly line of a map entitled Reliance Acres on file in Book 15, Page 20 of Tract maps in the Office of the Recorder of said Riverside County;

Thence along the Northerly extension of said Easterly line of Reliance Acres, South 00° 56' 22" West a distance of 310.72 feet, to the **True Point of Beginning**;

Thence along the Northerly extension of said Easterly line of Reliance Acres, South 00° 56' 22" West a distance of 175.05 feet to a point along the North Right of Way of County Farm Road, as described in an easement deed to the City of Riverside recorded August 6, 1974, as Instrument No. 100405, and rerecorded September 20, 1974, as Instrument No. 122132, Official Records of Riverside County, California;

Thence Northwesterly along said Northerly Right of Way on a non-tangent curve the radius of which having a distance of 80.00 feet;

Thence along said non-tangent curve through a central angle of 87° 50' 00" an arc distance of 122.64 feet, to the beginning of a compound curve concave Easterly, the radius of which bears South 79° 20' 35" East a distance of 70.00 feet:

Thence Southerly along said compound curve through central angle of 31° 24' 26" an arc distance of 38.37 feet, to the Northerly line of the "Mental Health Treatment Component" recorded as Document Number 2006-0297710 O.R. dated 4/25/06:

Thence along the North line of said Document Number 2006-0297710 O.R. dated 4/25/06, South 57° 12' 52" West a distance of 40.92 feet the beginning of a tangent curve, concave Northwesterly, the radius of which has a distance of 67.00 feet:

Thence Westerly along said curve through a central angle of 16° 01' 33" an arc a distance of 18.74 feet:

Thence continuing along the North line of said Document Number 2006-0297710 O.R. dated 4/25/06, South 73° 14' 16" West a distance of 343.25 feet;

Thence North 12° 05' 59" West a distance of 244.83 feet;

Thence North 00° 09' 26" East a distance of 162.19 feet:

Thence North 37° 37' 09" West a distance of 105.53 feet;

Thence North 45° 00' 00" East a distance of 206.49 feet:

Edition: May, 2014

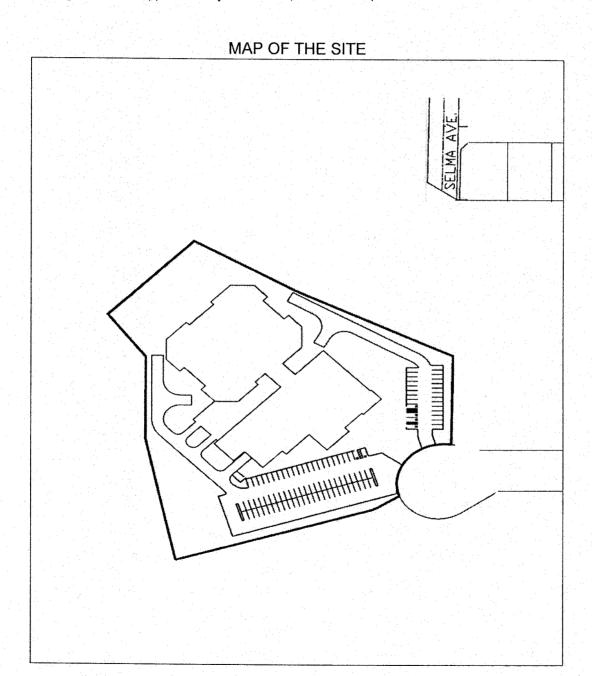
EXHIBIT "G"

PROPERTY DESCRIPTION

Thence South 60° 39' 35" East a distance of 195.74 feet;

Thence South 64° 19' 15" East a distance of 298.10 feet, to the Northerly extension of said Easterly line of Reliance Acres and the **Point of Beginning**;

Containing an area of approximately 5.30 acres, more or less;



Edition: May, 2014

EXHIBIT "H"

REIMBURSABLE EXPENSES

Pre-Construction & Construction Phase Services

Reimbursable expenses, which are included as part of the lump-sum contract agreement, will include actual expenditures made by Kitchell CEM or its Subconsultants in the interest of the project such as air transportation, parking fees, vehicle transportation, overnight lodging, cost of reproductions, deliverables/parcels, and production of photographic materials.

Project related 'Kitchell CEM staff mileage' beyond assigned duty station will be based on the prevailing IRS reimbursement rate for the year mileage was incurred.

Agreed Upon Markups:

Construction Manager's Markup on Direct Cost

Construction Manager's Markup on Subconsultant Costs

Actual Cost plus 10%

Actual Cost plus 10%

Subconsultant Markup on Subconsultant Costs

Actual Cost plus 10%



EXHIBIT "I"

INVOICE FOR PAYMENT FORM

TO:	Rebect 3403 1	ide County EDA ca McCray-Tsag 0 th Street, Ste 40 ide, CA 92501	ris 00	OICE DATE: OICE NUMBER:		
FROM:	Kitchell [Project Manager's Name] 2910 Empire Blvd, Ste 100 Ontario, CA 91764 PROJECT NUMBER:					
PROJECT:	Van Horn YTEC SERVICES THROUGH: FM08260000146 10000 County Farm Road Riverside, CA 92503					
DESCRIPT	TION	CONTRACT AMOUNT	HOURS WORKED	COMPLETE TO DATE	PREVIOUSLY BILLED	CURRENTLY DUE
TOTAL						
Approval for	Paymen					
Signature:		Printe	ed Name:		Date: _	
Signature:		Printe	ed Name:		Date: _	
Accounting Do	epartmer	nt Use		Facilities Depa		
Batch #: MM/YY:				GL Business	Unit:	<u> </u>
JE.				Project ID #:		
Credit GL #:				Activity Code		
Debit GL #:				Resource Co		
Entered by:				Category Coo	je:	
Approved by:				Description:		
rippioved by.					The state of the s	

Edition: May, 2014



[Preparer]

Preparer's Name:

EXHIBIT "J"

PAYMENT SCHEDULE

Phase:

Approximate Payment Percentage:

Mobilization/Programming Phase	N/A	
Design Phase	N/A	
Bidding Phase	20%	
Construction Phase	70%	
Close-Out Phase	8%	
Post-Completion Phase	2%	

See Exhibit "N" for anticipated hourly payment schedule. Invoices shall be submitted monthly based upon the hours worked each month at the rate and job classification per Exhibit N with a not to exceed lump sum value of \$797,210.

Edition: May, 2014

EXHIBIT "K"

RELEASE FORMS

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

Upon receipt by the undersigned of a check Check) in the sum of \$	(Amount of Check) payable to
(Payee or Payees of Chec	k) and when the check has been properly
endorsed and has been paid by the bank upon which	it is drawn, this document shall become
effective to release any mechanic's lien, stop notice, of	esign professional lien or bond right the
	(Owner) located at
(Job Description) to the	e following extent. This release covers a
progress payment for labor, services, equipment, or m	aterial furnished to
(Your Customer) through (Date) c	nly and does not cover any retentions
retained before or after the release date; extras furni	shed before the release date for which
payment has not been received; extras or items furnis	hed after the release date. Rights based
upon work performed or items furnished under a wri	ten change order which has been fully
executed by the parties prior to the release date are co	overed by this release unless specifically
reserved by the claimant in this release. This release of	any mechanic's lien, stop notice, design
professional or bond right shall not otherwise affect the	contract rights, including rights between
parties to the contract based upon a rescission, abando	onment, or breach of the contract, or the
right of the undersigned to recover compensation for	furnished labor, services, equipment, or
material covered by this release if that furnished labor,	services, equipment, or material was not
compensated by the progress payment. Before any red	cipient of this document relies on it, said
party should verify evidence of payment to the undersign	ied.
	Dated:
	어려면 그렇게 그는 그 택한 사람이다.
	(Company Name)
	By
	(Title)



EXHIBIT "K "

RELEASE FORMS

UNCONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

The undersigned has been paid and has received a progress payment in the sum of
for labor, services, equipment, or material furnished to
(Your Customer) on the job of (Owner) located at
(Job Description) and does hereby release any mechanic's
lien, stop notice, design professional or bond right that the undersigned has on the above
referenced job to the following extent. This release covers a progress payment for labor, services
equipment or materials furnished to (Your Customer) through
(Date) only and does not cover any retentions retained before or after the
release date; extras furnished before the release date for which payment has not been received;
extras or items furnished after the release date. Rights based upon work performed or items
furnished under a written change order which has been fully executed by the parties prior to the
release date are covered by this release unless specifically reserved by the claimant in this
release. This release of any mechanic's lien, stop notice, design professional or bond right shall
not otherwise affect the contract rights, including rights between parties to the contract based
upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to
recover compensation for furnished labor, services, equipment, or material covered by this
release if that furnished labor, services, equipment, or material was not compensated by the
progress payment.
Dated:
(Company Name)
(Company Name)
and the control of t The control of the control of
By
er en

"NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM."

Edition: May, 2014

EXHIBIT "K"

RELEASE FORMS

CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

Upon receipt by the undersigned of a check	c fromin the
sum of \$ payable to	and when the check has been
properly endorsed and has been paid by the bank	upon which it is drawn, this document shall
become effective to release any mechanic's lien, st the undersigned has on the job of	(Owner) located at
(Job Des	scription). This release covers the fina
payment to the undersigned for all labor, services, except for disputed claims for additional work in the	equipment, or material furnished on the job
except for disputed claims for additional work in the of this document relies on it, the party should verify e	amount of \$ Before any recipient
er and december to lies of the the party should verify e	vidence of payment to the undersigned.
	Dated:
	(Company Name)
	By(Title)
	(TIME)

Edition: May, 2014

INITIALS JS

EXHIBIT "K"

RELEASE FORMS

UNCONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

The undersigned has been paid in f	ull for all labor, services, equipment or material
furnished to	(Your Customer) on the job of
(Owner) located at	(Job Description) and does
hereby waive and release any right to a mech	anic's lien, stop notice, design professional or any
right against a labor and material bond on the ji amount of \$	ob, except for disputed claims for extra work in the
amount of \$	
	Dated:
	(0.200
	(Company Name)
	(Title)

"NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM."

Edition: May, 2014

INITIALS JS

EXHIBIT "L"

ADDITIONAL INSUREDS LIST

Additional insured include County of Riverside, Board of Supervisors, and each of their respective members, officers, employees, agents, and volunteers.

Edition: May, 2014

EXHIBIT "M"

SUBCONSULTANT INSURANCE REQUIREMENTS

Subconsultants are required to maintain insurance on the same terms and with the same coverage's as required of Construction Manager under <u>Section 10.1</u> of the Agreement.



EXHIBIT "O"

KITCHELL SUBCONSULTANT SERVICES

Following is the subconsultant supporting Kitchell on the Van Horn Youth Treatment and Education Center project. The subconsultant's proposal is attached to this exhibit. Their respective fee (cost plus 10%) is noted below.

• .	GKKworks		
	2355 Main Street, Suite 200		
	Irvine, CA 92614		S
		Total:	\$

Edition: April 30, 2014 INITIALS

AGREEMENT FOR PROFESSIONAL CONSULTING SERVICES

This Agreement for Professional Consulting Services (the "Agreement") is entered into as of June 3, 2014, between gkkworks ("Consultant") and Kitchell CEM, Inc. its agents, employees, parents, related entities, and assigns ("Kitchell").

The contract entered into between Kitchell and the County of Riverside, ("Owner") for this project or program (the "Prime Contract") is incorporated into this Agreement with the same force and effect as if it were set forth in full. Consultant agrees to be bound to Kitchell in the same manner and to the same extent as Kitchell is bound to the Owner under the Prime Contract. In the event of an inconsistency or conflict between this Agreement and the Prime Contract, the contract provision that imposes the higher duty or obligation upon Consultant shall control. The Prime Contract is available for examination by Consultant upon written request.

Consultant and Kitchell (collectively, "the Parties") agree as follows:

Article 1. CONTRACT DOCUMENTS

- 1.1 This Agreement consists of the terms and conditions contained herein and any documents incorporated by specific reference, which may include the following designated exhibits:
 - (1) Exhibit "A" Scope of Services
 - (2) Exhibit "B" Schedule of Services
 - (3) Exhibit "C" Fee Rate Schedule

Article 2. SCOPE OF SERVICES

- 2.1 The scope of services applicable to this Agreement is identified in the attached Exhibit "A" (the "Work"). Consultant has the ability, experience and knowledge to perform the Work in accordance with and in a manner fully consistent with the highest industry standards and practices.
- 2.2 The Work performed under this Agreement may be extended or modified from time to time as agreed upon by the Parties in writing. Any modifications not memorialized in writing and executed by the Parties shall not be effective or otherwise enforceable.
- 2.3 The Work shall be performed in strict accordance with the Schedule of Services, attached hereto as Exhibit "B", and the Parties agree that Time is of the Essence in this Agreement. The Fees and Costs associated with performance of the Work shall be in accordance with the Fee Rate Schedule, attached hereto as Exhibit "C".

Article 3. TERMINATION

- 3.1 Kitchell may terminate the Agreement or any portion of the Work not then completed, without cause, by giving Consultant five (5) days written notice. Provided that Consultant has fully complied with the Agreement, Kitchell shall pay Consultant for the Work completed, including any costs incurred with Kitchell's approval, up to the date of the termination notice.
- 3.2 Kitchell or gkkworks may terminate the Agreement for cause due to any breach of the Agreement, including but not limited to: disregard of applicable laws, failure to perform acceptable work, failure to timely meet obligations, inability to perform due to financial

problems, and insufficient or unsuitable staffing. In the event that either party fails cure any breach within three (3) days of receiving written notice of its intent to terminate, either party may issue a written notice of termination for cause, which shall be effective immediately upon receipt by Consultant.

- 3.3 Upon receipt of a termination notice under Sections 3.1 or 3.2, Consultant shall, unless the notice states otherwise, immediately discontinue performance of the Work, except as necessary to preserve any Work in progress.
- 3.4 In the event of delays to the Work caused by acts of God or other events or circumstances beyond the control of, or not directly caused by Kitchell, its employees, agents or subcontractors, Consultant shall only be eligible for an extension of time and shall not be eligible for any compensation for the period of the delay or suspension of the Work.

Article 4. OWNERSHIP OF DOCUMENTS

4.1 Consultant agrees that all documents, calculations, studies, plans, maps, models, photographs, drawings, computer printouts, computer-generated media, field notes, samples, logs, specimens, laboratory test data and other products generated in the performance of the Work under this Agreement ("Instruments of Service") constitute work for hire and shall be and remain the property of Kitchell. Consultant may retain copies of the Instruments of Service for information and reference in connection with the Work performed under this Agreement, but shall return all Instruments of Service to Kitchell after termination of this Agreement or completion of the Work. Consultant further agrees and acknowledges that all information developed pursuant to the performance of the Work, or supplied to or obtained by Consultant from Kitchell or any of its agents, is confidential in nature. Accordingly, Consultant agrees not to disclose any such information to any parties other than Kitchell and those parties specifically designated in writing by Kitchell.

Article 5. BILLING STATEMENTS

- 5.1 Consultant shall provide its invoice(s) detailing pertinent information related to the services performed and provide adequate documentation as requested by Kitchell.
- 5.2 Kitchell will pay undisputed invoices received by the 1st of the month within seven (7) days of receipt of payment from the owner. Payment will not constitute acceptance of the applicable Work. If Consultant accepts payment from Kitchell for Work, Consultant waives any claims that Consultant may have against Kitchell arising out of or related to the Work.
- 5.3 Unless otherwise required by law, Kitchell will not pay for Work invoiced more than ninety (90) calendar days after completion of the Work. Each invoice shall contain an itemized description of the Work and all applicable charges and taxes, as applicable.
- 5.4 Kitchell will charge a fee of 5% for administrative services. The administrative fee shall be applied to the amount of the total invoice submitted for payment.

Article 6. INDEMNITY

6.1 To the fullest extent permitted by law, Consultant agrees to defend, indemnify and hold Kitchell, its officers, directors, agents, parents, related entities, subcontractors and employees (collectively, "Indemnitees") harmless from and against all claims, demands, liens, actions,

damages, costs, expenses, losses or liability, including attorneys' fees and loss of use (collectively, "Claims"), arising out of, in whole or in part, or in any way related to Consultant's performance of the Work required by or inferable from this Agreement. Consultant shall not be obligated to defend or indemnify Indemnitees against any Claims arising out of the sole or active negligence or willful misconduct of Kitchell.

Article 7. COMPLIANCE WITH LAWS

7.1 Consultant agrees to comply with, and to require that its employees, agents and subcontractors comply with, all applicable Federal and State statutes, local laws, ordinances, codes, standards, and regulations, including but not limited to all licensing requirements and regulations relating to the use and handling of hazardous materials, that are in effect at the time the Work is performed under this Agreement. Costs for such compliance shall be at the sole expense of Consultant, except for project-specific compliance costs that are agreed upon in advance and in writing by Kitchell. The safety and health of Consultant's employees, subcontractors, and agents while working on the Project shall be Consultant's responsibility.

Article 8. WAIVER OF CONSEQUENTIAL DAMAGES

8.1 Consultant waives any and all claims for consequential and indirect damages of any type arising out of any claims or causes of action that may arise out of this Agreement, including those related to termination.

Article 9. INDEPENDENT CONTRACTOR

9.1 The relationship between the Parties hereunder is in all respects that of independent contractors. Nothing herein shall be deemed to create a partnership, joint venture or agency between the Parties, nor shall Consultant in any way be deemed to be an employee of Kitchell for any purpose whatsoever. Neither party shall have the right or power to bind or obligate the other party for any liabilities or obligations without the prior written consent of such other party.

Article 10. INSURANCE

- Prior to the commencement of any services, Consultant shall, at its own expense, purchase from, and maintain with, a company or companies lawfully authorized and approved by Governmental Authorities to do business in the jurisdiction in which the Project is located and having an A.M. Best Company rating of no less than A:80, the insurance coverages set forth in this Section 10.1, which coverages shall remain in force throughout Consultant's performance of this Agreement and for such longer periods as may be required by this Agreement, unless such requirements are waived, in writing, by Kitchell or the Owner. If the Owner's Risk Manager waives a requirement for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term after which full compliance with this Section 10 shall be required. Except as otherwise expressly provided in this Section 10, such policies and coverages shall, without limitation, protect Consultant, Kitchell and Owner from claims which may arise out of, or result from, the Consultant's performance of this Agreement, whether such performance be by itself or by any Subconsultant, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and shall comply with the following requirements:
 - 1. Commercial General Liability insurance on a form at least as broad as Insurance Services Office ("ISO") Commercial General Liability Coverage "occurrence" form

CG20101185 (Form B) or ISO Comprehensive General Liability "occurrence" form acceptable to Kitchell with the Broad Form Comprehensive General Liability Endorsement GLO404 (with no Property Damage Liability exclusions pertaining to loss by explosion, collapse or underground damage), including, without limitation, coverage for bodily injury, sickness, disease, or death of any person, injury to, or destruction of tangible property, including loss of use resulting therefrom, blanket contractual liability coverage (including, without limitation, coverage for the Consultant's indemnification obligations set forth in Article 6, above), and including an endorsement amending the aggregate limits to apply on a per location or per project basis, with limits of liability coverages of no less than the following amounts:

\$2,000,000 General Aggregate (Other Than Products-Completed Operations)
\$2,000,000 Products-Completed Operations Aggregate Limit for a period of five
(5) years following Final Completion and Acceptance of the Project
\$1,000,000 Personal and Advertising Injury Limit
\$1,000,000 Per Occurrence Limit

- 2. Professional Liability insurance, issued on a "claims made" basis, with limits of liability coverage in the amounts of no less than the following: (1) if the Fixed Limit is \$5 million or less: \$1,000,000 per claim and \$1,000,000 in the annual aggregate; (2) if the Fixed Limit is over \$5 million and \$10 million or less: \$2,000,000 per claim and \$2,000,000 in the annual aggregate; and (3) if the Fixed Limit is over \$10 million: \$3,000,000 per claim and \$3,000,000 in the annual aggregate. Such policy shall provide coverage (including, without limitation, all costs and expenses resulting from the investigation and defense of any claim) for damages from claims for bodily injury or property damage to Kitchell, Owner or to any third party (including, without limitation. loss of use of damaged and non-damaged property) due to any breach of duty in the performance of professional services. Professional liability coverage shall have an inception date or a retroactive date coinciding with, or prior to, the date of execution of this Agreement or the date of first performance of any services under this Agreement, whichever date is earlier, and coverage shall continue uninterrupted until five (5) years after Final Completion and Acceptance of the entire Project. Coverage for such postcompletion period may be provided by renewal or replacement of the policy for each of five (5) years or by a five-year extended reporting period endorsement that reinstates the aggregate limit for the extended reporting period. Renewal or replacement policies shall not allow for any advancement of the retroactive date. Any deductible or selfinsured retention under the foregoing professional liability policy shall not, except with the approval of Kitchell granted or withheld in Kitchell's sole and absolute discretion, exceed \$100,000.
- 3. Motor Vehicle Liability insurance issued on an ISO Business Auto Coverage form, including Symbol 1, acceptable to the Kitchell with limits of liability coverage of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage for all owned, hired, and non-owned vehicles.
- 4. Workers' Compensation insurance (Coverage A) as prescribed by the laws of the State of California. The Policy shall include Employers" Liability (Coverage B) including Occupational Disease with limits of not less than \$1,000,000 per person per accident and shall provide a Borrowed Servant/Alternate Employer Endorsement.

- 10.1.2 Notice of Cancellation. Each policy of insurance shall: (1) be in a form, and with insurers, satisfactory to Kitchell; (2) incorporate such endorsements as Kitchell may reasonably request; and (3) provide for thirty (30) Days' advance notice to Kitchell of non-renewal, material change, cancellation, or potential exhaustion of aggregate limits.
- 10.1.3 Additional Insureds. Consultant shall have the following named as Additional Insureds by means of endorsement to its General Liability, Excess (or Umbrella) Liability, and Motor Vehicle Liability policies: (1) Kitchell; (2) the Indemnities; (3) the persons or entities listed in the Additional Insureds List Exhibit "L" attached hereto; and (4) all subsidiary companies, corporations, entities, joint ventures, LLC"s, or partnerships that are owned, managed or controlled by the entities listed in Clauses (1), (2) or (3) of this Paragraph 10.1.3. Such coverage shall contain no special limitations on the scope of protection afforded to the Additional Insureds. The "Insured" clause covering Additional Insureds shall: (a) be no more restrictive than the coverage afforded by ISO 2010 11/85 edition; (b) state that the coverage provided to the Additional Insureds is primary and non-contributing with any other insurance available to the Additional Insureds; and (c) require a waiver of subrogation in favor of all Additional Insureds.
- 10.1.4 Self Insured Retentions. Policies of insurance for the coverages described in Paragraph 10.1.1, above, with the sole exception of professional liability insurance, shall not have self-insured retentions which exceed \$10,000 per occurrence. All deductibles and self-insured retentions on insurance required to be obtained by Consultant under this Agreement shall be borne by Consultant at its sole expense and without reimbursement by Kitchell or Owner.
- 10.1.5 Certificates of Insurance. Prior to the commencement of any services under this Agreement, and at any time thereafter upon Kitchell's request during the term of this Agreement, Consultant shall provide Kitchell with written evidence of the required coverages in the form of certificates of insurance with the applicable endorsements (including, without limitation, an endorsement confirming coverage for the Additional Insureds) attached or copies of the policies. Kitchell reserves the right to require complete, certified copies of all required insurance policies at any time, including endorsements providing the coverages required by this Agreement.
- 10.1.6 Waiver of Subrogation. For Commercial General Liability and Workers' Compensation insurance, the insurer shall agree to waive all rights of subrogation against the Additional Insureds for Losses arising from activities and operations of an insured in the performance of services under this Agreement.
- 10.1.7 Lapse in Coverage. If Consultant or any Sub consultant, for any reason, fails to maintain any insurance coverage which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. Kitchell, at its sole option, may thereupon terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, Kitchell may purchase such coverage (but has no obligation to do so) and, without further notice to Consultant, may deduct from sums due to Consultant any premium costs advanced by Kitchell for such insurance.

Article 11. GOVERNING LAW

11.1 This Agreement shall be governed by, construed, and enforced in accordance with the laws of the state where the project is located. Any legal proceeding arising out of, or relating to this Agreement, shall be brought in the appropriate state court where the project is located.

Article 12. DISPUTE RESOLUTION

- 12.1 The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between individuals who are at a higher level than the persons with direct responsibility for administration of this Agreement. Either party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party will submit to the other a written response. The notice and the response will include a statement of each party's position and a summary of arguments supporting that position. Within 30 days after delivery of the disputing party's notice, the representatives of both parties will confer at a mutually acceptable time, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations and documents exchanged pursuant to this clause are confidential, and will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.
- 12.2 If the Parties' good faith discussions are unsuccessful, the Parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Agreement and the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration nor legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.
- 12.3 The Parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.
- 12.4 Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. Demand for arbitration shall be filed in writing with the other party to this Agreement.
- 12.5 A demand for arbitration shall be made within a reasonable time after the claim has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim would be barred by the applicable statute of limitations.
- 12.6 The party filing a notice of demand for arbitration must assert in the demand all claims then known to that party on which arbitration is permitted to be demanded.
- 12.7 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Article 13. SEVERABILITY: REFORMATION

13.1 If any court of competent jurisdiction determines that this Agreement or any part thereof is or are invalid or unenforceable, the remainder of the terms, conditions and covenants shall not thereby be affected and shall be given full effect without regard to invalid portions. If any of the articles of this Agreement should ever be deemed to exceed the temporal, geographic, occupational or other limitations permitted by applicable laws, those articles shall be and are hereby reformed to the maximum temporal geographic, occupational or other limitations permitted by law. In any provisions deemed invalid or unenforceable cannot be so modified, then they shall be severed, and the remaining Agreement shall be interpreted in order to provide maximum enforceability.

Article 14. ENTIRE AGREEMENT

14.1 This Agreement and its exhibits shall constitute the entire integrated Agreement between the Parties pertaining to the subject matter hereof, and fully supersedes any and all prior understandings, representations, warranties, and agreements between the Parties hereto, or any of them, pertaining to the subject matter hereon, and may be modified only by a written agreement signed by all of the Parties hereto. No oral agreements, understandings, or representations shall change, modify or amend any part of this Agreement.

KITCHELL

Dated:

GKKWORKS

Dated:

Exhibit A. Scope of Services

For purposes of the Scope of Services, see "Standard Form of Agreement Between County and Construction Manager by and Between Kitchell CEM and The County of Riverside" (Prime Contract) dated July XX, 2014.

Kitchell will be requesting services as listed in the Prime Contract. However, the following items listed in the scope of services will be primarily provided by subconsultant:

Scheduling

SCHEDULE AND PROGRESS REPORTING. Construction Manager shall on a monthly basis collect schedule and progress information from Project Team members, evaluate it for completeness and accuracy based on current and historical data and include in its Project Reports a summary of the schedule and progressed status of the Project that addresses, at a minimum, the status of the progress of the Work as compared to the updated Master Project Schedule, Project Schedule and the schedules prepared by Architect and Contractor, noting if there has occurred a Delay to a phase, major task or milestone, the number of Days of Delay, the reason for the Delay, the impact of the Delay on design, construction, completion and occupancy, and a recommended recovery plan for recapturing the time lost. Scheduling and progress information shall be prepared in multiple summary forms that "roll up" data in a coordinated and consistent manner to successively higher levels of reporting.

COUNTY PRIORITIES. Construction Manager shall: (1) work with the County to acquire an understanding of those portions of the Project having priority for design, construction or occupancy; (2) advise the County on establishing a schedule for phased development of the Project that takes into consideration such priorities; and (3) review and confirm, on a regular basis with such frequency as reasonably required, the status of such priority determinations and any changes thereto.

SCHEDULE OF VALUES. In the event a cost loaded schedule is required, scheduling consultant shall review the monthly schedule with the coinciding schedule of values. Construction Manager shall develop a list of the cost items to be included in the Schedule of Values based on the Construction Specification Institute's format or other format approved by County and submit the recommended form to County for use as the Schedule of Values for inclusion in the Bidding Documents.

SCHEDULE OF VALUES (CONSTRUCTION PHASE). Construction Manager shall: (1) review the values inserted in the Schedule of Values to determine if they represent fair and balances allocations of the Contract Price; (2) verify the correlation of the trade line item estimates for Work in the Schedule of Values to the actual Subcontractor subcontract values; and (3) make recommendations for necessary adjustments to the Schedule of Values.

MASTER PROJECT SCHEDULE. Construction Manager shall perform its Basic Services consistent with the <u>Master Project Schedule – Exhibit "F"</u> attached hereto.

PROJECT SCHEDULE. Within thirty (30) Days after the execution of this Agreement, the Construction Manager shall prepare and present for approval by County a detailed Project Schedule setting forth the key milestones and deadlines that need to be met by the Project Team members in order to meet the requirements of the Master Project Schedule. Once the Project Schedule is approved, Construction Manager shall inform the Project Team members of the deadlines set forth in the Project

Schedule that are applicable to them and manage the performance by Project team members in a manner that facilitates their meeting those deadlines.

Schedule Management

CONSTRUCTION SCHEDULES. Construction Manager shall Manage the processes for receipt, review, evaluation and approval or disapproval of the 'Construction Schedules and other short term "look ahead" schedules, and updates thereof, prepared by Contractor and Separate Contractors, including, without limitation, the following: (1) receiving, reviewing, analyzing and advising County on the suitability of such schedules; (2) checking that such schedules are prepared in accordance with the requirements of the Contract Documents and that they are consistent with the terms of the County's contracts with other Project Team members; (3) conducting meetings to facilitate compliance by Contractor and Separate Contractors with the scheduling requirements of the Contract Documents; (4) providing to County, in writing if requested, a written explanation of the basis for the Construction Manager's disapproval of any portion of such schedules that Construction Manager does not approve: (5) reporting to County, in writing if requested, on variances between as-built progress of the Work and the planned progress of the Work as set forth in such schedules; (6) review the contractor's written recovery plans to recapture time lost or to overcome delays and make recommendations accordingly; (7) recommending necessary actions to County should Contractor or a Separate Contractor fail to make any appropriate or required corrections to such schedules; and (8) reviewing, critically evaluating and making recommendations, in writing if requested, to County regarding, written requests by Contractor and Separate Contractors for time extensions, requests for additional compensation related to Delay and proposals for acceleration to overcome Delay.

EXTENSIONS. A failure by Construction Manager to perform its Basic Services consistent with the Master Project Schedule or Project Schedule approved by County shall not be considered a default of this Agreement to the extent such failure is due to unavoidable and unforeseeable Delays that are beyond Construction Manager's and its Subconsultants' reasonable control and beyond Construction Manager's responsibility under this Agreement (such as, but not limited to, strikes, lockouts, work slowdowns or stoppages, accidents, acts of God, failure of any Governmental Authority to act in a reasonably timely manner, failure by County to timely provide information or approvals or Delays caused by the fault of the Contractor or Separate Contractors), but only if Construction Manager has given written notice to County of the circumstances of such Delay within seven (7) Calendar Days after first learning of the circumstances causing such Delay.

UPDATES. Construction Manager shall, no less frequently than monthly, update and expand the level of detail in the Project Schedule as the Project progresses, indicating the current status of scheduled activities and projections of the likely completion of major tasks, if significant variance from planned activities occurs, Construction Manager shall recommend recovery plans to County and, upon obtaining County's approval thereof, modify the Project Schedule to incorporate such recovery plans.

COUNTY REVIEW. Construction Manager is solely responsible, notwithstanding County's review or approval thereof, for the completeness, accuracy and suitability of the Project Schedule and all updates thereof.

NO DELAY. Construction Manager shall not delay its interpretations, decisions, reviews or other functions pursuant to this Agreement or otherwise cause or contribute to a Delay to the progress of design or construction of the Project.

DELAY LOSSES. Construction Manager's sole and exclusive right and remedy for recovery compensation for Losses related to Delay, or any kind, are: (1) its right to Additional Services

Compensation for Additional Services to the extent permitted by Paragraph 3.2.4, below, and (2) its right to adjustment of Hourly Rates, if any, provided for by this Agreement. All other rights and claims by the Construction Manager, on its own behalf and on behalf of its Subconsultants, for Losses relating to Delay, from any cause whatsoever, are hereby waived.

Hours: Consultant shall bill no more than 20 hours per month in those months with 4 weeks and 24 hours per month in those months with 5 weeks.

Project Controls and Document Management

The Consultant reports to Kitchell and its Project Manager as a member of the Van Horn project team. As such, the Project Controls Manager is an integral member of the team responsible to both Kitchell and County of Riverside Economic Development Agency by providing effective and efficient management of project files and documents while utilizing technology required by Kitchell and the County of Riverside. The following documents will be managed by the Project Controls/Document Manager provided by the subconsultant.

PROJECT REPORTS. Project Reports shall be prepared and submitted to the County's designated Project Manager monthly (and more often if circumstances reasonably require), in both paper form and electronically, utilizing a format satisfactory to and approved by County. Project Reports shall keep the County fully informed on matters relating to cost, budget, and schedule, as well as potential problems or other matters that could adversely affect the completion of the Project within the County's time and cost objectives. Without limitation to the foregoing, and subject to the County's right to request such additional information as it judges in its reasonable discretion to be pertinent, Project Reports shall include at a minimum the following: (1) an executive summary; (2) the last 30 Days' highlights and accomplishments; (3) the current status of design and construction (4) the next 30 Days' projected activities; (5) a detailed status report covering all significant developments in the Project; (6) updated construction costs and schedule information; (7) a safety report; (8) key progress photos of construction; (9) a status report summary of pending and approved Change Orders, Unilateral Change Orders and Construction Change Directives; (10) a status report summary of pending and approved Submittals; (11) a status report summary of pending and answered Requests for Information (12) a status report summary of pending and unresolved claims; (13) a Master Project Schedule and Project Schedule update; and (14) the identification of significant problems impacting cost or schedule and strategies for their resolution.

DOCUMENT CONTROL PLAN. Construction Manager shall prepare for approval by County a Document Control Plan for filing and storage of Project Documents (hard copies and electronic) and shall implement, maintain and track compliance by Project Team members with the Document Control Plan. If requested by County, Construction Manager shall include in its Document Control Plan recommendations for establishment of an electronic program management system for the furnishing, storage, exchange and transmission of electronic documentation and communications relating to the Project that includes, without limitation, the following: (1) using e-mail for communications, wherever possible; (2) using electronic versions of Design Documents for distribution for bidding or other purposes; (3) scanning of documents; and (4) cooperating in maintaining a common file and electronic archive. All costs of setting up the electronic program management system will be paid directly by County. Construction Manager shall comply with the requirements of the Document Control Plan and make recommendations to County for enforcing compliance by other Project Team members who fail to comply therewith.

REFERENCE DOCUMENTS. Construction Manager shall research, identify and assemble lists and copies of Reference Documents that are to be made available to Bidders for review.

ADDENDA. Construction Manager shall, after obtaining appropriate technical advice from Architect, Assist Architect and County in preparing and issuing Addenda to Bidders.

POST-AWARD SUBMITTALS. Construction Manager shall Assist the County in: (1) collecting, organizing and assembling Post-Award Submittals; and (2) evaluating Post-Award Submittals for compliance with the requirements of the Bidding Documents.

PROTESTS. Construction Manager shall Assist the County upon request in responding to protests or other legal challenges to the bidding process.

REQUESTS FOR INFORMATION. Construction Manager shall: (1) receive all Requests for Information from Contractor and Separate Contractors; (2) review them for clarity and obtain further clarification as needed before transmitting them to the appropriate Project Team member for response; (3) log and track the status of Requests for Information in a document control log; (4) Assist the appropriate Project Team member in preparing and processing responses; (5) provide follow-up to secure timely responses; (6) expedite return of responses as soon as possible (generally within seven (7) Days after receipt) so as to avoid Delay of the Work; and (8) issue reminders to appropriate Project Team members of the need for response to Request for Information held for more than seven (7) Days without response.

CHANGES. When Changes in the Work of the Contractor or a Separate Contractor become necessary, Construction Manager shall Manage the process of submittal, review, approval and Performance of the Changes as set forth in the Contract Documents, including, without limitation, the Following: (1) reviewing, assembling and evaluating documentation of Changes (including, without Limitation, Notices of Change, Change Order Requests, Change Orders, Unilateral Change Orders and Construction Change Directives), (2) verifying (without the necessity of continuous observation of Work) in the field actual labor, time and materials expended; (3) making recommendations to County with respect to the completeness, sufficiency and compliance of such documentation with the requirements of the Contract Documents; (4) forwarding, as required by the Contract Documents, such documentation to the appropriate Project Team members(s) for review; (5) expediting responses by the appropriate Project Team member(s); (6) preparing independent estimates, if requested by County, of the cost and time impact of Changes and requests for Contract Adjustment; (7) scheduling, attending and conducting meetings for review and discussion of unresolved issues; (8) negotiating resolution of disputed Changes and requests for Contract Adjustments with the responsible Contractor or Separate Contractor; (9) substantiating in writing, if requested, Construction Manager's recommendations to County as to the acceptability of the Contractor's and Separate Contractors' cost proposals for Contract Adjustments; (10) upon final approval by County, forwarding completed Change Order, Unilateral Change Order and Construction Change Directive documentation to the appropriate Project Team member for processing; (11) preparing and distributing on a regular basis (no less frequently than monthly) as part of its Project Reports a Change Order, Unilateral Change Order and Construction Change Directive status report listing all approved, pending, disapproved and disputed Change Orders, Unilateral Change Orders and Construction Change Directives by number, brief descriptions of the Change involved and the amount of any requested, pending, approved, disapproved or disputed Contract Adjustments; (12) verifying that any Contract Adjustments of the Contract Time approved by County have been incorporated into the Project Schedule and the Contractor's and Separate Contractors' updated Construction Schedules; and (13) collecting, authenticating (on a daily basis as required) and reviewing for completeness and compliance with the Contract Documents, the time and material information submitted by the Contractor and Separate Contractors of labor, materials, services and equipment furnished to perform Changes.

CLOSE-OUT DOCUMENTS. Construction Manager shall manage the processes for close-out of the Project as required by the Contract Documents, including, without limitation, the following: (1) review and confirm the completeness and accuracy of the Record Documents and other Close-Out Documents as required by the Contract Documents.

Exhibit B. Schedule of Services

The Schedule of Services listed below is subject to change by request of the County of Riverside and/or Kitchell. Should schedule changes occur, Kitchell and gkkworks will mutually agree on service date modifications aligned with County and Kitchell requirements. Kitchell reserves the right to modify the Schedule of Services for any reason.

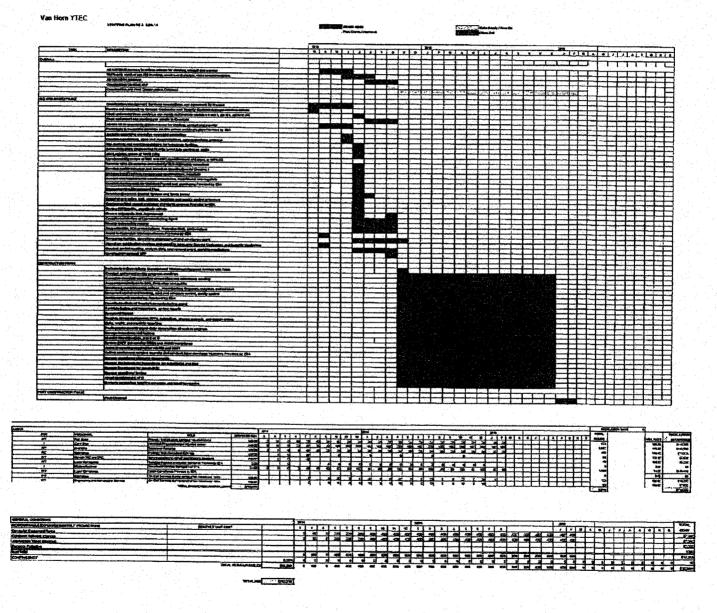


Exhibit C. Fee Rate Schedule

Rate for Scheduler is \$135 per hour not to exceed 20 hours per month during a 4 week month and 24 hours per month during a 5 week month unless approved in advance by Kitchell. Consultant to obtain written approval prior to incurring billable hours in excess of monthly hours as described above. In addition to the weekly hours described consultant also has the following lump sum hours during precon for scheduling specification, and during construction to review baseline contractor's schedule. Consultant's hours for schedule shall not exceed 480 hours for all tasks described.

Rate for Project Controls and Document Management is \$67 per hour not to exceed 20 hours per week unless approved in advance by Kitchell. Consultant to obtain written approval prior to incurring billable hours in excess of 20 hours per week. Consultant also has lump sum hours for initial set up of project job site. Consultant's hours for schedule shall not exceed 1,600 hours for all tasks described.