HONEY LAKE VALLEY RECREATION AUTHORITY

GOVERNING BOARD
BRIAN WILSON, PRESIDENT
JIM CHAPMAN, VICE PRESIDENT
NICK MCBRIDE, BOARD MEMBER
DAVID MESERVE, BOARD MEMBER
TOM HAMMOND, BOARD MEMBER

STAFF
JARED G. HANCOCK, EXECUTIVE OFFICER
HEIDI WHITLOCK, PROJECT MANAGER
NANCY CARDENAS, TREASURER

HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING

City Council Chambers
66 North Lassen Street, Susanville, CA 96130

November 3, 2015 - 3:00 p.m.

Addressing the Board
- Any person desiring to address the Board shall first secure permission of the presiding officer.
- Matters under the jurisdiction of the Board, and not on the Agenda, may be addressed by the public at a time provided in the Agenda under Public Comment
- The Board of Directors will not take action on any subject that is not on the Agenda

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1 **CALL TO ORDER**

2 **ROLL CALL BOARD OF DIRECTORS**

3 **AGENDA APPROVAL**

4 **APPROVAL OF MINUTES:** Approval of minutes from the September 1, 2015 and September 21, meetings.

5 **CORRESPONDENCE:** None.

6 **PUBLIC COMMENT**
(any person may address the Board at this time to comment on any subject not on the agenda. However, the Board may not take action other than to direct staff to agendize the matter at a future meeting.)

7 **MATTERS FOR BOARD CONSIDERATION:**

A. Update on Financials
B. Review and Approve CAPRI Documents
C. Design-Build Services Proposal update

8 **BOARD MEMBER ISSUES/REPORTS:**

9 **PUBLIC COMMENT ON CLOSED SESSION ITEMS** (if any): Any person may address the Board at this time upon any discussion item under consideration during Closed Session.

10 **CLOSED SESSION:** None.

- ***The next meeting will be held on November 17, 2015 at 3:00 p.m.***

I, Heidi Whitlock, certify that I caused to be posted notice of the regular meeting scheduled for November 3, 2015, in the areas designated on October 30, 2015.

Heidi Whitlock, Project Manager

AGENDA ITEM NO. 4A

Submitted By: Jared G. Hancock, Executive Officer

Action Date: November 3, 2015

AGENDA ITEM

SUBJECT: Minutes of the HLVRA September 1, 2015 and September 21, 2015 meetings.

SUMMARY: Attached for the Board's review are the minutes of the HLVRA September 1, 2015 and September 21, 2015 meetings.

FISCAL IMPACT: None.

ACTION REQUESTED: Motion to waive oral reading and approve minutes of HLVRA September 1, 2015 and September 21, 2015 meetings.

ATTACHMENTS: Minutes: September 1, 2015
September 21, 2015

HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
September 1, 2015 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order at 3:03 p.m. by President Wilson.

Roll Call of Board of Directors present: Dave Meserve, Nick McBride and Brian Wilson Absent: Jim Chapman and Tom Hammond.

Staff Present: Jared Hancock, Executive Officer, and Heidi Whitlock, Project Manager.

APPROVAL OF AGENDA: Motion by Board member McBride, second by Board member Meserve to approve the agenda as posted; motion carried unanimously. Absent: Chapman and Hammond.

APPROVAL OF MINUTES: Board chose to wait until other members were present to approve minutes.

5 **CORRESPONDANCE:** None.

6 **PUBLIC COMMENT:** None.

7 **MATTERS FOR BOARD CONSIDERATION:**

7A **Revised Request for Prequalification**

Mr. Hancock opened that this item is related to the RFP that was sent out.

Vice President Chapman arrived at 3:05.

Mr. Hancock continued that the RFQ presented will prevent firms from not answering the information needed to qualify. We want to save both time and money and prevent being challenged. We want to ensure we can secure the most qualified low bidder and also want to include the conflict of interest policy. We suggest removing the Scope A and B option to have a single scope of work for the project. President Wilson asked if the previous bids would be made public. Mr. Hancock responded that the attorney has suggested we not make them public until after the award. He also added that having a single scope would affect those who previously submitted bids for only A or B as they would now be required to partner with another firm if they could not perform all the requirements themselves.

President Wilson inquired if the Board opts to reject all bids, they would be starting over. Mr. Hancock responded, yes, those who submitted would be required to resubmit.

Vice President Chapman inquired about who was on the committee mentioned in the RFQ. Mr. Hancock responded that those individuals would have to be chosen by the Board, from both City and County staff, and we can bring back suggestions at the next meeting.

Tony Jonas (public) inquired as to why we would reject what we already have. Mr. Hancock responded that the attorneys suggested we reject them as they were not prequalified. We listed statutes in the first RFQ, and they may have responded but may have missed something. This copy requests specific items and it is laid out in a way that everyone who submits, if qualified, will also have a bid that qualifies.

Kurt Bonham (public) inquired as to why the document wasn't drafted this way originally. He stated that the Board is already nine months behind and that they need a better plan. President Wilson responded that it is troubling that we are in this far and hitting a snag such as this. He added that the Board had not seen the bids and that they are taking staff's word that this is the way to go. Mr. Hancock responded that we are trying to do the right thing by the Board and the community. We do not want to do this but, we are protecting the decision we make when we make our selection. Yes, we are losing time but, better time than funds for the pool if someone challenged and attorneys had to get involved. He also referred to the Conflict of Interest Policy and how it is to protect the contractors. President Wilson asked if the attorneys reviewed this prior to sending out. Mr. Hancock responded yes, but it was being viewed from the point of the Board's protection, not the conflict of interest for contractors.

Tony Jonas asked if a new RFP will also be issued. Mr. Hancock responded, yes.

Vice President Chapman stated that he is disturbed by some of the discussion occurring and some of the wording being chosen. He continued that he understood that the process is new, but he wanted to express that he does not appreciate being in this position. He does not want the private sector to think we are saying it has anything to do with them. Mr. Hancock responded that placing blame on any party was not his intention but rather that the changes clearly outline what is required, unlike the original document. He added that the new document is more robust and outlines additional areas such as an appeals process as well as addresses other items that have been brought to our attention during this process. He added that, with the criticism we could receive, we want the document to be as strong as it can be.

President Wilson asked if the JPA was already at risk. Mr. Hancock stated no, but this will level the playing field.

Eileen Spencer stated that multiple contractors have contacted her, those wanting to bid. They are more interested in whether or not the funding will be in place. She then added that unless each entity has deposited their portions, the Board is not behind. She inquired as to whether or not funding has been received from both entities. President Wilson responded that the City's portion will be voted on tomorrow night (September 2, 2015). He continued that the decision to reject all bids etc... would be best decided following a discussion with the attorney.

Item tabled pending attorney discussion in closed session.

7B Review and Adopt Conflict of Interest Policy

Mr. Hancock stated that the Conflict of Interest Policy is covering the design-build process. It is for the contractors, not the Board. The policy needs to be in place for these types of projects. President Wilson stated that this item should also be put on hold pending the findings of 7A.

Vice President Chapman added that the design-build has only been a problem the last few months. It was presented that we could fast track the process and it seems to be far more complicated than it needed to be. He asked if there is anything else that will cause further delay. Mr. Hancock responded that the design-build suggestion was cost related, not fast tracking the process. Vice President Chapman responded that it did seem appealing at the time. He also understood that the process is new and that there were no good examples to use.

President Wilson asked if the prequalification should have occurred first. Mr. Hancock responded, yes. We have only looked at the prequalification sections, but yes.

Vice President Chapman stated that he understood where Mr. Hancock is coming from but he hates taking a step backwards. He agreed to discuss with the attorney as well.

Item tabled pending attorney discussion in closed session.

7C Update on Insurance

Mr. Hancock shared with the Board that we have received an update from the insurance company and we anticipate having costs at the next meeting.

Vice President Chapman asked if it was a separate policy or is it with the City or County. Mr. Hancock responded that it was a separate policy, through CAPRI.

Board members revisited the approval of minutes prior to closed session:

Motion by Board member McBride, second by Board member Meserve, to approve minutes from the July 21, 2015 meeting. Motion carried unanimously. Abstain: Chapman.

Motion by Board member McBride, second by Vice President Chapman, to approve minutes from the August 18, 2015 meeting. Motion carried unanimously. Abstain: Wilson.

8 **BOARD MEMBER ISSUES/REPORTS:** None.

9 **PUBLIC COMMENT TO CLOSED SESSION ITEMS:** (if any): Any person may address the Board at this time upon any discussion during Closed Session.

10 **CLOSED SESSION:** At 3:50 p.m. the Honey Lake Valley Recreation Authority recessed to closed session to discuss the following:

A. Conference with Legal Counsel: Significant exposure to litigation pursuant to Subdivision (d) (2) Government code Section §54956.9

11 **RETURN TO OPEN SESSION:** At 4:47 p.m. the Honey Lake Valley Recreation Authority reconvened in open session.

Mr. Hancock stated that in closed session the Board gave direction to staff but there was no reportable action.

ADJOURNMENT: Meeting adjourned at 5:02 p.m.

_____
Brian Wilson, President

Respectfully Submitted by

_____
Heidi Whitlock, Project Manager

HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Special Meeting Minutes
September 21, 2015 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order at 3:03 p.m. by President Wilson

Roll Call of Board of Directors present: Dave Meserve, Tom Hammond, Kathie Garnier, Jim Chapman and Brian Wilson. Absent: Nick McBride
Staff Present: Jared Hancock, Executive Officer, Heidi Whitlock, Project Manager, Nancy Cardenas, Treasurer.

APPROVAL OF AGENDA: Motion by Board member Hammond, second by Board member Meserve to approve the agenda as posted; motion carried unanimously. Absent: McBride.

APPROVAL OF MINUTES: None.

2 PUBLIC COMMENT: None.

3 MATTERS FOR BOARD CONSIDERATION:

3A Report on Project Funding

Mr. Hancock opened the meeting stating that both agencies have acquired funding for the construction of the Community Swimming Pool. The funding from the City has been deposited and the County funding is to be received shortly. We are at that point where the money is secured and available.

Tony Jonas (public) asked since the $1.1 million has been received, has the $200,000 contribution also been transferred. Mr. Hancock stated that he will confirm that it has been. President Wilson inquired if the bill had been sent to both agencies. Vice President Chapman stated that he thought the County had already paid the $200,000 portion but asked Tony Shaw to follow up.

3B Selection of Design-Build Proposal Review Committee

Mr. Hancock stated that Vice President Chapman requested a formal action to select the committee to review the Prequalifications. At this time I am suggesting the Executive Officer, Project Manager, City Engineer, Deputy County CAO, County Engineer and the HLVRA attorney. He requested confirmation that the proposed members would be sufficient. Those suggested have already been contacted and are willing to participate in the review. President Wilson requested that the committee meet within the next week to review.

Board member Meserve requested the names of those who are in those names positions. Mr. Hancock responded that he is the Executive Officer, Heidi Whitlock, Project Manager, Dan Gibbs, City Engineer, Tony Shaw, County Deputy CAO, Pete Heimbigner, County Engineer and Kristianne Seargeant, Attorney.

Motion by Vice President Chapman, second by Board member Meserve, to support the six people selected to fill the rolls of review committee members for the prequalifications.

3C Proposed Design-Build request for Proposals

Mr. Hancock stated that the revised RFP is due to be released on September 28, 2015. This Wednesday, September 23rd, we will receive the prequalifications and review with the committee within the next week. We will then release this document for those who are prequalified.

Eileen Spencer (public) inquired about the appeal process for those who have not been selected as prequalified. Mr. Hancock responded that it is covered in the prequalification and, although it is not in front of us, we can obtain a copy to review if we recess.

Recess at 3:17

Reconvene at 3:22

Mr. Hancock began that a few items to mention are the Design-Build RFP is to be issued on September 28, 2015. Also, all questions are to be received by October 7, 2015, and proposals are due on October 22, 2015. He added that, in the event that someone submits an application to be prequalified and it is determined that they are not qualified, there is an appeal process. During the recess, we pulled the prequalification to state the procedures to be followed. President Wilson asked who was on the appeal panel, would it be the same who review? Mr. Hancock responded that the panel has not yet been established but can be if we have an appeal.

Eileen Spencer inquired about the language stating if a negotiated agreement cannot be determined the next best proposal could be selected. She inquired as to what would make them not successful. Mr. Hancock responded that it may not be wise for the Board to speculate but it could be as simply as verbiage, or that the questionnaire was not completed in its entirety or that firms may leave out details on an element. It could be a wide variety of issues. President Wilson stated that staff are not anticipating problems, it is being covered in case it occurs.

Eileen Spencer voiced her concerns with Mr. Hancock having the ability to add or subtract items. She asked, if extra funds were available, Mr. Hancock would be able to decide what would happen with those funds or would the Board have that say. Mr. Hancock responded that it is the Board's decision, it's their discretion. President Wilson used the RFP as an example stating that, Mr. Hancock didn't simply start over, he presented the information to the Board and the Board opted to start with the prequalification. Ms. Spencer asked what the "more or less" was referring to then. Mr. Hancock responded that it will come up more during the design phase. He also added, in response to her first inquiry, that an additional reason that a firm may not qualify would be if they opted to use a subcontractor that the HLVRA did not approve of etc... we could move to the next responsible bidder.

Vice President Chapman expressed his concern that the RFP did not specifically state 6 lanes each direction for the pool. Discussion occurred and it was requested that the language be added to the RFP.

Vice President Chapman commented that he is still hearing people inquiring as to why the original pool was only supposed to be $1 million yet it is now up to $3 million. He wanted to clarify that the pool, when looking at the RFP, is still approximately $850,000 and what takes the price to $3 million is the required supporting structures, parking etc...

Mr. Jonas stated his concerns with the RFP requirements for USA swimming and not Title 24 standards. He explained the differences between a certificate to operate and a certificate to compete. He added that the person to be talking to is the local health department. President Wilson stated that the builder should be talking with the health department, not the Board.

Discussion occurred on when the public should know who is to be awarded the contract. It was determined that the public will be notified after the award has been made.

Motion by Board Hammond, second by Board member Meserve, to accept the document with the requested additional wording. Motion carried unanimously. Absent: McBride.

4 BOARD MEMBER ISSUES/REPORTS:

Board member Meserve wanted to take the opportunity to thank staff, Board member Hammond and Vice President Chapman agreed.

5 PUBLIC COMMENT ON CLOSED SESSION ITEMS: None.

6 CLOSED SESSION:

ADJOURNMENT: Meeting adjourned at 4:01 p.m.

Brian R. Wilson, President

Respectfully Submitted by

Heidi Whitlock, Project Manager

AGENDA ITEM NO. 7A

Submitted By: Jared G. Hancock, Executive Officer

Action Date: November 3, 2015

HLVRA AGENDA ITEM

SUBJECT: Update on Financials

SUMMARY: The Honey Lake Valley Recreation Authority staff will be providing monthly updates when available. Attached are the most current financial statements.

FISCAL IMPACT: None.

ACTION REQUESTED: None.

ATTACHMENTS: Current Financial Statements.

County of Lassen
General Ledger Summary
with Revenues and Expenditures

Fund	B/U	C/C	Account	Account Name	Opening Balance	YTD Activity	Balance	Status
536			0100000	HONEY LAKE VALLEY RECREATION	$400,042.90	($5,967.70)	$394,075.20	
536			0205000	DUE TO OTHER GOVERNMENTS	($50,945.85)	$50,945.85	$0.00	
536			7500000	FUND BALANCE AVAILABLE	($349,097.05)	$0.00	($349,097.05)	
536			9100000	ESTIMATED REVENUES	$0.00	$550,000.00	$550,000.00	
536			9300000	APPROPRIATIONS	$0.00	($560,000.00)	($560,000.00)	
536			9600000	BUDGETARY FUND BALANCE	$0.00	$10,000.00	$10,000.00	
536	0950		2003000	INTEREST		($1,435.87)		
536	0950		2007400	OTHER-GOVERNMENTAL AGENCIES		($400,000.00)		
536	0950		2011200	MISCELLANEOUS		($96.00)		
				TOTAL REVENUES			**($401,531.87)**	
536	0950		3002200	OFFICE EXPENSE		$54.95		
536	0950		3002300	PROFESSIONAL & SPECIALIZED SV		$99,115.34		
536	0950		3002400	PUBLICATIONS AND LEGAL NOTICES		$1,076.10		
536	0950		3002800	SPECIAL DEPARTMENTAL EXPENSE		$19,549.15		
536	0950		3006100	BUILDING & IMPROVEMENTS		$236,758.18		
				TOTAL EXPENDITURES			**$356,553.72**	
				FUND TOTAL	**$0.00**	**$0.00**	**$0.00**	

County of Lassen
General Ledger Summary
with Revenues and Expenditures

Fund	B/U	C/C	Account	Account Name	Opening Balance	YTD Activity	Balance	Status
536			0100000	HONEY LAKE VALLEY RECREATION	$394,075.20	$1,288,861.68	$1,682,936.88	
536			7100000	RESERVE FOR ENCUMBRANCES	$0.00	($7,123.50)	($7,123.50)	
536			7500000	FUND BALANCE AVAILABLE	($394,075.20)	$0.00	($394,075.20)	
536			9100000	ESTIMATED REVENUES	$0.00	$2,600,000.00	$2,600,000.00	
536			9300000	APPROPRIATIONS	$0.00	($3,000,000.00)	($3,000,000.00)	
536			9500000	ENCUMBRANCES	$0.00	$7,123.50	$7,123.50	
536			9600000	BUDGETARY FUND BALANCE	$0.00	$400,000.00	$400,000.00	
536	0950		2003000	INTEREST		($983.09)		
536	0950		2007400	OTHER-GOVERNMENTAL AGENCIES		($1,300,000.00)		
				TOTAL REVENUES			**($1,300,983.09)**	
536	0950		3002300	PROFESSIONAL & SPECIALIZED SV		$9,278.98		
536	0950		3006100	BUILDING & IMPROVEMENTS		$2,842.43		
				TOTAL EXPENDITURES			**$12,121.41**	
				FUND TOTAL	**$0.00**	**$0.00**	**$0.00**	

Fiscal Year 2016 As of 9/30/2015

Fund 536 HONEY LAKE VALLEY RECREATION

Budget Unit 0950 COMMUNITY POOL CONSTRUCTION

Cost Center NONE

County of Lassen Budget Status

User: ncardenas

Percent of Year Elapsed 25 %

Account	Account Name	Adopted Appropriation	Adjusted Appropriation	Expenditures	Outstanding Encumbrance	Unencumbered Balance	Percent Approp Used
3020	**SERVICES AND SUPPLIES**						
3002200	OFFICE EXPENSE	$6,000.00	$6,000.00	$0.00	$0.00	$6,000.00	0%
3002300	PROFESSIONAL & SPECIALIZED SV	$95,000.00	$95,000.00	$9,278.98	$7,123.50	$78,597.52	17%
3002400	PUBLICATIONS AND LEGAL NOTICES	$2,000.00	$2,000.00	$0.00	$0.00	$2,000.00	0%
3002800	SPECIAL DEPARTMENTAL EXPENSE	$5,000.00	$5,000.00	$0.00	$0.00	$5,000.00	0%
	Major Object Total	**$108,000.00**	**$108,000.00**	**$9,278.98**	**$7,123.50**	**$91,597.52**	**15 %**
3040	**FIXED ASSETS**						
3006000	LAND	$2,000.00	$2,000.00	$0.00	$0.00	$2,000.00	0%
3006100	BUILDING & IMPROVEMENTS	$2,540,000.00	$2,540,000.00	$2,842.43	$0.00	$2,537,157.57	0%
3006200	EQUIPMENT	$300,000.00	$300,000.00	$0.00	$0.00	$300,000.00	0%
	Major Object Total	**$2,842,000.00**	**$2,842,000.00**	**$2,842.43**	**$0.00**	**$2,839,157.57**	**0 %**
3090	**PROVISIONS FOR CONTINGENCIES**						
3010000	APPROPRIATION FOR CONTINGENCIE	$50,000.00	$50,000.00	$0.00	-$0.00	$50,000.00	0%
	Major Object Total	**$50,000.00**	**$50,000.00**	**$0.00**	**$0.00**	**$50,000.00**	**0 %**
	Cost Center Total	**$3,000,000.00**	**$3,000,000.00**	**$12,121.41**	**$7,123.50**	**$2,980,755.09**	**1 %**
	Budget Unit Total	**$3,000,000.00**	**$3,000,000.00**	**$12,121.41**	**$7,123.50**	**$2,980,755.09**	**1 %**
	Fund Total	**$3,000,000.00**	**$3,000,000.00**	**$12,121.41**	**$7,123.50**	**$2,980,755.09**	**1 %**

AGENDA ITEM NO. 7B

Submitted By: Jared G. Hancock, Executive Officer

Action Date: November 3, 2015

HLVRA AGENDA ITEM

SUBJECT: Review and Consider Approval of **Resolution No.15-05** to enter into an Agreement with CAPRI.

SUMMARY: The Honey Lake Valley Recreation Authority staff have been working to secure insurance coverage for the construction and operation of the future community swimming pool. As the first phase of the process of swimming pool design and construction begins, it is necessary to ensure that the HLVRA is protected against risk and liability exposure by coverage provided by the California Association for Parks and Recreation Indemnity (CAPRI).

When signing up for a program such as this, there are terms associated with it that must be recognized. In this case, the JPA requires a 3 year minimum commitment, in the event that the HLVRA wants to pull out of the agreement, funds deposited may not be reimbursed unless a surplus exists. The HLVRA may be required to contribute additional funds if the JPA is underfunded and, as the Board is operated by a 7 member Board, 5 of which are elected by 61 member agencies, the HLVRA may not get a seat on the Board resulting in little say in how the JPA is operated.

FISCAL IMPACT: $3,839.00

ACTION REQUESTED: Motion to approve Resolution No. 15-05 approving the execution of, and becoming party to, the Joint Powers Agreement creating the California Association for Park and Recreation Indemnity.

ATTACHMENTS:

- Resolution No. 15-05
- First Amended Agreement of CAPRI
- Bylaws of CAPRI
- CAPRI Agenda Item - requesting approval of HLVRA into CAPRI Program

RESOLUTION TO JOIN THE CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

RESOLUTION NO. 15-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HONEY LAKE VALLEY RECREATION AUTHORITY, APPROVING EXECUTION OF, AND BECOMING PARTY TO, THE JOINT POWERS AGREEMENT CREATING THE CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY.

THE BOARD OF DIRECTORS OF THE HONEY LAKE VALLEY RECREATION AUTHORITY ("HLVRA") DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

WHEREAS, pursuant to the provisions of Sections 990, 990.4, 990.8 and 6500 of the Government Code, and section 3700(c) of the Labor Code, the California Association for Park and Recreation Indemnity ("CAPRI") has been created by a Joint Powers Agreement; and

WHEREAS, Joint Protection Programs have been developed by the CAPRI pursuant to the provisions of said Agreement; and

WHEREAS, said Agreement provides for additional members to become parties to the Joint Powers Agreement creating the CAPRI, pursuant to Section 4 of the Joint Powers Agreement, and to enter one or more Joint Protection Programs providing self-insurance and loss pooling; and

WHEREAS, the self-insurance and loss pooling programs of CAPRI, as well as its group insurance coverage programs, offer significant advantages to the HLVRA in terms of cost, protection, risk management and loss control advice and assistance, and entering such programs would be in the best interest of the HLVRA.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE HONEY LAKE VALLEY RECREATION AUTHORITY DOES HEREBY RESOLVE, ORDER AND DETERMINE THE FOLLOWING:

Section 1. That the Executive Officer of the HLVRA is hereby authorized and directed to execute the Joint Powers Agreement on behalf of the HLVRA binding the HLVRA to become a Member of CAPRI and subject to the terms and conditions of said Joint Powers Agreement. The HLVRA understands and agrees that, by executing the Agreement, it will be bound by the terms of the CAPRI Joint Powers Agreement, Bylaws, and Policies and Procedures adopted by the CAPRI Board, including the obligation to make deposits and deposit adjustments or assessments (Bylaws Articles V, VI) for joint protection programs it joins. Membership in a Joint Protection Program is subject to an initial three-year commitment (CAPRI Bylaws, Article VII; Joint Powers Agreement, Section 9).

Section 2. The HLVRA acknowledges notice of the provisions of the CAPRI Bylaws, Article VII, and Joint Powers Agreement, Section 9, indicating that following the initial three-year commitment, a Member may withdraw only at the end of any program year, upon three-month written notice, and thereafter retains rights and responsibilities as set forth in the Bylaws relating to the period of the Member's participation.

APPROVED by the Board of Directors of the HONEY LAKE VALLEY RECREATION AUTHORITY this _____ day of _____, 20___ by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
President, Board of Directors

ATTEST:

_____
Board Secretary/Clerk

I hereby certify, under the penalty of perjury, that the above and foregoing is a true and correct copy of Resolution No. ___ as adopted by the Board of Directors of the HONEY LAKE VALLEY RECREATION AUTHORITY on the _____ day of _____, 20_____.

FIRST AMENDED JOINT POWERS AGREEMENT

OF

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY (CAPRI)

THIS AGREEMENT is made and entered into in the County of Sacramento, State of California, by and among various special districts organized and existing under the laws of the State of California hereinafter collectively referred to as "districts" and individually as "district", who have or may hereafter sign this Joint Powers Agreement.

RECITALS

WHEREAS California Government Code section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS California Government Code section 990.4 provides that a local entity may self-insure; purchase insurance through an authorized insurer; purchase insurance through a surplus line broker; or any combination thereof; and

WHEREAS California Code section 990.8 provides that two or more local public entities, by a joint powers agreement, may provide insurance for any authorized purpose by any one or more of the methods specified in section 990.4; and

WHEREAS each of the districts which are parties to the agreement desire to join together with other districts in order to collectively self-insure their losses and to jointly purchase insurance and administrative services in connection with a joint protection program for said districts; and

WHEREAS it is to the mutual advantage and in the best public interest of the parties to this Joint Powers Agreement to establish this joint powers authority for the purposes stated herein.

NOW, THEREFORE, for and in consideration of the execution of this agreement by other districts, each of the parties hereto does hereby agree as follows:

(1) Purpose: This Joint Powers Agreement is entered into by districts in order to jointly fund and develop programs to provide various insurance coverages for participating member districts, including workers' compensation coverage. These programs shall be provided through collective self-insurance; the purchase of insurance coverages; or a combination thereof. These programs shall also seek to reduce the amount and frequency of losses, and to decrease the costs incurred by districts in the handling and litigation of claims. These purposes shall be accomplished through a joint exercise of powers by said districts pursuant to the terms of this agreement and by the creation of a separate joint powers authority.

(2) Creation of Joint Powers Authority: Pursuant to Section 6500 et seq. of the California Government Code there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Association for Park and Recreation Indemnity, also known as CAPRI. Pursuant to Government Code section 6508.1 the debts, liabilities, and obligations of this joint powers authority shall not constitute debts, liabilities, or obligations of any party to this agreement or of any district. A notice of this agreement shall be filed with the Secretary of State within 30 days after the effective date as required by Government Code section 6503.5.

(3) Membership: Each district which is a party to this agreement must be a district which is duly organized and existing under the laws of the State of California; must be a member of the California Association of Recreation and Park Districts; and must be approved for participation in CAPRI in the manner provided by the Bylaws.

(4) Parties to Agreement: Each district which has signed this agreement certifies that it intends to and does contract with CAPRI, with all other districts who have signed this agreement, and, in addition with each district which may later be added as a party to and may sign this agreement. Each district which has or may hereafter sign this agreement also certifies

that the deletion of any district from this agreement by voluntary withdrawal, involuntary termination, or otherwise, shall not affect this agreement nor each district's intent to contract as described above with the then-remaining districts.

(5) Powers of the Authority: CAPRI shall have all of the powers common to districts and all additional powers set forth in the joint powers law. This joint powers authority is hereby authorized to do all acts necessary for the exercise of said common powers, including but not limited to any or all of the following:

(a) To make and enter into contracts.

(b) To employ agents and employees and/or contract for such

(c) To incur debts, liabilities and obligations.

(d) To acquire, hold, or dispose of property.

(e) To receive contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities.

(f) To sue and be sued in its own name.

(g) To exercise all powers necessary and proper to carry out the terms and provisions of this agreement or otherwise authorized by law.

(6) Term of Agreement: This agreement shall become effective when authorized by the Board of Directors of the California Association for Park and Recreation Indemnity (CAPRI). When effective, this agreement shall continue thereafter until terminated as herein provided. This agreement shall become effective as to each member district upon approval of the district's membership by the Board of Directors of CAPRI, execution of this Joint Powers Agreement by the member district and by CAPRI, and by payment by the District of its initial contribution for coverage by CAPRI.

(7) Bylaws: The Bylaws of the California Association for Park and Recreation Indemnity (CAPRI), a copy of which is attached hereto and marked Exhibit "A", are hereby incorporated into this agreement and made a part hereof. Each party to this agreement by the execution hereof agrees to be bound by and to comply with all of the terms and conditions of this Agreement and of said Bylaws as they now exist or may hereafter be amended. The California Association for Park and Recreation Indemnity (CAPRI) shall operate and conduct its business and affairs pursuant to the terms of this Agreement and said Bylaws.

(8) Board of Directors: The California Association for Park and Recreation Indemnity (CAPRI) shall be governed by a Board of Directors which is hereby established and which shall be composed of two members appointed by the Board of Directors of the California Association of Recreation and Park Districts and five members elected by the districts who have executed this Joint Powers Agreement and are participating in CAPRI. Each member of the Board of Directors shall have one vote. The Board of Directors shall have the authority to conduct all business of this joint powers authority under the provisions hereof and pursuant to law; and shall have such powers and functions as are provided for herein, in the Bylaws, or by law.

(9) Withdrawal or Involuntary Termination: Any district, after completing three fiscal years as a participating member district in any particular joint protection program, may voluntarily withdraw from membership in that program as provided in the Bylaws, or a district may be involuntarily terminated as provided by the Bylaws.

(10) Termination of CAPRI: CAPRI may be terminated at any time upon the agreement of two-thirds of the then member districts. However, this Joint Powers Agreement and CAPRI shall continue to exist for the purpose of paying all claims, the payment of liabilities, the distribution of assets, and all other functions necessary to wind up the affairs of CAPRI. After having made provisions for the payment of all claims and liabilities, CAPRI shall pay to each member district who was a member district of CAPRI at the time of its termination their pro rata share of the remaining assets of CAPRI pursuant to the provisions of the Bylaws.

(11) Amendments: This agreement may be amended by an amendment in writing signed by two-thirds of the districts then parties to this agreement. Upon signature of any amendment of two-thirds of the member districts, any member district failing or refusing to sign such amendment may be involuntarily terminated as a party to this agreement as provided in the Bylaws.

(12) Enforcement: CAPRI is hereby granted authority to enforce this agreement. In the event action is instituted to enforce any term of this agreement or any term of the Bylaws against any district which signed this agreement, the district agrees to pay such sums as the Court may fix as attorney fees and costs in said action.

(13) Nonliability of Member Districts: Nothing in this Joint Powers Agreement or in the Bylaws adopted pursuant hereto shall be construed as imposing liability upon any district, or any director, officer or employee thereof, for the payment of any claim insured against by CAPRI, the sole recourse of claimants being against the funds of participating districts paid into CAPRI for the payment of such claims.

(14) Nonliability of Directors, Officers, Agents, and Employees: The members of the Board of Directors, and the officers, agents, and employees of CAPRI shall not be liable to CAPRI, to any participating member district, or to any other person, for any actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any agent, employee, or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer, agent, or employee. No director, officer, agent, or employee shall be liable for any action taken or omitted by any other director, officer, agent, or employee. As a public entity, CAPRI shall defend and shall indemnify and hold harmless its directors, officers, agents, and employees against any claim or action arising out of an act or omission

occurring within the scope of employment pursuant to the provisions of Division 3.6, Title 1, of the California Government Code, commencing with Government Code Section 810.

(15) Counterparts: This agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

Dated _____

Honey Lake Valley Recreation Authority
District/JPA

By _____
President

By _____
Secretary

EXECUTION BY AGENCY

The California Association for Park and Recreation Indemnity (CAPRI), the joint powers authority created by this Joint Powers Agreement, hereby executes this agreement and accepts the district/JPA named above as a participating member district/JPA in CAPRI subject to all of the terms and conditions set forth in this Joint Powers Agreement and in the Bylaws, effective on _____.

Dated _____

CALIFORNIA ASSOCIATION FOR PARK
AND RECREATION INDEMNITY (CAPRI)

By _____
Administrator - CAPRI

BYLAWS OF

CALIFORNIA ASSOCIATION FOR PARK AND RECREATION INDEMNITY

THESE BYLAWS are for the regulation of the California Association for Park and Recreation Indemnity (CAPRI).

ARTICLE I

MEMBERSHIP

(1) Eligibility

Any district organized under the laws of the State of California which is a member of the California Association of Recreation and Park Districts is eligible for membership in CAPRI upon approval of its membership by the Board of Directors.

(2) Participating Member

A "participating member district" as that phrase is used herein is any district in the State of California whose participation in CAPRI has been approved by the Board of Directors; which is a member of the California Association of Recreation and Park Districts; which has executed the Joint Powers Agreement of which these Bylaws are a part; and which has paid all contributions and any other fees required for coverage by CAPRI.

(3) Successor Members

Should any participating member district reorganize in accordance with the statues of the State of California, the successor in interest, or successors in interest, if a member of the California Association of Recreation and Park Districts, may be substituted as a participating member district upon approval by the Board of Directors.

(4) Admission Fee

Any district approved for participation in CAPRI after the effective date of any coverage program shall pay an admission fee in such amount as may be established by the Board of Directors.

ARTICLE II

BOARD OF DIRECTORS

(1) Powers

The business and affairs of CAPRI shall be managed, and all powers of this joint powers authority shall be exercised by or under the ultimate direction of the Board of Directors.

(2) Election and/or Appointment of Directors

The Board of Directors shall consist of two directors appointed by the Board of Directors of the California Association of Recreation and Park Districts (CARPD) and five directors selected by the participating member districts. The CARPD-appointed Directors will serve indefinite terms at the pleasure of CARPD. The remaining five directors shall be elected to office for four-year terms; two as "at large" Directors elected by the entire CAPRI membership, and three by category from the upper, middle and lower thirds of CAPRI membership, as measured in tiers by total contributions paid in the year before the election. Each participating member district shall have one vote for each at large director position to be elected, and one vote for the director position representing that District's membership tier. The candidates receiving the highest number of votes for available positions on the Board shall be elected in each category. All Directors (other than the CARPD-appointed directors) must be either a member of the Board of Directors or a management employee of a participating member district. Only one representative from any district may serve on the Board of Directors at the same time.

The Board shall set the time and manner of elections, to be conducted in even-numbered years; two "at large" directors to be elected in one election, and three directors from contribution tiers to be elected in the following election two years later, in a repeating process. In election years, the Board shall provide notice to the membership of election deadlines, including the deadline for receipt of nominations; shall determine which nominees meet the appropriate qualifications set forth in these Bylaws; shall thereafter publish a list of nominees to

the participating member districts, and shall provide for the process of receipt and tallying of ballots. The Board may conduct elections either by an in-person membership meeting, or by mailed/emailed ballots. Ballots shall be public records of CAPRI.

(3) Vacancy

Upon the death or resignation of a CARPD-appointed director, or removal by CARPD, a replacement shall be appointed by CARPD. Upon the death or resignation of any other member of the Board of Directors, or should the director cease being a member of the Board of Directors or a management employee of a participating member district a vacancy shall occur. Such a vacancy shall be filled for the balance of the unexpired term by appointment of a replacement by the remaining members of the CAPRI Board of Directors. Such a director appointed by the remaining members of the CAPRI Board of Directors, if a representative of the upper one-third, middle one-third, or lower one-third category, shall be selected from a participating member district, which is in the same category of participating member districts in order to maintain the balance of one director from the upper one-third; one from the middle one-third; one from the lower one-third; and two directors at large.

(4) Meetings

The business of the Board of Directors shall be conducted and exercised only at a meeting of the Board of Directors held upon written notice to all members of the Board of Directors. All meetings of the CAPRI Board of Directors shall be called and conducted pursuant to the provisions of Title 5, Division 2, Part 1, Chapter 9, of the California Government Code (Ralph M. Brown Act) commencing with Government Code Section 54950.

(5) Quorum and Required Vote

A quorum of at least four members of the Board of Directors must be present at any meeting before the business of the Board of Directors can be transacted. The vote of a majority of the Board of Directors present shall be required for any act or decision of the Board of Directors except as herein otherwise specifically provided.

(6) Expenses

The members of the Board of Directors shall be reimbursed for all reasonable and necessary travel expenses when required or incurred by any director in connection with attendance at a meeting of the Board of Directors or a committee thereof. These expenses shall include all charges for meals, lodging, airfare and the cost to travel by automobile at the rate per mile established by the Board of Directors.

ARTICLE III

OFFICERS

At the first meeting of the Board of Directors following an election, the Board of Directors shall elect a president, a vice-president, and a secretary to serve for a two-year term or until a successor is elected. Such officers shall serve at the pleasure of the Board of Directors. In the event the president, vice-president, or secretary so elected ceases to be a member of the CAPRI Board of Directors, the resulting vacancy in office shall be filled at the next regular meeting of the CAPRI Board of Directors after such vacancy occurs.

The president shall preside at and conduct all meetings of the Board of Directors, and shall carry out the resolutions and orders of the Board of Directors, and shall exercise such other powers and perform such other duties as the Board of Directors shall prescribe. In his absence, the vice-president shall carry out the duties of the president. The secretary shall perform the duties appropriate to the office.

The Board of Directors shall appoint an Administrator who shall have general administrative responsibility for the activities of this joint powers authority, and shall be responsible for all minutes, notices and records of meetings and shall perform such other duties as may be assigned by the Board of Directors. The Administrator shall serve as Treasurer of CAPRI pursuant to Government Code Section 6505.6.

ARTICLE IV

POWERS

The Board of Directors shall have the following powers:

(a) Exercise all powers and conduct all business of the authority.

(b) Determine the details of and select joint protection program or programs to be offered by the authority.

(c) Determine and purchase all necessary insurance, including excess insurance, and/or reinsurance, necessary to carry out the joint protection program or programs offered by CAPRI.

(d) Contract for or develop various services for the authority, including, but not limited to claims adjusting, loss control, and risk management consulting.

(e) Appoint committees, appoint staff, and employ such persons as the Board deems necessary for the administration of the authority. All such persons shall serve at the pleasure of the Board of Directors.

(f) Supervise the adjustment and defense of all claims involving liability of the authority or of a member district during their period of membership in and coverage by the authority.

(g) Fix and collect contributions from member districts.

(h) Deposit all funds received in separate bank accounts in the name of the "California Association for Park and Recreation Indemnity" (CAPRI).

(i) Invest funds on hand in any manner authorized by law for the investment of funds of a special district.

(j) Expend funds of CAPRI only for the purpose of carrying out the provisions of the Joint Powers Agreement and these Bylaws.

(k) Provide financial administration, claims management services, legal representation, safety engineering, actuarial services, and other services necessary or

proper to carry out the purposes of CAPRI either through its own employees or by contract with one or more third parties.

(l) Obtain general liability insurance, directors and officers liability insurance, and such other insurance as the Board of Directors may deem necessary or proper in order to protect CAPRI and its employees and participating districts.

(m) Obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for CAPRI.

(n) Establish policies and procedures for the operation of CAPRI.

(o) Enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of CAPRI.

ARTICLE V

JOINT PROTECTION PROGRAMS

(1) Implementation of Joint Protection Programs

The Board of Directors may, at any time, offer such joint protection programs as it may deem desirable, including workers' compensation coverage. Any such joint protection program or programs shall be offered on such terms and conditions as the Board of Directors may determine. All member districts must participate in at least one of the joint protection programs of CAPRI as established by the Board of Directors. Other optional joint protection programs and coverages may be offered. The Board of Directors shall establish the amount of contribution, determine the amount of loss reserve contribution, provide for the handling of claims, determine the amount of excess insurance to be obtained, and otherwise establish the policies and procedures necessary to provide a particular joint protection program for participating member districts.

(2) Adjustments in Contribution

The contribution for each participating member district in any joint protection program or plan may be experience rated and/or adjusted from time to time by the Board of Directors.

(3) Subrogation

In the event of any payment of payment of workers' compensation benefits by CAPRI, then CAPRI shall be subrogated to all rights of recovery therefor of the participating district as employer against any person or organization, and the participating district shall execute and deliver such instruments and papers, and shall do whatever else is necessary to secure such subrogation rights in CAPRI.

(4) Serious and Willful Misconduct

CAPRI shall not be liable for any additional compensation imposed on the participating member district under Section 4553 and 4556, Division V, Labor Code for the State of California, by reason of the serious and willful misconduct of the participating member district or any representative of the participating member district.

ARTICLE VI

FINANCIAL AFFAIRS

(1) Accounts and Records

CAPRI shall establish and maintain such bank accounts and maintain such books and records as determined by the Board of Directors and as required by good accounting practice. Books and records of CAPRI shall be open to inspection at all reasonable times by authorized representatives of participating member districts. Periodic financial reports shall be made to all participating member districts.

(2) Audit

CAPRI shall obtain an annual certified audit of its accounts and records which audit shall be made by a certified public accountant and shall conform to generally accepted auditing standard. A copy of said report shall be filed as a public record with the county auditor of the

county where the home office of the joint powers authority is located and shall be sent to any participating member districts, public agency or person in California that submits a request to the joint powers authority. Such audit shall be obtained and filed within six months after the end of the fiscal year under examination.

(3) Actuarial Audit

The CAPRI Board of Directors may obtain an actuarial audit of reserves and a rating analysis from time to time as determined by the Board of Directors.

(4) Distribution of Surplus

Any surplus from the operation of any joint protection program or **any funds transferred from the PARDEC workers' compensation** program may be distributed to the participating member districts in such joint protection program under such terms and conditions as may be determined by the Board of Directors, but any such distribution shall be made only to those districts which participated in the program during the year in which the surplus was generated.

(5) Assessments

If, in the opinion of the Board of Directors, claims against the participating member districts in any particular program or plan are of such a magnitude as to endanger the ability of CAPRI to continue to meet its obligations, each member district which has participated in that program or plan during any portion of the program year(s) in which the deficit arose may be assessed by CAPRI a pro rata share of the additional amount determined necessary by the Board of Directors to restore the ability of CAPRI to continue to meet its obligations. Each member district's pro rata share of the total assessment shall be in the same proportion as the total contributions paid by that district during the program year(s) in which the deficit arose bear to the total contributions paid by all participating member districts during that same period of time. Failure of any participating member district to pay any regular contribution or assessment when due shall be cause for the involuntary termination of that district's membership in CAPRI. Such assessment shall be a debt due by all member districts who have participated in CAPRI

during any portion of the program year(s) in which the deficit arose, and shall not be discharged by termination of membership.

ARTICLE VII

TERMINATION OF MEMBERSHIP

(1) Withdrawal

After completing three full fiscal years of participation in a particular joint protection program of CAPRI, any participating member district may voluntarily withdraw from that program at the end of the program year, following a three-month written notice of termination.

Pursuant to Government Code 6512.2, withdrawal of a member shall not be considered a completion of the purpose of this agreement and shall not require the repayment or return to the withdrawing member of all or any part of any contributions, payments or advances made by the parties unless the agreement is rescinded or terminated as to all parties.

The withdrawal or involuntary termination of any district shall not terminate its responsibility to cooperate with and assist CAPRI and any insurer, claims adjuster or legal counsel retained by CAPRI, in defense of claims and in all matters relating to this agreement.

(2) Involuntary Termination

A participating member district may be involuntarily terminated at any time for any of the following reasons:

(a) Failure to pay any contribution or payment to loss reserve when due; or

(b) Failure to comply with the Bylaws or with the policies and procedures established by CAPRI.

(c) Failure to sign any properly adopted amendment to the Joint Powers Agreement when requested to do so.

(d) Failure to maintain membership in the California Association of Recreation and Park Districts.

(e) Dissolution of a participating member district.

In the event a participating member district fails to pay any portion of their annual contribution or any other payment to loss reserves or assessment when due or fails to maintain membership in the California Association of Recreation and Park Districts, CAPRI will immediately mail to the delinquent district a notice stating the delinquency and stating that coverage by CAPRI will be canceled and terminated upon a date not less than 30 days thereafter unless during that period of time the stated delinquency is corrected. Termination will be effective pursuant to the notice if the delinquency is not corrected within the time stated.

Involuntary termination for any other reason stated above will be effected by CAPRI giving written Notice of Intention to Terminate to the participating member district upon a date not less than 30 days thereafter for the reason or reasons set forth in the notice. The termination will be effective upon the date set forth in the notice unless prior to that effective date the participating member district being terminated requests a hearing by the Board of Directors of CAPRI. At the hearing evidence will be received as to the reasons for the termination and as to the reasons why the termination should not be completed. After such hearing the vote of five members of the CAPRI Board of Directors will be required to terminate a participating member. If following the hearing the CAPRI Board of Directors decides to involuntarily terminate the participating member district, then CAPRI shall give such district 30 days written notice of its decision to involuntarily terminate such member after hearing and the effective date of the termination. If no request for hearing by the Board of Directors is received, then the termination shall be effective upon the date set forth in the Notice of Intention to Terminate.

All notices provided for above shall be mailed certified mail, return receipt requested.

(3) Payment Upon Termination of Membership

In the event of a termination of the membership of any member district by withdrawal or by involuntary termination, said district shall thereafter be entitled to receive its pro rata share of

any distribution of surplus declared by the Board of Directors that pertains to a year during which the terminated district was a participating member district in any particular program of CAPRI. Said payment shall be in full settlement and satisfaction of any and all claims that the said terminated member district may have against CAPRI. No terminated participating member district shall be entitled to any refund of contribution or any return of loss reserves.

(4) Continued Liability

Upon withdrawal or involuntary termination of a participating member district, that district shall continue to be responsible for any unpaid contributions and for any assessment levied in accordance with the provisions of these Bylaws.

ARTICLE VIII

TERMINATION

Upon the termination of CAPRI provision shall be made for the payment of all known claims; for insuring, reinsuring or making other provision for the payment of any and all unknown claims covered by any insurance coverage provided by CAPRI to a member district and occurring during its period of coverage by CAPRI; and for the payment of all debts, liabilities, administrative expenses and obligations of CAPRI. After having paid or made provision for all such matters, CAPRI shall pay to each member district who was a member of CAPRI at the time of termination its pro rata share of the remaining assets of CAPRI. A district's pro rata share shall be in the same proportion as the total contributions paid by that district to CAPRI during its period of participation bears to the total contributions paid to CAPRI during its period of operation by all districts who are members of CAPRI at the time of termination.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended at any time by majority vote of the Board of Directors following a 30-day written notice to all participating member districts as to the amendment proposed to be adopted, except that these Bylaws cannot be amended in any way that would conflict with the terms and provisions of the Joint Powers Agreement.

ARTICLE X

EFFECTIVE DATE

These Bylaws shall become effective immediately upon the effective date of the Joint Powers Agreement. All amendments to these Bylaws shall be effective upon adoption by the Board of Directors.

Agenda Item 8.E

ADMINISTRATIVE MATTERS

SUBJECT: Liability/Property – Potential New Member

BACKGROUND AND STATUS:

Honey Lake Valley Recreation Authority (HLVRA), a joint powers authority (JPA), is requesting a quote from the Liability/Property program. This is a joint powers agreement between the City of Susanville and the County of Lassen. The JPA is located in Susanville. Byrne Conley has reviewed the Joint Powers Agreement and stated that they meet the requirements of our Bylaws to join CARPD.

Enclosed is a completed underwriting document from HLVRA. Their total payroll will be $240,000. They only own land at the present time, but they are in the process of building a swimming pool with an estimated value of $3 million. They have no automobiles. We will be estimating in our premium allocation formula that they have $50,000 of property values so that they have access to the Course of Construction coverage provided by our Property Program.

The Liability/Property quote amounts to $3,839.

RECOMMENDATION:

Approve Honey Lake Valley Recreation Authority into the Liability/Property Program.

REFERENCE MATERIALS ATTACHED:

Underwriting Application

AGENDA ITEM NO. 7C

Submitted By: Jared G. Hancock, Executive Officer

Action Date: November 3, 2015

HLVRA AGENDA ITEM

SUBJECT: Design-Build Services Proposal Update

SUMMARY: The Request for Prequalification went out on September 2, 2015. Staff received responses from three firms: Modern Building Inc, Tricon Aquatics and Geney/Gassiot, Inc.. Two of the firms met the prequalification requirements and submitted proposals by the due date of October 22, 2015, for the Request for Proposal, which was circulated on September 28, 2015. After reviewing the proposals, the review committee determined that Modern Building Inc. was the most responsive bidder based on the best value method (Public Contract Code § 22164(f)). The proposals from both companies have been attached for consideration in addition to the draft contract language being proposed for Modern Building Inc..

Staff is recommending moving ahead with Modern Building Inc. in addition to proposing a Guaranteed Maximum Price (GMP) of just under $3 million dollars for the total project cost. Modern Building Inc.'s GMP for design and preparation of detailed plans and specifications for the facility is just under $100,000 and will provide the most flexibility to work with their engineers and pool design team to identify value engineering opportunities and cost saving measures that result in a reduced construction cost that is consistent with the JPA's budget and available funding.

FISCAL IMPACT: Guaranteed Maximum Price of just under $3,000,000.

ACTION REQUESTED: Motion to proceed with finalizing contract with Modern Building Inc.

ATTACHMENTS:
Proposal – Modern Building Inc.
Proposal – Tricon Aquatics
Draft Contract

HONEY LAKE VALLEY RECREATION AUTHORITY

LASSEN COUNTY CALIFORNIA

THE CITY OF SUSANVILLE INCORPORATED 1990

MODERN BUILDING COMPANY

r.g.a.

HOLIDAY POOLS

JESSEE HEATING & AIR CONDITIONING

GW ELECTRIC

NST Engineering Inc.

Planning Surveying Engineering

THOMAS H. PHELPS LANDSCAPE ARCHITECT

COMMUNITY SWIMMING POOL

PROPOSAL FOR DESIGN-BUILD SERVICES

TABLE OF CONTENTS

01. Cover
02. Table of Contents
03. Cover Letter
04. Team Highlights
05. Statement of Services
06. Phase 1: Design – Schedule
07. Phase 2: Construction –Schedule
08. Phase 1: Design Services Cost Breakdown
09. Phase 1: Design Fee Schedule Matrix
010. Phase 1: Design GMP
011. Phase 2: Construction Services Cost Breakdown
012. Phase 2: Construction GMP
013. Construction Qualifications & Assumptions 1 of 2
014. Construction Qualifications & Assumptions 2 of 2
015. Phase 1 & Phase 2 Total GMP
016. Life Cycle Cost Estimate
017. Proposed Staffing & Assignments
018. Architectural Design & Cost Estimating Support Plan 1 of 2
019. Architectural Design & Cost Estimating Support Plan 2 of 2
020. Statement: Binding of the Proposal
021. Statement: Additional Information for Assessment
022. Statement: Compliance of Rules, Laws & Regulations
023. Certification: Validation & Warranty
024. Insurance Documentation 1 of 2
025. Insurance Documentation 2 of 2
026. Non-Collusion Declaration
027. Subcontractor List

Building Company
General Contractors

P.O Box 772
Chico, CA 95927
(530) 891-4533
(530) 891-6834 FAX

October 22, 2015

Honey Lake Valley Recreation Authority
ATTN: Heidi Whitlock, Project Manager, HLVRA
c/o City of Susanville, CA
66 North Lassen Street
Susanville, CA 96130

RE: Request for Proposal
Design-Build Services for Community Swimming Pool

Modern Building, Inc. of Chico is pleased to submit our response to your request for proposal for the Design-Build Services for the Community Swimming Pool. We confirm that all elements of the RFP have been read and understood.

Modern Building has been locally owned and operated in Chico, CA for over 69 years. We have built a strong reputation and solid client base for our commitment to quality and cost control. Ninety percent of our projects are negotiated commercial and industrial facilities.

We would welcome the opportunity to share our knowledge of the construction market, and apply our estimating, scheduling and management skills to the HLVRA Community Swimming Pool

Designated Representative: Phil Strawn
3083 Southgate Lane
Chico, CA 95928
530.891.4533
530.518.7203 Cell
530.891.6834 Fax

Contract Administrator: Terry Wolkoff
3083 Southgate Lane
Chico, CA 95928
530.891.4533
530.891.6834 Fax

Federal Tax ID: 94-2209753

Thank you for your consideration of Modern Building Inc. for this project.

Sincerely:

James Seegert, President
james@modernbuildinginc.com

Team Highlights:

Over 100 Design-Build Projects Completed between team members

Holiday Pools Design-Build Delivery of Weaverville Community Swimming Pool – Weaverville, CA

Multiple Design-Build Pool Deliveries by Design-Build Team Members

Holiday Pools Delivery of Etna Community Swimming Pool – Etna, CA

Proven track records with previous clients in both Design-Build and Public Works

Over One-Hundred Million Dollars in Design and Construction work together

Holiday Pools Design-Build Delivery of In Motion Fitness Competition Pool – Chico, CA

Team Member Participation in over One-Billion Dollars' worth of Design-Build Public Works

Holiday Pools Delivery of Colusa Community Swimming Pool – Colusa, CA

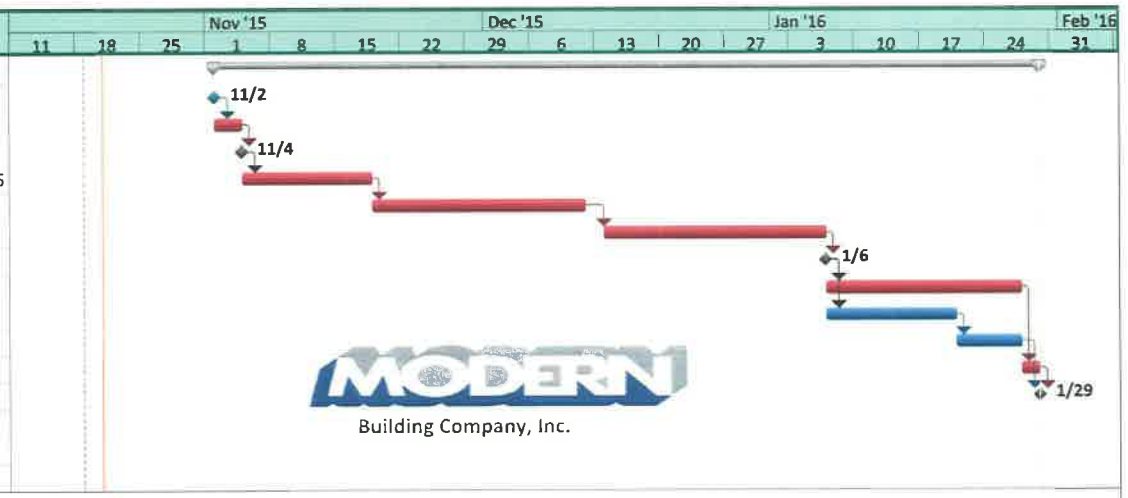
DESIGN-BUILD SERVICES, COMMUNITY SWIMMING POOL

By submission of this proposal Modern Building, Inc. and its Design-Build team intend to provide full design-build services in accordance with the published Request for Proposals, including, but not limited to the following:

- Design Services
- Code and Regulatory Assessment and Compliance
- Value Engineering and Construction Feasibility Reviews
- Cost Control and Budgeting
- Scheduling
- Coordination with HLVRA Designated Representative
- Permitting, Authorizations and Approvals
- Construction and Construction Supervision
- Commissioning of Facilities
- Warranting of Work and Materials
- Phasing of Work
- Assistance with Environmental Review
- Coordination with Material Review and Procurement
- Publically Bid and Awarded Construction Subcontracting

PHASE 1 - Design & Permitting Schedule

ID	Task Name	Duration	Start	Finish
0	**PHASE 1 - DESIGN & PERMITTING**	**60 days**	**Mon 11/2/15**	**Fri 1/29/16**
1	Approval of Contract	0 days	Mon 11/2/15	Mon 11/2/15
2	Designer Contract Issuance	3 days	Mon 11/2/15	Wed 11/4/15
3	Commence Document Development	0 days	Wed 11/4/15	Wed 11/4/15
4	50% Design Documents	10 days	Thu 11/5/15	Wed 11/18/15
5	90% Design Documents	15 days	Thu 11/19/15	Fri 12/11/15
6	50% Construction Documents	15 days	Mon 12/14/15	Wed 1/6/16
7	Permit Drawings Finalized	0 days	Wed 1/6/16	Wed 1/6/16
8	AHJ Design Review	15 days	Thu 1/7/16	Wed 1/27/16
10	Subcontractor Bidding	10 days	Thu 1/7/16	Wed 1/20/16
11	Subcontractor Procurement & Contracting	5 days	Thu 1/21/16	Wed 1/27/16
9	Permit Issuance	2 days	Thu 1/28/16	Fri 1/29/16
12	Construction NTP	0 days	Fri 1/29/16	Fri 1/29/16



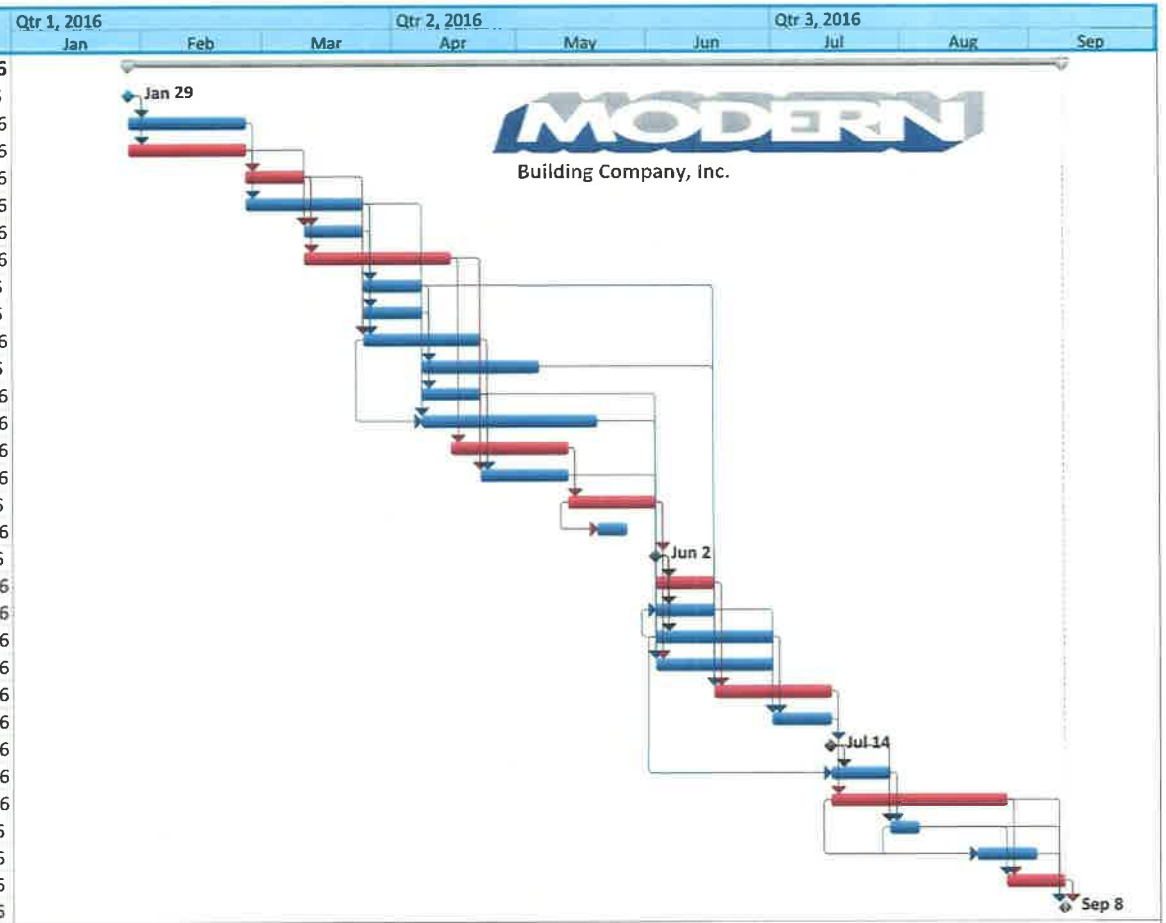
MODERN
Building Company, Inc.

DESIGN & PERMITTING SCHEDULE

PROPRIETARY DO NOT DISTRIBUTE

PHASE 2 - Construction & Inspection Schedule

ID	Task Name	Duration	Start	Finish
0	**PHASE 2 - CONSTRUCTION & INSPECTION**	**160 days**	**Fri 1/29/16**	**Thu 9/8/16**
1	Construction NTP	0 days	Fri 1/29/16	Fri 1/29/16
2	Shop Drawings & Material Procurement	20 days	Fri 1/29/16	Thu 2/25/16
3	Over-Excavation & Backfill	20 days	Fri 1/29/16	Thu 2/25/16
4	Site Grading	10 days	Fri 2/26/16	Thu 3/10/16
5	Site Utilities	20 days	Fri 2/26/16	Thu 3/24/16
6	Pool Excavation	10 days	Fri 3/11/16	Thu 3/24/16
12	Footings, SOG & Stem Walls	25 days	Fri 3/11/16	Thu 4/14/16
7	Pool Infrastructure	10 days	Fri 3/25/16	Thu 4/7/16
9	Radiant Heating Piping	10 days	Fri 3/25/16	Thu 4/7/16
25	Sidewalk, Curb, Gutter	20 days	Fri 3/25/16	Thu 4/21/16
8	Pool Structural & Surfacing	20 days	Fri 4/8/16	Thu 5/5/16
11	Pool Deck Flatwork	10 days	Fri 4/8/16	Thu 4/21/16
26	Parking lot Development	30 days	Fri 4/8/16	Thu 5/19/16
10	Exterior Skin & Structure	20 days	Fri 4/15/16	Thu 5/12/16
28	Site Flatwork	15 days	Fri 4/22/16	Thu 5/12/16
13	Roofing & Trusses	15 days	Fri 5/13/16	Thu 6/2/16
15	HVAC Equipment	5 days	Fri 5/20/16	Thu 5/26/16
14	Building Dried-In	0 days	Thu 6/2/16	Thu 6/2/16
16	Pool Equipment Install	10 days	Fri 6/3/16	Thu 6/16/16
17	Interior Partitions	10 days	Fri 6/3/16	Thu 6/16/16
18	Building MEP Rough-In	20 days	Fri 6/3/16	Thu 6/30/16
27	Site Landscaping	20 days	Fri 6/3/16	Thu 6/30/16
23	Pool Tile, Accessories, & Finish	20 days	Fri 6/17/16	Thu 7/14/16
19	Building MEP Finish & Trim Out	10 days	Fri 7/1/16	Thu 7/14/16
20	Building Conditioned	0 days	Thu 7/14/16	Thu 7/14/16
21	Interior Finishes	10 days	Fri 7/15/16	Thu 7/28/16
24	Pool Commissioning	30 days	Fri 7/15/16	Thu 8/25/16
22	Balancing & Commissioning	5 days	Fri 7/29/16	Thu 8/4/16
30	Operations Training	10 days	Fri 8/19/16	Thu 9/1/16
29	Punch list	10 days	Fri 8/26/16	Thu 9/8/16
31	Substantial Completion	0 days	Thu 9/8/16	Thu 9/8/16



CONSTRUCTION & INSPECTION SCHEDULE

Note: Construction Schedule is based off of time line outlined in the RFP. It is the recommendation of the Design-Build Team to work with HLVRA to adjust the construction schedule as to allow for pool construction and various site work activities to take place during the months of May - September.

PROPRIETARY DO NOT DISTRIBUTE

Phase 1 – Design & Permitting Service Proposal:

Modern Building is pleased to present the following services for Phase 1 – Design & Permitting Services for the HLVRA Community Swimming Pool Project:

- Preparation of a Geotechnical Report based off of field exploration via Excavator. No Drilled Soil Borings are carried in this proposal.
- Survey documentation of existing site conditions.
- Development of Permit Ready Plans and Specifications.
- Development of Material Specifications.
- Identification of Inspection Requirements and development of an Inspection Schedule.
- Identification of Third Party Special Inspections and material testing requirements. Identification only, inspection and testing services are not carried in this proposal.
- Estimated costs for Third Party Special Inspections and Material Testing Requirements.
- Coordination with HLVRA Project Representative for design review and comments.
- Review for code compliance and design review.
- Permitting review and development with Authority having Jurisdiction.
- Pulling Permit with Authority having Jurisdiction. Permit fee costs are not carried in this proposal.

PROPRIETARY DO NOT DISTRIBUTE

Phase 1 – Design & Permitting Proposal Matrix:

Work Task	Title	Hourly Rate ($/Hour)	Level of Effort (Hours)	Total Fee ($)
Architectural Services	Principle Architect	$165.00	45	$7,425.00
Structural Engineering Services	Principle Engineer	$165.00	45	$7,425.00
Geotechnical Engineering Services	Principle Engineer	$140.00	45	$6,300.00
Civil Engineering Services	Principle Engineer	$100.00	115	$11,500.00
Landscape Architecture Services	Principle Architect	$125.00	25	$3,125.00
Electrical Engineering Services	Principle Engineer	$175.00	60	$10,500.00
Mechanical Engineering Services	Principle Engineer	$175.00	20	$3,500.00
Hydronic & Pool Design Services	Principle Engineer	$150.00	60	$9,000.00
Low Voltage Engineering Services	Principle Engineer	$120.00	10	$1,200.00
Design Surveying Services	Survey Crew	$220.00	20	$4,400.00
Contract Administration Services	Architect	$130.00	45	$5,850.00
Drafting Services	Staff Detailer	$65.00	20	$1,300.00
Permitting & Design Review	Project Manager	$65.00	80	$5,200.00
Design Subtotal				**$76,725.00**

Phase 1 – Design & Permitting Proposal Guaranteed Maximum Price with Breakdown:

Cost Breakdown by Scope:	
Architectural Services	$13,925.00
Structural Engineering Services	$7,425.00
Geotechnical Services	$6,300.00
Civil Engineering Services	$11,500.00
Design Survey	$4,400.00
Landscape Architectural Services	$3,125.00
Electrical Engineering Services	$10,500.00
Mechanical Engineering Services	$3,500.00
Hydronic & Pool Design Services	$9,000.00
Fire Alarm Design Services	$1,200.00
Contract Administration	$5,850.00
Design Contingency (5.2%)	*$4,000.00*
*Reproduction Costs**	*$5,000.00*
*Travel Costs***	*$8,000.00*
PHASE 1 TOTAL	**$93,725.00**

Notes:

**Reproduction Costs are estimates based on historical costs for design-build projects of similar size and complexity.*

***Travel Costs are estimates based on historical costs for design-build project of similar size and complexity with the proximity of the site location to our home offices.*

Phase 2 – Construction & Inspections Service Proposal:

Modern Building is pleased to present the following services for Phase 2 – Construction and Inspection Services for the HLVRA Community Swimming Pool Project:

- Providing for labor, materials, and equipment necessary for delivery of a complete project package as outlined in the Request for Proposal and this submittal document.
- Provide coordination with HLVRA Staff and Authority having Jurisdiction.
- Provide full time on-site supervision responsible for construction operations, jobsite safety, and scheduling of inspections.
- Provide value engineering services and budget tracking though design development and construction operations.
- Delivery and development of project construction schedule for review and negotiation with HLVRA.
- Delivery and development of project construction budget for review and negotiation with HLVRA.
- Coordination with HLVRA in material selection.
- Coordination and execution of construction punch list.
- Coordination and execution of construction Submittals.
- Coordination and execution of construction as-built documents.
- Coordination and execution of construction commissioning.
- Coordination and execution of project turnover to HLVRA.

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Phase 2 – Construction & Inspection Proposal Guaranteed Maximum Price with Breakdown:

Cost Breakdown by Scope:		
Electrical / Site Lighting / Fire Alarm	$	265,100.00
Filtration & Plumbing	$	139,700.00
Pool Decking & Drainage	$	855,800.00
Timing Equipment	$	49,500.00
Building HVAC	$	48,400.00
Radiant Heating in Building	$	40,700.00
Radiant Heating in Decking	$	179,300.00
Building Substructure	$	137,500.00
General Conditions	$	247,500.00
Site Flatwork	$	53,900.00
Building Finishes	$	99,000.00
Building Plumbing	$	82,500.00
Building Walls & Exterior Skin	$	198,000.00
City Sidewalk & Street Work	$	55,000.00
Geothermal Well	$	22,000.00
Landscaping & Irrigation	$	33,000.00
Parking Lot & Emergency Access Roads	$	71,500.00
Pool Excavation	$	16,500.00
Roof System	$	16,500.00
Fencing	$	55,000.00
Site Grading	$	82,500.00
Site Utilities	$	82,500.00
PHASE 2 TOTAL	**$**	**2,831,400.00**

Phase 1 & Phase 2 - Assumptions, Exclusions, & Clarifications:

1. **Permits:** Pulling of Construction/Building Permits is the responsibility of the Design-Build Team; Payment of all Permitting Fees is the responsibility of HLVRA and is excluded from this GMP Proposal.
2. **Project Schedules:** Design and Construction Schedules presented are preliminary in nature and are no means an agreement or representation by the Design-Build Team that the durations proposed are feasible based on many factors outside of the Design-Build Team's control.
3. **Utility Fees:** The Design-Build Team will coordinate and perform to utility agencies standards for design and construction services. All connection costs and fees associated with utility agencies are excluded from this proposal. Costs associated with these fees are the responsibility of HLVRA and is excluded from this GMP Proposal Price. Utility Agencies include, but are not limited to: PG&E, City of Susanville Storm Drain, Sanitary Sewer and Geothermal, Domestic Water Services, etc.
4. **Geotechnical Services:** Geotechnical services quoted are inclusive of the use of an excavator for excavation and allow for visibility of soil stratum up to 20' in depth. The Geotechnical services quoted do not include performing any soil borings. If soil borings are desired, it is the Design-Build Team's recommendation that HLVRA hire an independent 3rd Party Geotechnical Engineering firm.
5. **Over-Excavation:** Without issuance of soils reports or compaction tests from the demolition of the previous pool facility, it is unknown if over-excavation and/or re-compaction may be necessary. This work cannot be quantified without a geotechnical report and therefore is excluded from this proposal.
6. **Power Source:** A Three-Phase Power source is assumed to be accessible from within the property for tie-in of transformer and facility power.
7. **Existing Trees:** This proposal budget does not include the removal of the row of trees running North to South across the middle of the property. Removal of these trees is assumed to be the responsibility of HLVRA.
8. **Limits of Sidewalk/Curb/Gutter Work:** This proposal includes the install of new sidewalk, curb and gutter along South Street in front of the project property only. This proposal does not include installing new sidewalk, curb, and gutter located in front of the neighboring properties, specifically including the triangular shaped property that sits between the project property and South Street.
9. **Site Lighting:** Site lighting budgeting includes pole mounted lights installed in the parking lot.

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10. **Parking Lot Drainage:** Parking area is assumed to sheet flow in approximately the same direction and flow as currently exists on site. The installation of Storm Drain lines for the Parking Lot has not been included in the costs outlined within this proposal.
11. **Dehumidification System:** A Dehumidification system is not included in the budget for the bath house building.
12. **Intrusion/Security Alarm:** An Intrusion / Security Alarm system is not included in the budget for the bath house building.
13. **Pool Equipment:** The following pool equipment is considered to be furnished by the owner and is not included in this proposal: Pool Cover, Pool Cover Reel, Lane Lines, Lane Line Reels, and Life Guard Chairs. Budgets can be developed for these items should the HLVRA choose to add them to the project scope.
14. **Utility Tie-In Locations:** All utility tie-in locations are assumed to be immediately adjacent to the property boundaries.

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Phase 1 & Phase 2 – Total GMP:

Cost Breakdown by Phase:

Phase 1 – Design & Permitting	$93,725.00
Phase 2 – Construction & Inspections	$2,831,400.00
Phase 1 & Phase 2 - Insurance & Bonding	$58,000.00
PHASE 1 & PHASE 2 TOTAL GMP	**$2,983,125.00**

15 Year Lifecycle Cost Estimate:

Pool Surface – Assuming a Gunite Surface with Tile Lane Indications, Safety Railing, ADA Lift, and Gutter Drainage System: **$22,000 Annually**

Pool Decking – Assuming a Concrete Deck with Starting Blocks, Sealed Expansion Joints, Local Area Drains and Surface Painted Safety Indicators: **$2,000 Annually**

Pool Plumbing Facilities – Assuming Standard PVC Supply Lines, Tie-in with Geothermal Well, Standard Isolation Valves, a Single Mixing Valve and Sealed In-Ground Surge Tank: **$2,000 Annually**

Pool Mechanical Facilities – Assuming the need for a Heat Exchanger to transfer heat from Geothermal to Radiant Floor Heating System, Standard Geothermal Piping embedded in Concrete Walkways, Typical Pump Configuration for water volume make-up on Pool of this size: **$2,500 Annually**

Sanitary Sewer Facilities – Assuming Standard PVC Sewer Lines, Typical Cleanouts, and only being assessed for Pool Sanitary Sewer System: **$1,000 Annually**

Onsite Geothermal Well – These costs are not known to us, as our only baseline for comparison is that of a typical well which requires maintenance of pump, check valve, pressure tank, well casing, screen and control module. Assuming lifecycle costs for a geothermal well are similar: **$2,000 Annually**

Bathhouse Roof – Assuming 30 year Asphalt Composite Shingles, with galvanized sheet metal flashings, typical aluminum gutters and downspouts: **$500 Annually**

Parking Surface – Assuming 2.5" asphalt surface over 6" aggregate base rock, with striping for vehicle stalls / ADA Parking, concrete epoxied wheel stops, and Signage throughout: **$700 Annually**

PROPRIETARY DO NOT DISTRIBUTE

PROPOSED STAFFING PLAN:

Modern Building Company, Inc. – General Contracting / Design-Build Lead:

1. James Seegert – President – Overall Project Oversite
2. Phil Strawn – Project Manager – Design & Construction Oversite
3. Bud Shope – Senior Superintendent – Field Oversite

Russell, Gallaway & Associates, Inc. – Architectural & Structural Design:

1. Don Russell – Principle – Overall Project Design Development
2. Matt Gallaway – Principle – Architectural Design
3. Tyree Vantrease – Architect – Architectural Design & Contract Administration

Holiday Pools – Pool & Hydronic Design / Pool & Hydronic Equipment Install:

1. Jim Dougherty – President – Design & Construction Oversite

NST Engineering, Inc. – Civil Design, Construction Survey & Staking:

1. Jeffery Morrish – President – Civil & Survey Design Oversite.
2. Vernon Templeton – Surveyor- Survey Lead & Control
3. Steve Schmidt- Staff Engineer – Soils Report Development

CW Electric – Electrical Design / Electrical Install:

1. Dale Wagoner – Electrical Design & Construction Oversite

Voltage Specialists – Fire Alarm Design / Fire Alarm Install:

1. Bill Bunch – President – Fire Alarm Design & Construction Oversite

Thomas H. Phelps Landscape Architecture – Landscape Architectural Design:

1. Tom Phelps – President – Landscape Design & Oversite

Jessee Heating & Air Conditioning – Mechanical Design / HVAC Install:

1. John Gray – President & General Manager – HVAC Design Oversite
2. Bryan Gray – Project Manager – HVAC Construction Oversite

Architectural Design & Cost Estimating Support Plan:

Architectural / Engineering Coordination & Assistance:

Modern Building will be responsible for overall project Design, with RGA as the responsible Licensed Architect of Record. RGA will hold responsibility for Design Coordination among the design-build team members. Each design-build team member is responsible for their area of expertise with regard to project design and budget tracking. Each team member has a specified lead that will be monitoring design and budget throughout the course of drawing development. The responsible team members and their respective scope are outlined below as well as in the Proposed Staffing Plan of this submittal:

A. Overall Design Lead: Modern Building, Inc. – Phil Strawn
B. Architectural Design Lead: RGA, Inc. – Matt Gallaway
C. Structural Design Lead: RGA, Inc. – Don Russell
D. Pool Design Lead: Holiday Pools – Jim Dougherty
E. Civil Engineering & Survey Lead: NST Engineering - Jeff Morrish
F. Electrical Engineering Lead: CW Electric - Dale Wagoner
G. Low Voltage & Fire Alarm Design Lead: Voltage Specialists – Bill Bunch
H. Mechanical Design Lead: Jessee Heating & Air – John Gray
I. Landscape Architecture Design Lead: THPLA – Tom Phelps

PROPRIETARY DO NOT DISTRIBUTE

Architectural Design & Cost Estimating Support Plan:

Cost Estimating Support:

The Design-Build delivery method for construction contracting requires a great deal of direct involvement by the construction team. Drawing development will be based off of programing documents provided with the RFP, owner input, designer input and construction trade input. At each of the following delivery steps the programing, design and schedule will be reviewed against the budget:

1. Proposal Submission
2. Contract Award
3. 50% Design Development Documents
4. 90% Design Development Documents
5. 50% Construction Documents
6. Permit Submittal Drawings
7. Permit Approval Drawings
8. Construction Notice to Proceed
9. Periodically throughout the course of construction

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STATEMENT: BINDING OF THE PROPOSAL

Modern Building and its Design-Build Partners understand and agree that aspects of the RFP and this proposal submittal shall be binding if this proposal submittal is selected and a Design-Build Contract is awarded.

Authorized: _____

James Seegert – President Modern Building

STATEMENT: ADDITIONAL INFORMATION FOR ASSESSMENT

Modern Building and its Design-Build Partners agree to provide HLVRA with any additional information determined necessary for an accurate determination of the Design-Build Partner's ability to perform services as presented in this proposal submittal.

Authorized: _____

James Seegert – President Modern Building

STATEMENT: COMPLIANCE OF RULES, LAWS & REGULATIONS

Modern Building and its Design-Build Partners, if awarded a contract to provide Design-Build Services for the design and construction of the HLVRA Community Swimming Pool Project agree to comply with all applicable rules, laws, codes, and regulations of the State of California.

Authorized: _____

James Seegert – President Modern Building

MODER06 OP ID: MM

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/05/15

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beach & O'Neill Insurance
License #0E22542
7520 Greenback Ln
Citrus Heights, CA 95610

Phone: 916-676-0844
Fax: 916-676-0860

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Indemnity Co of CT	25682
INSURER B : Travelers Prop Cas of America	25674
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Modern Building, Inc.
P.O. Box 772
Chico, CA 95928

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER POLICY X PRO-JECT LOC			CO-9E937155-TCT-15	10/01/15	10/01/16	EACH OCCURRENCE	$	1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$	300,000
							MED EXP (Any one person)	$	10,000
							PERSONAL & ADV INJURY	$	1,000,000
							GENERAL AGGREGATE	$	2,000,000
							PRODUCTS - COMP/OP AGG	$	2,000,000
								$	
A	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			810-9E941814-TCT-15	10/01/15	10/01/16	COMBINED SINGLE LIMIT (Ea accident)	$	1,000,000
							BODILY INJURY (Per person)	$	
							BODILY INJURY (Per accident)	$	
							PROPERTY DAMAGE (Per accident)	$	
								$	
B	X UMBRELLA LIAB X OCCUR EXCESS LIAB CLAIMS-MADE DED X RETENTION $ 10,000			CUP-1F510357-TIL-15	10/01/15	10/01/16	EACH OCCURRENCE	$	5,000,000
							AGGREGATE	$	5,000,000
								$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [ ] N / A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			UB-9E93791-7-15	10/01/15	10/01/16	X WC STATU-TORY LIMITS OTH-ER		
							E.L. EACH ACCIDENT	$	1,000,000
							E.L. DISEASE - EA EMPLOYEE	$	1,000,000
							E.L. DISEASE - POLICY LIMIT	$	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

PROPRIETARY DO NOT DISTRIBUTE

CERTIFICATE HOLDER

FORIN-1

For Insured's Records

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Jamie Whiteside

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MODER06 OP ID: MM

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 10/05/15

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER
Beach & O'Neill Insurance
License #0E22542
7520 Greenback Ln
Citrus Heights, CA 95610

Phone: 916-676-0844
Fax: 916-676-0860

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Houston Casualty Company	42374
INSURER B :	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Modern Building, Inc.
P.O. Box 772
Chico, CA 95928

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	CLAIMS-MADE / OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			HCC1564288	10/01/15	10/01/16	Gen. Agg.	2,000,000
							Each Occ.	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of Insurance

PROPRIETARY DO NOT DISTRIBUTE

CERTIFICATE HOLDER

For Bidding Purposes

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jamie Whiteside

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NON-COLLUSION AFFIDAVIT:

TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID FOR:

Project Name Design-Build Services for Community Swimming Pool

James Seegert, being first duly sworn, deposes and says that he is President of Modern Building, Inc., the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Authorized: _____

James Seegert – President Modern Building

EXHIBIT B
SUBCONTRACTOR FORM

In accordance with the Subletting and Subcontracting Fair Practices Act (Public Contract Code Sections 4100, seq.) and Public Contract Code section 22166, the following information is required concerning proposed subcontractors who will accomplish work consisting of more than one-half of 1 percent of the Builder's construction price. No subcontractor may be substituted in place of a subcontractor listed in the original bid except as approved by the Authority in accordance with Public Contract Code section 4107. **Pursuant to Public Contract Code section 22166, any subcontractors who will perform work amounting to more than one-half of 1 percent of the construction price on this Project, and who are not included with the selected Builder's initial proposal, must be selected using a publicly noticed competitive bidding process.**

Note: If no subcontractors are proposed, please list – "NONE" and return this form.

Name Subcontractor	Street Address of Shop, Mill or Office	Types of Work/Category of Contract	$ Value of Work to be Done	Subcontractor's License Number	License Type/Expiration Date
IF NO SUBCONTRACTORS WILL BE USED – WRITE "NONE" HERE **SIGN** _____ **DATE** 10/22/2015					
Jessee Heating & Air	3025 Southgate Lane, Chico, CA 95928	HVAC, Mechanical, Sheet Metal	405424	$244,000.00	C20 & C43 - 06/30/2017
Holiday Pools	971 East Avenue #C, Chico, CA 95926	Swimming Pool Structure, Equip. Infrastructure & Hydronics	532127	$950,000.00	C53 - 06/30/2016
CW Electric	55 Tuscan Drive, Paradise, CA 95969	Electrical & Site Electrical	628578	$252,000.00	C10 - 11/30/2016

I declare under penalty of perjury that the foregoing is true and correct and this Declaration is executed this 22 day of October, 2016, in Chico, CA

Company Name Modern Building, Inc.

By: James Seegert
Builder Name

SUBCONTRACTOR FORM MUST BE RETURNED WITH PROPOSAL

1321721.1 14095-001

TRICON AQUATICS
11419 Sunrise Gold Circle Suite 6
Rancho Cordova, CA 95742

PROPOSAL FOR SCOPE OF WORK
Aquatics Facility

Wednesday, October 21, 2015

Design/Build Services
Community Swimming Pool

TRICON Construction, Inc. is a licensed contractor in California and Nevada serving all the California and Nevada areas. We currently hold valid California licenses in the A, B, C-8, C-10, and the C-53 categories and an A and B2 in Nevada. We hereby propose the following:

PROJECT NAME: Honey Lake Community Pool

To: Honey Lake Valley Recreation Authority

The following information outlines the scope of proposed construction to this proposal. All work within this scope shall be completed per plan and spec utilizing generally accepted construction techniques and practices in the proposed fields. This document shall be inclusive of any contractual agreements between parties and shall be exclusive to the contents of this proposal. This proposal and scope represents the entire proposal and scope agreement and supersedes all prior proposals, correspondence, negotiations, representations, or agreements ,either written or oral.

Proposed construction shall be constructed pursuant to the following plans and specifications as presented by: Design/ Build per RFP dated 9/28/15 as it applies to this proposal.

Bid Memos received =

Phase 1– Design

- Provide complete architectural, civil, plumbing, mechanical, electrical, structural, and landscape plans and specifications– see attached Exhibit "A" for preliminary layout guideline provide by owner. Permit Ready
- See attached Preliminary Design Exhibit

Phone– 916-638-9866
Fax– 916-638-9867
CCL# 754506
NV# 55616,57399

Phase 2– Construction and Inspection

Scope of Work– Pool

Construct a 25 meter by 25 yard "L" shaped 6 lane swimming pool, pool drainage pool perimeter decking and associated plumbing and mechanical systems meeting sanctioning requirements. Complete construction of a 25 meter by 25 yard "L" shaped cantilever gutter swimming pool to allow both lap and free swimming with a depth ranging from approximately 3 feet to approximately 12.5 feet, to be compatible with related on and off-site improvements. And shall include the following additional elements:

- Pool Size– approximately 5,700 s.f. approved and certified for USA swimming competitive 25 yard events.
- Approximately 2,000 s.f. of decking including deck drainage and joint sealants
- Properly sized filtration system capable of achieving a 6 hour turnover including all supply and return piping associated with a properly functioning system. All underground piping to be Schedule 40 PVC and all mechanical room piping to be Schedule 80 PVC.
- Complete System 6 timing system including- lane lines, touch pads, timing and single line scoreboard.
- See the attached equipment list for the safety, maintenance, deck, timing and mechanical equipment to be provided.
- Complete surge tank with access located in the pool deck area between the pool and the mechanical room.
- Complete electrical including pool lighting, and mechanical equipment connections from electrical panels.
- Rim flow style gutter is an option.

INCLUSIONS:

Scope of Work– Bathhouse

The bathhouse portion of the project shall consist of the complete construction of a 2000 s,f, building including related on and off-site improvements consisting of a check in area, men's and women's locker rooms with showers and restrooms, a family restroom, office and storage space, kiosk, and pool mechanical room.

Building-

- Bathhouse—2000 s.f. CMU walls with wood trusses and metal roofing with amenities as noted above.
- Mechanical room to consist of housekeeping pads, pump pit, backwash pit including waterproofing.
- Chemical storage rooms for isolated pool chemical storage with storage tanks and distribution pumps.

Site-

- Site Utilities—water, sewer, gas, electrical, geothermal, on-site geothermal well.
- Parking (60 stalls w/ 3 ADA) and emergency access road per Exhibit A in RFP.
- Fencing– 400' - 8'galv. chain link w/ service access gates– (no panic hardware)
- Landscaping and irrigation allowance– $ 22,000.00
- Site Lighting– Allowance $ 24,000.00
- Patio and Pathway– 7000 s.f. (no cover) allowance– $16,000.00
- Radiant heating from geo thermal under decks, patio and building as noted.
- Frontage Improvements– Allowance $ 18,000.00
- SWPP plan and implementation as required for project size.
- Provide temporary fencing, storage and office for construction.

Standard Exclusions:

1. Power/Water/Gas/ Utilities provided by owner
2. Permit fees, approval fees, utility connection fees, encroachment fees, any other fee required by local, state, and federal jurisdictions. And inspection costs by owner– Team Tricon to process.
3. Excessive soil or rock condition that requires blasting or other unusual methods of removal.
4. Spoils from pool excavation to be utilized onsite site for balance and landscaping.
5. No export considered
6. Rerouting underground utilities unknown at time of proposal.
7. Demolition and/or site preparation (Site to be +/- .10' by others)
8. Solar systems
9. Unknown and/or unforeseen conditions including soil and water mitigation
10. Owner to provide clear and unobstructed access to construction area
11. Any work not specifically included in this proposal is excluded without exception.

Acknowledgements-

Tricon agrees with items #8 and #9 of the RFP dated 9/28/15
Tricon acknowledges that this is a prevailing wage project.
Tricon DIR number 1000000528.
Tricon acknowledges and has included the require bonds and insurance.
Tricon to provide necessary SWPP management practices as require for project size.

Attachments-

RFP Exhibit 'A"
Architectural Design/Build Process Exhibit
Preliminary Design Exhibit
Construction Documents Exhibit
Construction Exhibit
Task Schedule Exhibit
Pool Equipment list
Tricon Insurance Cert.
Subcontractor List
Non-Collusion Statement
Bid Bond

Base Bid -	Phase 1	**$ 321,035.00**
	Phase 2	**$ 2,997,702.00**
	Total Project Costs-	**$ 3,318,737.00**

See scopes for allowances on specific items

Tricon installs Myrtha Stainless Steel Pool
Myrtha Pool Option- **Add $ 350,206.00**

Payment to be made per schedule of values submitted with the final contract or upon signed acceptance of this proposal.

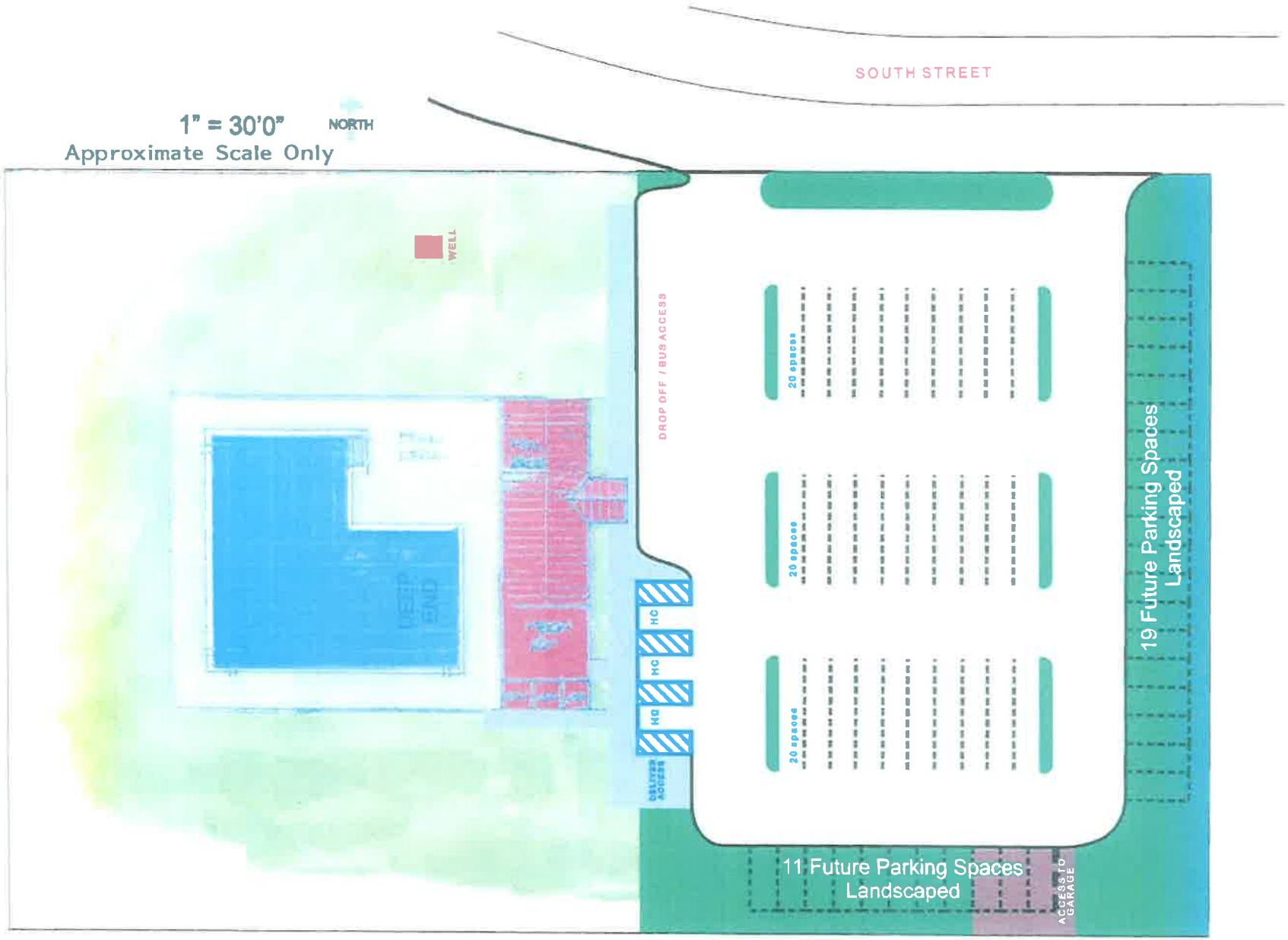
All work is to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from the above specifications involving extra costs will be executed only upon written work orders, and will result in an extra charge. All agreements are contingent upon strikes, accidents, delays, or weather beyond our control. Owner to carry necessary insurance. Tricon is fully covered by workman's compensation insurance. In the event legal action is instituted, the prevailing party shall be entitled to attorney's fees and associated costs. Monies not received within 30 days of the invoice date will incur a finance charge in the amount of 2% per month.

Accepted By: _____

Owner/Contractor Date

PROPOSAL IS VALID FOR 30 DAYS

EXHIBIT "A"


SOUTH STREET
1" = 30'0"
Approximate Scale Only
NORTH
WELL
DROP OFF / BUS ACCESS
20 spaces
20 spaces
20 spaces
HC
HC
HC
DELIVERY ACCESS
19 Future Parking Spaces
Landscaped
11 Future Parking Spaces
Landscaped
ACCESS TO GARAGE

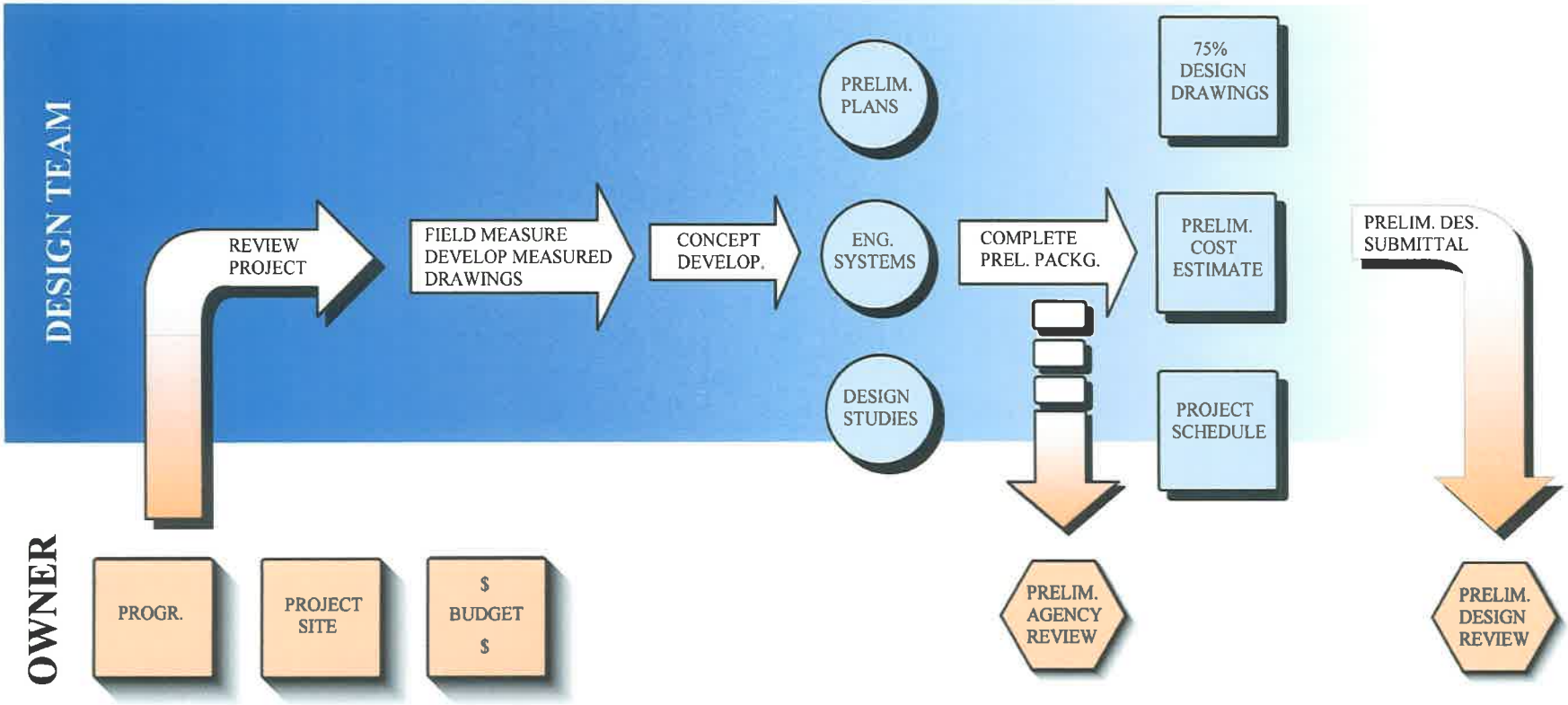
Two Rivers Architects inc

Architectural Design/Build Process

for Honey Lake Valley Recreation Authority Community Swimming Pool and Bath House

Project Phase	Results	Team
PROGRAMMING - Needs, Goals, and Desires (Written Form)	☐ Team Rooms/Locker/Showers/Toilets ☐ Swimming Pool Size Type ☐ Swimming Programs ☐ See Questionaire Optional	Owner Project Manager Architect
A PRELIMINARY DESIGN - Concept Sketches	☐ Incorporate Programming - needs, goals, and desires into a design concept ☐ Preliminary Site Plan, Pool Plan and Floor Plan ☐ Code Compliance ☐ Design Concept/Elevations/Sections/Features ☐ Finalize Allocations	Owner Project Manager Architect
B DEVELOP THE DESIGN	☐ Select Systems: Mechanical, Plumbing, Electrical and Structural ☐ Refine Swimming Pool Program ☐ Finalize design ideas including floor plans and site plan	Owner Architect
C CONSTRUCTION DRAWINGS	☐ Final ACAD drawings ☐ Final Design Details ☐ Final Mechanical, Electrical, Plumbing, for pool and building ☐ Final Site Drawings with Civil Engineer	Contractor Structural Engineer Mechanical Engineer
D PERMITTING	☐ City of Susanville Building Department ☐ Health Department ☐ Fire Authority ☐ ADA Compliance	Electrical Engineer Civil Engineer
E CONSTRUCTION	☐ Contractor to get sub bid ☐ Bid/Negotiate Construction Contracts ☐ Sign Contracts ☐ Establish Timeline ☐ Start Construction!	Owner Contractor Architect Contractor
OCCUPANCY	☐ Final Walk Through ☐ Move In: Pool, Furnishings, and Equipment, etc. ☐ Warranties	Celebrate!

PRELIMINARY DESIGN



Preliminary Design

1. Notice to proceed

2. Review the Program, Budget and schedule and the existing space to confirm and validate the project.

3. Review project materials with Design Team and develop a working schedule.

4. Meet with client's Representative, discuss scope, goals, budget, schedule,
   -Take field measurements
   -Field /verify information

5. Develop measured floor plans /elevations

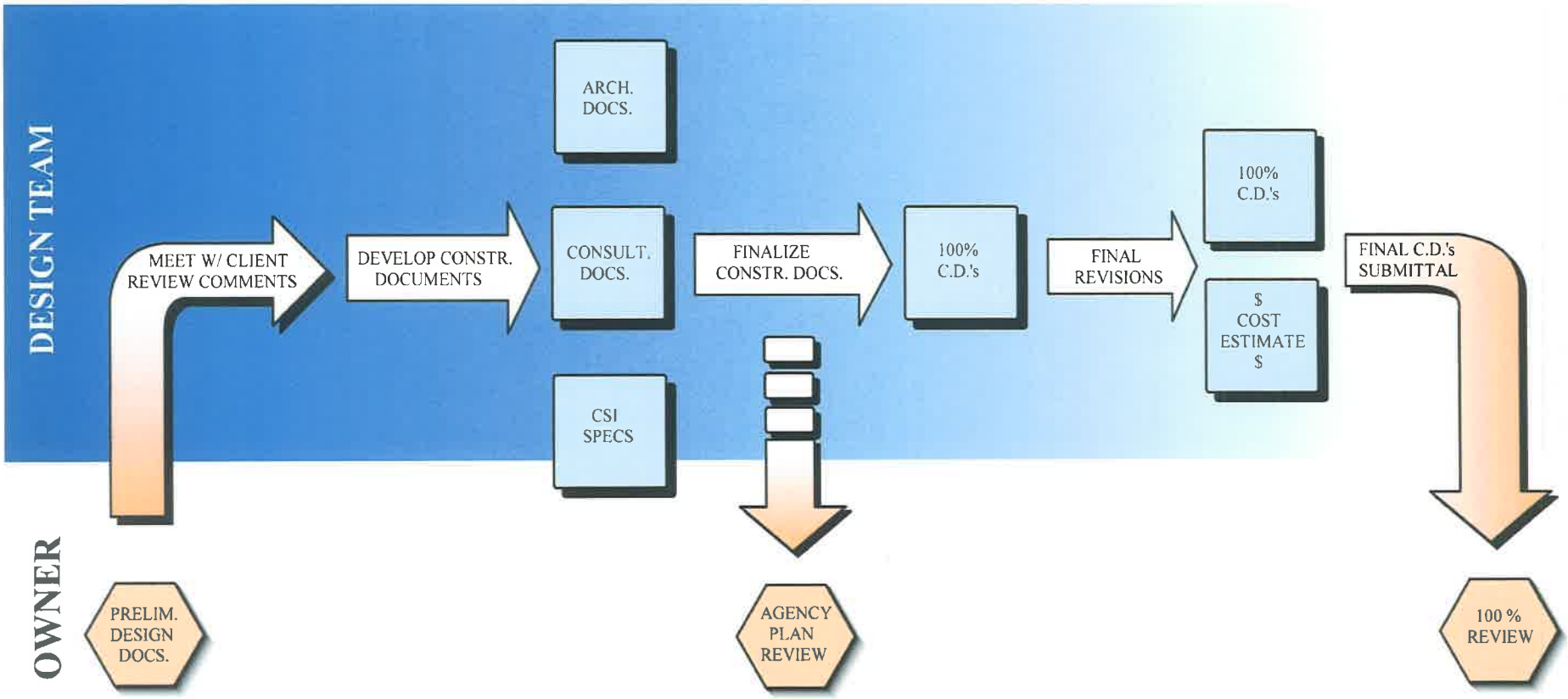
6. Charette meetings with client, discuss solutions /alternatives to fit the project requirements within the existing space. Present sketches, drawings of proposed ideas, materials and colors for District's and CDE review and input.

7. Coordinate with Design Team to develop the Preliminary Design.

8. Preliminary plan check meeting with Planning, Bldg, Fire Dept. to agree on scope of project.

9. Develop a Preliminary Design package to include drawings, cost estimate and project schedule, and submit to client for review.

CONSTRUCTION DOCUMENTS



Technical Documents

10. Meet with client to review project comments and determine solutions

11. Incorporate client comments onto Project

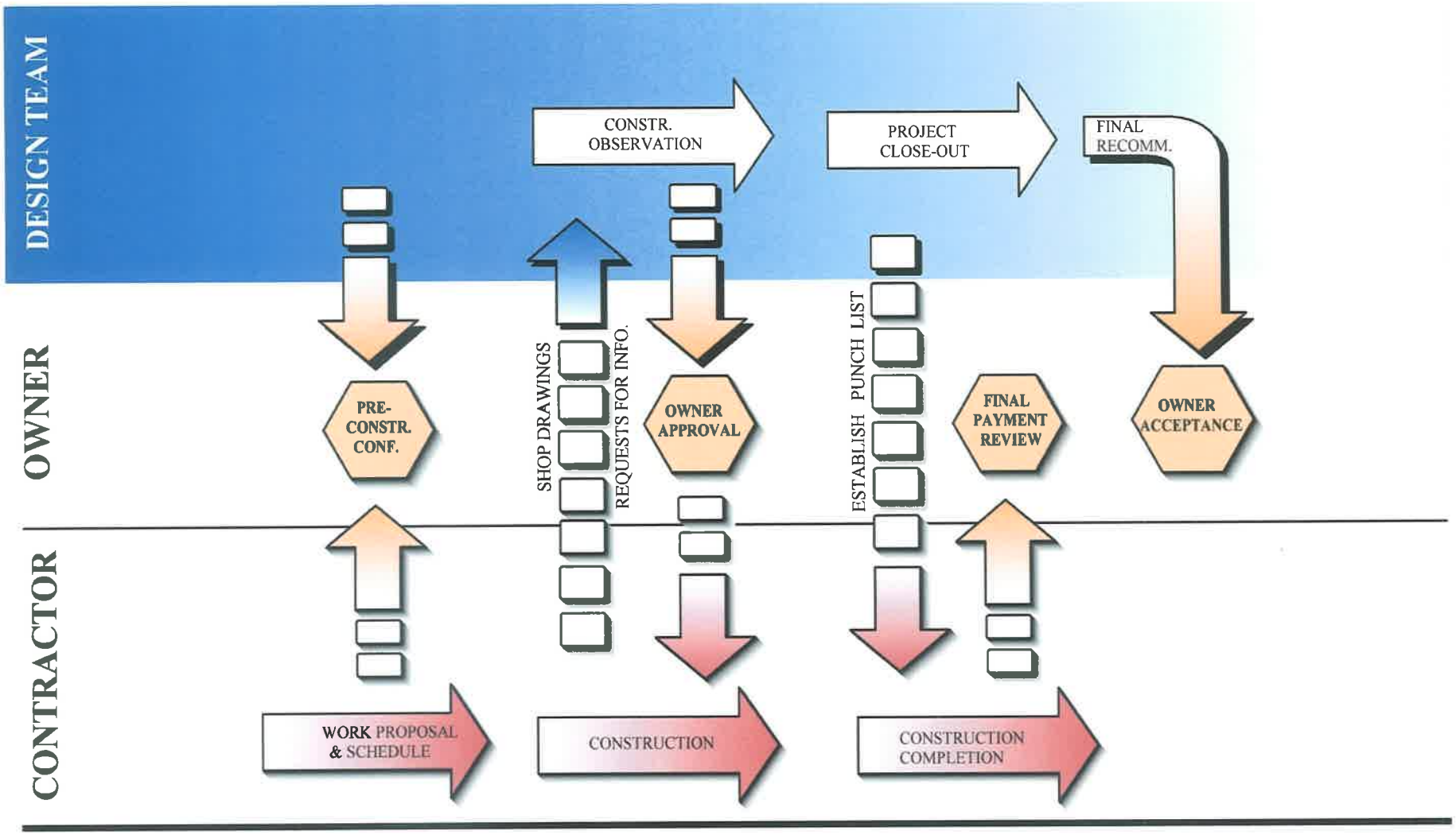
12. Prepare Construction Documents. Design Team prepares engineering technical documents for structural, mechanical and electrical disciplines. Interior design finishes are finalized and documents prepared.

13. Prepare CSI format specifications to describe the materials, quality and performance criteria. These are checked and coordinated with the drawings.

14. Finalize all drawings, specifications and cost estimate to 100%, suitable for bidding and construction. The coordination of all design disciplines is verified by an extensive in-house check.

15. Submit the final documents to City of Susanville having review authority. Comments and directions from plan check are incorporated into documents.

CONSTRUCTION



Construction Administration

16. Assist client with Pre-construction meeting. Discuss contractor's work proposal and schedule. Establish consensus on the schedule, identify communications and review process, and establish project benchmarks.

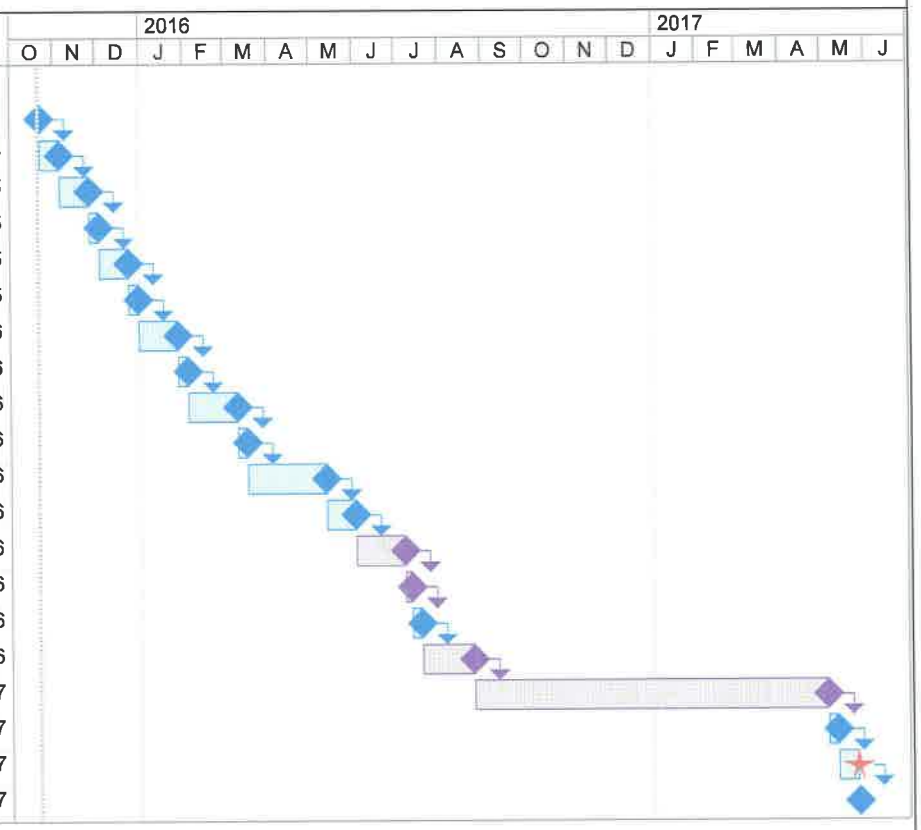
17. Design team reviews contractor's submittals and shop drawings for compliance with contract. Assist client in responses to contractor's RFI's.

18. Design team provides field observation trips during construction to confirm compliance with the contract documents and project schedule.

19. Review all aspects of project as the work nears completion. Design team prepares a "Punch List" of items to be completed, coordinated, or corrected prior to final acceptance. Closeout with City of Susanville.

HONEY LAKE VALLEY RECREATION AUTHORITY
Design-Build Services for a Community Swimming Pool

ID	Task Name	Duration	Start	Finish
1				
2	Proposal due	1 day	Thu 10/22/15	Thu 10/22/15
3	Interviews -Sign contract approv	2 wks	Fri 10/23/15	Thu 11/5/15
4	Initial planning and Schematic	3 wks	Fri 11/6/15	Thu 11/26/15
5	District Approval of Plan & Schematic	1 wk	Fri 11/27/15	Thu 12/3/15
6	Preliminary Design	3 wks	Fri 12/4/15	Thu 12/24/15
7	District Approval	1 wk	Fri 12/25/15	Thu 12/31/15
8	Design Development	4 wks	Fri 1/1/16	Thu 1/28/16
9	District Approval	1 wk	Fri 1/29/16	Thu 2/4/16
10	Construction Documents	5 wks	Fri 2/5/16	Thu 3/10/16
11	District Approval	1 wk	Fri 3/11/16	Thu 3/17/16
12	File with The City of Susanville	2 mons	Fri 3/18/16	Thu 5/12/16
13	Back-Check	3 wks	Fri 5/13/16	Thu 6/2/16
14	Subcontractor's bid review	5 wks	Fri 6/3/16	Thu 7/7/16
15	Subcontractor's bid confirmation	3 days	Fri 7/8/16	Tue 7/12/16
16	District Review	1 wk	Wed 7/13/16	Tue 7/19/16
17	Submittals / sewer & water permits	27 days	Wed 7/20/16	Thu 8/25/16
18	Construction	9 mons	Fri 8/26/16	Thu 5/4/17
19	Move-in	5 days	Fri 5/5/17	Thu 5/11/17
20	Contingency	2 wks	Fri 5/12/17	Thu 5/25/17
21	Occupancy	1 day	Fri 5/26/17	Fri 5/26/17



Two Rivers Architects

Wed 10/21/15

TRICON AQUATICS

Pool Equipment

QTY	REF #	LEI ITEM #	DESCRIPTION
5100		84-020	1010 STD Cover, weighted, 3,000 + sq ft
1		85-125	Triple-shafted winder, 18'
27		40-005	Adjustable floor inlet, ABS, white
			Mechanical Equipment
1		15-485	Stark SS2-96M-06 Filter, Semi-Automatic includes media
1		13-120	Paco main circulation pump 15 hp #10-40957-14000X-2822EE closed couple end suction
1		21-045	MegaTherm 1,825,000 BTU heater, indoor
1		21-050	Cal Code - MegaTherm
1		05-036	Chemtrol PC 2100 controller
1		08-025	Pulsar 140 Chlorination System
1		10-101	Stenner pump, 85 GPD, single, 3/8"
1		12-214	Double containment tank, 65 gallon
1		20-096	Lincoln dual float valve, 8" sealed ends
1		20-005	Surge chamber float control
1		20-020	Cla-Val water make-up, 2", threaded, globe
2		39-680	SuperFlow 24 x 24 VGB grates
1		14-600	Fiberglass reducing strainer, 8" x 5"
			Mechanical Equipment for 910 gpm
1		60-045	Paragon stainless steel wall goals, pair
1		60-050	Paragon wall goal nets, pair
4		53-084	Bronze anchor with threaded cap (1.90" i.d.)
6		59-285	Single line scoreboard, outdoor
1		59-295	System 6 Timing System
1		59-110	Infinity start system, wired
1		59-115	Heavy duty tripod, Infinity
6		59-235	Colorado Regular Touchpad, 60"
1		59-255	Colorado Touchpad Caddy
1		13-835	AcuDrive, 15 HP, 3 ph, 200-240 V, NEMA12, w/ fused disconnect
1		19-405	Signet Magmeter flow sensor, no display, 5"-8", frequency
6		59-360	Deck Plates, DP-6

QTY	REF #	LEI ITEM #	DESCRIPTION
			Section 13156 2.01 Safety Equipment
1		47-085	First-aid kit, 50 people
3		42-020	Lincoln Rescue Tube
3		44-075	Ring buoy, 24"
3		42-050	Rescue throw rope, 60'
3		42-065	Life hook with pole
2			Pool Safety signs
			Section 13156 2.02 Maintenence Equipment
1		27-010	Lincoln portable vacuum, 1 1/2 HP
1		29-110	Pool King vac hose, 1 1/2" x 100'
2		30-041	12'-24' Fiberglass telescopic pole
1		28-186	24" Commercial vacuum
2		31-030	Curved end wall brush, 36"
			Section 13152 Deck Equipment
16		40-136	Cup anchor, triangular eyebolt style
6		52-035	Quickset Long Reach platform
4		53-060	Backstroke stanchion, .109"
2		53-075	False start stanchion, .109"
6		53-085	Bronze anchor w/ tamper-proof cap (1.90" i.d.)
200		53-010	Backstroke pennants, special order/ft.
1		81-231	Splash Extended Reach Aquatic Lift with anchor (Not approved as equal)
7		50-030	Competitor lane line, 75'
1		51-037	Paragon lane reel w/s.s. casters
1		51-040	Paragon lane reel cover
1			Rope safety line 45'
1		34-015	Durafirm 1M, double rails, 2 sides
1		34-010	Bronze deck anchors, set of 8 (1M & 3M)
1		35-010	Duraflex diving board, 16'
326		22-008	12" PVC grating /ln. ft., white
4		22-013	Stainless Steel Hold down clips, pkg. of 50

TRICO-3 OP ID: MM

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/01/15

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Beach & O'Neill Insurance
License #0E22542
7520 Greenback Ln
Citrus Heights, CA 95610

Phone: 916-676-0844
Fax: 916-676-0860

CONTACT NAME:
PHONE (A/C, No, Ext):
FAX (A/C, No):
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Admiral Insurance Company	24856
INSURER B : American Fire and Casualty Co	24066
INSURER C : National Union Fire Ins Co	19445
INSURER D : Everest National Ins Co	10120
INSURER E : Westchester Surplus Lines Ins	10172
INSURER F :	

INSURED
Tricon Construction, Inc.
Dba: Tricon Aquatics
11419 Sunrise Gold Cir. Ste 6
Rancho Cordova, CA 95742

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY X PRO-JECT LOC			CA00001384807	02/08/15	02/08/16	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 50,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000,000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
B	AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS			BAA56353218	02/08/15	02/08/16	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
C	UMBRELLA LIAB X OCCUR X EXCESS LIAB CLAIMS-MADE DED RETENTION $			BE061124996	02/08/15	02/08/16	EACH OCCURRENCE	$ 10,000,000
							AGGREGATE	$ 10,000,000
								$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		7600012184151	10/01/15	10/01/16	X WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
E	Pollution Liability			G24367046003	02/08/15	02/08/16	Gen Agg. Each Occ.	2,000,000 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Not valid as evidence of insurance for any party other than certificate holder

RECEIVED

CERTIFICATE HOLDER

FORIN-1

For Insured's Records

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Jamie Whiteside

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EXHIBIT B
SUBCONTRACTOR FORM

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IF NO SUBCONTRACTORS WILL BE USED – WRITE "NONE" HERE **SIGN** _____ **DATE** _____					
Burkett's	Gilida, Ca	Pool Tile, Plaster		890167	C-53 - 1/31/17
Crusader Fence	Rancho Cordova, Ca	Fencing		726527	C-13 - 8/31/2016
Superior Concrete	Lakeview Terrace	Sitecrete		370034	C-53 - 3/31/2017
Cambline Steel	Rocklin, Ca	Rebar		218839	C-50 - 7/31/2016
Joy Engineering	Portola, Ca	Misc. Site		395555	A - 3/31/2017

I declare under penalty of perjury that the foregoing is true and correct and this Declaration is executed this 21st day of OCTOBER 2015, in RANCHO CORDOVA CA 95814

Company Name TRICON Aquatics

By: [signature]
Builder Name

<u>SUBCONTRACTOR FORM MUST BE RETURNED WITH PROPOSAL</u>

NONCOLLUSION AFFIDAVIT TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

STATE OF CALIFORNIA)
) ss.
County of SACRAMENTO)

THOMAS A. REID, being first duly sworn, deposes and says that he ~~or she~~ is of PRESIDENT OF TRICON the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or a sham bid; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member of agent thereof to effectuate a collusive or sham bid.

TRICON CONSTRUCTION, INC. DBA TRICON AQUATICS

Signature of Bidder: Thomas A. Reid

(Notarization NOT Required)

END OF SECTION

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA Document A310

Bid Bond

Bond No. 975TC107

KNOW ALL MEN BY THESE PRESENTS, that we

TRICON Construction, Inc. dba Tricon Aquatics, 11419 Sunrise Gold Circle, Suite 6, Rancho Cordova, CA 95742

as Principal, hereinafter called the Principal, and

Fidelity and Deposit Company of Maryland

a corporation duly organized under the laws of the State of *New Jersey* as Surety, hereinafter called the Surety, are held and firmly bound unto

Honey Lake Valley Recreation Authority, C/O City of Susanville, 66 North Lassen Street, Susanville, CA 96130

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

Ten Percent (10%) of the Total Amount of the Bid. Dollars ($10*% of Bid Amount*),

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

WHEREAS, the Principal has submitted a bid for

Design-Build Services, Community Swimming Pool, 800 South Street, Susanville, California

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

Signed and sealed this *14th* day of October, 2015.

TRICON Construction, Inc.dba Tricon Aquatics
(Principal) *(Seal)*

(Witness)

Thomas A. Reid, President *(Title)*

Fidelity and Deposit Company of Maryland

(Surety) *(Seal)*

(Witness)

Stanley J. Matranga, Attorney-In-Fact *(Title)*

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Maryland, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Maryland (herein collectively called the "Companies"), by **GERALD F. HALEY, Vice President,** in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Stanley J. MATRANGA and Eric V. MATRANGA, both of Carmichael, California, EACH** its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: **any and all bonds and undertakings,** and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York., the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland., and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland., in their own proper persons.

The said Vice President does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article V, Section 8, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said **ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND**, this 30th day of September, A.D. 2014.

ATTEST:

ZURICH AMERICAN INSURANCE COMPANY
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

By: Eric D. Barnes

Secretary
Eric D. Barnes

Gerald F. Haley

Vice President
Gerald F. Haley

State of Maryland
County of Baltimore

On this 30th day of September, A.D. 2014, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **GERALD F. HALEY, Vice President, and ERIC D. BARNES, Secretary,** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, deposeth and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.

Maria D. Adamski

Maria D. Adamski, Notary Public
My Commission Expires: July 8, 2015

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sacramento)

On October 14th, 2015 before me, Eric Matranga, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Stanley J. Matranga
Name(s) of Signer(s)

,

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

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

WITNESS my hand and official seal.

ERIC MATRANGA
Commission # 2056528
Notary Public - California
Sacramento County
My Comm. Expires Jan 31, 2018

Signature
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

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AGREEMENT

THIS AGREEMENT is made as of the _____ day of _____, 20____, between HONEY LAKE VALLEY RECREATIONAL AUTHORITY (the "Authority"),

and Design Builder:	MODERN BUILDING INC.
whose address for notices is:	PO Box 772 Chico, CA 95927
for the Project:	Design-Build Services for Community Swimming Pool Honey Lake Valley Recreational Authority 800 South Street Susanville, CA 96130
Authority's Responsible Administrator:	Jared Hancock, Executive Officer
Authority's Representative is:	{Name & Title }
whose address for notices is:	Honey Lake Valley Recreational Authority 66 North Lassen Street Susanville, CA 96130

Authority and Design Builder hereby agree as follows:

ARTICLE 1 WORK

Design Builder shall provide all work required by the Contract Documents (the "Work"). Design Builder agrees to do additional Work arising from changes ordered by the Authority pursuant to Article 7 of the General Conditions. The Work will be performed in Phases identified as follows:

Phase 1 – Design Development Documents

Phase 2 – Construction

ARTICLE 2 OPTIONS

The Authority may exercise its option for performance of the Work under Phase 2 by providing a written Notice to Proceed to the Design Builder to commence performance. The Option for Phase 2 may be exercised not later than 30 days after the expiration of Phase 1 Time or the acceptance by the Authority of the Design Development Documents under Phase 1, whichever is later. If Design Builder has complied with all other terms of the Contract and the Authority fails to exercise its Option for Phase 2 by such calculated date, the Design Builder agrees that a time extension will be its sole and complete remedy for any damage or loss incurred as a result of the delay in exercising said Option for Phase 2.

The Authority's "OPTIONS" rights under this Article 2 are independent of the "Termination for Convenience" rights as set forth in Article 13, section 13.4 of the General Conditions. As such, if the Authority opts to not proceed with Phase 2 after the completion of Phase 1, Design Builder's right of recovery is limited to the Guaranteed Maximum Price for Phase 1.

The Authority retains the right to terminate this Contract for convenience at any time in accordance with Article 13 of the General Conditions.

ARTICLE 3 CONTRACT DOCUMENTS

"Contract Documents" means the Notice of Prequalification for Design Build Services issued on _____, 20__, Request for Proposals, Design Builder's Proposal (including all accompanying documents), Notice of Selection As Apparent Best Value Proposal, this Agreement, General Conditions, Supplementary Conditions, if any, Exhibits, Specifications, List of Drawings, Drawings, Addenda, Notice to Proceed, Change Orders, Notice of Completion, and all other documents identified in this Agreement that together form the contract between Authority and Design Builder for the Work (the "Contract"). The Contract constitutes the complete agreement between Authority and Design Builder and supersedes any previous agreements or understandings.

ARTICLE 4 CONTRACT SUM

Subject to the provisions of the Contract Documents Authority shall pay to Design Builder, for the performance of the Work, $_____, as the Guaranteed Maximum Price for Phase 1. The Authority shall pay for the performance of the Work for Phase 2, the Guaranteed Maximum Price of $_____, if the option for said Phase is exercised.

The HLVRA shall maintain a HLVRA controlled contingency separate and apart from the Guaranteed Maximum Price. This contingency shall be in the amount of $150,000 and may be used by the HLVRA in its sole and absolute discretion for the Work contemplated herein.

ARTICLE 5 CONTRACT TIME

Design Builder shall commence the Work for Phase 1 on the date specified in the Notice to Proceed for Phase 1 and fully complete the work within 120 days, the "Phase 1 Time." The Contract Time at contract award is the Phase 1 Time.

The time allowed for the completion of Phase 2 shall be as follows:

Phase 2 – The Design Builder shall commence the Work for Phase 2 on the date specified in the Construction Notice to Proceed for Phase 2 and fully complete the Work for Phase 2 within 180 days, the "Phase 2 Time." If the Authority exercises its Option for Phase 2, the Phase 2 Time will be added to the Contract Time for completion of Phases 1, plus any days between the completion of Phase 1 and the exercise of the Option for Phase 2 to establish a revised Contract Time for completion of all Phases. In the event that the Option for Phase 2 is exercised prior to the completion of Phase 1, the revised Contract Time will be the number of days from the start of Phase 1 to the exercise of the option for Phase 2, plus the number of days specified herein for the completion of Phase 2.

By signing this agreement, Design Builder represents to Authority that i) the Phase 1 Time and Phase 2 Time are reasonable for completion of the Work of the respective Phase; ii) the Contract Time (as defined above) is reasonable for completion of the Work of all the Phases; and iii) Design Builder will complete the Work within the Contract Time.

ARTICLE 6 LIQUIDATED DAMAGES

If Authority has exercised its option for Phase 2 and Design Builder fails to complete the Work for Phase 2 within the Contract Time, Design Builder shall pay to Authority, as liquidated damages and not as a penalty, the applicable amount(s) indicated below as "Liquidated damage daily rate for Phase 2" for each day after the expiration of the Contract Time that the Work remains incomplete. After Substantial Completion, the liquidated damages daily rate for Phase 2 shall be reduced to the sum indicated below. Authority and Design Builder agree that if the Work is not completed within the Contract Time, Authority's damages would be extremely difficult or impracticable to determine and that said amounts indicated below are reasonable estimates of and

reasonable sums for such damages. Authority may deduct any liquidated damages due from Design Builder from any amounts otherwise due to Design Builder under the Contract Documents. This provision shall not limit any right or remedy of Authority in the event of any other default of Design Builder other than failing to complete the Work within the Contract Time. This Article 6 will only apply if the Authority exercises its Option for Phase 2.

Liquidated damages daily rate for Phase 2 - $1,500.00 (on or before Substantial Completion)

Liquidated damages daily rate for Phase 2 - $1,000.00 (after Substantial Completion)

ARTICLE 7 COMPENSABLE DELAY

If Design Builder is entitled to an increase in the Guaranteed Maximum Price as a result of a Compensable Delay, determined pursuant to Articles 7 and 8 of the General Conditions, the Guaranteed Maximum Price will be increased by the sum indicated below per day for each day for which such compensation is payable. This Article 7 will apply only if the Authority exercises its Option for Phase 2 and only to the extent that Design Builder fulfills requisites proving entitlement to Compensable Delay.

Compensable delay daily rate for Phase 2 - $500.00

ARTICLE 8 ASSIGNMENT

If this Agreement is terminated prior to the exercise of the Authority's Option for Phase 2, the Design Builder shall execute an assignment to the Authority of all contracts with Design Professionals for work to be performed on Phase 1.

ARTICLE 9 DUE AUTHORIZATION

The person or persons signing this Agreement on behalf of Design Builder hereby represent and warrant to Authority that this Agreement is duly authorized, signed, and delivered by Design Builder.

ARTICLE 10 DESIGN BUILDER'S COVENANTS AND REPRESENTATIONS

Without superseding, limiting, or restricting any other representation or warranty set forth elsewhere in the Contract Documents, or implied by operation of law, the Design Builder makes the following covenants and representations to Authority:

10.1 Design Builder and all of its Design Professionals and subcontractors are properly certificated, licensed and qualified to perform the Work required by the Contract Documents.

10.2 Design Builder accepts the relationship of trust and confidence with the Authority established by the Contract Documents. Design Builder will cooperate with Authority.

10.3 Design Builder and its Design Professionals have carefully examined the site of the Project and the adjacent areas, have suitably investigated the nature and location of the Construction Work and have satisfied themselves as to the general and local conditions which will be applicable, including but not limited to: (1) conditions related to site access and to the transportation, disposal, handling and storage of materials; (2) the availability of labor, water, power and roads; (3) normal weather conditions; (4) observable physical conditions at the site and existing site conditions including: size, utility capacities and connection options of external utilities; (5) the

surface conditions of the ground and (6) the character and availability of the equipment and facilities which will be needed prior to and during the performance of Construction Work.

10.4 Design Builder and its Design Professionals have suitably reviewed the site survey, record documents, seismic data, preliminary geotechnical and other test reports, environmental documents and any other documentation furnished by Authority in the Exhibits.

10.5 Design Builder and its Design Professionals have carefully reviewed the following exhibits to the Design Build Contract: (1) Scope of Work (including Applicable Codes, Rules and Regulations, Energy Requirements, etc.); (2) the Performance Specifications; (3) Project Program; and (4) Schematic Drawings. Design Builder agrees that (1) the Exhibits depict and describe a design for the Project which is partially complete and may vary in degree of completion from 5% to 95% depending on the particular Project; (2) it will manage, coordinate and fully complete the design; (3) Design Builder will cause its Design Professionals to describe and depict the final design for the Project, as approved by the Authority, in Construction Documents which will include all information required by the building trades to complete the construction (other than such details customarily developed by others during construction) and (4) it will manage and timely construct the Project in consideration for the Authority's payment of the Guaranteed Maximum Price for Phases 1 and 2.

10.6 Design Builder and its Design Professionals have reviewed the Preliminary Schedule attached to the Request for Proposals and agree that the design and construction tasks and milestones are reasonable and feasible, except as modified by Design Builder's Proposed Contract Schedule, approved by Authority. Design Builder also agrees that time is of the essence for the performance of the Work.

10.7 Design Builder agrees that all Construction Documents will be complete, coordinated, and accurate.

10.8 Design Builder agrees that all materials, equipment and furnishings incorporated into or used in the Construction Work will be of good quality, new (unless otherwise required or permitted by the Contract Documents) and free of liens, claims and security interests of third parties. If required by the Authority, Design Builder will furnish satisfactory evidence as to the kind and quality of the materials, equipment and furnishings.

10.9 Design Builder agrees that the Work will be of good quality, free of defects and will conform with the requirements of the Contract Documents. Work not conforming to the requirements of the Contract Documents, including substitutions in design or construction not specifically approved or authorized by the Authority in advance, may be considered defective.

10.10 Design Builder agrees to correct any error(s), omission(s), or deficiencies in the Contract Documents or Construction Documents at no additional cost to Authority; however, this provision in no way limits the liability of Design Builder.

THIS AGREEMENT is entered into by Authority and Design Builder as of the date set forth above.

AUTHORITY:

By:_____
(Signature)

_____
(Printed Name)

_____
(Title)

DESIGN BUILDER

_____
(Name of Firm)

_____
(Type of Organization)

By:_____
(Signature)

_____
(Printed Name)

_____
(Title)

Design Builder's California Contractor License(s):

_____
(Name of Licensee)

_____
(Classification and License Number)

_____
(Expiration Date)

Design-Builder's Employer Identification No:

_____
(XX-XXXXXXX)

Attach notary acknowledgment for all signatures of Design Builder. If signed by other than the sole proprietor, a general partner, or corporate officer, attach original notarized Power of Attorney or Corporate Resolution.

GENERAL CONDITIONS

TABLE OF CONTENTS

Page

RECITALS **5**

ARTICLE 1 GENERAL PROVISIONS **6**

1.1. BASIC DEFINITIONS 6

1.2. OWNERSHIP AND USE OF CONTRACT DOCUMENTS 122

1.3. INTERPRETATION 12

ARTICLE 2 AUTHORITY **133**

2.1. FEE AND PERMIT REQUIREMENTS 13

2.2. ACCESS TO PROJECT SITE 13

2.3. AUTHORITY'S RIGHT TO STOP THE WORK 13

2.4. AUTHORITY'S RIGHT TO CARRY OUT THE WORK 13

2.5. AUTHORITY'S RIGHT TO REPLACE AUTHORITY'S REPRESENTATIVE 14

ARTICLE 3 DESIGN BUILDER **14**

3.1. REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY DESIGN BUILDER; SINGLE POINT RESPONSIBILITY OF DESIGN BUILDER 144

3.2. DESIGN, SUPERVISION AND CONSTRUCTION PROCEDURES 14

3.3. LABOR AND MATERIALS 15

3.4. DESIGN BUILDER'S WARRANTY 15

3.5. TAXES 15

3.6. PERMITS, FEES, AND NOTICES 15

3.7. APPLICABLE CODE REQUIREMENTS 15

3.8. SUPERINTENDENT 16

3.9. TOXIC MATERIALS 16

3.10. HAZARDOUS MATERIALS 16

3.11. CONSTRUCTION DOCUMENTS 17

3.12. MONTHLY REPORTS 19

3.13. OTHER REPORTS 19

3.14. NOTICES OF LABOR DISPUTE 19

3.15. GUARANTEE 19

3.16. SCHEDULES REQUIRED OF DESIGN BUILDER 20

3.17. AS-BUILT DOCUMENTS 21

3.18. DOCUMENTS AND SAMPLES AT PROJECT SITE 21

3.19. SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES 22

3.20. USE OF SITE AND CLEAN UP 22

3.21. CUTTING, FITTING, AND PATCHING 23

3.22. ACCESS TO WORK BY AUTHORITY 23

3.23. ROYALTIES AND PATENTS 23
3.24. DIFFERING SITE CONDITIONS 23
3.25. CONCEALED, UNFORESEEN, OR UNKNOWN CONDITIONS OR EVENTS 24
3.26. INFORMATION AVAILABLE TO BIDDERS 24
3.27. LIABILITY FOR AND REPAIR OF DAMAGED WORK 24
3.28. INDEMNIFICATION 25
ARTICLE 4 ADMINISTRATION OF THE CONTRACT 26
4.1. ADMINISTRATION OF THE CONTRACT BY AUTHORITY'S REPRESENTATIVE 26
4.2. DESIGN BUILDER CHANGE ORDER REQUESTS 27
4.3. CLAIMS 29
4.4. ASSERTION OF CLAIMS 31
4.5. CIVIL ACTION PROCEDURES 34
4.6. DISPUTES 35
4.7. MEDIATION 35
4.8. WAIVER 35
ARTICLE 5 SUBCONTRACTORS 35
5.1. AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK 35
5.2. SUBCONTRACTUAL RELATIONS 36
5.3. CONTINGENT ASSIGNMENT OF SUBCONTRACTS 37
ARTICLE 6 CONSTRUCTION BY AUTHORITY OR BY SEPARATE CONTRACTORS 37
6.1. AUTHORITY'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS 37
6.2. MUTUAL RESPONSIBILITY 37
6.3. AUTHORITY'S RIGHT TO CLEAN UP 37
ARTICLE 7 CHANGES IN THE WORK 38
7.1. CHANGES 38
7.2. CHANGES DEFINITIONS 38
7.3. CHANGE ORDER PROCEDURES 38
7.4. FIELD ORDERS 42
7.5. VARIATION IN QUANTITY OF UNIT PRICE WORK 43
7.6. WAIVER 43
ARTICLE 8 CONTRACT TIME 43
8.1. COMMENCEMENT OF THE WORK 43
8.2. PROGRESS AND COMPLETION 43
8.3. DELAY 44
8.4. ADJUSTMENT OF THE CONTRACT TIME FOR DELAY 44
8.5. COMPENSATION FOR DELAY 46

8.6. WAIVER 46
ARTICLE 9 PAYMENTS AND COMPLETION 47
9.1. COST BREAKDOWN 47
9.2. PROGRESS PAYMENT 47
9.3. APPLICATION FOR PAYMENT 47
9.4. CERTIFICATE FOR PAYMENT 48
9.5. DEPOSIT OF SECURITIES IN LIEU OF RETENTION AND DEPOSIT OF RETENTION INTO ESCROW 489
9.6. BENEFICIAL OCCUPANCY 50
9.7. SUBSTANTIAL COMPLETION 50
9.8. FINAL COMPLETION, FINAL PAYMENT, AND RELEASE OF RETENTION 51
ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY 52
10.1. SAFETY PRECAUTIONS AND PROGRAMS 52
10.2. SAFETY OF PERSONS AND PROPERTY 52
10.3. EMERGENCIES 53
ARTICLE 11 INSURANCE AND BONDS 53
11.1. DESIGN BUILDER'S INSURANCE 53
11.2. BUILDER'S RISK PROPERTY INSURANCE 55
11.3. PERFORMANCE BOND AND PAYMENT BOND 55
ARTICLE 12 UNCOVERING AND CORRECTION OF CONSTRUCTION WORK 55
12.1. UNCOVERING OF WORK 55
12.2. CORRECTION OF DEFECTIVE WORK AND GUARANTEE TO REPAIR PERIOD 56
ARTICLE 13 TERMINATION OR SUSPENSION OF THE CONTRACT 57
13.1. TERMINATION BY DESIGN BUILDER 57
13.2. TERMINATION BY AUTHORITY FOR CAUSE 57
13.3. SUSPENSION BY AUTHORITY FOR CONVENIENCE 58
13.4. TERMINATION BY AUTHORITY FOR CONVENIENCE 59
ARTICLE 14 STATUTORY AND OTHER REQUIREMENTS 60
14.1. NONDISCRIMINATION 60
14.2. PREVAILING WAGE RATES 62
14.3. PAYROLL RECORDS 62
14.4. APPRENTICES 63
14.5. CONSTRUCTION WORK-DAY 64
14.6. PATIENT HEALTH INFORMATION (if applicable) 64
ARTICLE 15 MISCELLANEOUS PROVISIONS 64
15.1. GOVERNING LAW 64
15.2. SUCCESSORS AND ASSIGNS 64
15.3. RIGHTS AND REMEDIES 65

15.4. SURVIVAL 65
15.5. COMPLETE AGREEMENT 65
15.6. SEVERABILITY OF PROVISIONS 65
15.7. AUTHORITY'S RIGHT TO AUDIT 65
15.8. METHODS OF DELIVERY FOR SPECIFIED DOCUMENTS 65
15.9. TIME OF THE ESSENCE 66
15.10. MUTUAL DUTY TO MITIGATE 66

RECITALS

The documents included in the Request for Proposals and the Design Builder's Proposal, incorporated herein, and designated as part of the Contract Documents are provided by the Authority to establish the scope, level of quality and design intent, and the reporting procedures for the development and construction of the entire Project. The Design Builder shall comply with the Guaranteed Maximum Price, the Contract Time, the Preliminary Schedule or approved Contract Schedule as applicable, the Project Program, the performance specifications, the building massing, building heights and setbacks, public spaces, landscape design, and the general architectural character of the building described in the Criteria Documents. By incorporating the Design Builder's Proposal as a part of this Contract, the Authority does NOT accept any provision of the Design Builder's Proposal that is not in conformance with the criteria of the Request for Proposals.

In consideration of the mutual agreements, covenants and conditions set forth below, and the Recitals set forth above, the adequacy of which is hereby acknowledged, Design Builder and Authority agree as follows:

ARTICLE 1

GENERAL PROVISIONS

1.1. BASIC DEFINITIONS

1.1.1 AGREEMENT

The term "Agreement" means that contract between the Authority and Design Builder, dated _____, 20___ for the design and construction of the Authority's community swimming pool.

1.1.2 APPLICABLE CODE REQUIREMENTS

The term "Applicable Code Requirements" means all laws, statutes, the most recent building codes, ordinances, rules, regulations, and lawful orders of all public authorities having jurisdiction over Authority, Design Builder, any Subcontractor, the Project, the Project site, the Work, or the prosecution of the Work.

1.1.3 APPLICATION FOR PAYMENT

The term "Application for Payment" means the submittal from Design Builder wherein payment for certain portions of the completed Work is requested in accordance with Article 9 of the General Conditions.

1.1.4 ARCHITECT OF RECORD

The term "Architect of Record" means the Design Professional identified in the Supplementary Conditions that is licensed in the State of California and employed or commissioned by the Design Builder to prepare design documents and construction documents.

1.1.5 AUTHORITY

The term "Authority" or "the Authority" means Honey Lake Valley Recreational Authority, Owner of the Project.

1.1.6 AUTHORITY'S REPRESENTATIVE

The term "Authority's Representative" means the person or firm identified as such in the Agreement.

1.1.7 AUTHORITY'S RESPONSIBLE ADMINISTRATOR

The term "Authority's Responsible Administrator" means the person, or his or her authorized designee, who is authorized to execute the Agreement, Change Orders, Field Orders, and other applicable Contract Documents on behalf of the Authority.

1.1.8 BENEFICIAL OCCUPANCY

The term "Beneficial Occupancy" means the Authority's occupancy or use of any part of the Work in accordance with Article 9 of the General Conditions.

1.1.9 BUILDING OFFICIAL

The term "Building Official" means the individual employed by the City of Susanville, designated to act in the capacity of the "Building Official" as defined by the California Building Standards Code. The Building Official will determine whether the Work complies with Applicable Code Requirements and will determine whether and when it is appropriate to issue a Certificate of Occupancy.

1.1.10 CEQA

The term "CEQA" means the California Environmental Quality Act, Public Resources Code section 21000 et seq.

1.1.11 CERTIFICATE FOR PAYMENT

The term "Certificate for Payment" means the form signed by Authority's Representative attesting to the Design Builder's right to receive payment for certain completed portions of the Work in accordance with Article 9 of the General Conditions.

1.1.12 CERTIFICATE OF SUBSTANTIAL COMPLETION

See Article 9.7 of the General Conditions.

1.1.13 CHANGE ORDER

See Article 7.2 of the General Conditions.

1.1.14 CHANGE ORDER REQUEST

The term "Change Order Request" means a proposal for a Change Order submitted by the Design Builder to the Authority, either at the request of the Authority, or at the Design Builder's own initiative.

1.1.15 CLAIM

See Article 4.3 of the General Conditions.

1.1.16 COMPENSABLE DELAY

The term "Compensable Delay" means a delay that entitles the Design Builder to an adjustment of the Guaranteed Maximum Price and an adjustment of the Contract Time pursuant to Articles 7 and 8 of the General Conditions.

1.1.17 CONSTRUCTION DOCUMENTS

The term "Construction Documents" means the plans and specifications prepared by the Design Builder for the Project, approved by the Authority. The Construction Documents shall set forth in detail all items necessary to complete the construction (other than such details customarily provided by others during construction) of the Project in accordance with the Contract Documents (subject to their completion following commencement of the Construction Phase). All amendments and modifications to the Plans and Specifications must be approved by the Authority in writing.

1.1.18 CONSTRUCTION NOTICE TO PROCEED

The term "Construction Notice to Proceed" means the written notice given by the Authority to the Design Builder advising that the Site is available to the Design Builder and directing the Design Builder to commence the Construction Phase of the Project.

1.1.19 CONSTRUCTION PHASE

The term "Construction Phase" means the period of time set forth in the Agreement beginning with the issuance of the Construction Notice to Proceed and ending on the date of Final Completion of the Project. This term is also referred to within the Contract Documents as "Phase 2" and the two terms may be used interchangeably. The scope of the Construction Phase is further defined in the "Scope of Work" Exhibit. The term "Phase 2 Time" is defined in Article 5 of the Agreement.

1.1.20 CONSTRUCTION WORK

The term "Construction Work" means that portion of the Work consisting of the provision of labor, materials, furnishings, equipment and services in connection with the construction of the Project as set forth in the Contract Documents.

1.1.21 CONTRACT

The term "Contract" shall have the meaning identified in Article 3 of the Agreement.

1.1.22 CONTRACT DOCUMENTS

The term "Contract Documents" means all documents listed in Article 3 of the Agreement.

1.1.23 CONTRACT MILESTONE

The term "Contract Milestone" means any requirement in the Contract Documents that reflects a planned point in time for the start or completion of a portion of the Work measured from i) the date of any of the Notices to Proceed or ii) the date of another Contract Milestone defined in the Contract Documents, as applicable.

1.1.24 CONTRACT SCHEDULE

The term "Contract Schedule" means the graphical representation of a practical plan, in accordance with the Specifications, to perform and complete the Work within the Contract Time. The detailed requirements for the Contract Schedule are stated in Article 3 of the General Conditions.

1.1.25 RESERVED

1.1.26 CONTRACT TIME

The term "Contract Time" means the number of days set forth in the Agreement within which Design Builder must achieve Final Completion of the Work, as adjusted by Change Order.

1.1.27 COST OF EXTRA WORK

See Article 7.3 of the General Conditions.

1.1.28 CRITERIA DOCUMENTS

The term "Criteria Documents" means, but is not limited to, the portions of the Contract Documents which constitute an outline of design requirements, Scope of Work, Project Program, Performance Specifications and Drawings.

1.1.29 DAY

The term "day," as used in the Contract Documents, shall mean calendar day, unless otherwise specifically provided.

1.1.30 DEFECTIVE WORK

The term "Defective Work" means Work that is unsatisfactory, faulty, omitted, incomplete, deficient, or does not conform to the requirements of the Contract Documents, directives of Authority's Representative, or the requirements of any inspection, reference standard, test, or approval specified in the Contract Documents.

1.1.31 DESIGN BUILDER

The term "Design Builder" means the person or firm identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number.

1.1.32 DESIGN BUILDER FEE

See Article 7.3.4 of the General Conditions.

1.1.33 DESIGN DEVELOPMENT PHASE

The term "Design Development Phase" shall mean the period of time set forth in the Agreement beginning with the issuance of the Notice to Proceed for Phase 1. This is also referred to within the Contract Documents as "Phase 1" and the two terms may be used interchangeably. The scope of the Design Development Phase is further defined in the "Scope of Work" Exhibit. The term "Phase 1 Time" is defined in Article 5 of the Agreement.

1.1.34 DESIGN MATERIALS

The term "Design Materials" shall mean any and all documents, shop drawings, electronic information, including computer programs and computer generated materials, data, plans, drawings, sketches, illustrations, specifications, descriptions, models and other information developed, prepared, furnished, delivered or required to be delivered by, or for, the Design Builder: (1) to the Authority under the Contract Documents; or (2) developed or prepared by or for the Design Builder specifically to discharge its duties under the Contract Documents.

1.1.35 DESIGN PROFESSIONAL

The term "Design Professional" shall mean individuals or entities that will provide Design Builder with the required architectural, engineering, and other professional services required for the coordinated design of the Project and the administration of construction.

1.1.36 DESIGN WORK

The term "Design Work" shall mean the portion of the Work consisting of the design services and design deliverables required to be provided in connection with the design of the Project as set forth in the Contract Documents.

1.1.37 DRAWINGS

The term "Drawings" means the graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams. The Drawings are listed in the List of Drawings.

1.1.38 EQUIPMENT MANUFACTURER

The term "Equipment Manufacturer" shall mean any Separate Contractor that fabricates and/or supplies any Authority-provided equipment which is installed in the Project by the Design Builder.

1.1.39 EXCUSABLE DELAY

The term "Excusable Delay" means a delay that entitles the Design Builder to an adjustment of the Contract Time but not an adjustment of the Guaranteed Maximum Price, pursuant to Articles 7 and 8 of the General Conditions.

1.1.40 EXTRA WORK

The term "Extra Work" means Work beyond or in addition to the Work required by the Contract Documents.

1.1.41 FIELD ORDER

See Article 7.2 of the General Conditions.

1.1.42 FINAL COMPLETION

The term "Final Completion" means the date at which the Work has been fully completed in accordance with the requirements of the Contract Documents pursuant to Article 9.8 of the General Conditions.

1.1.43 FRAGNET SCHEDULE

The term "Fragnet schedule" means the sequence of new activities that are proposed to be added to the existing schedule, and as the term is used in implementing the critical path method of construction project planning. The Fragnet Schedule shall identify the predecessors to the new activities and demonstrate the impacts to successor activities.

1.1.44 GUARANTEE TO REPAIR PERIOD

See Article 12.2 of the General Conditions.

1.1.45 GUARANTEED MAXIMUM PRICE

The term "Guaranteed Maximum Price" means the amount of compensation stated in the Agreement for the performance of the Work, and is alternatively referred to as the Guaranteed Maximum Price.

1.1.46 GOVERNMENTAL APPROVALS

The term "Governmental Approvals" means those governmental (including agency) actions required to be obtained by the Authority and necessary for the completion of the Project.

1.1.47 HAZARDOUS MATERIAL

The term "Hazardous Material" means any substance or material identified as hazardous under any California or federal statute or regulation governing handling, disposal and/or cleanup of any such substance or material.

1.1.48 INDEMNIFIED PARTIES

The term "Indemnified Parties" means the Authority, its agents, officers, representatives, consultants, and employees.

1.1.49 NOTICE TO PROCEED

The term "Notice To Proceed" shall mean those notices provided to Design Builder to commence work at the beginning of the various Phases of the Project.

1.1.50 OPTIONS

See Article 2 of the Agreement.

1.1.51 PHASE

The term "Phase" shall mean either Phase 1 (design) or Phase 2 (construction) of the Work ,as specified in the Agreement.

1.1.52 PRELIMINARY SCHEDULE

The term "Preliminary Schedule" shall mean that Project schedule submitted with Design Builder's Proposal for this Project.

1.1.53 PROJECT

The term "Project" means the total design and construction of the Work under the Contract and all other work, labor, equipment, and materials necessary to accomplish the Project. The Project may include design or construction work performed by Authority or by Separate Contractors.

1.1.54 PROPOSAL/REQUEST FOR PROPOSALS

The term "Proposal" shall mean that submittal provided by Design Builder in response to the Authority's Request for Proposals for this Project.

1.1.55 SEPARATE CONTRACTOR

The term "Separate Contractor" means a person, or firm, under separate contract with the Authority performing other work related to the Project.

1.1.56 SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES

See Article 3.19 of the General Conditions.

1.1.57 SPECIFICATIONS

The term "Specifications" means that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Work, and performance of related services.

1.1.58 SUBCONTRACTOR

The term "Subcontractor" means a person or firm that has a contract with Design Builder or with a Subcontractor of the Design Builder to perform a portion of the Work. Unless otherwise specifically provided, the term Subcontractor includes Subcontractors of all tiers.

1.1.59 SUBSTANTIAL COMPLETION

See Article 9.7 of the General Conditions.

1.1.60 SUPERINTENDENT

The term "Superintendent" means the person designated by Design Builder to represent Design Builder at the Project site, in accordance with Article 3 of the General Conditions.

1.1.61 SUPPLEMENTARY CONDITIONS

The term "Supplementary Conditions" shall mean that document described as Supplementary Conditions in Article 3 of the Agreement, and is made a part of the Contract Documents.

1.1.62 TIER

The term "tier" means the contractual level of a Subcontractor or supplier or consultant with respect to Design Builder. For example, a first-tier Subcontractor is under subcontract with Design Builder, a second-tier Subcontractor is under subcontract with a first-tier Subcontractor, and so forth.

1.1.63 UNEXCUSABLE DELAY

The term "Unexcusable Delay" means a delay that does not entitle the Design Builder to an adjustment of the Guaranteed Maximum Price and does not entitle the Design Builder to an adjustment of the Contract Time.

1.1.64 UNILATERAL CHANGE ORDER

See Article 7.2 of the General Conditions.

1.1.65 WORK

The term "Work" means all labor, materials, equipment, tools, and services, including Design Professional services, and other requirements of the Contract Documents as modified by Change Order, whether completed or partially completed, provided or to be provided by Design Builder to fulfill Design Builder's obligations . The Work may constitute the whole or a part of the Project.

1.2. OWNERSHIP AND USE OF CONTRACT DOCUMENTS

1.2.1 The Contract Documents, and all copies thereof, furnished to, or provided by, Design Builder are the property of the Authority. The Authority and Design Builder explicitly agree that all materials and documents developed in the performance of this Contract are the property of the Authority. The Authority shall have the right to use all drawings, designs, specifications, notes and any other documentation and other work developed in the performance of this Contract for the Project, or in connection with the Project, including without limitation future additions, alterations, connections, repairs, information, reference, use or occupancy and the right to re-use details of the design on any other Authority work, all without the Design Builder's consent and at no additional cost to the Authority.

1.2.2 Authority will defend, indemnify and hold harmless Design Builder Professional, its officers, agents and employees from any costs or claims for damages arising from Authority's use of the Contract Documents, the Drawings and Specifications, or the designs depicted in them on other projects , if any of the foregoing have been provided to the Authority by the Design Builder.

1.2.3 Notwithstanding Article 1.2.2 above, Authority will not defend, indemnify or save harmless Design Builder Professional, its officers, agents, or employees from any costs or claims asserted or imposed by any person or entity claiming that Authority's use of the Contract Documents, the Drawings and Specifications, or the designs depicted in them is contrary to or in violation of any copyright, patent, trade secret, trade name, trademark, or any proprietary, contractual or legal right pertaining to their use.

1.3. INTERPRETATION

1.3.1 The intent of the Contract Documents is to include all necessary criteria to establish the scope and quality for completion of the Work by the Design Builder. The Contract Documents are complementary and what is required by one shall be as binding as if required by all. Performance by the Design Builder shall be required to the extent consistent with, and reasonably inferable from, the Contract Documents.

1.3.2 In the case of conflict between terms of the Contract Documents, the following order of precedence shall apply:

.1 The Agreement shall control over the Supplementary Conditions.

.2 The Supplementary Conditions shall control over the General Conditions.

.3 The General Conditions shall control over the Exhibits.

.4 Where no order of precedence is stated, the more expensive of the requirements shown or specified shall be controlling.

1.3.3 The Authority and Design Builder acknowledge that the Contract Documents may differ in some respect(s) from the other documents included in the proposal documents upon which the Design Builder based its response(s) to the Request for Proposals. The Authority and Design Builder explicitly agree that documents having the higher quality requirements control over any conflicting requirements of other documents.

1.3.4 Organization of the Specifications into various subdivisions and the arrangement of the Drawings shall not control Design Builder in dividing the Work among Subcontractors or in establishing the extent of work to be performed by any trade.

1.3.5 Unless otherwise stated in the Contract Documents, technical words and abbreviations contained in the Contract Documents are used in accordance with commonly understood design professional and construction industry meanings; and non-technical words and abbreviations are used in accordance with their commonly understood meanings.

1.3.6 The Contract Documents may omit modifying words such as "all" and "any," and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement. The use of the word "including," when following any general statement, shall not be construed to limit such statement to specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement.

1.3.7 Whenever the context so requires, the use of the singular number shall be deemed to include the plural and vice versa. Each gender shall be deemed to include any other gender, and each shall include corporation, partnership, trust, or other legal entity, whenever the context so requires. The captions and headings of the various subdivisions of the Contract Documents are intended only for reference and convenience and in no way define, limit, or prescribe the scope or intent of the Contract Documents or any subdivision thereof.

ARTICLE 2

AUTHORITY

2.1. FEE AND PERMIT REQUIREMENTS

2.1.1 Except as otherwise provided in the Contract Documents, Authority will obtain and pay for any required building permits, utility permits, demolition permits, easements, and government approvals for the use or occupancy of permanent structures required in connection with the Work.

2.1.2 Design Builder will be furnished, free of charge, such copies of the Contract Documents as Authority deems reasonably necessary for execution of the Work.

2.2. ACCESS TO PROJECT SITE

2.2.1 Authority will provide, as reasonably required by the Work, but in no event later than the date designated in the Construction Notice to Proceed, access to the lands and facilities upon which the construction Work is to be performed, including such access to other lands and facilities designated in the Contract Documents for use by Design Builder.

2.3. AUTHORITY'S RIGHT TO STOP THE WORK

2.3.1 If Design Builder fails to correct Defective Work as required by Article 12.2 of the General Conditions or fails to perform the Work in accordance with the Contract Documents, Authority or Authority's Representative may direct Design Builder to stop the Work, or any portion thereof, until the cause for such order has been eliminated by Design Builder. Design Builder shall not be entitled to any adjustment of Contract Time or Guaranteed Maximum Price as a result of any such order. Authority and Authority's Representative have no duty or responsibility to Design Builder or any other party to exercise the right to stop the Work.

2.4. AUTHORITY'S RIGHT TO CARRY OUT THE WORK

2.4.1 If Design Builder fails to carry out the Work in accordance with the Contract Documents, fails to provide sufficient labor, materials, equipment, tools, and services, with respect to either the design or construction phases, to maintain the Contract Schedule, or otherwise fails to comply with any material term of the Contract Documents, and, after receipt of written notice from Authority, fails within 2 days, excluding Saturdays, Sundays and legal holidays, or within such additional time as the Authority may specify, to correct such failure, Authority may, without prejudice to other remedies Authority may have, correct such failure at Design Builder's expense. In such case, Authority will be entitled to deduct from payments then or thereafter due Design Builder the cost of correcting such failure, including without limitation compensation for the additional services and expenses of Authority's consultants made necessary

thereby. If payments then or thereafter due Design Builder are not sufficient to cover such amounts, Design Builder shall pay the additional amount to Authority.

2.5. AUTHORITY'S RIGHT TO REPLACE AUTHORITY'S REPRESENTATIVE

2.5.1 Authority may at any time and from time to time, without prior notice to or approval of Design Builder, replace Authority's Representative with a new Authority's Representative. Upon receipt of notice from Authority informing Design Builder of such replacement and identifying the new Authority's Representative, Design Builder shall recognize such person or firm as Authority's Representative for all purposes under the Contract Documents.

ARTICLE 3

DESIGN BUILDER

3.1. REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY DESIGN BUILDER; SINGLE POINT RESPONSIBILITY OF DESIGN BUILDER

3.1.1 In addition to the examination and reviews performed, and obligations assumed, incidental to making the representations set forth in Article 10 of the Agreement, Design Builder shall carefully study and compare each of the Contract Documents with the others and with information furnished by Authority, and shall promptly report in writing to Authority's Representative any errors, inconsistencies, or omissions in the Contract Documents or inconsistencies with Applicable Code Requirements observed by Design Builder.

3.1.2 Design Builder is responsible for the design and construction of the Project and shall provide all services pursuant to this Contract in a manner consistent with the standard of care under California law applicable to those who specialize in providing such services for projects of the type, scope, and complexity of the Project (including its contracting mode). The Design Builder shall be solely responsible for any and all design errors including, but without limitation, errors, inconsistencies or omissions in the Construction Documents. Design Builder shall take field measurements, verify field conditions, and carefully compare with the Contract Documents such field measurements, conditions, and other information known to Design Builder before commencing the Work. Errors, inconsistencies, or omissions discovered at any time shall be promptly reported in writing to Authority's Representative.

3.1.3 If Design Builder performs any design and/or construction activity which it knows, or should know, involves an error, inconsistency, or omission referred to in Articles 3.1.1 and 3.1.2 above, without notifying and obtaining the written consent of Authority's Representative, Design Builder shall be responsible for the resultant losses, including, without limitation, the costs of correcting Defective Work.

3.1.4 The Authority does not assume any obligation to employ the Design Builder's services or pay Design Builder royalties of any type as to future programs that may result from the Work performed under this Contract.

3.1.5 Design Builder shall be responsible for all plotting, printing, copying and distribution cost of any and all documents required in connection with the Work.

3.1.6 Design Builder agrees that it has single point responsibility for the design and construction of this Project.

3.2. DESIGN, SUPERVISION AND CONSTRUCTION PROCEDURES

3.2.1 Design Builder shall supervise, coordinate, and direct the Work using Design Builder's best skill and attention. Design Builder shall be solely responsible for, and have control over, the entire design effort, construction means, methods, techniques, sequences, procedures, and the coordination of all portions of the Work, including, but without limitation, landscape and site work, utilities, and building systems.

3.2.2 Design Builder shall be responsible to Authority for acts and omissions of Design Builder's agents, employees, and Subcontractors, and their respective agents and employees.

3.2.3 Design Builder shall not be relieved of its obligation to perform the Work in accordance with the Contract Documents either by acts or omissions of Authority or Authority's Representative in the administration of the Contract, or by tests, inspections, or approvals required, or performed, by persons or firms other than Design Builder.

3.2.4 Design Builder shall be responsible for inspection of all portions of the Work, including those portions already performed under this Contract, to determine that such portions conform to the requirements of the Contract Documents and are ready to receive subsequent Work.

3.2.5 The Design Builder is required to deliver to the Authority, if requested, any and all design materials including, but not limited to, calculations, preliminary drawings, construction drawings, shop drawings, electronic media data, tenant improvement documents, sketches, illustrations, specifications, descriptions, models, mock ups, and other information developed, prepared, furnished, or delivered in the prosecution of the design work.

3.2.6 Design Builder shall at all times participate in, and implement, the CEQA mitigation process and ensure performance as required in the Contract Documents.

3.2.7 Design Builder is responsible for preparation of the Construction Documents for the entire Project.

3.2.8 Design Builder is responsible for construction of the entire Project as required by the Contract Documents.

3.2.9 Design Builder shall at all times maintain good discipline and order among its employees and subcontractors. Design Builder shall provide competent, fully qualified personnel to perform the Work.

3.3. LABOR AND MATERIALS

3.3.1 Unless otherwise provided in the Contract Documents, Design Builder shall provide and pay for all professional services, other services, labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other things necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

3.4. DESIGN BUILDER'S WARRANTY

3.4.1 Design Builder warrants to Authority that all labor, materials, equipment and furnishings used in, or incorporated into, the Construction Work will be of good quality, new (unless otherwise required or permitted by the Contract Documents), and all Work will be free of liens, claims and security interests of third parties; that the Work will be of the highest quality and free from defects and that all Work will conform with the requirements of the Contract Documents. If required by Authority's Representative, Design Builder shall furnish satisfactory evidence of compliance with this warranty. Further, the type, quality and quantum of such evidence shall be within the sole discretion of the Authority's Representative. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

3.5. TAXES

3.5.1 Design Builder shall pay all sales, consumer, use, income, payroll and similar taxes for the Work or portions thereof provided by Design Builder.

3.6. PERMITS, FEES, AND NOTICES

3.6.1 Except for the permits and approvals which are to be obtained by Authority or the requirements with respect to which Authority is not subject as provided in Article 2.1.1 of the General Conditions, Design Builder shall secure, and pay for, all permits, approvals, government fees, licenses, and inspections necessary for the proper execution and performance of the Work. Design Builder shall deliver to Authority all original licenses, permits, and approvals obtained by Design Builder in connection with the Work prior to the final payment or upon termination of the Contract, whichever is earlier.

3.7. APPLICABLE CODE REQUIREMENTS

3.7.1 Design Builder shall perform the Work in accordance with the following Applicable Code Requirements and all code requirements listed in the Scope of Work:

.1 All laws, statutes, the most recent building codes, ordinances, rules, regulations, and lawful orders of all public authorities having jurisdiction over Authority, Design Builder, any Subcontractor, the Project, the Project site, the Work, or the prosecution of the Work.

.2 Applicable sections in the State of California Labor Code.

.3 All Applicable Code Requirements relating to nondiscrimination, payment of prevailing wages, payroll records, apprentices, and work day.

3.7.2 Design Builder shall comply with and give notices required by all Applicable Code Requirements, including all environmental laws and all notice requirements under the State of California Safe Drinking Water and Enforcement Act of 1986 (State of California Health and Safety Code Section 25249.5, and applicable sections that follow). Design Builder shall promptly notify Authority's Representative in writing if Design Builder becomes aware during the performance of the Work that the Contract Documents are at variance with Applicable Code Requirements.

3.7.3 If Design Builder performs Work which it knows or should know is contrary to Applicable Code Requirements, without prior notice to Authority and Authority's Representative, Design Builder shall be responsible for such Work and any resulting damages including, without limitation, the costs of correcting Defective Work.

3.8. SUPERINTENDENT

3.8.1 Design Builder shall employ a competent Superintendent satisfactory to Authority who shall be in attendance at the Project site at all times during the performance of the Construction Work. Superintendent shall represent Design Builder and communications given to, and received from, Superintendent shall be binding on Design Builder. Failure to maintain a Superintendent on the Project site at all times Work is in progress shall be considered a material breach of this Contract, entitling Authority to terminate the Contract or, alternatively, issue a stop Work order until the Superintendent is on the Project site. If, by virtue of issuance of said stop Work order, Design Builder fails to complete the Contract on time, Design Builder will be assessed Liquidated Damages in accordance with the Agreement.

3.8.2 The Superintendent approved for the Project must be able to read, write and verbally communicate in English. The Superintendent may not perform the Work of any trade, pick-up materials, or perform any Work not directly related to the supervision and coordination of the Construction Work at the Project site when Work is in progress. In addition, the Design Builder will provide all Key Personnel shown in the Exhibits for the time periods stipulated.

3.9. TOXIC MATERIALS

3.9.1 The Design Builder is responsible for unforeseen site conditions and toxic materials to the extent described in the Contract Documents and/or that could be reasonably inferred by the Design Builder based on its experience and expertise on similar projects in urban areas.

3.10. HAZARDOUS MATERIALS

3.10.1 The Design Builder agrees that it is solely responsible for investigating and performing remedial actions on all hazardous materials and other related environmental requirements located on the Project site. For the purposes of this Contract, Hazardous Materials shall also include, but are not limited to, Underground storage tanks. Any Hazardous Materials that are encountered beyond those described in the Contract Documents or proposal documents, or which reasonably could not have been discovered within the time permitted, may properly be the subject of a Change Order Request. The Authority agrees that the Design Builder cannot be considered a hazardous materials generator of any such materials in existence on the Site at the time it is given possession of the Site. "Underground Storage Tank" shall have the definition assigned to that term by Section 9001 of RCRA, 42 U.S.C. Section 6991, and also shall include: any tank of one thousand one hundred (1, 100) gallons or less capacity used for storing motor fuel; any tank used for storing heating oil for consumption on the premises where stored; any septic tank; and any pipes connected to the above items.

3.10.2 The Authority shall not be responsible for any Hazardous Material brought to the site by the Design Builder.

3.10.3 If the Design Builder: (i) introduces and/or discharges a Hazardous Material onto the site in a manner not specified by the Contract Documents; and/or (ii) disturbs a Hazardous Material identified in the Contract Documents, the Design Builder shall hire a qualified remediation contractor at Design Builder's sole cost to eliminate the condition as soon as possible. Under no circumstance shall the Design Builder perform Work for which it is not qualified. Authority, in its sole discretion, may require the Design Builder to retain at Design Builder's cost an independent testing laboratory.

3.10.4 If the Design Builder encounters a Hazardous Material which may cause foreseeable injury or damage, Design Builder shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such material or substance (except in an emergency situation); and (iii) notify Authority (and promptly thereafter confirm such notice in writing).

3.10.5 Subject to Design Builder's compliance with Article 3.10.4, the Authority shall verify the presence or absence of the Hazardous Material reported by the Design Builder, except as qualified under Section 3.10.2 and 3.10.4, and, in the event such material or substance is found to be present, verify that the levels of the hazardous material are below OSHA Permissible Exposure Levels and below levels which would classify the material as a state of California or federal hazardous waste. When the material falls below such levels, Work in the affected area shall resume upon direction by the Authority. The Contract Time and Guaranteed Maximum Price shall be extended appropriately as provided in Articles 7 and 8 and of General Conditions.

3.10.6 The Authority shall indemnify and hold harmless the Design Builder from and against claims, damages, losses and expenses, arising from a Hazardous Material on the Project site, if such Hazardous Material: (i) was not shown on the Contract Documents or Information Available to Bidders; (ii) was not brought to the site by Design Builder; and (iii) exceeded OSHA Permissible Exposure Levels or levels which would classify the material as a state of California or federal hazardous waste. The indemnity obligation in this Article shall not apply to:

.1 Claims, damages, losses or expenses arising from the breach of contract, negligence or willful misconduct of Design Builder, its suppliers, its Subcontractors of all tiers and/or any persons or entities working under Design Builder.

3.10.7 In addition to the requirements in Article 3.28, Design Builder shall indemnify and hold harmless the Authority from and against claims, damages, losses and expenses, arising from a Hazardous Material on the Project site, if such Hazardous Material: (i) was shown on the Contract Documents or Information Available to Bidders; (ii) was brought to the site by Design Builder; and (iii) exceeded OSHA Permissible Exposure Levels or levels which would classify the material as a state of California or federal hazardous waste. Nothing in this paragraph shall obligate the Design Builder to indemnify Authority in the event of the sole negligence of the Authority, its officers, agents, or employees.

3.11. CONSTRUCTION DOCUMENTS

3.11.1 Construction Documents

.1 Upon receipt of the Notice to Proceed for Phase 2, the Design Builder shall instruct the Architect of Record to commence the design of the building systems and the preparation of the Construction Documents. The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality. The Construction Documents shall include all information required by the building trades to complete the construction of the Project, other than such details customarily developed by others during construction. The Authority's review of the construction documents shall be conducted in accordance with the approved Contract Schedule with procedures set forth in Article 3.16 of the General Conditions relating to Schedule. Such review shall not relieve the Design Builder from its responsibilities under this Contract. Such review shall not be deemed an approval or waiver by the Authority of any deviation from, or of the Design Builder's failure to comply with, any provision or requirement of the Contract Documents, unless such deviation or failure has been identified as such in writing in the document submitted by the Design Builder and approved by the Authority.

.2 However, it is acknowledged by the parties hereto that inherent in a design build concept, bridging or otherwise, the production and review of Construction Documents may be a continuing process with portions thereof completed at different times. The Design Builder will limit the Construction

Document packages for construction to a reasonable number, not more than that stipulated in the Supplementary Conditions, unless approved in writing by the Authority. Contract Schedule shall indicate the times for the Authority to review the completion of each such portion of the Construction Documents and a reasonable time for review of same.

.3 The Design Builder shall submit completed packages of the Construction Documents for review by the Authority at the times indicated on the Contract Schedule and as defined in the Scheduling Specification. Review meetings between the Design Builder and the Authority to review the Construction Document packages, shall be scheduled and held so as not to delay the Work. After reviewing the Construction Documents package for conformance to the Criteria Documents, the Authority will issue a Construction Notice to Proceed to the Design Builder.

.4 The Construction Documents for hazardous and/or toxic abatement efforts and demolition activity shall be of sufficient clarity and shall be fully detailed when submitted to the Authority for review.

3.11.2 Shop Drawings, Product Data, Samples, Materials, and Equipment

.1 Shop drawings means drawings, submitted to Design Builder by subcontractors, manufacturers, supplier or distributors, showing in detail the proposed fabrication and assembly of building elements and the installation (e.g., form, fit, and attachment details) of materials or equipment.

.2 Design Builder shall coordinate all submittals and review them for accuracy, completeness, and compliance with the requirements of the Contract Documents and the Design Builder's Construction Documents and shall indicate its approval thereon as evidence of such coordination and review.

.3 Materials and equipment incorporated in the Work shall match the approved samples within tolerances appropriate to the items, and as may be described in the Contract Documents.

.4 The Design Builder shall submit shop drawings approved by the Architect of Record and samples of submittals that relate to finish materials and products.

.5 Any variation in quality must be approved by the Authority.

3.11.3 Field Engineering

.1 The Design Builder shall retain and pay expenses of a civil engineer or land surveyor to establish on the Site the required reference points and benchmarks, establish building lines and elevations, check for building framing, plumbness, and establish on building frame the required basic grid lines. The engineer or land surveyor shall be licensed in the State of California.

.2 The Design Builder shall locate and protect control points prior to starting Work on the Project site and preserve permanent reference points during construction, and shall require the engineer or surveyor to replace control points which become lost or destroyed.

3.11.4 Survey

.1 The Authority has provided the Design Builder with a legal description and a project survey that are included in the Contract Documents, and a record of survey. The Design Work shall be consistent with both the findings and recommendations of the legal description, project survey, and record of survey.

.2 The Design Builder shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation Work.

3.12. MONTHLY REPORTS

3.12.1 The Design Builder shall prepare and submit to the Authority, during the Construction Phase, monthly reports on the Work accomplished during the prior monthly period. Such reports shall be prepared in a manner and in a format approved by the Authority. Reports shall be furnished at the time of submission of each monthly application for payment. The monthly report shall also set forth the Design Builder's projected progress for the forthcoming month.

3.13. OTHER REPORTS

3.13.1 The Design Builder will cooperate with the Authority in preparing, or causing to be prepared, all or part of, periodic project reports required by any other local, state or federal agencies.

3.14. NOTICES OF LABOR DISPUTE

3.14.1 If Design Builder has knowledge that any actual or potential labor dispute is delaying, or threatens to delay, the timely performance of the Work, Design Builder shall immediately give notice including all relevant information to the Authority.

3.14.2 Design Builder agrees to insert the substance of this Article including this Article 3.14.2, in any subcontract to which a labor dispute may delay the timely performance of the Work, except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or Design Builder, as the case may be, of all relevant information concerning the dispute.

3.15. GUARANTEE

3.15.1 The Design Builder unconditionally guarantees the Work will be completed in accordance with the requirements of the Contract Documents, and will remain free of defects in workmanship and materials for a period of two (2) years from the date of Final Completion, unless a longer guarantee period is specifically called for in the Contract Documents. The Design Builder shall repair or replace any and all work, together with any adjacent work that may have been damaged or displaced, which was not in accordance with the requirements of the Contract Documents, or that may be defective in its workmanship or material within the guarantee period specified in the Contract Documents, without any expense whatsoever to the Authority; ordinary wear and tear and abuse excepted.

3.15.2 The Design Builder further agrees, within fourteen (14) days, or as such shorter period as may be designated for emergency repairs, after being notified in writing by the Authority, of any work not in accordance with the requirements of the Contract Documents or any defects in the Work, that the Design Builder shall commence and execute, with due diligence, all work necessary to fulfill the terms of the guarantee. If the Authority finds that the Design Builder fails to perform any of the work under the guarantee, the Authority may elect to have the work completed at the Design Builder's expense and the Design Builder will pay costs of the work upon demand. The Authority will be entitled to all costs, including reasonable attorneys' fees and consultants' expenses necessarily incurred upon the Design Builder's refusal to pay the above costs.

3.15.3 Notwithstanding the foregoing Article 3.15.2, in the event of an emergency constituting an immediate hazard to health or safety of Authority employees, property, or licensees, the Authority may undertake, at the Design Builder's expense and without prior notice, all work necessary to correct such hazardous condition(s) when it is caused by work of the Design Builder not being in accordance with the requirements of the Contract Documents.

3.16. SCHEDULES REQUIRED OF DESIGN BUILDER

3.16.1 The Preliminary Schedule provided with the Request for Proposal provides the Design Builder schedule information to illustrate all Contract Milestones and any anticipated overlap of Phases. The Design Builder shall develop its required Contract schedules for review and approval by Authority based on and consistent with such Preliminary Schedule.

3.16.2 Design Builder shall submit an initial Contract Schedule and updated Contract Schedules to Authority's Representative in the form and within the time limits required by the Contract Documents, or, if no such time period is specified, within a reasonable period of time. Authority's Representative will determine acceptability of the Contract Schedule and updated Contract Schedules within the time limits required by the Contract Documents, or if no such time

period is specified, within a reasonable period of time. If Authority's Representative deems the Contract Schedule or updated Contract Schedule unacceptable, it shall specify in writing to Design Builder the basis for its objection.

3.16.3 The Contract Schedule and updated Contract Schedules shall represent a practical plan to complete the Work within the Contract Time. Schedules showing the Work completed in less than the Contract Time as reflected in the Preliminary Schedule may be acceptable if judged by Authority's Representative to be practical. Schedules showing the Work completed beyond the Contract Time may be submitted under the following circumstances:

.1 If accompanied by a Change Order Request seeking an adjustment of the Contract Time consistent the requirements of paragraph 8.4 for Adjustment of the Contract Time for Delay.; or

.2 If the Contract Time has passed, or if it is a practical impossibility to complete the Work within the Contract Time, then the updated Contract Schedule or fragnet schedule shall show completion at the earliest practical date.

3.16.4 Authority's Representative will timely review the updated Contract Schedule or Fragnet Schedule submitted by Design Builder. If Authority's Representative determines that additional supporting data are necessary to fully evaluate the updated Contract Schedule or Fragnet Schedule, Authority's Representative will request such additional supporting data in writing. Such data shall be furnished no later than 10 days after the date of such request. Authority's Representative will render a decision promptly and in any case within 30 days after the later of the receipt of the updated Contract Schedule or Fragnet Schedule or the deadline for furnishing such additional supporting data. Failure of Authority's Representative to render a decision by the applicable deadline will be deemed a decision denying approval of the updated Contract Schedule or Fragnet Schedule. Acceptance of any schedule showing completion beyond the Contract Time by Authority's Representative shall not change the Contract Time and is without prejudice to any right of the Authority. The Contract Time, not the Contract Schedule, shall control in the determination of liquidated damages payable by Design Builder under Article 4 and Article 5 of the Agreement and in the determination of any delay under Article 8 of the General Conditions.

3.16.5 If a Contract Schedule showing the Work completed in less than the Contract Time is accepted, Design Builder shall not be entitled to extensions of the Contract Time for Excusable Delays or Compensable Delays or to adjustments of the Guaranteed Maximum Price for Compensable Delays until such delays extend the Final Completion of the Work beyond the expiration of the Contract Time.

3.16.6 Design Builder shall prepare and keep current, to the reasonable satisfaction of Authority's Representative, a schedule of submittals that is in the form contained in the Exhibits, as required by the Specifications, and that is coordinated with the Contract Schedule.

3.16.7 The Contract Schedule and the updated Contract Schedules shall meet the following requirements:

.1 Schedules must be suitable for monitoring progress of the Work.

.2 Schedules must provide necessary data about the timing of Authority decisions and Authority furnished items.

.3 Schedules must be in sufficient detail to demonstrate adequate planning of the Work.

.4 Schedules must represent a practical plan to perform and complete the Work within the Contract Time.

3.16.8 Authority's Representative's review of the form and general content of the Contract Schedule and updated Contract Schedules is for the purpose of determining if the above-listed requirements have been satisfied.

3.16.9 Design Builder shall plan, develop, supervise, control, and coordinate the performance of the Work so that its progress and the sequence and timing of Work will permit its completion within the Contract Time, any Contract milestones and any Contract phases.

3.16.10 In preparing the Preliminary Contract Schedule, the Contract Schedule, and updated Contract Schedules, Design Builder shall obtain such information and data from Subcontractors as may be required to develop a reasonable and appropriate schedule for performance of the work and shall provide such information and data to the Authority's Representative upon request. Design Builder shall continuously obtain from Subcontractors information and data about the planning for, and progress of, the Work and the delivery of equipment, shall coordinate and integrate such information and data into updated Contract Schedules, as appropriate, and shall monitor the progress of the Work and the delivery of equipment.

3.16.11 Design Builder shall act as the expediter of potential and actual delays, interruptions, hindrances, or disruptions for its own forces and those forces of Subcontractors, regardless of tier.

3.16.12 Authority's Representative's acceptance of or its review comments about any schedule or scheduling data shall not relieve Design Builder from its sole responsibility to plan for, perform, and complete the Work within the Contract Time. Acceptance of or review comments about any schedule shall not transfer responsibility for any schedule to Authority's Representative or Authority nor imply their agreement with (1) any assumption upon which such schedule is based or (2) any matter underlying or contained in such schedule. Failure of Authority's Representative to discover errors or omissions in schedules that it has reviewed, or to inform Design Builder that Design Builder, Subcontractors, or others are behind schedule, or to direct or enforce procedures for complying with the Contract Schedule shall not relieve Design Builder from its sole responsibility to perform and complete the Work within the Contract Time and shall not be a cause for an adjustment of the Contract Time or the Guaranteed Maximum Price.

3.17. AS-BUILT DOCUMENTS

3.17.1 Design Builder shall maintain one (1) set of As-built drawings and specifications, which shall be kept up-to-date during the Work of the Contract. All changes which are incorporated into the Work which differ from the documents as drawn and written and approved shall be noted on the As-built set. Notations shall reflect the actual materials, equipment and installation methods used for the Work; each revision shall be initialed and dated by Superintendent. Prior to filing of the Notice of Completion, each drawing and the specification cover shall be signed by Design Builder and dated, attesting to the completeness of the information noted therein. As-built Documents shall be turned over to the Authority's Representative and shall become part of the Record Documents as required by the Scope of Work.

3.18. DOCUMENTS AND SAMPLES AT PROJECT SITE

3.18.1 Design Builder shall maintain the following at the Project site:

.1 One as-built copy of the Contract Documents, in good order and marked to record current changes and selections made during construction.

.2 The current accepted Contract Schedule.

.3 Shop Drawings, Product Data, and Samples.

.4 All other required submittals.

These documents shall be available to Authority's Representative and shall be delivered to Authority's Representative for submittal to Authority upon the earlier of Final Completion or termination of the Contract.

3.19. SHOP DRAWINGS, PRODUCT DATA, AND SAMPLES

3.19.1 Definitions:

.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by Design Builder or a Subcontractor to illustrate some portion of the Work.

.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by Design Builder to illustrate or describe materials or equipment for some portion of the Work.

.3 Samples are physical examples that illustrate materials, equipment, or workmanship and establish standards by which the Work will be judged.

3.19.2 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate, for those portions of the Work for which submittals are required, how Design Builder proposes to conform to the information given and the design concept expressed in the Contract Documents.

3.19.3 Design Builder shall review, approve, and submit to Authority's Representative Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of Authority or of Separate Contractors. Submittals made by Design Builder that are not required by the Contract Documents may be returned without action by Authority's Representative.

3.19.4 Design Builder shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the respective submittal has been reviewed by Authority's Representative and no exceptions have been taken by Authority's Representative. Such Work shall be in accordance with approved submittals and the Contract Documents.

3.19.5 By approving and submitting Shop Drawings, Product Data, Samples, and similar submittals, Design Builder represents that it has determined or verified materials and field measurements and conditions related thereto, and that it has checked and coordinated the information contained within such submittals with the requirements of the Contract Documents and Shop Drawings for related Work.

3.19.6 If Design Builder discovers any conflicts, omissions, or errors in Shop Drawings or other submittals, Design Builder shall notify Authority's Representative and receive instruction before proceeding with the affected Work. Design Builder shall be responsible to correct to the satisfaction of Authority, any conflicts, omissions, or errors in Shop Drawings or other submittals.

3.19.7 Design Builder shall not be relieved of responsibility for deviations from requirements of the Contract Documents by Authority's Representative's review of Shop Drawings, Product Data, Samples, or similar submittals, unless Design Builder has specifically informed Authority's Representative in writing of such deviation at the time of submittal and Authority's Representative has given written approval of the specific deviation. Design Builder shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by Authority's Representative's review, acceptance, comment, or approval thereof.

3.19.8 Design Builder shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by Authority's Representative on previous submittals.

3.19.9 Authority will review first resubmittal of Shop Drawing at its cost. Authority reserves the right to reduce the Guaranteed Maximum Price by Change Order for its cost for any subsequent reviews of Shop Drawing resubmittals.

3.20. USE OF SITE AND CLEAN UP

3.20.1 Design Builder shall confine operations at the Project site to areas permitted by law, ordinances, permits, and the Contract Documents. Design Builder shall not unreasonably encumber the Project site with materials or equipment.

3.20.2 Design Builder shall, during performance of the Work, keep the Project site and surrounding area free from the accumulation of excess dirt, waste materials, and rubbish caused by Design Builder. Design Builder shall remove all excess dirt, waste material, and rubbish caused by the Design Builder; tools; equipment; machinery; and surplus materials from the Project site and surrounding area at the completion of the Work.

3.20.3 Personnel of Design Builder and Subcontractors shall not occupy, live upon, or otherwise make use of the Project site during any time that Work is not being performed at the Project site, except as otherwise provided in the Contract Documents.

3.21. CUTTING, FITTING, AND PATCHING

3.21.1 Design Builder shall do all cutting, fitting, or patching of the Work required to make all parts of the Work come together properly and to allow the Work to receive or be received by work of Separate Contractors shown upon, or reasonably implied by, the Contract Documents.

3.21.2 Design Builder shall not endanger the Work, the Project, or adjacent property by cutting, digging, or otherwise. Design Builder shall not cut or alter the work of any Separate Contractor without the prior consent of Authority's Representative.

3.22. ACCESS TO WORK BY AUTHORITY

3.22.1 Authority, Authority's Representative, their consultants, and other persons authorized by Authority will at all times have access to the Work wherever it is in preparation or progress. Design Builder shall provide safe and proper facilities for such access and for inspection.

3.23. ROYALTIES AND PATENTS

3.23.1 Design Builder shall pay all royalties and license fees required for the performance of the Work. Design Builder shall defend suits or claims resulting from Design Builder's or any Subcontractor's infringement of patent rights and shall indemnify, defend and hold harmless Authority and Authority's Representative from losses on account thereof.

3.24. DIFFERING SITE CONDITIONS

3.24.1 If Design Builder encounters any of the following conditions at the site, Design Builder shall immediately notify the Authority's Representative in writing of the specific differing conditions before they are disturbed and before any affected Work is performed, and permit investigation of the conditions:

.1 Subsurface or latent physical conditions at the site which differ materially from those indicated in this Contract, or if not indicated in this Contract, in the Information Available to Bidders; or

.2 Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

3.24.2 Design Builder shall be entitled to an adjustment to the Guaranteed Maximum Price and/or Contract Time as the result of extra costs and/or delays resulting from a materially differing site condition, if and only if Design Builder fulfills the following conditions:

.1 Design Builder fully complies with Article 3.24.1 above; and

.2 Design Builder fully complies with Article 4 of the General Conditions (including the timely filing of a Change Order Request and all other requirements for Change Orders Requests and Claims).

3.24.3 Adjustments to the Guaranteed Maximum Price and/or Contract Time shall be subject to the procedures and limitations set forth in Articles 7 and 8 of the General Conditions.

3.25. CONCEALED, UNFORESEEN, OR UNKNOWN CONDITIONS OR EVENTS

3.25.1 Except and only to the extent provided otherwise in Articles 3.24, and Articles 7 and 8 of the General Conditions, by signing the Agreement, Design Builder agrees:

.1 To bear the risk of concealed, unforeseen or unknown conditions and events, if any, which may be encountered in performing the Contract; and

.2 That Design Builder's Price Proposal Form for the Contract was made with full knowledge of this risk.

In agreeing to bear the risk of concealed, unforeseen or unknown conditions and events, Design Builder understands that, except and only to the extent provided otherwise in Articles 3.24, 7 and 8 of the General Conditions, concealed, unforeseen or unknown conditions shall not excuse Design Builder from its obligation to achieve full completion of the Work within the Contract Time, and shall not entitle the Design Builder to an adjustment of the Guaranteed Maximum Price.

3.25.2 If, as the result of concealed, unforeseen or unknown conditions or events, the Authority issues a Change Order or Field Order that changes design details from those details depicted in the Criteria Documents, Design Builder shall be entitled, subject to compliance with all the provisions of the Contract, including those set forth in Articles 4, 7 and 8 of the General Conditions, to an adjustment of the Guaranteed Maximum Price and/or Contract Time, for the cost and delay resulting from implementing the changes to the design. Except as provided in this Article 3.25.2, or as may be expressly provided otherwise in the Contract, there shall be no adjustment of the Guaranteed Maximum Price and/or Contract Time as a result of concealed, unforeseen or unknown conditions or events.

3.25.3 Design Builder shall, as a condition precedent to any adjustment in Guaranteed Maximum Price or Contract Time under this Article 3.25.3, fully comply with Article 4 of the General Conditions (including the timely filing of a Change Order Request and all other requirements for Change Orders Requests and Claims).

3.26. INFORMATION AVAILABLE TO BIDDERS

3.26.1 Any information provided pursuant to REQUEST FOR PROPOSALS is subject to the following provisions:

.1 The information is made available for the convenience of Proposers and is not a part of the Contract.

.2 The Design Builder may rely on written descriptions of physical conditions included in the information to the extent such reliance is reasonable.

.3 Other components of the information, including but not limited to recommendations, may not be relied upon by Design Builder. Authority shall not be responsible for any interpretation of or conclusion drawn from the other components of the information by the Design Builder.

3.27. LIABILITY FOR AND REPAIR OF DAMAGED WORK

3.27.1 Design Builder shall be liable for any and all damages and losses to the Project (whether by fire, theft, vandalism, earthquake, flood or otherwise) prior to Authority's acceptance of the Project as fully completed except that Design Builder shall not be liable for earthquake in excess of magnitude 3.5 on the Richter Scale, tidal wave, or flood, provided that the damages or losses were not caused in whole or in part by the negligent acts or omissions of Design Builder, its officers, agents or employees (including all Subcontractors and suppliers of all tiers). As used herein, "flood" shall have the same meaning as in the builder's risk property insurance.

3.27.2 Design Builder shall promptly repair and replace any Work or materials damaged or destroyed for which the Design Builder is liable under Article 3.27.1 above.

3.28. INDEMNIFICATION

3.28.1 Design Builder shall indemnify, defend and hold harmless Authority, Authority's consultants, Authority's Representative, Authority's Representative's consultants, and their respective directors, officers, agents, and employees from and against losses (including without limitation the cost of repairing defective work and remedying the consequences of defective work) arising out of, resulting from, or relating to the following:

.1 The failure of Design Builder to perform its obligations under the Contract.

.2 The inaccuracy of any representation or warranty by Design Builder given in accordance with or contained in the Contract Documents.

.3 Any claim of damage or loss by any Subcontractor against Authority arising out of any alleged act or omission of Design Builder or any other Subcontractor, or anyone directly or indirectly employed by Design Builder or any Subcontractor.

.4 Any claim of damage or loss resulting from Hazardous Materials introduced, discharged, or disturbed by Design Builder as required per Article 3.10.7.

3.28.2 The Authority shall not be liable or responsible for any accidents, loss, injury (including death) or damages happening or accruing during the term of the performance of the Work herein referred to or in connection therewith, to persons and/or property, and Design Builder shall fully indemnify, defend and hold harmless Authority and protect the Authority from and against the same as provided in paragraph 3.28.1 above. In addition to the liability imposed by law upon the Design Builder for damage or injury (including death) to persons or property by reason of the negligence of the Design Builder, its officers, agents, employees or Subcontractors, which liability is not impaired or otherwise affected hereby, the Design Builder shall defend, indemnify, hold harmless, release and forever discharge the Authority, its officers, employees, and agents from and against and waive any and all responsibility of same for every expense, liability, or payment by reason of any damage or injury (including death) to persons or property suffered or claimed to have been suffered through any negligent act, omission, or willful misconduct of the Design Builder, its officers, agents, employees, or any of its Subcontractors, or anyone directly or indirectly employed by either of them or from the condition of the premises or any part of the premises while in control of the Design Builder, its officers, agents, employees, or any of its Subcontractors or anyone directly or indirectly employed by either of them, arising out of the performance of the Work called for by this Contract. Design Builder agrees that this indemnity and hold harmless shall apply even in the event of negligence of Authority, its officers, agents, or employees, regardless of whether such negligence is contributory to any claim, demand, loss, damage, injury, expense, and/or liability; but such indemnity and hold harmless shall not apply (i) in the event of the active or sole negligence or willful misconduct of Authority, its officers, agents, or employees; or (ii) to the extent that the Authority shall indemnify and hold harmless the Design Builder for Hazardous Materials pursuant to Article 3.10.6.

3.28.3 In claims against any person or entity indemnified under this Article 3.28 that are made by an employee of Design Builder or any Subcontractor, a person indirectly employed by Design Builder or any Subcontractor, or anyone for whose acts Design Builder or any Subcontractor may be liable, the indemnification obligation under this Article 3.28 shall not be limited by any limitation on amount or type of damages, compensation, or benefits payable by or for Design Builder or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

3.28.4 The indemnification obligations under this Article 3.28 shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.

3.28.5 Design Builder shall indemnify Authority from and against losses resulting from any claim of damage made by any Separate Contractor against Authority arising out of any alleged acts or omissions of Design Builder, any Subcontractor, anyone directly or indirectly employed by either of them, or anyone for whose acts either of them may be liable.

3.28.6 Design Builder shall indemnify Separate Contractors from and against losses arising out of the negligent acts, omissions, or willful misconduct of Design Builder, any Subcontractor, anyone directly or indirectly employed by either of them, or anyone for whose acts either of them may be liable.

3.28.7 Design Builder shall indemnify, defend, and hold harmless Authority and its officers, employees, agents, and representatives (collectively, "Indemnitee"), against all liability, demands, claims, costs, damages, injury including death, settlements, and expenses (including without limitation, interest and penalties) incurred by Indemnitee arising out of the performance of services or Design Builder's other obligations under this Contract, but only in proportion to and to the extent such losses are caused by or result from (1) the negligent acts or omissions of Design Builder, its officers, agents, employees, subcontractors, consultants, or any person or entity for whom Design Builder is responsible (collectively, "Indemnitor"); (2) the breach by Indemnitor of any of the provisions of this Contract; or (3) willful misconduct by Indemnitor.

3.28.8 The indemnification obligations under this Article 3.28 shall not be limited by any assertion or finding that (1) the person or entity indemnified is liable by reason of non-delegable duty, or (2) the losses were caused in part by the negligence of, breach of contract by, or violation of law by Indemnitee. The obligation to defend shall arise regardless of any claim or assertion that Indemnitee caused or contributed to the losses. Indemnitor's reasonable defense costs

(including attorney and expert fees) incurred in providing a defense for Indemnitees shall be reimbursed by Authority except to the extent such defense costs arise, under principles of comparative fault, from Indemnitor's (a) negligent acts or omissions; (b) breach of any of the provisions of this Contract; or (c) willful misconduct.

3.28.9 Design Builder shall indemnify, defend, and save harmless Indemnitee from and against all loss, cost, expense, royalties, claims for damages or liability, in law or in equity, including, without limitation, attorney's fees, court costs, and other litigation expenses that may at any time arise or be set up for any infringement (or alleged infringement) of any patent, copyright, trade secret, trade name, trademark or any other proprietary right of any person or entity in consequence of the use on the Project by Indemnitee of the Design Materials or Construction Documents (including any method, process, product, concept specified or depicted) supplied by Indemnitor in the performance of this Contract.

3.28.10 Nothing in this Contract, including the provisions of this Article 3, shall constitute a waiver or limitation of any rights which Indemnitee may have under applicable law, including without limitation, the right to implied indemnity.

ARTICLE 4

ADMINISTRATION OF THE CONTRACT

4.1. ADMINISTRATION OF THE CONTRACT BY AUTHORITY'S REPRESENTATIVE

4.1.1 Authority's Representative will provide limited administration of the Contract as provided in the Contract Documents and will be the representative of Authority. Authority's Representative will have authority to act on behalf of Authority only to the extent provided in the Contract Documents.

The Authority shall designate, from time to time, one or more representatives authorized to act on the Authority's behalf with respect to the Project, together with the scope of his/her respective authority. Functions for which this Contract provides will be performed by the Authority may be delegated by the Authority only by written notice to the Design Builder from the Authority. The Design Builder shall not be entitled to rely on directions (nor shall it be required to follow the directions) from anyone outside the scope of that person's authority as set forth in written authorization pursuant to this Contract. Directions and decisions made by Authority's Representative within his/her respective authority shall be binding on the Authority.

4.1.2 During the term of this Contract, Authority's Representative shall have the right to review Design Builder's Design Professionals' Work at such intervals as deemed appropriate by Authority's Representative. However, no actions taken during such review or site visit by Authority's Representative shall relieve Design Builder of any of its obligations of single-point responsibility for the design and construction of this Project nor form the basis for a Claim if such actions extend the Contract Completion Date beyond the Contract Time.

4.1.3 Authority's Representative will not have control over, will not be in charge of, and will not be responsible for design or construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely Design Builder's responsibility.

4.1.4 Except as otherwise provided in the Contract Documents or when direct communications have been specifically authorized, Authority and Design Builder shall communicate through Authority's Representative. Except when direct communication has been specifically authorized in writing by Authority's Representative, communications by Design Builder with Authority's consultants and Authority's Representative's consultants shall be through Authority's Representative. Communications by Authority and Authority's Representative with Subcontractors will be through Design Builder. Communications by Design Builder and Subcontractors with Separate Contractors shall be through Authority's Representative. Design Builder shall not rely on oral or other non-written communications.

4.1.5 Based on Authority's Representative's Project site visits, review of Design Work, and evaluations of Design Builder's Applications For Payment, Authority's Representative will recommend amounts, if any, due Design Builder and will issue Certificates For Payment in such amounts.

4.1.6 Authority's Representative will have the authority to reject the Work, or any portion thereof, which does not conform to the Contract Documents. Authority's Representative will have the authority to stop the Work, or any portion thereof. Whenever Authority's Representative considers it necessary, or advisable, for implementation of the intent of

the Contract Documents, Authority's Representative will have the authority to require additional inspection or testing of the Work in accordance with the Contract Documents, whether or not such Work is fabricated, installed, or completed. However, no authority of Authority's Representative conferred by the Contract Documents nor any decision made in good faith either to exercise, or to not exercise such authority, will give rise to a duty or responsibility of Authority or Authority's Representative to Design Builder, or any person or entity claiming under, or through, Design Builder.

4.1.7 Authority's Representative will have the authority to conduct inspections as provided in the Contract Documents, to take Beneficial Occupancy and to determine the dates of Substantial Completion and Final Completion; will receive for review and approval any records, written warranties, and related documents required by the Contract Documents and assembled by Design Builder; and will issue a final Certificate For Payment upon Design Builder's compliance with the requirements of the Contract Documents.

4.1.8 Authority's Representative will be, in the first instance, the interpreter of the requirements of the Contract Documents and the judge of performance thereunder by Design Builder. Should Design Builder discover any conflicts, omissions, or errors in the Construction Documents or the Contract Documents; have any questions about the interpretation or clarification of the Contract Documents; question whether Work is within the scope of the Contract Documents; then, before proceeding with the Work affected, Design Builder shall notify Authority's Representative in writing and request interpretation, or clarification. Authority's Representative's response to questions and requests for interpretations, clarifications, instructions, or decisions will be made with reasonable promptness. Should Design Builder proceed with the Work affected before receipt of a response from Authority's Representative, any portion of the Work which is not done in accordance with Authority's Representative's interpretations, clarifications, instructions, or decisions shall be removed or replaced and Design Builder shall be responsible for all resultant losses.

4.2. DESIGN BUILDER CHANGE ORDER REQUESTS

4.2.1 Design Builder may request changes to the Guaranteed Maximum Price and/or Contract Time for Extra Work, materially differing site conditions, or delays to Final Completion of the Work.

4.2.2 Conditions precedent to obtaining an adjustment of the Guaranteed Maximum Price and/or Contract Time payment of money, or other relief with respect to the Contract Documents, for any other reason, are:

.1 Timely submission of a Change Order Request that meets the requirements of Articles 4.2.3.1 and 4.2.3.2 below; and

.2 If requested, timely submission of additional informational requested by the Authority's Representative pursuant to Article 4.2.3.3 below.

4.2.3 Change Order Request:

4.2.3.1 A Change Order Request will be deemed timely submitted if, and only if, it is submitted within 7 days of the date the Design Builder discovers, or reasonably should discover the circumstances giving rise to the Change Order Request, unless additional time is allowed in writing by Authority's Representative for submission of the Change Order Request, provided that if:

.1 The Change Order Request includes compensation sought by a Subcontractor; AND

.2 The Design Builder requests in writing to the Authority's Representative, within the 7-day time period, additional time to permit Design Builder to conduct an appropriate review of the Subcontractor Change Order Request, then the time period for submission of the actual Change Order Request shall be extended by the number of days specified in writing by the Authority's Representative.

4.2.3.2 A Change Order Request must state that it is a Change Order Request, state and justify the reason for the request, and specify the amount of any requested adjustment of the Guaranteed Maximum Price, Contract Time, and/or other monetary relief. If the Design Builder requests an adjustment to the Guaranteed Maximum Price or other monetary relief, the Design Builder shall submit the following with the Change Order Request:

.1 A completed Cost Proposal in the form contained in the Exhibits meeting the requirements of Article 7 of the General Conditions; OR

.2 A partial Cost Proposal and a declaration of what required information is not then known to Design Builder. If Design Builder failed to submit a completed Cost Proposal with the Change Order Request, Design Builder shall submit a completed Cost Proposal meeting the requirements of Article 7 within 7 days of the date the Design Builder submitted the Change Order Request unless additional time is allowed by the Authority's Representative.

4.2.3.3 Upon request of Authority's Representative, Design Builder shall submit such additional information as may be requested by Authority's Representative for the purpose of evaluating the Change Order Request. Such additional information may include:

.1 If Design Builder seeks an adjustment of the Guaranteed Maximum Price or other monetary relief, actual cost records for any changed or extra costs (including without limitation, payroll records, material and rental invoices and the like), shall be submitted by the deadline established by the Authority's Representative, who may require such actual cost records to be submitted and reviewed, on a daily basis, by the Authority's Representative and/or representatives of the Authority's Representative.

.2 If Design Builder seeks an adjustment of the Contract Time, written documentation demonstrating Design Builder's entitlement to a time extension under Article 8.4, which shall be submitted within 15 days of the date requested unless the Authority's Representative requires an earlier submission. If requested, Design Builder may submit a fragnet in support of its request for a time extension. The Authority may, but is not obligated to, grant a time extension on the basis of a fragnet alone which, by its nature, is not a complete schedule analysis. If deemed appropriate by Authority Representative, Design Builder shall submit a more detailed schedule analysis in support of its request for a time extension.

.3 If Design Builder seeks an adjustment of the Guaranteed Maximum Price or other monetary relief for delay, written documentation demonstrating Design Builder's entitlement to such an adjustment under Article 7.3.9 of the General Conditions, which shall be submitted within 15 days of the date requested.

.4 Any other information requested by the Authority's Representative for the purpose of evaluating the Change Order Request, which shall be submitted by the deadline established by the Authority's Representative.

4.2.4 Authority's Representative will make a decision on a Change Order Request, within a reasonable time, after receipt of a Change Order Request. In the event the Change Order Request is submitted pursuant to Article 8.4.1, the Authority's Representative shall promptly review and accept or reject it within thirty (30) days. A final decision is any decision on a Change Order Request which states that it is final. If Authority's Representative issues a final decision denying a Change Order Request in whole or in part, Design Builder may contest the decision by filing a timely Claim under the procedures specified in Article 4.3 of the General Conditions.

4.2.5 Design Builder may file a written demand for a final decision by Authority's Representative on all or part of any Change Order Request as to which the Authority's Representative has not previously issued a final decision pursuant to Article 4.2.4 of the General Conditions; such written demand may not be made earlier than the 30th day after submission of the Change Order Request. Within 30 days of receipt of the demand, Authority's Representative will issue a final decision on the Change Order Request. The Authority's Representative's failure to issue a decision within the 30-day period shall be treated as the issuance, on the last day of the 30-day period, of a final decision to deny the Change Order Request in its entirety.

4.3. CLAIMS

4.3.1 The term "Claim" means a written demand or assertion by Design Builder seeking an adjustment or interpretation of the terms of the Contract Documents, payment of money, extension of time, or other relief with respect to the Contract Documents, including a determination of disputes or matters in question between Authority and Design

Builder arising out of or related to the Contract Documents or the performance of the Work. However, the term "Claim" shall not include, and the Claims procedures provided under this Article 4, including but not limited to arbitration, shall not apply to the following:

.1 Claims respecting penalties for forfeitures prescribed by statute or regulation that a government agency is specifically authorized to administer, settle, or determine.

.2 Claims respecting personal injury, death, reimbursement, or other compensation arising out of or resulting from liability for personal injury or death.

.3 Claims by Authority, except as set forth in Article 4.7.4 of the General Conditions.

.4 Claims respecting stop notices.

4.3.2 A Claim arises upon the issuance of a written final decision denying in whole or in part Design Builder's Change Order Request pursuant to Article 4.2.4 of the General Conditions.

4.3.3 A Claim must include the following:

.1 A statement that it is a Claim and a request for a decision pursuant to Article 4.5 of the General Conditions.

.2 A detailed factual narrative of events fully describing the nature and circumstances giving rise to the Claim, including but not limited to, necessary dates, locations, and items of work affected.

.3 A certification, executed by Design Builder, that the claim is filed in good faith. The certification must be made on the Claim Certification form, included in the Exhibits to the Contract. The language of the Claim Certification form may not be modified.

.4 A certification, executed by each Subcontractor claiming not less than 5% of the total monetary amount sought by the claim, that the subcontractor's portion of the claim is filed in good faith. The certification must be made on the Claim Certification form, included in the Exhibits to the Contract. The language of the Claim Certification form may not be modified.

.5 A statement demonstrating that a Change Order Request was timely submitted as required by Article 4.2.4 of the General Conditions.

.6 If a Cost Proposal or declaration was required by Article 4.2.3 of the General Conditions, a statement demonstrating that the Cost Proposal or the declaration was timely submitted as required by Article 4.2.3 of the General Conditions.

.7 A detailed justification for any remedy or relief sought by the Claim, including to the extent applicable, the following:

.1 If the Claim involves Extra Work, an estimate of the costs of the amounts claimed, including the items specified in Article 7.3.2 of the General Conditions. The cost breakdown must be provided even if the costs claimed have not been incurred when the Claim is submitted. To the extent costs have been incurred when the Claim is submitted, the Claim must include actual cost records (including without limitation, payroll records, material and rental invoices and the like) demonstrating that costs claimed have actually been incurred. To the extent costs have not yet been incurred at the time the Claim is submitted, actual cost records must be submitted on a current basis not less than once a month during any periods costs are incurred. A cost record will be considered current if submitted within 30 days of the date the cost reflected in the record is incurred. At the request of the Authority's Representative, claimed extra costs may be subject to further verification procedures (such as having an inspector verify the performance of alleged Extra Work on a daily basis). The cost breakdown must include an itemization of costs for i) labor including names, classifications,

regular hours and overtime hours worked, dates worked, and other pertinent information; ii) materials stored or incorporated in the work including invoices, purchase orders, location of materials either stored or incorporated into the work, dates materials were transported to the project or incorporated into the work, and other pertinent information; and iii) itemization of machinery and equipment including make, model, hours of use, dates of use and equipment rental rates of any rented equipment.

.2 Design Builder shall be responsible for all errors and omissions contained within the Construction Documents.

.3 If the Claim involves an extension of the Contract Time, written documentation demonstrating the Design Builder's entitlement to a time extension under Article 8.4 of the General Conditions, including the specific dates for which a time extension is sought and the specific reasons for entitlement of a time extension.

.4 If the Claim involves an adjustment of the Guaranteed Maximum Price for delay, written documentation demonstrating the Design Builder's entitlement to such an adjustment under Article 7.3.9 of the General Conditions, including but not limited to, a detailed time impact analysis of the Contract Schedule. The Contract Schedule must demonstrate Design Builder's entitlement to such an adjustment under Article 7.3.9 of the General Conditions.

.8 Claims submitted by the Design Builder shall be accompanied by a notarized certificate containing the following language:

.1 Under the penalty of law for perjury or falsification and with specific reference to the California False Claims Act, Government Code section 12650, et. seq., the undersigned,

(Name)

(Title)

(Company)

I, _____, BEING THE _____ (MUST BE AN OFFICER) OF _____ (GENERAL CONTRACTOR), DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA AND DO PERSONALLY CERTIFY AND ATTEST THAT: I HAVE THOROUGHLY REVIEWED THE ATTACHED CLAIM FOR ADDITIONAL COMPENSATION AND/OR EXTENSION OF TIME, AND KNOW ITS CONTENTS, AND SAID CLAIM IS MADE IN GOOD FAITH; THE SUPPORTING DATA IS TRUTHFUL AND ACCURATE; THAT THE AMOUNT REQUESTED ACCURATELY REFLECTS THE CONTRACT ADJUSTMENT FOR WHICH THE CONTRACTOR BELIEVES THE AUTHORITY IS LIABLE; AND, FURTHER, THAT I AM FAMILIAR WITH CALIFORNIA PENAL CODE SECTION 72 AND CALIFORNIA GOVERNMENT CODE SECTION 12650-12655, ET SEQ, PERTAINING TO FALSE CLAIMS, AND FURTHER KNOW AND UNDERSTAND THAT SUBMISSION OR CERTIFICATION OF A FALSE CLAIM MAY LEAD TO FINES, IMPRISONMENT AND/OR OTHER SEVERE LEGAL CONSEQUENCES.

Dated:

/s/

Subscribed and sworn before me this _____ day of _____

Notary Public

My commission expires

.2 Failure to submit the notarized certificate will be sufficient cause for denying the claim.

.3 Any claim for overhead type expenses or costs, in addition to being certified as stated above, shall be supported by an audit report of any independent Certified Public Accountant. Any such overhead claim shall also be subject to audit by the Authority at its discretion.

.4 Any costs or expenses incurred by the Authority in reviewing or auditing any claims that are not supported by the Design Builder's cost accounting or other records shall be deemed to be damages incurred by the Authority within the meaning of the California False Claims Act.

4.4. ASSERTION OF CLAIMS

4.4.1 Time Limit on Claims.

4.4.1.1 Claims by either party must be made within ten (10) calendar days after occurrence of the event giving rise to such Claim or within ten (10) calendar days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be made by written notice. An additional Claim made after the initial Claim has been implemented by change order will not be considered. The failure of the Design Builder to provide the required Notice shall constitute an express waiver of any right to assert such claim, whether affirmatively or defensively.

4.4.1.2 In no event will the Design Builder be allowed to reserve its rights to assert a claim for time extension later than as required by Section 4.4.1.1 unless the Authority agrees in writing to allow such reservation.

4.4.2 Claims for Concealed or Unknown Conditions.

4.4.2.1 Trenches or Excavations Less Than Four Feet Below the Surface.

.1 If conditions are encountered at the Site which are subsurface or otherwise concealed physical conditions, which differ materially from those indicated in the Contract Documents, or unknown physical conditions of an unusual nature, which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, then notice by the observing party shall be given to the other party promptly before conditions are disturbed and in no event later than twenty-one (21) calendar days after first observance of the conditions. The Authority will promptly investigate such conditions, and if they differ materially and cause an increase or decrease in the Design Builder's cost of, time required for, or performance of any part of the Work, will recommend an equitable adjustment in the Guaranteed Maximum Price, Contract Completion Date, or both. If the Authority determines that the conditions at the Site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Authority shall so notify the Design Builder in writing, stating the reasons. Claims by either party in opposition to such determination must be made within ten (10) calendar days after the Authority has given notice of the decision. If the Authority and the Design Builder cannot agree on an adjustment in the Guaranteed Maximum Price or the Contract Completion Date, the adjustment shall be referred to the Authority's Representative for initial determination, subject to other proceedings pursuant to Claims provisions contained herein.

4.4.2.2 Trenches or Excavations Greater Than Four Feet Below the Surface.

Pursuant to Public Contract Code §7104, when any excavation or trenching extends greater than four feet below the surface:

.1 The Design Builder shall promptly, and before the following conditions are disturbed, notify the Authority in writing, of any:

.2 Material that the Design Builder believes may be material that is hazardous waste, as defined in

Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with the provisions of existing law.

.3 Subsurface or latent physical conditions at the site differing from those indicated.

.4 Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

4.4.2.3 The Authority shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Design Builder's cost of, or the time required for, performance of any part of the work will issue a change order under the procedures described in the Contract.

4.4.2.4 In the event that a dispute arises between the Authority and the Design Builder whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the Design Builder's cost of, or time required for, performance of any part of the work, the Design Builder shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. The Design Builder shall retain any and all rights provided either by Contract or by law, which pertain to the resolution of disputes and protests between the contracting parties.

4.4.3 Claims for Additional Cost.

4.4.3.1 If the Design Builder wishes to make Claim for an increase in the Guaranteed Maximum Price, written notice as provided herein shall be given before proceeding to execute the Work. Each Claim for additional cost must include any claim for additional time associated with that claim and include all associated for both time and cost in their entirety. Prior notice is not required for claims relating to an emergency endangering life or property. If the Design Builder believes additional cost is involved for reasons, including, but not limited to the following: a written interpretation from the Authority's Representative, an order by the Authority to stop the Work where the Design Builder was not at fault, a written order for a minor change in the Work issued by the Authority's Representative, failure of payment by the Authority, termination of the Contract by the Authority, the Authority's suspension of the Work, or other reasonable grounds, a claim shall be filed in accordance with the procedure established herein.

4.4.4 Claims for Additional Time.

4.4.4.1 Notice and Extent of Claim.

.1 If the Design Builder wishes to make a claim for an increase in the Completion Date, written notice as provided herein shall be given. The Design Builder's claim shall include the cost associated with the extension and effect of delay on progress of the Work. In the case of a continuing delay, only one (1) claim is necessary. Any claim for time must include a Fragnet Schedule.

4.4.4.2 Adverse Weather Claims

.1 If adverse weather conditions are the basis for a claim for additional time, such claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect on the critical path.

Claims shall be defined as follows: where adverse weather affects the progress of threw project as determined by the Authority Representative. Days on which the Design Builder is prevented by inclement weather or conditions resulting immediately therefrom adverse to the current controlling operation or operations, as determined by the Authority Representative, from proceeding with at least

75 percent of the normal labor and equipment force engaged on that operation or operations for at least 60 percent of the total daily time being currently spent on the controlling operation or operations.

4.4.4.3 No Reservation Allowed.

4.4.5 Resolution of Constructions Claims $50,000 or Less

4.4.5.1 The Authority will respond in writing to all written claims for less than or equal to fifty thousand dollars ($50,000) within forty-five (45) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Authority may have against the claimant.

4.4.5.2 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the Authority and the claimant.

4.4.5.3 The Authority's written response to the claim, as further documented, shall be submitted to the claimant within fifteen (15) days after receipt of the further documentation or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

4.4.6 Resolution of Claims Greater than $50,000 and Less than or Equal to $375,000

4.4.6.1 The Authority will respond in writing to all written claims for over fifty thousand dollars ($50,000) and less than or equal to three hundred seventy-five thousand dollars ($375,000) within sixty (60) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the Authority may have against the claimant.

4.4.6.2 If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the Authority and the claimant.

4.4.6.3 The Authority's written response to the claim as further documented, shall be submitted to the claimant within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the claimant in producing the additional information or requested documentation, whichever is greater.

4.4.7 Meet and Confer Conference

4.4.7.1 If the claimant disputes the Authority's written response, or the Authority fails to respond within the time prescribed, the claimant may so notify the Authority, in writing, either within fifteen (15) days of receipt of the Authority's response or within fifteen (15) days of the Authority's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the Authority will schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

4.4.7.2 If, following the meet and confer conference, the claim or any portion thereof remains in dispute, the claimant may file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the claimant submits the written claim pursuant to subdivision (a) until the time the claim is denied, including any period of time utilized by the meet and confer conference.

4.4.8 Design Builder's Duty During Claim Resolution

The Design Builder shall proceed with the Work in accordance with the plans and specifications and determinations and instructions of the Authority's Representative during the resolution of any claims disputes.

4.4.9 Resolution of Claims Greater than $375,000

4.4.9.1 The Authority's Representative shall, within a reasonable time after the presentation of any claim in excess of three hundred seventy-five thousand dollars ($375,000), make a decision in writing on such claim.

4.4.9.2 All decisions of the Authority's Representative shall be final unless the Design Builder, within ten days after receipt of the Authority's Representative's decision, files a written protest with the Authority's Representative stating clearly and in detail the basis of the protest. Such protest shall be forwarded promptly by the Authority's Representative to the Authority Council, who will issue a decision on such protest. It is hereby agreed that the Design Builder's failure to protest the Authority's Representative's determination or instruction within ten days after such determination or instruction is transmitted to the Design Builder shall constitute a waiver by the Design Builder of all rights to further protest, judicial or otherwise.

4.5. CIVIL ACTION PROCEDURES

The following procedures shall apply to all civil actions filed to resolve claims under this contract.

4.5.1 Non-Binding Mediation of Claims Under $375,000

Within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the fifteen (15)-day period, any party may petition the court to appoint the mediator.

4.5.2 Judicial Arbitration of Claims Under $375,000

4.5.2.1 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall apply to any proceeding brought under this subsection consistent with the rules pertaining to judicial arbitration.

4.5.2.2 Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators shall be experienced in construction law. Upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division.

4.5.2.3 In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees of the other party arising out of the appeal.

4.5.3 Litigation of claims over $375,000.

All unresolved claims in excess of $375,000 shall be resolved by litigation in Lassen County Superior Court.

4.6. DISPUTES

4.6.1 Except as otherwise specifically provided in the Contract Documents, the Authority's Representative will initially decide all claims of the Design Builder and all disputes arising under and by virtue of the Contract. Such claim or dispute will be processed and decided by the Authority's Representative as soon as practicable after its submission and the submission or availability of any additional information necessary to its decision. If the Design Builder is dissatisfied with the Authority's Representative's decision, the Design Builder may, within fifteen (15) days from the date of the Authority's Representative's decision, follow the procedures set forth in Section 4.5. If the Design Builder fails to follow the procedures set forth in Section 4.5 within the fifteen (15)-day period, then the Authority's

Representative's decision shall be final, conclusive and binding on the Design Builder.

4.7. MEDIATION

The parties may agree to mediate any controversy or Claim arising out of or relating to this Contract.

4.8. WAIVER

4.8.1 A waiver of, or failure by, Authority or Authority's Representative to enforce any requirement in this Article 4, including, without limitation, the requirements in Articles 4.2 through 4.7 in connection with any Claim shall not constitute a waiver of, and shall not preclude the Authority or Authority's Representative from enforcing, such requirements in connection with any other Claims.

4.8.2 The Design Builder agrees and understands that no oral approval, either express or implied, of any Claim shall be binding upon Authority unless and until such approval is ratified by execution of a written Change Order.

ARTICLE 5

SUBCONTRACTORS

5.1. AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

5.1.1 Design Builder shall submit to the Authority's Representative after selecting Subcontractors, an updated list of Subcontractors, along with their respective addresses, telephone numbers, e-mail addresses and contractor's license numbers. The updated list of Subcontractors shall be provided no later than thirty (30) days after the date which Authority provides Letter of Design Review. If the Project is to proceed on a fast track/phased basis as identified in the exhibits, then a Letter of Design Review will be issued by the Authority for each such design submittal associated with a particular phase and identified in the exhibits. Failure to identify Subcontractors within the time period(s) above shall commit the Design Builder to carrying out the Construction Work with its own forces.

5.1.2 The Authority has the right to request all documentation that supports the Design Builder's selection of a Subcontractor. The Authority shall have the right of final approval as to the qualification(s) of a Subcontractor to perform its designated scope of work. Within the Authority's sole discretion, any Subcontractor may be deemed not qualified to perform work on the Project if Authority or Authority's Representative determines that the Subcontractor fails to meet the requirements of the Contract Documents, or for any other reason.

5.1.3 The Subcontractors listed by Design Builder shall only be substituted in strict accordance with the "Subletting and Subcontracting Fair Practices Act" and upon the written consent of the Authority. Only upon compliance with the "Subletting and Subcontracting Fair Practices Act" and with the written consent of the Authority shall a substitution be made.

5.1.4 Any increase in the cost of the Work resulting from the replacement or substitution of a Subcontractor pursuant to above Article 5.1.3 or as required by the Authority or Authority's Representative pursuant to above Article 5.1.2, shall be borne solely by Design Builder. Design Builder shall not be entitled to any increase in Guaranteed Maximum Price or an extension of Contract Time due to such replacement or substitution.

5.2. SUBCONTRACTUAL RELATIONS

5.2.1 Any part of the Work performed for Design Builder by a first-tier Subcontractor shall be pursuant to a written subcontract. Each such subcontract shall require the Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to Design Builder by the terms of the Contract Documents, to assume toward Design Builder all the obligations and responsibilities which Design Builder assumes towards Authority by the Contract Documents, and to perform such portion of the Work in accordance with the Contract Documents. Each such subcontract shall preserve and protect the rights of Authority under the Contract Documents, with respect to the Work to be performed by Subcontractor, so that subcontracting thereof will not prejudice such rights. Design Builder shall cause each such subcontract to expressly include the following requirements:

.1 Subcontractor waives all rights that Subcontractor may have against Authority for damages caused by fire or other perils covered by builder's risk property insurance carried by Design Builder or Authority, except for such rights Subcontractor may have to the proceeds of such insurance held by Authority under Article 11 of the General Conditions.

.2 Authority, and entities and agencies designated by Authority, will have access to and the right to audit and the right to copy, at Authority's cost, all of Subcontractor's books, records, contracts, correspondence, instructions, drawings, receipts, vouchers, purchase orders, and memoranda relating to the Work. Subcontractor shall preserve all such records and other items for a period of at least 3 years after Final Completion.

.3 Subcontractor recognizes the rights of Authority under Article 5.3 of the General Conditions, Contingent Assignment of Subcontracts, and agrees, upon notice from Authority that Authority has elected to accept said assignment and to retain Subcontractor pursuant to the terms of the subcontract, to complete the unperformed obligations under the subcontract and, if requested by Authority, to execute a written agreement confirming that Subcontractor is bound to Authority under the terms of the subcontract.

.4 Design Builder is responsible for reviewing and coordinating the Work of and among his subcontractors and Design Professionals. This review and coordination includes, but is not limited to, resolution of any inconsistencies, errors or omissions.

5.2.2 Upon the request of Authority, Design Builder shall promptly furnish to Authority a true, complete, and executed copy of any subcontract.

5.2.3 Nothing contained in the Contract Documents shall create any contractual relationship between any Subcontractor and Authority, except when, and only to the extent that, Authority elects to accept the assignment of the subcontract with such Subcontractor pursuant to Article 5.3 of the General Conditions, Contingent Assignment of Subcontracts.

5.3. CONTINGENT ASSIGNMENT OF SUBCONTRACTS

5.3.1 Design Builder hereby assigns to Authority all its interest in first-tier subcontracts now or hereafter entered into by Design Builder for performance of any part of the Work. The assignment will be effective upon acceptance by Authority in writing and only as to those subcontracts which Authority designates in writing. Authority may accept said assignment at any time during the course of the Work and prior to Final Completion in the event of a suspension or termination of Design Builder's rights under the Contract Documents. Such assignment is part of the consideration to Authority for entering into the Contract with Design Builder and may not be withdrawn prior to Final Completion.

ARTICLE 6

CONSTRUCTION BY AUTHORITY OR BY SEPARATE CONTRACTORS

6.1. AUTHORITY'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

6.1.1 Authority reserves the right to award separate contracts for, or to perform with its own forces, construction or operations related to the Work or other construction or operations at or affecting the Project site, including portions of the Work which have been deleted by Change Order. Design Builder shall cooperate with Authority's forces and Separate Contractors.

6.1.2 Authority will provide coordination of the activities of Authority's forces and of each Separate Contractor with the Work of Design Builder. Design Builder shall participate with Authority and Separate Contractors in joint review of construction schedules and Project requirements when directed to do so. Design Builder shall make necessary revisions to the Contract Schedule after such joint review.

6.2. MUTUAL RESPONSIBILITY

6.2.1 Design Builder shall afford Authority and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities. Design Builder shall connect, schedule, and coordinate its construction and operations with the construction and operations of Authority and Separate Contractors as required by the Contract Documents.

6.2.2 If a portion of the Work is dependent upon the proper execution or results of other construction or operations by Authority or Separate Contractors, Design Builder shall inspect such other design or construction or operations before proceeding with that portion of the Work. Design Builder shall promptly report to Authority's Representative apparent discrepancies or defects which render the other design, construction or operations unsuitable to receive the Work. Unless otherwise directed by Authority's Representative, Design Builder shall not proceed with the portion of the Work affected until apparent discrepancies or defects have been corrected. Failure of Design Builder to so report within a reasonable time after discovering such discrepancies or defects shall constitute an acknowledgment that the other construction or operations by Authority or Separate Contractors is suitable to receive the Work, except as to defects not then reasonably discoverable.

6.3. AUTHORITY'S RIGHT TO CLEAN UP

6.3.1 If a dispute arises between Design Builder and Separate Contractors as to the responsibility under their respective contracts for maintaining the Project site and surrounding areas free from waste materials and rubbish, Authority may clean up and allocate the cost between those firms it deems to be responsible.

ARTICLE 7

CHANGES IN THE WORK

7.1. CHANGES

7.1.1 Authority may, from time to time, order or authorize additions, deletions, and other changes in the Work by Change Order or Field Order without invalidating the Contract and without notice to sureties. Absence of such notice shall not relieve such sureties of any of their obligations to Authority.

7.1.2 Design Builder may request a Change Order under the procedures specified in Article 4.2 of the General Conditions.

7.1.3 A Field Order may be issued by Authority, does not require the agreement of Design Builder, and shall be valid with or without the signature of Design Builder.

7.1.4 Design Builder shall proceed promptly with any changes in the Work, unless otherwise provided in the relevant Change Order or Field Order.

7.2. CHANGES DEFINITIONS

7.2.1 A Change Order is a Contract Document (as shown in the Exhibits) which has been signed by both Authority and Design Builder, and states their agreement, as applicable, to any of the following:

.1 A change in the Work.

.2 The amount of an adjustment of the Guaranteed Maximum Price.

.3 The amount of an adjustment of the Phase 2 Fee.

.4 The amount of an adjustment of the Contract Time.

7.2.2 A Unilateral Change Order may also be issued by Authority, without Design Builder's signature, where Authority determines that a change in the Work requires an adjustment of the Guaranteed Maximum Price or Contract Time as Authority believes to be properly due Design Builder, even though no agreement has been reached between Authority and Design Builder with regard to such change in the Work.

7.2.3 A Field Order (as shown in the Exhibits) is a Contract Document issued by the Authority that orders the Design Builder to perform Work. A Field Order may, but need not, constitute a change in the Work and may, but need not, entitle Design Builder to an adjustment of the Guaranteed Maximum Price or Contract Time.

7.3. CHANGE ORDER PROCEDURES

7.3.1 Design Builder shall provide a Change Order Request and Cost Proposal pursuant to Article 4.2 of the General Conditions and this Article 7.3. Adjustments of the Guaranteed Maximum Price resulting from Extra Work and Deductive Work shall be determined using one of the methods described in this Article 7.3. Adjustments of the Contract Time shall be subject to the provisions in Article 8 of the General Conditions. Design Builder's obligation to provide Cost Proposals shall be subject to the following:

.1 The obligation of Design Builder to provide Cost Proposals is not Extra Work, and shall not entitle the Design Builder to an adjustment of the Guaranteed Maximum Price or Contract Time.

.2 The failure of Design Builder to timely provide a Cost Proposal pursuant to Article 4.2 of the General Conditions and this Article 7.3.1 is a material breach of the Contract. Design Builder shall be responsible for any delay in implementing a change for which Design Builder failed to timely provide a Cost Proposal consistent with the requirements of Article 4.2 of the General Conditions and this Article 7.3.1.

7.3.2 The term "Cost of Extra Work" as used in this Article 7.3 shall mean actual costs incurred or to be incurred by Design Builder and each Subcontractor regardless of tier involved, to the extent not otherwise disallowed under Article 7.3.3, and shall be limited to the following (to the extent the Design Builder demonstrates that the costs are both reasonable and actually incurred, if such costs have been incurred):

.1 Straight-time wages or salaries for employees employed at the Project site, or at fabrication sites off the Project site, incurred as a result of performance of the Extra Work.

.2 Fringe Benefits and Payroll Taxes for employees employed at the Project site, or at fabrication sites off the Project site, incurred as a result of performance of the Extra Work.

.3 Overtime wages or salaries, specifically authorized in writing by Authority's Representative, for employees employed at the Project site, or at fabrication sites off the Project site, incurred as a result of performance of the Extra Work.

.4 Fringe Benefits and Payroll Taxes for overtime Work specifically authorized in writing by Authority's Representative, for employees employed at the Project site, or at fabrication sites off the Project site, incurred as a result of performance of the Extra Work.

.5 Costs of materials and consumable items which are furnished and incorporated into the Extra Work, as approved by Authority's Representative. Such costs shall be charged at the lowest price available to the Design Builder but in no event shall such costs exceed competitive costs obtainable from other subcontractors, suppliers, manufacturers, and distributors in the area of the Project site. All discounts, rebates, and refunds and all returns from sale of surplus materials and consumable items shall accrue to Authority and Design Builder shall make provisions so that they may be obtained.

.6 Sales taxes on the costs of materials and consumable items which are incorporated into and used in the performance of the Extra Work pursuant to Article 7.3.2.5 above.

.7 Rental charges for necessary machinery and equipment, whether owned or hired, as authorized in writing by Authority's Representative, exclusive of hand tools, used directly in the performance of the Extra Work. Such rental charges shall not exceed the current Equipment Rental Rates published by the California Department of Transportation for the area in which the work is performed. Such rental rates are found at http://www.dot.ca.gov/hq/construc/equipmnt.html. Design Builder shall attach a copy of said schedule to the Cost Proposal. The charges for any machinery and equipment shall cease when the use thereof is no longer necessary for the Extra Work.

.8 Additional costs of royalties and permits due to the performance of the Extra Work.

.9 Cost for revisions in the Design Development Documents or Construction Documents, when such revisions are inconsistent with approvals or instructions previously given by Authority. Revisions made necessary by adjustments in Authority's program or project budget such costs to be computed at the hourly rates specified in the Design Professional Rate Schedule in the Exhibits.

.10 The cost for Insurance and Bonds shall not exceed 2% of items .1 through .9 above.

Authority and Design Builder may agree upon rates to be charged for any of the items listed in this Article 7.3.2. Such agreed upon rates shall be subject to audit pursuant to Article 15.7 of the General Conditions. Design Builder shall promptly refund to Authority any amounts (including associated mark-ups) in excess of the actual costs of such items.

7.3.3 Cost of Extra Work shall not include any of the following:

.1 Supervision

.2 Superintendent(s).

.3 Assistant Superintendent(s).

.4 Project Engineer(s).

.5 Project Manager(s).

.6 Scheduler(s).

.7 Estimator(s).

.8 Small tools (Replacement value does not exceed $300).

.9 Office expenses including staff, materials and supplies.

.10 On-site or off-site trailer and storage rental and expenses.

.11 Site fencing.

.12 Utilities including gas, electric, sewer, water, telephone, facsimile, copier equipment.

.13 Data processing personnel and equipment.

.14 Federal, state, or local business income and franchise taxes.

.15 Overhead and Profit.

.16 Costs and expenses of any kind or item not specifically and expressly included in Article 7.3.2 above.

.17 Costs in Article 7.3.2.9 in excess of the hourly rates included in the Design Professional Rate Schedule.

7.3.4 The term "Design Builder Fee" shall mean the full amount of compensation for Extra Work, including both direct and indirect compensation (including without limitation all overhead and profit), to be paid to Design Builder for its own Work and the Work of all Subcontractors, for all costs and expenses not included in the Cost of Extra Work, whether or not such costs and expenses are specifically referred to in Article 7.3.3 above. The Design Builder Fee shall not be compounded.

7.3.4.1 The Design Builder Fee shall be computed as follows when the change impacts the Construction Work, or for the portion of the change that is related to Construction Work:

.1 Fifteen percent (15%) of the cost of that portion of the Extra Work to be performed by the Design Builder with its own forces.

.2 Fifteen percent (15%) of the cost of that portion of the Work to be performed by a Subcontractor with its own forces, plus 5% for the Design Builder. Total combined Design Builder and Subcontractor fee shall not exceed 20%.

.3 Fifteen percent (15%) of the cost of that portion of the Work to be performed by a sub-subcontractor with its own forces, or any lower tier of Subcontractor, plus 5% for the Subcontractor, plus 5% for the Design Builder. Total combined Design Builder, Subcontractor and all sub-subcontractor fee shall not exceed 25%.

.4 Notwithstanding the foregoing, the Design Builder Fee for additional Design Work under 7.3.2.9 of the General Conditions shall be 5% of the cost of such additional Design Work performed by a Design Professional. The cost of such additional Design Work shall be computed using the hourly rates in the Exhibits. The fee for the Design Professional Subcontractors shall be the overhead/profit rate specified in the Design Professional Rate Schedule.

7.3.5 Compensation for Extra Work shall be computed on the basis of one or more of the following:

.1 Where the Work involved is covered by Unit Prices contained in the Contract Documents, by application of the Unit Prices to the quantities of the items involved.

.2 Where the Work involved is not covered by Unit Prices contained in the Contract Documents, by application of the Unit Prices agreed upon by Authority and Design Builder.

.3 Where the Work involved requires revisions to the Design Development Documents or the Construction Documents when such revisions are inconsistent with approvals or instructions previously given by Authority, including revisions made necessary by adjustments in Authority's program or project budget, by application of the hourly rates reflected in the Design Professional Rate Schedule.

.4 Where Articles 7.3.5.1, 7.3.5.2 and 7.3.5.3 above are not applicable, a mutually agreed upon lump sum supported by a Cost Proposal pursuant to Article 7.3.1 of the General Conditions.

.5 If Authority and Design Builder cannot agree upon a lump sum , by Cost of Extra Work plus Design Builder Fee applicable to such Extra Work.

7.3.6 As a condition to Design Builder's right to an adjustment of the Guaranteed Maximum Price, pursuant to Article 7.3.5.5 above, Design Builder must keep daily detailed and accurate records itemizing each element of cost and shall provide substantiating records and documentation, including time cards and invoices. Such records and documentation shall be submitted to and approved by Authority's Representative on a daily basis.

7.3.7 For Work to be deleted by Change Order, the reduction of the Guaranteed Maximum Price shall be computed on the basis of one or more of the following:

.1 Unit Prices stated in the Contract Documents.

.2 Unit Prices agreed upon by Authority and Design Builder.

.3 Where Unit Prices are not applicable, a lump sum agreed upon by Authority and Design Builder, based upon the actual costs which would have been incurred in performing the deleted portions of the Work as calculated in accordance with Articles 7.3.2 and 7.3.3 above and supported by a Cost Proposal pursuant to Article 7.3.1 above.

7.3.8 If any one Change involves both Extra Work and Deleted Work in the same portion of the Work, a Design Builder Fee will not be allowed if the deductive cost exceeds the additive cost. If the additive cost exceeds the deductive cost, a Design Builder Fee will be allowed only on the difference between the two amounts.

7.3.9 The Guaranteed Maximum Price will be adjusted for a delay if, and only if, Design Builder demonstrates that all of the following four conditions are met:

.1 Condition Number One: The delay results in an extension of the Contract Time pursuant to Article 8.4.1 of the General Conditions.

.2 Condition Number Two: The delay is caused solely by one, or more of the following:

.1 An error or omission in the Contract Documents caused by Authority and not as a result of Design Builder's failure to conform to criteria documents, performance standards, Construction Documents, or Contract Documents; or

.2 The Authority's decision to change the scope of the Work, where such decision is not the result of any default or misconduct of the Design Builder; or

.3 The Authority's decision to suspend the Work, where such decision is not the result of any default or misconduct of the Design Builder; or

.4 The failure of the Authority (including the Authority acting through its consultants, Design Professionals, Separate Contractors or the Authority's Representative) to perform any Contract obligation where the failure to so perform is not the result of any default or misconduct of the Design Builder.

.5 A materially differing site condition pursuant to Article 3.24 of the General Conditions.

.3 Condition Number Three: The delay is not concurrent with a delay that is caused by an event other than those listed in Article 7.3.9.2 above.

.4 Condition Number Four: The delay is not caused, in whole or in part, by an event which occurs during the performance of Phase 1.

7.3.10 For each day of delay that meets all four conditions prescribed in Article 7.3.9 above, the Guaranteed Maximum Price will be adjusted by the daily rate included in the Agreement and specifically identified as the rate to be paid to Design Builder for Compensable Delays as agreed upon for the applicable Phase. Pursuant to Article 9.7.4 of the General Conditions, said daily rate shall not apply to delays occurring after Substantial Completion.

7.3.11 Except as provided in Articles 7 and 8, Design Builder shall have no claim for damage or compensation for any delay, interruption, hindrance, or disruption.

7.3.12 If for any reason one or more of the conditions prescribed in Article 7.3.9 above is held legally unenforceable, the remaining conditions must be met as a condition to obtaining an adjustment of the Contract Time under Article 7.3.10 above.

7.3.13 Extra Work done without advance written authority will be considered as unauthorized work and will not be paid for.

7.4. FIELD ORDERS

7.4.1 Field Orders issued by the Authority's Representative shall be subject to the following:

.1 A Field Order may state that it does or does not constitute a change in the Work.

.2 If the Field Order states that it does not constitute a change in the Work and the Design Builder asserts that the Field Order constitutes a change in the Work, in order to obtain an adjustment of the Guaranteed Maximum Price or Contract Time for the Work encompassed by the Field Order, Design Builder must follow all procedures set forth in Article 4 of the General Conditions, starting with the requirement of submitting a timely Change Order Request within 7 days of Design Builder's receipt of the Field Order; failure to strictly follow those procedures is a bar to any Claim for an adjustment of the Guaranteed Maximum Price or Contract Time arising from performance of the Work described in the Field Order.

.3 If the Field Order states that it does constitute a change in the Work, the Work described in the Field Order shall be considered Extra Work and the Design Builder shall be entitled to an adjustment of the Guaranteed Maximum Price and Contract Time, calculated under and subject to Design Builder's compliance with the procedures for verifying and substantiating costs and delays in Articles 7 and 8 of the General Conditions.

.4 In addition, if the Field Order states that it does constitute a change in the Work, the Field Order may or may not contain Authority's estimate of adjustment of Guaranteed Maximum Price and/or Contract Time. If the Field Order contains an estimate of adjustment of Guaranteed Maximum Price or Contract Time, the Field Order is subject to the following:

.1 The Design Builder shall not exceed the Authority's estimate of adjustment to Guaranteed Maximum Price or Contract Time without written authorization by Authority's Representative.

.2 If the Design Builder asserts that the change in the Work encompassed by the Field Order may entitle Design Builder to an adjustment of Guaranteed Maximum Price or Contract Time in excess of the Authority's estimate, in order not to be bound by Authority's estimate Design Builder must follow all procedures set forth in Article 4 of the General Conditions, starting with the requirement of submitting a timely Change Order Request within 7 days of Design Builder's receipt of the Field Order; failure to strictly follow those procedures is a bar to any Claim for an adjustment of the Guaranteed Maximum Price or Contract Time, in excess of the Authority's estimate, arising from performance of the Work described in the Field Order.

7.4.2 Upon receipt of a Field Order, Design Builder shall promptly proceed to perform the Work as ordered in the Field Order notwithstanding any disagreement by the Design Builder concerning whether the Work is extra.

7.5. VARIATION IN QUANTITY OF UNIT PRICE WORK

7.5.1 Authority has the right to increase or decrease the quantity of any Unit price item for which an estimated quantity is stated in the Proposal Form.

7.6. WAIVER

7.6.1 A waiver of, or failure by, Authority or Authority's Representative to enforce any requirement in this Article 7, including, without limitation, the requirements in Articles 7.3.6, 7.3.8, 7.3.9, 7.3.10, 7.3.11, or 7.3.12 in connection with any adjustment of the Guaranteed Maximum Price, will not constitute a waiver of, and will not preclude the Authority, or Authority's Representative, from enforcing such requirements in connection with any other adjustments of the Guaranteed Maximum Price.

7.6.2 The Design Builder agrees and understands that no oral approval, either express or implied, of any adjustment of the Guaranteed Maximum Price by Authority or its agents shall be binding upon Authority unless and until such approval is ratified by execution of a written change order.

ARTICLE 8

CONTRACT TIME

8.1. COMMENCEMENT OF THE WORK

8.1.1 The date of commencement of the Phase of the Work shall be set forth in the applicable Notice To Proceed. The date of commencement of the Work shall not be postponed by the failure of Design Builder, Subcontractors, or of persons or firms for whom Design Builder is responsible, to act.

8.2. PROGRESS AND COMPLETION

8.2.1 By signing the Agreement:

.1 Design Builder represents to Authority that the Contract Time is reasonable for performing the Work and that Design Builder is able to perform the Work within the Contract Time.

.2 Design Builder agrees that Authority is purchasing the right to have the Design Builder present on the Project site for the full duration of the Contract Time applicable to the Construction Phase, even if Design Builder could finish the Contract in less than the Contract Time.

8.2.2 Design Builder shall not, except by agreement or instruction of Authority in writing, commence operations on the Project site or elsewhere prior to the effective date of insurance required by Article 11 of the General Conditions to be furnished by Design Builder. The dates of commencement and Final Completion of the Work shall not be changed by the effective date of such insurance.

8.2.3 Design Builder shall proceed expeditiously with adequate forces and shall achieve Final Completion of the Work within the Contract Time. If Authority's Representative determines and notifies Design Builder that Design Builder's progress is such that Design Builder will not achieve Final Completion of the Work within the Contract Time, Design Builder shall immediately and at no additional cost to Authority, take all measures necessary, including working such overtime, additional shifts, Sundays, or holidays as may be required to ensure that Design Builder will achieve Final completion of the Work within the Contract Time. Upon receipt of such notice from Authority's representative, Design Builder shall immediately notify Authority's Representative of all measures to be taken to ensure Final Completion of the Work within the Contract Time. Design Builder shall reimburse Authority for any extra costs or expenses (including the reasonable value of any services provided by Authority's employees) incurred by Authority as the result of such measures.

8.3. DELAY

8.3.1 Except and only to the extent provided otherwise in Articles 7 and 8 of the General Conditions, by signing the Agreement, Design Builder agrees:

.1 To bear the risk of delays to the Work; and

.2 That Design Builder's Proposal for the Contract was made with full knowledge of this risk.

In agreeing to bear the risk of delays to the Work, Design Builder understands that, except and only to the extent provided otherwise in Articles 7 and 8 of the General Conditions, the occurrence of events that delay the Work shall not excuse Design Builder from its obligation to achieve Final Completion of the Work within the Contract Time, and shall not entitle the Design Builder to an adjustment of the Guaranteed Maximum Price.

8.4. ADJUSTMENT OF THE CONTRACT TIME FOR DELAY

8.4.1 Subject to Article 8.4.2 below, the Contract Time will be extended for each day of delay for which Design Builder demonstrates that all of the following four conditions have been met; a time extension will not be granted for any day of delay for which Design Builder fails to demonstrate compliance with the four conditions:

.1 Condition Number One: The delay is critical. A delay is critical if and only to the extent it delays a work activity that cannot be delayed without delaying Final Completion of the Work to a date that is beyond the Contract Time.

.2 Condition Number Two: Within 7 days of the date the Design Builder discovers or reasonably should discover an act, error, omission or unforeseen condition or event causing the delay is likely to have an impact on the critical path of the Project, (even if the Design Builder has not yet been delayed when the Design Builder discovers or reasonably should discover the critical path impact of the act, error, omission or unforeseen condition giving rise to the delay) the Design Builder submits a timely and complete Change Order Request that meets the requirements of Article 4.2 of the General Conditions.

.3 Condition Number Three: The delay is not caused by:

.1 A concealed, unforeseen or unknown condition or event except for a materially differing site condition pursuant to Article 3.24 of the General Conditions; or

.2 The financial inability, misconduct or default of the Design Builder, a Subcontractor or supplier; or

.3 The unavailability of materials or parts; or

.4 An error or omission in the Contract Documents caused by Design Builder or Design Builder's Design Consultants.

.4 Condition Number Four: The delay is caused by:

.1 Fire; or

.2 Strikes, boycotts, or like obstructive actions by labor organizations; or

.3 Acts of God (As used herein, "Acts of God" shall include only earthquakes in excess of a magnitude of 3.5 on the Richter Scale and tidal waves); or

.4 A materially differing site condition pursuant to Article 3.24 of the General Conditions; or

.5 An error or omission in the Contract Documents caused by the Authority; or

.6 The Authority's decision to change the scope of the Work, where such decision is not the result of any default or misconduct of the Design Builder; or

.7 The Authority's decision to suspend the Work, where such decision is not the result of any default or misconduct of the Design Builder; or

.8 The failure of the Authority (including the Authority acting through its consultants, Design Professionals, Separate Contractors or the Authority's Representative) to perform any Contract obligation unless such failure is due to Design Builder's default or misconduct.

.9 "Adverse weather" but only for such days of adverse weather, or on-site conditions caused by adverse weather, that are in excess of the number of days specified in the Supplementary Conditions. In order for a day to be considered a day of adverse weather for the purpose of determining whether Design Builder is entitled to an adjustment in

Contract Time, all of the following conditions must be met, where approved by the Authority Representative, in writing:

.1 Where adverse weather affects the progress of the project as determined by the Authority Representative. Days on which the Design Builder is prevented by inclement weather or conditions resulting immediately therefrom adverse to the current controlling operation or operations, as determined by the Authority Representative, from proceeding with at least 75 percent of the normal labor and equipment force engaged on the at operation or operations for at least 60 percent of the total daily time being spent on the controlling operation or operations; or

.2 The day must be identified in the Contract Schedule as a scheduled work day.

8.4.2 If and only if a delay meets all four conditions prescribed in Article 8.4.1 above, then a time extension will be granted for each day that Final Completion of the Work is delayed beyond the Contract Time, subject to the following:

.1 When two or more delays (each of which meet all four conditions prescribed in Article 8.4.1 above) occur concurrently on the same day, and each such concurrent delay by itself without consideration of the other delays would be critical, then all such concurrent delays shall be considered critical. For the purpose of determining whether and to what extent the Contract Time should be adjusted pursuant to this Article 8.4.2, such concurrent critical delays shall be treated as a single delay for each such day.

.2 Design Builder shall be entitled to a time extension for a day of delay that meets all four requirements of Article 8.4.1 above if the delay is concurrent with a delay that does not meet all four conditions of Article 8.4.1 above.

8.4.3 If for any reason one or more of the four conditions prescribed in Article 8.4.1 above is held legally unenforceable, then all remaining conditions must be met as a condition to obtaining an extension of the Contract Time under Article 8.4.2 above.

8.5. COMPENSATION FOR DELAY

8.5.1 To the maximum extent allowed by law, any adjustment of the Guaranteed Maximum Price as the result of delays shall be limited to the amounts specified in Article 7 of the General Conditions. Such adjustment shall, to the maximum extent allowed by law, constitute payment in full for all delay related costs (including costs for disruption, interruption and hindrance, general conditions, on and off-site overhead and profit) of Design Builder, its Suppliers and Subcontractors of all tiers and all persons and entities working under or claiming through Design Builder in connection with the Project.

8.5.2 By signing the Agreement, the parties agree that the Authority is buying the right to do any or all of the following, which are reasonable and within the contemplation of the parties:

.1 To order changes in the Work, regardless of the extent and number of changes, including without limitation:

.1 Changes to correct errors or omissions caused by Authority, if any, in the Contract Documents.

.2 Changes resulting from the Authority's decision to change the scope of the Work subsequent to execution of the Contract.

.3 Changes due to unforeseen conditions.

.2 To suspend the Work or any part thereof.

.3 To delay the Work, including without limitation, delays resulting from the failure of the Authority or the Authority's Representative to timely perform any Contract obligation and delays for Authority's convenience.

8.6. WAIVER

8.6.1 A waiver of, or failure by, Authority or Authority's Representative to enforce any requirement in this Article 8, including without limitation the requirements in Article 8.4 above, in connection with any or all past delays shall not constitute a waiver of, and shall not preclude the Authority or Authority's Representative from enforcing, such requirements in connection with any present or future delays.

8.6.2 Design Builder agrees and understands that no oral approval, either express or implied, of any time extension by Authority or its agents shall be binding upon Authority unless and until such approval is ratified by execution of a written Change Order.

ARTICLE 9

PAYMENTS AND COMPLETION

9.1. COST BREAKDOWN

9.1.1 Within 10 days after receipt of the Construction Notice to Proceed for Phase 2, Design Builder shall submit to Authority's Representative a Cost Breakdown of the Guaranteed Maximum Price in the form contained in the Exhibits. The Cost Breakdown shall itemize as separate line items the cost of each work activity and all associated costs, including but not limited to warranties, as-built documents, overhead expenses, and the total allowance for profit. Insurance and bonds shall each be listed as separate line items. The total of all line items shall equal the Guaranteed Maximum Price. The Cost Breakdown, when approved by the Authority's Representative, shall become the basis for determining the cost of Work performed for Design Builder's Applications for Payment.

9.2. PROGRESS PAYMENT

9.2.1 Authority agrees to pay monthly to Design Builder, subject to Article 9.4.3 of the General Conditions, an amount equal to 95% of the sum of the following:

.1 Cost of the Construction Work in permanent place as of the date of the Design Builder's Application For Payment.

.2 Cost of materials not yet incorporated in the Construction Work, subject to Article 9.3.5 of the General Conditions.

.3 Less amounts previously paid.

.4 During the Design Work, the Authority shall pay Design Builder monthly a uniform amount prorated, based on the Contract Time and Guaranteed Maximum Price associated with the Design Development Phase.

Under this Article 9.2.1, Authority may, but is not required to, pay Design Builder more frequently than monthly.

9.2.2 After Substantial Completion and subject to Article 9.4.3 of the General Conditions, Authority will make any of the remaining progress payments in full.

9.3. APPLICATION FOR PAYMENT

9.3.1 On or before the 10th day of the month or such other date as is established by the Contract Documents, Design Builder shall submit to Authority's Representative an itemized Application For Payment, for the cost of the Work in permanent place, as approved by Authority's Representative, which has been completed in accordance with the Contract Documents, less amounts previously paid. The Application For Payment shall be prepared as follows:

.1 Use the form contained in the Exhibits.

.2 Itemize in accordance with the Cost Breakdown as applicable.

.3 Include such data substantiating Design Builder's right to payment as Authority's Representative may reasonably require, such as invoices, certified payrolls, daily time and material records, and, if securities are deposited in lieu of retention pursuant to Article 9.5 of the General Conditions, a certification of the market value of all such securities as of a date not earlier than 5 days prior to the date of the Application For Payment as applicable.

.4 Itemize retention.

9.3.2 Applications For Payment shall not include requests for payment on account of (1) changes which have not been authorized by Change Orders or (2) amounts Design Builder does not intend to pay a Subcontractor because of a dispute or other reason.

9.3.3 If required by Authority, an Application For Payment shall be accompanied by (1) a summary showing payments that will be made to Subcontractors covered by such application and conditional releases upon progress payment or final payment and (2) unconditional waivers and releases of claims and stop notices, in the form contained in the Exhibits, from each Subcontractor listed in the preceding Application For Payment covering sums disbursed pursuant to that preceding Application For Payment.

9.3.4 Design Builder warrants that, upon submittal of an Application For Payment, all Work, for which Certificates For Payment have been previously issued and payment has been received from Authority, shall be free and clear of all claims, stop notices, security interests, and encumbrances in favor of Design Builder, Subcontractors, or other persons or firms entitled to make claims by reason of having provided labor, materials, or equipment relating to the Work.

9.3.5 At the sole discretion of Authority, Authority's Representative may approve for inclusion in the Application For Payment the cost of materials not yet incorporated in the Construction Work but already delivered and suitably stored either at the Project site or at some other appropriate location acceptable to Authority's Representative. In such case, Design Builder shall furnish evidence satisfactory to Authority's Representative (1) of the cost of such materials; and (2) that such materials are under the exclusive control of Design Builder. Only materials to be incorporated in the Work will be considered for payment. Any payment shall not be construed as acceptance of such materials nor relieve Design Builder from sole responsibility for the care and protection of such materials; nor relieve Design Builder from risk of loss to such materials from any cause whatsoever; nor relieve Design Builder from its obligation to complete the Work in accordance with the Contract; nor act as a waiver of the right of Authority to require fulfillment of all terms of the Contract. Nothing contained within this Article 9.3.5 shall be deemed to obligate Authority to agree to payment for any non-incorporated materials or any part thereof, payment being in the sole and absolute discretion of Authority.

9.4. CERTIFICATE FOR PAYMENT

9.4.1 If Design Builder has submitted an Application For Payment in accordance with Article 9.3 above, Authority's Representative shall, not later than 5 working days after the date of receipt of the Application For Payment, issue to Authority, with a copy to Design Builder, a Certificate For Payment for such amount as Authority's Representative determines to be properly due.

9.4.2 If any such Application For Payment is determined not to be in accordance with Article 9.3 above, Authority will inform Design Builder as soon as practicable, but not later than 5 working days after receipt. Thereafter, Design Builder shall have 3 days to revise and resubmit such Application For Payment; otherwise Authority's Representative may issue a Certificate For Payment in the amount that Authority's Representative determines to be properly due without regard to such Application For Payment.

9.4.3 Approval of all or any part of an Application For Payment may be withheld, a Certificate For Payment may be withheld, and all or part of a previous Certificate For Payment may be nullified and that amount withheld from a current Certificate For Payment on account of any of the following:

.1 Defective Work not remedied.

.2 Third-party claims against Design Builder or Authority arising from the acts or omissions of Design Builder or Subcontractors.

.3 Stop notices.

.4 Failure of Design Builder to make timely payments due Subcontractors.

.5 A reasonable doubt that the Work can be completed for the balance of the Guaranteed Maximum Price then unpaid.

.6 Damage to Authority or Separate Contractor for which Design Builder is responsible.

.7 Reasonable evidence that the Work will not be completed within the Contract Time; and that the unpaid balance of the Guaranteed Maximum Price would not be adequate to cover Authority's damages for the anticipated delay.

.8 Failure of Design Builder to maintain and update as-built documents.

.9 Failure of Design Builder to submit schedules or their updates as required by the Contract Documents.

.10 Failure to provide conditional or unconditional releases from any Subcontractor or supplier, if such waiver(s) have been requested by Authority's Representative.

.11 Performance of Work by Design Builder without properly processed Shop Drawings.

.12 Liquidated damages assessed in accordance with the Agreement.

.13 Failure to provide updated Reports of Subcontractor Information and Self-Certifications, as applicable.

.14 Failure to provide a Final Distribution of Contract Dollars with final Application for Payment.

.15 Any other failure of Design Builder to perform its obligations under the Contract Documents.

9.4.4 Subject to the withholding provisions of Article 9.4.3 of the General Conditions, Authority will pay Design Builder the amount set forth in the Certificate For Payment no later than 10 days after the issuance of the Certificate For Payment.

9.4.5 Neither Authority nor Authority's Representative will have an obligation to pay or to see to the payment of money to a Subcontractor, except as may otherwise be required by law.

9.4.6 Neither a Certificate For Payment nor a progress payment made by Authority will constitute acceptance of Defective Work.

9.5. DEPOSIT OF SECURITIES IN LIEU OF RETENTION AND DEPOSIT OF RETENTION INTO ESCROW

9.5.1 At the request and expense of Design Builder, a substitution of securities may be made for any monies retained by Authority under Article 9.2 to ensure performance under the Contract Documents. Securities equivalent in value to the retention amount required by the Contract Documents for each Certificate For Payment shall be deposited by Design Builder with a state or federally chartered bank in the State of California ("Escrow Agent"), which shall hold such securities pursuant to the escrow agreement referred to in Article 9.5.3 until retention is due in accordance with Article 9.8. Securities shall be valued as often as conditions of the securities market warrant, but in no case less than once per month. Design Builder shall deposit additional securities so that the current market value of the total of all deposited securities shall be at least equal to the total required amount of retention.

9.5.2 Alternatively to Article 9.5.1 above, and at the request and expense of Design Builder, Authority will deposit retention directly with Escrow Agent. Design Builder may direct the investment of such deposited retention into interest bearing accounts or securities, and such deposits or securities shall be held by Escrow Agent upon the same terms provided for securities deposited by Design Builder. Design Builder and its surety shall bear the risk of failure of the Escrow Agent selected.

9.5.3 A prerequisite to the substitution of securities in lieu of retention or the deposit of retention into escrow shall be the execution by Design Builder, Authority, and Escrow Agent of an Escrow Agreement for Deposit of Securities in Lieu of Retention and Deposit of Retention in the form contained in the Exhibits. The Design Builder shall submit the Selection of Retention Options and the Escrow Agreement for Deposit of Securities in Lieu of Retention and Deposit of Retention not later than the date when 50% of the Work has been completed. The terms of such escrow agreement are incorporated into the requirements of this Article 9.5.

9.6. BENEFICIAL OCCUPANCY

9.6.1 Authority reserves the right, at its option and convenience, to occupy or otherwise make use of any part of the Construction Work at any time prior to Substantial Completion or Final Completion upon 10 days' notice to Design Builder. Such occupancy or use is herein referred to as "Beneficial Occupancy." Beneficial Occupancy shall be subject to the following conditions:

.1 Authority's Representative will make an inspection of the portion of the Project to be beneficially occupied and prepare a list of items to be completed or corrected prior to Final Completion. Prior to Beneficial Occupancy, Authority will issue a Certificate of Beneficial Occupancy on Authority's form.

.2 Beneficial Occupancy by Authority shall not be construed by Design Builder as an acceptance by Authority of that portion of the Construction Work which is to be occupied.

.3 Beneficial Occupancy by Authority shall not constitute a waiver of existing claims of Authority or Design Builder against each other.

.4 Design Builder shall provide, in the areas beneficially occupied and on a 24 hour and 7 day week basis as required, utility services, heating, and cooling for systems which are in operable condition at the time of Beneficial Occupancy. All responsibility for the operation and maintenance of equipment shall remain with Design Builder while the equipment is so operated. Design Builder shall submit to Authority an itemized list of each piece of equipment so operated with the date operation commences. The Guarantee to Repair Periods, as defined in Article 12.2, will commence upon the occupancy date stated in the Certificate of Beneficial Occupancy except that the Guarantee to Repair Periods for that part of equipment or systems that serve portions of the Work for which Authority has not taken Beneficial Occupancy or issued a Certificate of Substantial Completion shall not commence until the Authority has taken Beneficial Occupancy for that portion of the Work or has issued a Certificate of Substantial Completion with respect to the entire Project.

.5 Authority will pay all normal operating and maintenance costs resulting from its use of equipment in areas beneficially occupied.

.6 Authority will pay all utility costs which arise out of the Beneficial Occupancy.

.7 Design Builder shall not be responsible for providing security in areas beneficially occupied.

.8 Authority will use its best efforts to prevent its Beneficial Occupancy from interfering with the conduct of Design Builder's remaining Work.

.9 Design Builder shall not be required to repair damage caused by Authority in its Beneficial Occupancy.

.10 Except as provided in this Article 9.6, there shall be no added cost to Authority due to Beneficial Occupancy.

.11 Design Builder shall continue to maintain all insurance required by the Contract in full force and effect.

9.7. SUBSTANTIAL COMPLETION

9.7.1 "Substantial Completion" means the stage in the progress of the Construction Work, as determined by Authority's Representative, when the Construction Work is complete and in accordance with the Contract Documents except only for completion of minor items which do not impair Authority's ability to occupy and fully utilize the Construction Work for its intended purpose and a Certificate of Occupancy has been issued by the Building Official.

9.7.2 When Design Builder gives notice to Authority's Representative that the Construction Work is substantially complete, unless Authority's Representative determines that the Construction Work is not sufficiently complete to warrant an inspection to determine Substantial Completion, Authority's Representative will inspect the Construction Work. If the Authority's Representative determines that the Work is not substantially completed the Authority's Representative will prepare and give to Design Builder a comprehensive list of items to be completed or corrected before establishing Substantial Completion. Design Builder shall proceed promptly to complete and correct items on the list. Failure to include an item on such list does not alter the responsibility of Design Builder to complete all Construction Work in accordance with the Contract Documents. Upon notification that the items on the list are completed or corrected, as applicable, the Authority's Representative will make an inspection to determine whether the Construction Work is substantially complete. Costs for additional inspection by Authority's Representative shall be deducted from any monies due and payable to Design Builder.

9.7.3 When Authority's Representative determines that the Construction Work is substantially complete, Authority's Representative will arrange for inspection by Building Official and other officials, as appropriate, for the purpose of issuing a Certificate of Occupancy. After a Certificate of Occupancy has been issued by the Building Official, the Authority's Representative will prepare a Certificate of Substantial Completion on Authority's form as contained in the Exhibits, which, when signed by Authority, shall establish the date of Substantial Completion and the responsibilities of Authority and Design Builder for security, maintenance, utilities, insurance, and damage to the Construction Work. The Authority's Representative will prepare and furnish to the Design Builder a comprehensive "punch list" of items to be completed or corrected prior to Final Completion.

9.7.4 Unless otherwise provided in the Certificate of Substantial Completion, the Guarantee To Repair Period for the Work covered by the Certificate of Substantial Completion, shall commence on the date of Substantial Completion of the Construction Work except that Substantial Completion shall not commence the Guarantee to Repair Period for any equipment or systems that:

.1 Are not operational (equipment or systems shall not be considered operational if they cannot be used the intended service; or

.2 Are not accepted by the Authority.

The Guarantee To Repair Period for equipment or systems which become fully operational and accepted subsequent to Substantial Completion will begin on the date of their written acceptance by Authority.

9.7.5 The daily rate included in the Agreement and specifically identified as the rate to be paid to Design Builder for Compensable Delays shall not apply to any delays occurring after the Work is substantially completed.

9.8. FINAL COMPLETION, FINAL PAYMENT, AND RELEASE OF RETENTION

9.8.1 Upon receipt of notice from Design Builder that the Work is ready for final inspection, Authority's Representative will make such inspection. Final Completion shall be when Authority's Representative determines that the Work is fully completed and in accordance with the Contract Documents, including without limitation, satisfaction of all "punch list" items, and determines that a Certificate of Occupancy has been issued by the Building Official. Authority will file a Notice of Completion within 15 days after Final Completion. After receipt of the final Application For Payment, if Authority's Representative determines that Final Completion has occurred, Authority's Representative will issue the final Certificate For Payment.

9.8.2 Final payment and retention shall be released to Design Builder, as set forth in Article 9.8.3, after:

.1 Design Builder submits the final Application For Payment and all submittals required in accordance with Article 9.3;

.2 Design Builder submits all guarantees and warranties procured by Design Builder from Subcontractors, all operating manuals for equipment installed in the Project, as-built documents, and all other submittals required by the Contract Documents;

.3 Design Builder submits the Final Distribution of Contract Dollars in the form contained in the Exhibits; and

.4 Authority's Representative issues the final Certificate For Payment.

At its sole discretion, after Final Completion, Authority may waive the requirement that Design Builder submit a final Application For Payment before making final payment and/or release of retention to Design Builder.

9.8.3 Final payment shall be paid not more than 10 days after Authority's Representative issues the final Certificate For Payment. Retention shall be released to Design Builder 35 days after the filing of the Notice of Completion.

9.8.4 Acceptance of final payment by Design Builder shall constitute a waiver of all claims, except claims for retention and claims previously made in writing and identified by Design Builder as unsettled at the time of the final Application For Payment.

ARTICLE 10

PROTECTION OF PERSONS AND PROPERTY

10.1. SAFETY PRECAUTIONS AND PROGRAMS

10.1.1 Design Builder shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

10.2. SAFETY OF PERSONS AND PROPERTY

10.2.1 Design Builder shall take adequate precautions for safety of and shall provide adequate protection to prevent damage, injury, or loss to the following:

.1 Employees involved in the Construction Work and other persons who may be affected thereby.

.2 The Construction Work in place and materials and equipment to be incorporated therein, whether in storage on or off the Project site, under care, custody, or control of Design Builder or Subcontractors.

.3 Other property at the Project site and adjoining property.

10.2.2 Design Builder shall erect and maintain, as required by existing conditions and performance of the Work, adequate safeguards for safety and protection, including providing adequate lighting and ventilation, posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent sites and utilities.

10.2.3 When use or storage of explosives, other hazardous materials, equipment, or unusual methods are necessary for execution of the Construction Work, Design Builder shall exercise the utmost care and carry on such activities only under the supervision of properly qualified personnel.

10.2.4 Design Builder shall designate a responsible member of Design Builder's organization at the Project site whose duty shall be the prevention of accidents. That person shall be the Superintendent, unless otherwise designated by Design Builder in writing to Authority and Authority's Representative.

10.2.5 Design Builder shall not load, or permit any part of the Construction Work or the Project site to be loaded, so as to endanger the safety of persons or property.

10.3. EMERGENCIES

10.3.1 In an emergency affecting the safety of persons or property, Design Builder shall act to prevent or minimize damage, injury, or loss. Design Builder shall promptly notify Authority's Representative, which notice may be oral followed by written confirmation, of the occurrence of such an emergency and Design Builder's action.

ARTICLE 11

INSURANCE AND BONDS

11.1. DESIGN BUILDER'S INSURANCE

11.1.1 Design Builder shall, at its expense, purchase and maintain in full force and effect such insurance as will protect itself and Authority from claims, such as for bodily injury, wrongful death, and property damage, which may arise out of or result from the Work required by the Contract Documents, whether such Work is done by Design Builder, by any Subcontractor, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. The amounts of such insurance and any additional insurance requirements are specified in the Supplementary Conditions. See Article 3.27 of the General Conditions regarding the scope and extent of Design Builder's liability for repair of damaged Work.

11.1.2 The following policies and coverage shall be furnished by Design Builder:

.1 COMMERCIAL FORM GENERAL LIABILITY INSURANCE covering all Work done by or on behalf of Design Builder and providing insurance for bodily injury, wrongful death, personal injury, property damage, and contractual liability. Except with respect to bodily injury and property damage included within the products and completed operations hazards, the aggregate limit shall apply separately to Work required of Design Builder by these Contract Documents. However, if the insurance under this Article 11.1.2.1 is written on a claims-made form, coverage shall survive for a period of not less than 3 years following termination of this Contract. Coverage shall provide for a retroactive date of placement coinciding with the effective date of this Contract.

.2 BUSINESS AUTOMOBILE LIABILITY INSURANCE on an "Occurrence" form covering owned, hired, leased, and non-owned automobiles used by or on behalf of Design Builder and providing insurance for bodily injury and property damage.

.3 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE as required by Federal and State of California law. Design Builder shall also require all of its Subcontractors to maintain this insurance coverage.

.4 PROFESSIONAL LIABILITY INSURANCE to insure its activities in connection with this Contract and shall obtain, keep in force, and maintain as required by the Supplementary Conditions. However, if the insurance under this Article 11.1.2.4 is written on a claims-made basis, it shall be maintained continuously for a period no less than three (3) years following termination of this Contract or Final Completion, whichever occurs later. The insurance shall have a retroactive date of placement prior to or coinciding with the date services are first provided that are governed by the terms of this Contract and shall include, without limitation coverage for professional services as called for in this Contract.

11.1.3 The coverages required under this Article 11 shall not in any way limit the liability of Design Builder.

11.1.4 Certificates of Insurance, as evidence of the insurance required by these Contract Documents and on the form contained in the Exhibits, shall be submitted by Design Builder to Authority. The Certificates of Insurance shall provide for no cancellation or modification of coverage without prior written notice to Authority, in accordance with policy provisions.

11.1.5 In the event Design Builder does not comply with these insurance requirements, Authority may, at its option, provide insurance coverage to protect Authority; and the cost of such insurance shall be paid by Design Builder and may be deducted from the Guaranteed Maximum Price.

11.1.6 Design Builder's insurance as required by Article 11.1.2 above, shall, by endorsement to the policies and the Certificates of Insurance, include the following:

.1 The Honey Lake Valley Recreation Authority, its Representatives, consultants, officers, agents, employees, and each of their Representative's consultants, regardless of whether or not identified in the Contract Documents or to the Contractor in writing, will be included as additional insureds on the Contractor's General Liability insurance for and relating to the Work to be performed by the Contractor and Subcontractors pursuant to additional insured endorsement CG2010 (11/85) or a combination of both CG 2010 (10/01 or 07/04) and CG 2037 (10/01 or 07/04). This requirement shall not apply to Worker's Compensation and Employer's Liability insurance.

.2 A Severability of Interest Clause that shall be primary insurance as respects The Honey Lake Valley Recreation Authority, its officers, agents and employees. Any insurance or self-insurance maintained by Honey Lake Valley Recreation Authority shall be excess of and non-contributory with this insurance. The provision shall state that, "The term 'insured' is hereby used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limits of the insurers' liability."

.3 A Cross Liability Clause stating that, "In the event of claims being made under any of the coverages of the policies referred to herein by one or more insureds hereunder for which another insured hereunder may be liable, then the policies shall cover such insureds against whom a claim is made or may be made in the same manner as if separate policies had been issued to each insured hereunder. Nothing contained herein, however, shall operate to increase the insurers' limits of liability as set forth in the insuring agreements."

.4 Authority, Authority's consultants, Authority's Representative, and Authority's Representative's consultants will not by reason of their inclusion as insureds incur liability to the insurance carriers for payment of premiums for such insurance.

.5 Coverage provided is primary and is not in excess of or contributing with any insurance or self-insurance maintained by Authority, Authority's consultants, Authority's Representative, and Authority's Representative's consultants. This provision, however, shall only apply as per the stipulations of Article 11.1.6.1 above.

.6 The Professional Liability insurance policy shall include Contractual Liability Coverage or endorsements to the insurance policies for Contractual Liability Coverage for liability that would exist in the absence of the contract.

11.1.7 The form and substance of all insurance policies required to be obtained by Design Builder shall be subject to approval by Authority. All policies required by above Articles 11.1.2.1, 11.1.2.2, 11.1.2.3 and 11.1.2.4 shall be issued by companies with ratings and financial classifications as specified in the Supplementary Conditions.

11.1.8 Design Builder shall, by mutual agreement with Authority and at Authority's cost, furnish any additional insurance as may be required by Authority. Design Builder shall provide Certificates of Insurance evidencing such additional insurance.

11.1.9 The Certificate of Insurance shall show (1) all companies affording coverage, and (2) the name of the insured exactly in the manner as shown on the Price Proposal Form. The name of the insured must be the name under which the entity is licensed by the Design Builders State License Board.

11.1.10 If insurance company refuses to use the Certificate of Insurance form as contained in Exhibits, it must provide a Certificate of Insurance evidencing compliance with this Article and Special Provisions 1 through 3 on the Certificate

of Insurance Exhibit by including an endorsement to its form covering Special Provisions 1 through 3 exactly as these provisions appear on the Certificate of Insurance Exhibit.

11.1.11 At the request of Authority, Design Builder shall submit to Authority copies of the policies obtained by Design Builder.

11.2. BUILDER'S RISK PROPERTY INSURANCE

11.2.1 If and only if the Lump Sum Base Proposal exceeds $200,000 at the time of award of Phase 2 of the Contract, Authority will provide its standard builder's risk property insurance, subject to the deductibles, terms and conditions, exclusions, and limitations as contained in the provisions of the policy. A copy of the Authority's standard builder's risk property insurance policy is available at the Authority's office. In addition, a summary of the provisions of the policy is included as an Exhibit to the Contract. Design Builder agrees that the Authority's provision of its standard builder's risk property insurance policy meets the Authority's obligation to provide builder's risk property insurance under the Contract and, in the event of a conflict between the provisions of the policy and any summary or description of the provisions contained herein or otherwise, the provisions of the policy shall control and shall be conclusively presumed to fulfill the Authority's obligation to provide such insurance. The proceeds under such insurance policies taken out by Authority insuring the Construction Work and materials will be payable to Authority and Design Builder as their respective interests, from time to time, may appear. Design Builder shall be responsible for the deductible amount in the event of a loss. In addition, nothing in this Article 11.2 shall be construed to relieve Design Builder of full responsibility for loss of or damage to materials not incorporated in the Construction Work, and for Design Builder's tools and equipment used to perform the Work, whether on the Project site or elsewhere, or to relieve Design Builder of its responsibilities referred to under this Article 11. "Materials incorporated in the Work," as used in this Article 11.2, shall mean materials furnished while in transit to, stored at, or in permanent place at the Project site.

11.2.2 Insurance policies referred to under this Article 11.2 shall:

.1 Include a provision that the policies are primary and do not participate with, nor are excess over, any other valid collectible insurance carried by Design Builder.

.2 Include a waiver of subrogation against Design Builder, its agents, and employees.

11.2.3 Builder's risk insurance coverage under this Article 11.2 will expire on the date of Final Completion recited in a Notice of Completion filed pursuant to Article 9.8.1. Should a Notice of Completion be filed more than 10 days after the date of Final Completion, the date of Final Completion recited in the Notice of Completion will govern.

11.3. PERFORMANCE BOND AND PAYMENT BOND

11.3.1 Design Builder shall furnish bonds covering the faithful performance of the Contract (Performance Bond) and payment of obligations arising thereunder (Payment Bond) on the forms contained in the Exhibits.

11.3.2 The Payment Bond and Performance Bond shall each be in the amount of the Lump Sum Base Proposal.

11.3.3 The Payment Bond and Performance Bond shall be in effect on the date the Contract is signed by Authority.

11.3.4 Design Builder shall promptly furnish such additional security as may be required by Authority to protect its interests and those interests of persons or firms supplying labor or materials to the Work. Design Builder shall furnish supplemental Payment and Performance Bonds each in the amount of the current Guaranteed Maximum Price at the request of the Authority.

11.3.5 Surety companies used by Design Builder shall be, on the date the Contract is signed by Authority, listed in the latest published State of California, Department of Insurance list of "Insurers Admitted to Transact Surety Insurance in This State."

11.3.6 The premiums for the Payment Bond and Performance Bond shall be paid by Design Builder.

ARTICLE 12

UNCOVERING AND CORRECTION OF CONSTRUCTION WORK

12.1. UNCOVERING OF WORK

12.1.1 If a portion of the Construction Work is covered contrary to Authority's Representative's request or direction, or contrary to the requirements of the Contract Documents, it must, if required in writing by Authority's Representative, be uncovered for Authority's Representative's observation and be replaced at Design Builder's expense without adjustment of the Contract Time or the Guaranteed Maximum Price.

12.1.2 If a portion of the Construction Work has been covered, which is not required by the Contract Documents to be observed or inspected prior to its being covered and which Authority's Representative has not specifically requested to observe prior to its being covered, Authority's Representative may request to see such Construction Work and it shall be uncovered and replaced by Design Builder. If such Construction Work is in accordance with the Contract Documents, the costs of uncovering and replacing the Construction Work shall be added to the Guaranteed Maximum Price by Change Order; and if the uncovering and replacing of the Construction Work extends the Contract Time, an appropriate adjustment of the Contract Time shall be made by Change Order. If such Construction Work is not in accordance with the Contract Documents, Design Builder shall pay such costs and shall not be entitled to an adjustment of the Contract Time or the Guaranteed Maximum Price.

12.2. CORRECTION OF DEFECTIVE WORK AND GUARANTEE TO REPAIR PERIOD

12.2.1 The term "Guarantee To Repair Period" means a period of 2 years, unless a longer period of time is specified, commencing as follows:

.1 For any Construction Work not described as incomplete in the Certificate of Substantial Completion, on the date of Substantial Completion.

.2 For space beneficially occupied or for separate systems fully utilized prior to Substantial Completion pursuant to Article 9.6 of the General Conditions, from the first date of such Beneficial Occupancy or actual use, as established in a Certificate of Beneficial Occupancy.

.3 For all Construction Work other than .1 or .2 above, from the date of Final Completion.

12.2.2 Design Builder shall (1) correct Defective Work that becomes apparent during the progress of the Work or during the Guarantee To Repair Period, and (2) replace, repair, or restore to Authority'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. Design Builder shall promptly commence such correction, replacement, repair, or restoration upon notice from Authority's Representative or Authority, but in no case later than 10 days after receipt of such notice; and Design Builder shall diligently and continuously prosecute such correction to completion. Design Builder shall bear all costs of such correction, replacement, repair, or restoration, and all losses resulting from such Defective Work, including additional testing, inspection, and compensation for Authority's Representative's services and expenses. Design Builder shall perform corrective Work at such times that are acceptable to Authority and in such a manner as to avoid, to the extent practicable, disruption to Authority's activities.

12.2.3 If immediate correction of Defective Work is required for life safety or the protection of property and is performed by Authority or Separate Contractors, Design Builder shall pay to Authority all reasonable costs of correcting such Defective Work. Design Builder shall replace, repair, or restore to Authority's satisfaction any other parts of the Construction Work and any other real or personal property which is damaged or destroyed as a result of such Defective Work or the correction of such Defective Work.

12.2.4 Design Builder shall remove from the Project site portions of the Construction Work and materials which are not in accordance with the Contract Documents and which are neither corrected by Design Builder nor accepted by Authority.

12.2.5 If Design Builder fails to commence correction of Defective Work within 10 days after notice from Authority or Authority's Representative or fails to diligently prosecute such correction to completion, Authority may correct the

Defective Work in accordance with Article 2.4 of the General Conditions; and, in addition, Authority may remove the Defective Work and store salvageable materials and equipment at Design Builder's expense.

12.2.6 If Design Builder fails to pay the costs of such removal and storage as required by above Articles 12.2.4 and 12.2.5 within 10 days after written demand, Authority may, without prejudice to other remedies, sell such materials at auction or at private sale, or otherwise dispose of such material. Design Builder shall be entitled to the proceeds of such sale, if any, in excess of the costs and damages for which Design Builder is liable to Authority, including compensation for Authority's Representative's services and expenses. If such proceeds of sale do not cover costs and damages for which Design Builder is liable to Authority, the Guaranteed Maximum Price shall be reduced by such deficiency. If there are no remaining payments due Design Builder or the remaining payments are insufficient to cover such deficiency, Design Builder shall promptly pay the difference to Authority.

12.2.7 Design Builder's obligations under this Article 12 are in addition to, and not in limitation of, its warranty under Article 3.4 of the General Conditions or any other obligation of Design Builder under the Contract Documents. Enforcement of Design Builder's express warranties and guarantees to repair contained in the Contract Documents shall be in addition to and not in limitation of any other rights or remedies Authority may have under the Contract Documents or at law or in equity for Defective Work. Nothing contained in this Article 12 shall be construed to establish a period of limitation with respect to other obligations of Design Builder under the Contract Documents. Establishment of the Guarantee To Repair Period relates only to the specific obligation of Design Builder to correct the Work and in no way limits either Design Builder's liability for Defective Work or the time within which proceedings may be commenced to enforce Design Builder's obligations under the Contract Documents.

ARTICLE 13

TERMINATION OR SUSPENSION OF THE CONTRACT

13.1. TERMINATION BY DESIGN BUILDER

13.1.1 Subject to below Article 13.1.2, Design Builder shall have the right to terminate the Contract only upon the occurrence of one of the following:

.1 Provided that Authority has not commenced reasonable action to remove any order of a court within the 90 day period, the Work is stopped for 90 consecutive days, through no act or fault of Design Builder, any Subcontractor, or any employee or agent of Design Builder or any Subcontractor, due to an issuance of an order of a court or other public authority having jurisdiction or due to an act of government, such as a declaration of a national emergency making material unavailable.

.2 Authority fails to perform any material obligation under the Contract Documents and fails to cure such default within 30 days, or Authority has not commenced to cure such default within 30 days where such cure will require a reasonable period beyond 30 days and diligently prosecutes the same to completion, after receipt of notice from Design Builder stating the nature of such default(s).

.3 Repeated suspensions by Authority, other than such suspensions as are agreed to by Design Builder under Article 13.3 below, which constitute in the aggregate more than 20% of the Contract Time.

13.1.2 Upon the occurrence of one of the events listed in Article 13.1.1 above, Design Builder may, upon 10 days additional notice to Authority and Authority's Representative, and provided that the condition giving rise to Design Builder's right to terminate is continuing, terminate the Contract.

13.1.3 Upon termination by Design Builder, Authority will pay to Design Builder the sum determined by Article 13.4.4 of the General Conditions. Such payment will be the sole and exclusive remedy to which Design Builder is entitled in the event of termination of the Contract by Design Builder pursuant to this Article 13.1; and Design Builder will be entitled to no other compensation or damages and expressly waives the same.

13.2. TERMINATION BY AUTHORITY FOR CAUSE

13.2.1 Authority will have the right to terminate the Contract for cause at any time after the occurrence of any of the following events:

.1 Design Builder becomes insolvent or files for relief under the bankruptcy laws of the United States.

.2 Design Builder makes a general assignment for the benefit of its creditors or fails to pay its debts as the same become due.

.3 A receiver is appointed to take charge of Design Builder's property.

.4 The commencement or completion of any Work activity on the critical path is more than 30 days behind the date set forth in the Contract Schedule for such Work activity as a result of an Unexcusable Delay. For a Contract with a Contract Time of less than 300 days, the 30-day period shall be reduced to the number of days commensurate with 10% of the Contract Time.

.5 Design Builder abandons the Work.

13.2.2 Upon the occurrence of any of the following events, Authority will have the right to terminate the Contract for cause if Design Builder fails to promptly commence to cure such default and diligently prosecute such cure within 5 days after notice from Authority, or within such longer period of time as is reasonably necessary to complete such cure:

.1 Design Builder persistently or repeatedly refuses or fails to supply skilled supervisory personnel, an adequate number of properly skilled workers, proper materials, or necessary equipment to prosecute the Work in accordance with the Contract Documents.

.2 Design Builder fails to make prompt payment of amounts properly due Subcontractors after receiving payment from Authority.

.3 Design Builder disregards Applicable Code Requirements.

.4 Design Builder persistently or materially fails to execute the Work in accordance with the Contract Documents.

.5 Design Builder is in default of any other material obligation under the Contract Documents.

.6 Design Builder persistently or materially fails to comply with applicable safety requirements.

13.2.3 Upon any of the occurrences referred to in Articles 13.2.1 and 13.2.2 above, Authority may, at its election and by notice to Design Builder, terminate the Contract and take possession of the Project site and all materials, supplies, equipment, tools, and construction equipment and machinery thereon owned by Design Builder; accept the assignment of any or all of the subcontracts; and then complete the Work by any method Authority may deem expedient. If requested by Authority, Design Builder shall remove any part or all of Design Builder's materials, supplies, equipment, tools, and construction equipment and machinery from the Project site within 7 days of such request; and if Design Builder fails to do so, Authority may remove or store, and after 90 days sell, any of the same at Design Builder's expense.

13.2.4 If the Contract is terminated by Authority as provided in this Article 13.2, Design Builder shall not be entitled to receive any further payment until the expiration of 35 days after Final Completion and acceptance of all Work by Authority.

13.2.5 If the unpaid balance of the Guaranteed Maximum Price exceeds the cost of completing the Work, including all additional costs and expenses made necessary thereby, including costs for Authority staff time, plus all losses sustained, including any liquidated damages provided under the Contract Documents, such excess shall be paid to Design Builder. If such costs, expenses, losses, and liquidated damages exceed the unpaid balance of the Guaranteed Maximum Price, Design Builder shall pay such excess to Authority.

13.2.6 No termination or action taken by Authority after termination shall prejudice any other rights or remedies of Authority provided by law or by the Contract Documents upon such termination; and Authority may proceed against Design Builder to recover all losses suffered by Authority.

13.3. SUSPENSION BY AUTHORITY FOR CONVENIENCE

13.3.1 Authority may, at any time and from time to time, without cause, order Design Builder, in writing, to suspend, delay, or interrupt the Work in whole or in part for such period of time, up to 90 days, as Authority may determine, with such period of suspension to be computed from the date of delivery of the written order. Such order shall be specifically identified as a "Suspension Order" under this Article 13.3. The Work may be stopped for such further period as the parties may agree. Upon receipt of a Suspension Order, Design Builder shall, at Authority's expense, comply with its terms and take all reasonable steps to minimize costs allocable to the Work covered by the Suspension Order during the period of Work stoppage. Within 90 days after the issuance of the Suspension Order, or such extension to that period as is agreed upon by Design Builder and Authority, Authority shall either cancel the Suspension Order or delete the Work covered by such Suspension Order by issuing a Change Order.

13.3.2 If a Suspension Order is canceled or expires, Design Builder shall continue with the Work. A Change Order will be issued to cover any adjustments of the Guaranteed Maximum Price or the Contract Time necessarily caused by such suspension. Any Claim by Design Builder for an adjustment of the Guaranteed Maximum Price or the Contract Time shall be made within 21 days after the end of the Work suspension. Design Builder agrees that submission of its claim within said 21 days is an express condition precedent to its right to Arbitrate or Litigate such a claim.

13.3.3 The provisions of this Article 13.3 shall not apply if a Suspension Order is not issued by Authority. A Suspension Order shall not be required to stop the Work as permitted or required under any other provision of the Contract Documents.

13.4. TERMINATION BY AUTHORITY FOR CONVENIENCE

13.4.1 Authority may, at its option, terminate this Contract, in whole or from time to time in part, at any time by giving notice to Design Builder. Upon such termination, Design Builder agrees to waive any claims for damages, including loss of anticipated profits, on account thereof; and, as the sole right and remedy of Design Builder, Authority shall pay Design Builder in accordance with Article 13.4.4 below.

13.4.2 Upon receipt of notice of termination under this Article 13.4, Design Builder shall, unless the notice directs otherwise, do the following:

.1 Immediately discontinue the Work to the extent specified in the notice.

.2 Place no further orders or subcontracts for materials, equipment, services, or facilities, except as may be necessary for completion of such portion of the Work as is not discontinued.

.3 Promptly cancel, on the most favorable terms reasonably possible, all subcontracts to the extent they relate to the performance of the discontinued portion of the Work.

.4 Thereafter, do only such Work as may be necessary to preserve and protect Work already in progress and to protect materials, plants, and equipment on the Project site or in transit thereto.

13.4.3 Upon such termination, the obligations of the Contract shall continue as to portions of the Work already performed and, subject to Design Builder's obligations under Article 13.4.2 above, as to bona fide obligations assumed by Design Builder prior to the date of termination.

13.4.4 Upon such termination, Authority shall pay to Design Builder the sum of the following:

.1 The amount of the Guaranteed Maximum Price allocable to the portion of the Work properly performed by Design Builder as of the date of termination, less sums previously paid to Design Builder.

.2 incorporation in the Work.

.3 Plus any proven losses with respect to materials and equipment directly resulting from such termination.

.4 Plus reasonable demobilization costs.

.5 Plus reasonable costs of preparing a statement of the aforesaid costs, expenses, and losses in connection with such termination.

The above payment shall be the sole and exclusive remedy to which Design Builder is entitled in the event of termination of the Contract by Authority pursuant to this Article 13.4; and Design Builder will be entitled to no other compensation or damages and expressly waives same.

ARTICLE 14

STATUTORY AND OTHER REQUIREMENTS

14.1. NONDISCRIMINATION

14.1.1 For purposes of this Article 14.1, the term Subcontractor shall not include suppliers, manufacturers, or distributors.

14.1.2 Design Builder shall comply and shall ensure that all Subcontractors comply with Sections 12900 through 12996 of the State of California Government Code.

14.1.3 Design Builder agrees as follows during the performance of the Work:

.1 Design Builder shall provide equal treatment to, and shall not willfully discriminate against or allow harassment of any employee or applicant for employment on the basis of: race; color; religion; sex; age; ancestry; national origin; sexual orientation; physical or mental disability; veteran's status; medical condition (as defined in Section 12926 of the State of California Government Code and including cancer-related medical conditions and or genetic characteristics); genetic information (as defined in the Genetic Information Nondiscrimination Act of 2008 and including family medical history); marital status; gender identity, pregnancy, or citizenship (within the limits imposed by law or Authority's policy) or service in the uniformed services (as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994). Design Builder will also take affirmative action to ensure that any such employee or applicant for employment is not discriminated against on any of the bases identified above. Such equal treatment shall apply, but not be limited to the following: employment; upgrade; demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Design Builder also agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause. The Design Builder will, in all solicitations or advertisements for employees placed by or on behalf of the Design Builder, state that qualified applicants will receive consideration for employment without regard to: race; color; religion; sex; age; ancestry; national origin; sexual orientation; physical or mental disability; veteran's status; medical condition (as defined in Section 12926 of the State of California Government Code and including cancer-related medical conditions and or genetic characteristics); genetic information (as defined in the Genetic Information Nondiscrimination Act of 2008 and including family medical history); marital status; gender identity, pregnancy, or citizenship (within the limits imposed by law or Authority's policy) or service in the uniformed services (as defined by the Uniformed Services Employment and Reemployment Rights Act of 1994). For purposes of this provision: (1) "Pregnancy" includes pregnancy, childbirth, and medical conditions related to pregnancy and childbirth; and (2) "Service in the uniformed services" includes membership, application for membership, performance of service, application for service, or obligation for service in the uniformed services.

.2 Design Builder and all Subcontractors will permit access to their records of employment, employment advertisements, application forms, and other pertinent data and records by Authority or any appropriate agency of the State of California designated by Authority for the purposes of investigation to ascertain compliance with this Article 14.1. The outcome of the investigation may result in the following:

.1 A finding of willful violation of the provisions of this Contract or of the Fair Employment Practices Act may be regarded by Authority as (1) a basis for determining that Design Builder is not a "responsible bidder" as to future contracts for which such Design Builder may submit bids, or (2) a basis for refusing to accept or consider the bids of Design Builder for future contracts.

.2 Authority may deem a finding of willful violation of the Fair Employment Practices Act to have occurred upon receipt of written notice from the Fair Employment Practices Commission that it has (1) investigated and determined that Design Builder has violated the Fair Employment Practices Act, and (2) issued an order under the State of California Government Code Section 12970 or obtained an injunction under Government Code Section 12973.

.3 Upon receipt of such written notice from the Fair Employment Practices Commission, Authority may notify Design Builder that, unless it demonstrates to the satisfaction of Authority within a stated period that the violation has been corrected, Design Builder's Proposals on future projects will not be considered.

.4 Design Builder agrees that, should Authority determine that Design Builder has not complied with this Article 14.1, Design Builder shall forfeit to Authority, as a penalty, for each day or portion thereof, for each person who was denied employment as a result of such non-compliance, the penalties provided in Article 14.2 below for violation of prevailing wage rates. Such penalty amounts may be recovered from Design Builder; and Authority may deduct any such penalty amounts from the Guaranteed Maximum Price.

.5 Nothing contained in this Article 14.1 shall be construed in any manner so as to prevent Authority from pursuing any other remedies that may be available at law.

.6 Design Builder shall meet the following standards for compliance and provide Authority with satisfactory evidence of such compliance upon Authority's request, which shall be evaluated in each case by Authority:

.1 Design Builder shall notify its Superintendent and other supervisory personnel of the nondiscrimination requirements of the Contract Documents and their responsibilities thereto.

.2 Design Builder shall notify all sources of employee referrals (including unions, employment agencies, and the State of California Department of Employment) of the nondiscrimination requirements of the Contract Documents by sending to such sources and by posting the Notice of Equal Employment Opportunity (EEO).

.3 Design Builder or its representative shall, through all unions with whom it may have agreements, develop agreements that (1) define responsibilities for nondiscrimination in hiring, referrals, upgrading, and training and (2) implement an affirmative nondiscrimination program, in terms of the unions' specific areas of skill and geography, such that qualified minority women, non-minority women, and minority men shall be available and given an equal opportunity for employment.

.4 Design Builder shall notify Authority of opposition to the nondiscrimination requirements of the Contract Documents by individuals, firms, or organizations during the term of the Contract.

.5 Design Builder shall include the provisions of the foregoing Articles 14.1.3.2.1 through 14.1.3.2.6 in all subcontracts with Subcontractors, so that such provisions will be binding upon each such Subcontractor.

14.2. PREVAILING WAGE RATES

14.2.1 For purposes of this Article 14.2, the term Subcontractor shall not include suppliers, manufacturers, or distributors.

14.2.2 Design Builder shall comply and shall ensure that all Subcontractors comply with prevailing wage law pursuant to the State of California Labor Code, including but not limited to Sections 1725.5, 1770, 1771, 1771.1, 1772, 1773, 1773.1, 1774, and 1775, 1776, 1777.5, and 1777.6 of the State of California Labor Code. Compliance with these sections is required by this Contract. The Work under this Contract is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations.

14.2.3 The State of California Department of Industrial Relations has ascertained the general prevailing per diem wage rates in the locality in which the Construction Work is to be performed for each craft, classification, or type of worker required to perform the Work. A copy of the general prevailing per diem wage rates will be on file at Authority's principal facility office and will be made available to any interested party upon request. Design Builder shall post a copy of the general prevailing per diem wage rates as well as job site notices as prescribed by regulation at the job site. By this reference, such schedule is made part of the Contract Documents. Design Builder shall pay not less than the prevailing wage rates, as specified in the schedule and any amendments thereto, to all workers employed by Design Builder in the execution of the Construction Work. Design Builder shall cause all subcontracts to include the provision that all Subcontractors shall pay not less than the prevailing rates to all workers employed by such Subcontractors in the execution of the Construction Work. Design Builder shall forfeit to Authority, as a penalty, not more than $200 for each calendar day or portion thereof for each worker that is paid less than the prevailing rates as determined by the Director of Industrial Relations for the work or craft in which the worker is employed for any portion of the Work done by Design Builder or any Subcontractor. The amount of this penalty shall be determined pursuant to applicable law. Such forfeiture amounts may be deducted from the Guaranteed Maximum Price or sought directly from the surety under its Performance Bond if there are insufficient funds remaining in the Guaranteed Maximum Price. Design Builder shall also pay to any worker who was paid less than the prevailing wage rate for the work or craft for which the worker was employed for any portion of the Construction Work, for each day, or portion thereof, for which the worker was paid less than the specified prevailing per diem wage rate, an amount equal to the difference between the specified prevailing per diem wage rate and the amount which was paid to the worker. Review of any civil wage and penalty assessment shall be made pursuant to section 1742 of the California Labor Code.

14.3. PAYROLL RECORDS

14.3.1 For purposes of this Article 14.3, the term Subcontractor shall not include suppliers, manufacturers, or distributors.

14.3.2 Design Builder and all Subcontractors shall keep an accurate payroll record, showing the name, address, social security number, job classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyworker, apprentice, worker, or other employee employed in connection with the Construction Work. All payroll records shall be certified as being true and correct by Design Builder or Subcontractors keeping such records; and the payroll records shall be available for inspection at all reasonable hours at the principal office of Design Builder on the following basis:

.1 A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or the employee's authorized representative on request.

.2 A certified copy of all payroll records shall be made available for inspection upon request to Authority, the State of California Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the State of California Division of Industrial Relations.

.3 A certified copy of all payroll records shall be made available upon request by the public for inspection or copies thereof made; provided, however, that the request by the public shall be made to either Authority, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. The public shall not be given access to such records at the principal offices of Design Builder or Subcontractors. Any copy of the records made available for inspection as copies and furnished upon request to the public or any public agency by Authority shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The

name and address of Design Builder awarded the Contract or performing the Contract shall not be marked or obliterated.

14.3.3 Design Builder shall file a certified copy of the payroll records with the entity that requested the records within 10 days after receipt of a written request. Design Builder shall inform Authority of the location of such payroll records for the Project, including the street address, city, and county; and Design Builder shall, within 5 working days, provide notice of change of location of such records. In the event of noncompliance with the requirements of this Article 14.3 or with the State of California Labor Code Section 1776, Design Builder shall have 10 days in which to comply following receipt of notice specifying in what respects Design Builder must comply. Should noncompliance still be evident after the 10- day period, Design Builder shall forfeit to Authority, as a penalty, $100 for each day, or portion thereof, for each worker, until strict compliance is accomplished. Such forfeiture amounts may be deducted from the Guaranteed Maximum Price.

14.4. APPRENTICES

14.4.1 For purposes of this Article 14.4, the term Subcontractor shall not include suppliers, manufacturers, and distributors.

14.4.2 Only apprentices, as defined in the State of California Labor Code Section 3077, who are in training under apprenticeship standards and written apprentice agreements under Chapter 4, Division 3, of the State of California Labor Code, are eligible to be employed by Design Builder and Subcontractors as apprentices. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and written apprentice agreements under which the apprentice is training and in accordance with prevailing wage law pursuant to the Labor Code, including but not limited to Section 1777.5. The Design Builder bears responsibility for compliance with this section for all apprenticeable occupations.

14.4.3 Every apprentice shall be paid the standard wage to apprentices, under the regulations of the craft or trade at which the apprentice is employed, and shall be employed only at the Construction Work in the craft or trade to which the apprentice is indentured.

14.4.4 When Design Builder or Subcontractors employ workers in any apprenticeship craft or trade on the Work, Design Builder or Subcontractors shall 1) send contract award information to the applicable joint apprenticeship committee that can supply apprentices to the site of the public work, and 2) apply to the joint apprenticeship committee, which administers the apprenticeship standards of the craft or trade in the area of the Project site, for a certificate approving Design Builder or Subcontractors under the apprenticeship standards for the employment and training of apprentices in the area of the Project site. The committee will issue a certificate fixing the number of apprentices or the ratio of apprentices to journeypersons who shall be employed in the craft or trade on the Construction Work. The ratio will not exceed that stipulated in the apprenticeship standards under which the joint apprenticeship committee operates; but in no case shall the ratio be less than 1 hour of apprentice work for every 5 hours of journeyperson work, except as permitted by law. Design Builder or Subcontractors shall, upon the issuance of the approval certificate in each such craft or trade, employ the number of apprentices, or the ratio of apprentices to journeypersons fixed in the certificate issued by the joint apprenticeship committee, or present an exemption certificate issued by the Division of Apprenticeship Standards.

14.4.5 "Apprenticeship craft or trade," as used in this Article 14.4, shall mean a craft or trade determined as an apprenticeship occupation in accordance with rules and regulations prescribed by the Apprenticeship Council.

14.4.6 If Design Builder or Subcontractors employ journeyworkers or apprentices in any apprenticeship craft or trade in the area of the Project site, and there exists a fund for assisting to allay the cost of the apprenticeship program in the trade or craft, to which fund or funds other contractors in the area of the Project site are contributing, Design Builder and Subcontractors shall contribute to the fund or funds in each craft or trade in which they employ journeyworkers or apprentices on the Construction Work in the same amount or upon the same basis and in the same manner done by the other contractors. Design Builder may include the amount of such contributions in computing its Proposal for the Contract; but if Design Builder fails to do so, it shall not be entitled to any additional compensation therefore from Authority.

14.4.7 In the event Design Builder willfully fails to comply with this Article 14.4, it will be considered in violation of the requirements of the Contract.

14.4.8 Nothing contained herein shall be considered or interpreted as prohibiting or preventing the hiring by Design Builder or Subcontractors of journeyworker trainees who may receive on-the-job training to enable them to achieve journeyworker status in any craft or trade under standards other than those set forth for apprentices.

14.5. CONSTRUCTION WORK-DAY

14.5.1 Design Builder shall comply and shall ensure that all Subcontractor comply with hours of work law pursuant to the State of California Labor Code, including but not limited to Sections 1810, 1811, 1812, 1813, 1814, and 1815 of the State of California Labor Code. Compliance with these sections is required by this Contract. The Work under this Contract is subject to compliance monitoring and enforcement by the State of California Department of Industrial Relations Division of Labor Standards Enforcement.

14.5.2 Design Builder shall not permit any worker to labor more than 8 hours during any 1 day or more than 40 hours during any 1 calendar week, except as permitted by law and in such cases only upon such conditions as are provided by law. Design Builder shall forfeit to Authority, as a penalty, $25 for each worker employed in the execution of this Contract by Design Builder, or any Subcontractor, for each day during which such worker is required or permitted to work more than 8 hours in any 1 day and 40 hours in any 1 calendar week in violation of the terms of this Article 14.5 or in violation of the provisions of any law of the State of California. Such forfeiture amounts may be deducted from the Guaranteed Maximum Price. Design Builder and each Subcontractor shall keep, or cause to be kept, an accurate record showing the actual hours worked each day and each calendar week by each worker employed on the Project, which record shall be kept open at all reasonable hours to the inspection of Authority, its officers and agents, and to the inspection of the appropriate enforcement agency of the State of California.

14.6. PATIENT HEALTH INFORMATION (if applicable)

Design Builder acknowledges that its employees, agents, subcontractors, consultants and others acting on its behalf may come into contact with Patient Health Information ("PHI") while performing work at the Project Site. This contact is most likely rare and brief (e.g. walking through a clinic where patient files may be visible, overhearing conversations between physicians while working or touring a hospital, noticing a relative or acquaintance receiving treatment in a Authority facility, etc.). Design Builder shall immediately notify Authority Representative of any such contact. Any and all forms of PHI should not be examined closer, copied, photographed, recorded in any manner, distributed or shared. Design Builder will adopt procedures to ensure that its employees, agents and subcontractors refrain from such activity. If Design Builder, its employees, agents or subcontractors do further examine, copy, photograph, record in any manner, distribute or share this information, Design Builder will report such actions immediately to the Authority Representative. Design Builder will immediately take all steps necessary to stop any such actions and will ensure that no further violations of this contractual responsibility will occur. Design Builder will report to Authority Representative within five (5) days after Design Builder gives Authority Representative notice of the event/action of the steps taken to prevent future occurrences.

ARTICLE 15

MISCELLANEOUS PROVISIONS

15.1. GOVERNING LAW

15.1.1 This Contract shall be governed by the laws of the State of California.

15.2. SUCCESSORS AND ASSIGNS

15.2.1 Authority and Design Builder respectively bind themselves and their successors, permitted assigns, and legal representatives to the other party and to the successors, permitted assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract, in whole or in part, without prior written consent of the other party. Notwithstanding any such assignment, each of the original contracting parties shall remain legally responsible for all of its obligations under the Contract.

15.3. RIGHTS AND REMEDIES

15.3.1 All Authority's rights and remedies under the Contract Documents will be cumulative and in addition to, and not in limitation of, all other rights and remedies of Authority under the Contract Documents or otherwise available at law or in equity.

15.3.2 No action or failure to act by Authority or Authority's Representative will constitute a waiver of a right afforded them under the Contract, nor will such action or failure to act constitute approval of or acquiescence in a condition or breach thereunder, except as may be specifically agreed in writing. No waiver by Authority or Authority's Representative of any condition, breach or default will constitute a waiver of any other condition, breach or default; nor will any such waiver constitute a continuing waiver.

15.3.3 No provision contained in the Contract Documents shall create or give to third parties any claim or right of action against Authority, Authority's Representative, or Design Builder.

15.4. SURVIVAL

15.4.1 The provisions of the Contract which by their nature survive termination of the Contract or Final Completion, including all warranties, indemnities, payment obligations, and Authority's right to audit Design Builder's books and records, shall remain in full force and effect after Final Completion or any termination of the Contract.

15.5. COMPLETE AGREEMENT

15.5.1 The Contract Documents constitute the full and complete understanding of the parties and supersede any previous agreements or understandings, oral or written, with respect to the subject matter hereof. The Contract may be modified only by a written instrument signed by both parties or as provided in Article 7 of the General Conditions.

15.6. SEVERABILITY OF PROVISIONS

15.6.1 If any one or more of the provisions contained in the Contract Documents should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

15.7. AUTHORITY'S RIGHT TO AUDIT

15.7.1 Authority and entities and agencies designated by Authority will have access to and the right to audit and the right to copy at Authority's cost all of Design Builder's books, records, contracts, correspondence, instructions, drawings, receipts, vouchers, purchase orders, and memoranda relating to the Work. Design Builder shall preserve all such records and other items during the performance of the Contract and for a period of at least 3 years after Final Completion.

15.8. METHODS OF DELIVERY FOR SPECIFIED DOCUMENTS

15.8.1 The following documents must be delivered in a manner specified in Article 15.8.2:

.1 Design Builder Notices of election to litigate or arbitrate;

.2 Written demand for a final decision by Authority's Representative pursuant to Article 4.2.5;

.3 Design Builder claims pursuant to Article 4.3;

.4 Design Builder notices of conditions pursuant to Articles 3.10.4, 3.24, or 3.25;

.5 Authority's notices of Design Builder's failure to perform and/or correct defective work pursuant to Articles 4.1.6, 12.2 and 13.2.3;

.6 Authority's notice to stop work pursuant to Article 2.3.1:

.7 Notices of termination or suspension pursuant to Article 13.

15.8.2 Delivery methods for documents specified in Article 15.8.1:

.1 By personal delivery.

.2 Sent by facsimile copy where receipt is confirmed.

.3 Sent by Express Mail, or another method of delivery providing for overnight delivery where receipt is confirmed.

.4 Sent by registered or certified mail, postage prepaid, return receipt requested.

15.8.3 The documents identified in Article 15.8.1 shall only be effective if delivered in the manner specified in Article 15.8.2. Subject to the forgoing, such documents shall be deemed given and received upon actual receipt in the case of all except registered or certified mail; and in the case of registered or certified mail, on the date shown on the return receipt or the date delivery during normal business hours was attempted. Delivery of the specified documents shall be made at the respective street addresses set forth in the Agreement. Such street addresses may be changed by notice given in accordance with this Article 15.8.

15.9. TIME OF THE ESSENCE

15.9.1 Time limits stated in the Contract Documents are of the essence of the Contract.

15.10. MUTUAL DUTY TO MITIGATE

15.10.1 Authority and Design Builder shall use all reasonable and economically practicable efforts to mitigate delays and damages to the Project and to one another with respect to the Project, regardless of the cause of such delay or damage.

[End]

SUPPLEMENTARY CONDITIONS

1. MODIFICATION OF GENERAL CONDITIONS, ARTICLE 1 – GENERAL PROVISIONS

The "Architect of Record" as referred to in the General Conditions is:{NAME} , {LICENSE}

2. MODIFICATION OF GENERAL CONDITIONS, ARTICLE 3 – DESIGN BUILDER

The following sentence is added to Subparagraph 3.2.5:

Local is considered to be within {NUMBER} miles from the Project site.

3. MODIFICATION OF GENERAL CONDITIONS, ARTICLE 3 – DESIGN BUILDER

The following sentence is added to Subparagraph 3.11.1.2:

A reasonable number of Construction Document packages shall be four (4).

4. MODIFICATION OF GENERAL CONDITIONS, ARTICLE 8 – CONTRACT TIME

Adverse weather in excess of the following number of days will be granted a Contract Time extension pursuant to Article 8.4 of the General Conditions:

Example 1 {If facility elects to specify days on a monthly basis}
January - 6 days
February - 6 days, etc.
Example 2 {If facility elects to specify a total number of days for the entire project}
Total Number of days – 27 days

5. MODIFICATION OF GENERAL CONDITIONS, ARTICLE 11 – INSURANCE AND BONDS

Design Builder shall furnish and maintain insurance in the amounts below.

The insurance required by 11.1.2.1, 11.1.2.2 and 11.1.2.4 shall be (i) issued by companies with a Best rating of A- or better, and a financial classification of VIII or better (or an equivalent rating by Standard & Poor or Moody's) or (ii) guaranteed, under terms consented to by the Authority (such consent to not be unreasonably withheld), by companies with a Best rating of A- or better, and a financial classification of VIII or better (or an equivalent rating by Standard & Poor or Moody's). Such insurance shall be written for not less than the following:

Minimum Requirement

11.1.2.1 Commercial Form General Liability Insurance-Limits of Liability

	Each Occurrence-Combined Single Limit for Bodily Injury and Property	$1,000,.000
	Products-Completed Operations Aggregate	$1,000,.000
	Personal and Advertising Injury	$1,000,.000
	General Aggregate-	$1,000,.000
11.1.2.2	Business Automobile Liability Insurance-Limits of Liability	
	Each Accident-Combined Single Limit for Bodily Injury and Property Damage	$1,000,.000
11.1.2.4	Professional Liability – Limits of Liability	
	Each Occurrence	$1,000,.000
	General Aggregate	$3,000,.000

The insurance required by 11.1.2.1 and 11.1.2.2 shall provide as follows: Authority, Authority's officers, agents, employees, consultants, Authority's Representative, and Authority's Representative's consultants, regardless of whether or not identified in the Contract Documents or to Design Builder in writing, will be included as additional insureds for and relating to the Work to be performed by Design Builder and Subcontractors. This requirement shall apply to claims, costs, injuries, or damages, but only in proportion to and to the extent such claims, costs, injuries, or damages are caused by or result from the negligent acts or omissions of Design Builder and Subcontractors. This requirement shall not apply to Worker's Compensation and Employer's Liability Insurance or to Professional Liability Insurance.

Insurance required by Paragraph 11.1.2.3 shall be issued by companies (i) that have a Best rating of B+ or better, and a financial classification of VIII or better (or an equivalent rating by Standard & Poor or Moody's); or (ii) that are acceptable to the Authority. Such insurance shall be written for not less than the following:

11.1.2.3	WORKER'S COMPENSATION AND EMPLOYER'S LIABILITY –	
	Worker's Compensation:	(as required by Federal and State of California law).
	Employer's Liability:	
	Each Employee	$1,000,000
	Each Accident	$1,000,000
	Policy Limit	$1,000,000

The following article is added to the General Conditions:

11.1.2.4 The Contractor shall obtain, either itself or through the applicable Subcontractor(s) performing Work involving hazardous materials, Contractor's Pollution Liability (CPL) insurance coverage for such Work AND an endorsement to either its CPL or Business Auto policies for transporting or hauling of hazardous materials. The insurance required by this paragraph 11.1.2.4 shall be (i) issued by companies with a Best rating of A- or better, and a financial classification of VIII or better (or an equivalent rating by Standard & Poor or Moody's) or (ii) guaranteed, under terms consented to by the Authority (such consent to not be unreasonably withheld), by companies with a Best rating of A- or

better, and a financial classification of VIII or better (or an equivalent rating by Standard & Poor or Moody's). Such insurance shall be written for not less than the following and include the Authority as Additional Insured by endorsement:

CONTRACTOR'S POLLUTION LIABILITY - Limits of Liability	Minimum Requirement
Each Occurrence	$1,000,.000
Products-Completed Operations	$1,000,.000
General Aggregate	$1,000,.000

If coverage is provided on a Claims-Made form, Contractor shall evidence coverage to include a three (3)-year Extended Reporting Period beyond completion of such Work. Coverage must extend to Transportation and Hauling of hazardous materials. The Authority shall require a copy of the policy endorsement noting extension of Transportation coverage. If this extension of coverage is not provided under the Contractor's or applicable Subcontractor's Contractor's Pollution Liability, then the Contractor/Subcontractor shall also be required to evidence the following under its Business Auto policy:

BUSINESS AUTO - Combined Single Limit Per Accident {$AMOUNT}
Covering Transportation and/or Hauling of hazardous materials by amending the pollution exclusion of ISO Form CA 00010 6/92 (or its equivalent) in the following manner:

1. Delete Section a.(1)a.: (Pollution) "being transported or towed away by, or handled for movement into, onto or from the Covered Auto"
2. Delete Section a.(1)b.: "Otherwise in the course of transit by the insured."

Coverage shall include MCS-90 endorsement with the Authority as Additional Insured and shall be endorsed to specifically limit the reimbursement provisions of the MCS-90 to the Named Insured.

6. MODIFICATION OF GENERAL CONDITIONS ARTICLE 15 – MISCELLANEOUS PROVISIONS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same Agreement. The counterparts of this Agreement may be executed via an Authority approved digital signature process and shall have the same force and effect as the use of a manual signature. The Authority reserves the right to reject any digital signature that cannot be positively verified by the Authority system as an authentic digital signature.