

**AGREEMENT BETWEEN THE LAKE COUNTY SANITATION DISTRICT
AND TERRACON CONSTRUCTORS, INC. PROVIDING FOR
CONSTRUCTION SERVICES ASSOCIATED WITH THE RELOCATION
OF SEWER FACILITIES IN MIDDLETOWN PROJECT**

THIS AGREEMENT BETWEEN THE LAKE COUNTY SANITATION DISTRICT AND TERRACON CONSTRUCTORS, INC. PROVIDING FOR CONSTRUCTION SERVICES ASSOCIATED WITH RELOCATION OF SEWER FACILITIES IN MIDDLETOWN (this “Agreement”), is entered into as of _____, ____ (the “Effective Date”), between the Lake County Sanitation District (hereinafter referred to as “District”), and Terracon Constructors, Inc. (hereinafter “Contractor”). For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, District and Contractor agree as follows:

AGREEMENT

1. Scope of Work

Contractor shall furnish to the District, upon its request, the Work set forth in the Plans and Specifications which are attached hereto and incorporated by reference. The Work shall be performed in accord with the Plans and Specifications. Requests by the District to Contractor to perform under this Agreement will be made by the General Manager of the District, or an authorized representative thereof. Work provided at the District’s request by Contractor under this Agreement will be performed in a manner consistent with the requirements and standards established by applicable federal, state and county laws, ordinances, regulations, and resolutions. Such laws, ordinances, regulations, and resolutions include, but are not limited to, those to which reference is made in this Agreement.

2. Term and Progress Schedule

The term of this Agreement shall be from _____, _____, through _____, _____, unless sooner terminated as provided below. The Work shall be completed within 60 calendar days of the date following the District’s provision of written Notice to Proceed to Contractor.

3. Standard of Care in Performing the Work

Contractor represents and warrants to the District each of the following:

(i) Contractor is knowledgeable and experienced in providing services comparable to the Work, and will maintain all necessary licensure pursuant to Section 7 of this Agreement when performing the Work;

(ii) The Work will be performed in a manner consistent with the level of care and skill ordinarily exercised by other professional contractors under similar circumstances in accordance with customarily accepted good and sound professional practices and procedures;

(iii) Contractor and its agents, subordinates, and employees and any subcontractors performing Work under this Agreement shall perform every part of the Work hereunder in strict accordance with this Agreement, applicable federal, state, county and municipal laws, orders, rules, regulations and directives, including, but not limited to, EPA and OSHA regulations, environmental, health and safety laws, and laws pertaining to wages and other conditions of employment, as further set forth in this Agreement;

(iv) Contractor shall be strictly responsible for the proper performance of the Work and for any loss or damage to the District or to others by reason of Contractor's failure to properly perform the Work;

(v) The Contractor has carefully examined the Plans and Specifications, and such Plans and Specifications are full and complete, and are sufficient to have enabled the Contractor to determine the cost of the work therein in order to enter into this Agreement;

(vi) The Plans and Specifications are sufficient to enable Contractor to construct the Work outlined therein in accordance with applicable laws, statutes, building codes and regulations, and otherwise to fulfill all Contractor's obligations hereunder; and

(vii) The Contractor has visited the site, examined all conditions affecting the Work, and is fully familiar with all of the conditions thereon and affecting the same.

4. Contract Sum

A. Compensation and Progress Payments.

The District shall pay Contractor the amounts recited and in accordance with the timing intervals set forth in the "Bid Schedule" for the Work described in the Specifications which are performed by Contractor at the District's request. The total project cost shall not exceed the total amount for the entirety of the Work set forth in the

Bid Schedule which is Three Hundred Forty One Thousand Four Hundred Forty Nine dollars and no/100 (\$341,449.00), unless otherwise authorized by the District in writing prior to Contractor incurring additional expenses. Payment intervals shall be in accordance with paragraph 4.E. of this Agreement, below.

B. Travel and Per Diem.

Unless otherwise agreed by the parties, Contractor will not be paid or reimbursed for travel expenses or per diem which Contractor incurs in providing the Work requested by the District under this Agreement.

C. No Additional Consideration.

Except as expressly provided in paragraph 4.G. of this Agreement, below, Contractor shall not be entitled to, nor receive from the District, any additional consideration, compensation, salary, wages, or other type of remuneration in excess of the total amount set forth in the Bid Schedule set forth in the Specifications for services or work rendered under this Agreement. Specifically, Contractor shall not be entitled, by virtue of this Agreement, to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays, or other paid leaves of absence of any type or kind whatsoever.

D. Limit Upon Amount Payable Under Agreement.

The total sum of all payments made by the District to Contractor for the Work performed under this Agreement shall not exceed amounts specified in the Bid Schedule and/or any authorized adjustments made consistent with the terms and conditions of this Agreement (hereinafter referred to as "Contract Limit") and the Public Contract Code. The District expressly reserves the right to deny any payment or reimbursement requested by Contractor for services or work performed which is in excess of the Contract Limit.

E. Billing and Payment.

Contractor shall submit to the District, not more than once per month, an itemized statement of all the Work described in the Scope of Work, which were done at the District's request. The statement to be submitted will cover the period from the first day of the preceding month through and including the last day of the preceding month. All statements submitted in request for payment should identify the date on which the Work were performed and describe the nature of the Work which were performed on each day. Invoicing shall be informative and concise regarding work performed during that billing period. The District shall make payment to Contractor within thirty (30) days of receipt of an itemized statement, but shall retain ten percent (10%) of each such payment in accordance with Section 9203 of the Public Contract Code until the project is completed. Should Contractor produce incorrect invoices, the District shall withhold payment until corrected.

F. Federal and State Taxes.

(1) The District will not withhold any federal or state income taxes or social security from any payments made by the District to Contractor under the terms and conditions of this Agreement.

(2) The District shall withhold California State income taxes from payments made under this Agreement to non-California resident independent contractors when it is anticipated that total annual payments to Contractor under this Agreement will exceed one thousand four hundred ninety-nine dollars (\$1,499.00).

(3) Except as set forth above, the District has no obligation to withhold any taxes or payments from sums paid by the District to Contractor under this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. The District has no responsibility or liability for payment of Contractor's taxes or assessments.

(4) The total amounts paid by the District to Contractor, and taxes withheld from payments to non-California residents, if any, will be reported annually by the District to the Internal Revenue Service and the California State Franchise Tax Board.

G. Changes to Scope of the Work.

If at any time during the progress of the Work the District desires to make any additions to, alterations of, deviations or omissions from the Work, District shall have the right to do so to the extent permitted by the California Public Contract Code and the same shall in no way affect or make void this Agreement. No extra work shall be made except on the District's written request by change order ("Change Order"). All Change Orders will be in writing and signed by the District and the District's Engineer. Each Change Order shall identify the proposed change in the Work and will include a proposed basis for adjustment, if any, in the Bid Schedule. The District may prepare a Change Order without invalidating the Agreement, order changes in the Work within the general scope of the Agreement consisting of additions, deletions, or other revisions, with the Bid Schedule being adjusted accordingly. Any changes that decrease the cost of the Work shall be evaluated on a lump-sum basis and deducted from the sums set forth in the Bid Schedule. Any extra Work that increases the cost of the Work shall at District's option be evaluated (i) on a lump-sum basis, the amount thereof to be agreed on in writing before execution of the Work or (ii) on the basis of "Actual Necessary Cost" (defined below), plus ten percent (10%).

"Actual Necessary Cost" shall be limited to:

- (i) Expenditures for materials, supplies, and labor (including foremen's wages) furnished by Contractor;
- (ii) Additional cost to Contractor for insurance required because of authorized changes; and

- (iii) An allowance based on current market rental prices for the use of vehicles and equipment. The "Actual Necessary Cost" shall not include any allowance for Contractor's office expense, general superintendent, or other overhead or general expense.

Contractor shall not be entitled to compensation for any extra Work unless the District has issued a written Change Order designating in advance the amount of additional compensation to be paid for the extra Work prior to Contractor incurring the expense or performing the extra Work.

5. Work Schedule

Upon the issuance of a formal written "Notice to Proceed" from the District, Contractor's obligation is to perform, in a timely manner, the Work identified in the Scope of Work which is requested by the District. It is understood by Contractor that the performance of the Work will require a varied schedule. Contractor, in arranging its own schedule, will coordinate with the District to ensure that all Work requested by the District under this Agreement will be performed within the time frames set forth by the District in Attachment A. Contractor shall endeavor to perform the Work during normal business hours in order to limit the impacts of construction traffic and noise on surrounding property owners.

6. Guaranties and Warranties

A. Manufacturer's Specifications and Warranties—Assignment.

The Contractor shall assemble for the District's Architect and/or Engineer's approval and transmittal to the District three (3) complete copies in loose leaf binders of all operating and maintenance data from all manufacturers whose equipment is installed in the Work. The Contractor shall also prepare a checklist or schedule showing the type of lubricant to be used at each point of application, the intervals between lubrication for each item of equipment, and the routine maintenance tasks necessary to maintain each item of equipment. In addition, the Contractor shall secure and deliver to the District written warranties and guaranties from subcontractors, sub-subcontractors and suppliers bearing the date of Substantial Completion or some other date as may be agreed to by the District and stating the period of warranty.

B. Contractor's Warranty.

Contractor guarantees all equipment, material, supplies and Work furnished on the job against defective construction or workmanship for a period of one (1) year following recordation of a Notice of Completion on the Work for patent defects and for a period of ten (10) years following recordation of a Notice of Completion on the Work for latent defects, except when a longer guaranty is provided by the supplier or manufacturer of any equipment, material or supplies incorporated into the Work. Upon receipt of written notification from District that any Work is defective, Contractor shall immediately

remedy, repair, or replace, without cost to District and to District's entire satisfaction, all such defective construction or workmanship. Contractor expressly agrees to act as co-guarantor of any such equipment, material or supplies incorporated into the Work for the period during which any guaranty is effective. Contractor shall supply District with all warranty and guaranty documents relative to equipment and materials incorporated in the Work and guaranteed by the suppliers or manufacturers of such equipment and materials.

7. Required Licenses, Certificates and Permits

Any licenses, certificates, or permits required by federal, state, county, or municipal governments for Contractor to provide the Work described in the Plans and Specifications must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates, and permits in full force and effect. Licenses, certificates, and permits may include, but are not limited to, driver's licenses, professional licenses or certificates, contractor's licenses, and business licenses. Such licenses, certificates, and permits will be procured and maintained in force by Contractor at no expense to the District. Contractor will provide the District, upon execution of this Agreement, with evidence of current and valid licenses, certificates and permits which are required to perform the Work identified in the Plans and Specifications. Where there is a dispute between Contractor and the District as to what licenses, certificates, and permits are required to perform the Work identified in the Plans and Specifications, District reserves the right to make such determination for purposes of this Agreement.

8. Office Space, Supplies, Equipment, Etc.

Contractor shall provide such office space, supplies, equipment, vehicles, reference materials, support services, and telephone service as is necessary for Contractor to provide the Work identified in the Plans and Specifications. The District is not obligated to reimburse or pay Contractor for any expense or cost incurred by Contractor in procuring or maintaining such items. The costs and expenses incurred by Contractor in providing and maintaining such items is the sole responsibility and obligation of Contractor.

9. District Property

A. Personal Property of District.

Any personal property such as, but not limited to, protective or safety devices, badges, identification cards, keys, uniforms, etc., provided to Contractor by the District pursuant to this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. Contractor will use reasonable care to protect, safeguard, and maintain such items while they are in Contractor's possession. Contractor will be financially responsible for any loss or damage to such items, partial or total, which is the result of Contractor's negligence.

B. Products of Contractor's Work and Services.

Any and all compositions, publications, plans, designs, specifications, blueprints, maps, formulas, processes, photographs, slides, video tapes, computer programs, computer disks, computer tapes, memory chips, films, audio-visual presentations, exhibits, reports, studies, patents, trademarks, copyrights, or intellectual properties of any kind which are created, produced, assembled, compiled by, or are the result, product or manifestation of, Contractor's services or work under this Agreement are, and at the termination of this Agreement remain, the sole and exclusive property of the District. At the termination of the Agreement, Contractor will convey possession and title to all such properties to District.

10. Workers' Compensation Insurance

Contractor shall provide workers' compensation insurance coverage, in the legally required amount, for all Contractors' employees utilized in providing Work pursuant to this Agreement. By executing a copy of this Agreement, Contractor acknowledges its obligations and responsibilities to its employees under the California Labor Code, and warrants that Contractor has complied and will comply during the term of this Agreement with all provisions of the California Labor Code with regard to its employees. Contractor, at the time of execution of this Agreement, will provide the District with evidence of the required workers' compensation insurance coverage.

11. Public Work

A. Determination.

The Work to be provided by Contractor under this Agreement constitute a Public Work within the meaning of California Labor Code Sections 1720 and 1720.3. Accordingly, and as required by Section 1771 of the California Labor Code, Contractor and any subcontractor under him, shall pay not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holiday and overtime work, to all workers employed in the execution of those Work described in the Plans and Specifications.

B. Prevailing Wage Rate.

The general prevailing rate of per diem wages applicable to each class of worker employed in the execution of the Work that constitute a Public Work described in this Agreement has been determined by the Director of the California Department of Industrial Relations (hereinafter referred to as "Director"). The Director's determination is available through a link to CA Department of Industrial Relations website: <http://www.dir.ca.gov/OPRL/PWD/index.htm>

C. Apprentices.

Pursuant to Section 1777.5 of the California Labor Code, properly registered apprentices performing services and work that constitute a Public Work, if any, shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered..

D. Penalty for Non-Payment of Prevailing Wages.

Pursuant to Section 1775 of the California Labor Code, Contractor, and any subcontractor under him, shall as a penalty to the District, forfeit not more than fifty dollars (\$50.00) for each calendar day, or portion thereof, for each worker paid less than the general rate of per diem wages for the performance of services and work that constitute a Public Work, as determined by the Director of Industrial Relations, for the work or craft for which the worker is employed in the performance of the Work provided under this Agreement that constitute a Public Work, except as provided by subdivision (b) of Section 1775, of the California Labor Code.

E. Payroll Records.

Pursuant to Section 1776 of the California Labor Code, Contractor, and any subcontractor under him, shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement.

F. Inspection of Payroll Records.

Contractor, and any subcontractor under him, shall comply with each of the additional requirements set forth in California Labor Code Section 1776, regarding: (1) the form of records; (2) the provision of records upon request to the District, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the California Department of Industrial Relations; and, (3) the inspection of records by the public.

G. Posting of Prevailing Wages at Job Sites.

Pursuant to California Labor Code Section 1773.2, Contractor shall post at each job site in connection with this Agreement a copy of the Director's determination of the general prevailing rate of per diem wages for each classification of work required in the execution of the Work described in Attachment A of this Agreement that constitute a Public Work.

H. Hours.

Pursuant to Section 1810 of the California Labor Code, the time of services of any worker employed by Contractor, or by any subcontractor under him, in the performance of the Work described in the Scope of Work of this Agreement that constitute a Public Work, is limited and restricted to eight hours during any one calendar day, and 40 hours during any one calendar week, except as otherwise provided by the California Labor Code.

I. Overtime.

Pursuant to California Labor Code Section 1815, the performance of the Work, as described in the Scope of Work of this Agreement that constitute a Public Work, by employees of Contractor, or employees of any subcontractor under him, in excess of eight hours per calendar day at not less than one and one-half (1 ½) times the basic rate of pay..

J. Records of Hours.

Contractor, and any subcontractors under him, shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the performance of the Work requested by the District, as described in the Scope of Work of this Agreement. The record shall be kept open at all reasonable hours to the inspection of the District and to the Division of Labor Standards Enforcement as required by Labor Code Section 1812.

K. Penalty for Violation of Work Hours.

Pursuant to California Labor Section 1813, Contractor, and any subcontractors under him, shall, as a penalty to the District, forfeit twenty-five dollars (\$25.00) for each worker employed by the respective contractor or subcontractor in the execution of the Work requested by the District that constitute a Public Work, as described in the Scope of Work of this Agreement, for each calendar day during which the worker is required or permitted to work more than eight hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of the California Labor Code.

12. Insurance

A. General Liability.

Contractor shall procure, and maintain during the entire term of this Agreement, a policy of general liability insurance which covers all the Work to be performed by Contractor under this Agreement. Such policy shall have a per occurrence combined single limit coverage of not less than one million dollars (\$1,000,000). Such policy shall not exclude or except from coverage any of the Work required to be performed by Contractor under this Agreement. The required policy of insurance shall be issued by an insurer authorized to sell such insurance by the State of California, and have at least a "Best's" policyholder's rating of "A" or "A+". Prior to commencing any work under this

Agreement, Contractor shall provide the District: 1) a certificate of insurance documenting evidence of the required coverage; 2) an additional insured endorsement applying to the Lake County Sanitation District, its agents, officers and employees; and, 3) a notice of cancellation or change of coverage endorsement indicating that the policy will not be modified, terminated, or canceled without thirty (30) days' written notice to the District.

B. Business Vehicle.

Contractor shall procure and maintain in force throughout the duration of this Agreement, a business auto liability insurance policy with minimum coverage levels of one million dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. The coverage shall include all Contractor-owned, non-owned, and hired vehicles employed by the Contractor in the performance of the Work requested by the District, as described in the Plans and Specifications. A certificate of insurance shall be provided to the District by Contractor prior to commencing any work under this Agreement. The policy shall maintain a provision prohibiting the cancellation or modification of said policy except upon thirty (30) days' written notice to the District.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions shall be declared by Contractor and must be approved by the District prior to Contractor commencing the Work requested by the District under this Agreement. If possible, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the District, its officials, officers, employees, and volunteers, or Contractor shall provide evidence satisfactory to the District guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

D. Subcontractors.

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein for Contractor.

E. Unemployment, Disability, and Liability Insurance.

Contractor shall maintain, if so required by law, unemployment, disability and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the Contractor in performing work associated with this Agreement.

13. Bonds

Contractor shall furnish and maintain a performance bond in an amount equal to one hundred percent (100%) of the Contract Limit. Contractor shall also furnish and

maintain a labor and materials payment bond in the amount equal to one hundred percent (100%) of the Contract Limit. The bonds shall comply with the requirements of California Civil Code Section 3248 and must be issued by an “Admitted Surety Insurer.” For purposes of this Agreement, an Admitted Surety Insurer means a corporate insurer or inter-insurance exchange to which the California State Insurance Commissioner has issued a certificate of authority to transact surety insurance in California, as defined in Section 105 of the California Insurance Code. Bonds shall be in a form acceptable to the Resort Improvement District #1 Counsel. The Attorney-in-Fact (resident agent) who executes the bonds on behalf of the surety company must attach a copy of his Power of Attorney as evidence of his authority. A notary shall acknowledge this Power of Attorney as of the date of the execution of the surety bond that it covers. If any surety becomes unacceptable to the District or fails to furnish reports as to its financial condition as requested by the District, Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the District and of persons supplying labor or materials in the prosecution of the work contemplated by this Agreement.

14. Status of Contractor

Contractor, its agents, officers, employees, and subcontractors shall constitute independent contractors, and not agents, officers, or employees of the District. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of, or exercise any right or power vested in, the District, except as expressly provided by law or set forth in the Plans and Specifications. No agent, officer, or employee of the District is to be considered an employee of Contractor. It is understood by both Contractor and the District that this Agreement shall not under any circumstances be construed or considered to create an employer-employee relationship or joint venture.

As an independent contractor, Contractor: (1) shall determine the method, details, and means of performing the Work to be provided by Contractor under this Agreement (unless otherwise specified herein); (2) shall be responsible to the District only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall be not be subjected to the District’s control with respect to the physical action or activities of Contractor in fulfillment of this Agreement; and (3) Contractor, its agents, officers and employees are, and at all times during the term of this Agreement shall, represent and conduct themselves as independent contractors, and not as employees of District.

15. Defense and Indemnification

Contractor shall defend, indemnify, and hold harmless the District, its agents, officers, and employees from and against all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney’s fees, arising out of, resulting from, or in connection with, the performance of this Agreement by Contractor, or Contractor’s agents, officers, employees, or subcontractors. Contractor’s obligation to defend, indemnify, and hold the District, its agents, officers, and employees harmless applies to any actual or alleged personal injury, death, or damage or destruction

to tangible or intangible property, including the loss of use. Contractor's obligation under this paragraph extends to any claim, damage, loss, liability, expense, or other cost which is caused in whole or in part by any act or omission of Contractor, its agents, employees, suppliers, or anyone directly or indirectly employed by any of them, or anyone for whose acts or omissions any of them may be liable. Contractor's obligation to defend, indemnify, and hold the District, its agents, officers, and employees harmless under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

16. Records and Audit

A. Records.

Contractor shall prepare and maintain all records required by the various provisions of this Agreement, and federal, state, county, and municipal law, ordinances, regulations, and directions. Contractor shall maintain these records for a minimum of four (4) years from the termination or completion of this Agreement. Contractor may fulfill its obligation to maintain records as required by this paragraph by substitute photographs, micrographs, or other authentic reproduction of such records.

B. Inspections and Audits.

Any authorized representative of the District shall have access to any books, documents, papers, and records, including, but not limited to, financial records of Contractor, which the District determines to be pertinent to this Agreement, for the purposes of making audit, evaluation, examination, excerpts, and transcripts during the period such records are to be maintained by Contractor. Further, the District has the right, at all reasonable times, to audit, inspect, or otherwise evaluate the work performed or being performed under this Agreement.

17. Non-Discrimination

During the performance of this Agreement, Contractor, its agents, officers, employees, and subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, against any employee, or applicant for employment, or person receiving services under this Agreement, because of race, religion, color, ancestry, national origin, physical handicap, medical condition, marital status, age, or sex. Contractor and its agents, officers, employees, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), and the applicable regulations promulgated thereunder in the California Code of Regulations. Contractor shall also abide by the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said act.

18. District Termination and Cancellation Rights

This Agreement may be canceled by the District without cause, and at will, for any reason by giving to Contractor 30 days' written notice ("Termination Notice") of such intent to cancel. Upon receipt of Termination Notice, Contractor shall stop all performance under this Agreement except as directed by the District. In the event of any such cancellation, Contractor shall be entitled to compensation for all work performed prior to receipt of the Termination Notice as well as work performed after receipt of the Termination Notice and prior to expiration of the thirty (30) day notice period to the extent such post-notice work was performed at the direction of the District, assuming all of said work falls within the Scope of the Work commissioned by the District.

19. Assignment

This is an agreement for the services of Contractor. The District has relied upon the skills, knowledge, experience, and training of Contractor as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement, or any part of it, without the express written consent of the District. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of the District.

20. Default

If Contractor abandons the Work, or fails to proceed with the Work requested by the District in a timely manner, or fails in any way as required to conduct the Work as required by this Agreement, the District may declare Contractor in default and terminate this Agreement upon five (5) days' written notice to Contractor. Contractor shall be liable to the District for all additional costs and expenses incurred by the District in finishing the Work as well as any damages incurred as a result of Contractor's default, which at the option of the District may be charged against any amounts due from the District to Contractor hereunder. Upon such termination by default, District will pay to Contractor all amounts owing to Contractor for services and work satisfactorily performed through the date of termination assuming said work falls within the Scope of the Work commissioned by the District, less any offsets the District is entitled under this Agreement. This Section 20 is not intended to constitute and shall not constitute a limitation on any damages the District may seek in the event of Contractor's default.

21. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided in paragraph 28 below.

22. Confidentiality

Contractor agrees to comply with various provisions of the federal, state, and county laws, regulations, and ordinances providing that information and records kept, maintained, or accessible by Contractor in the course of providing the Work under this Agreement, shall be privileged, restricted, or confidential. Contractor agrees to keep confidential all such privileged, restricted or confidential information and records. Disclosure of such information or records shall be made by Contractor only with the express written consent of the District.

23. Conflicts

Contractor agrees that it has no interest, and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the Work under this Agreement. Contractor agrees to complete and file a conflict of interest statement.

24. Post-Agreement Confidences

Contractor agrees not to use any confidential, protected, or privileged information which is gained from the District in the course of providing the Work under this Agreement, for any personal benefit, gain, or enhancement.

25. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction, or if it is found in contravention of any federal, state, or local statute, ordinance, or regulation, the remaining provisions of this Agreement, or the application thereof, shall not be invalidated thereby, and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

26. Funding Limitations

The ability of the District to enter into this Agreement is based upon available funding from various sources. In the event that such funding fails, is reduced, or is modified, from one or more sources, the District has the option to terminate, reduce, or modify this Agreement, or any of its terms, within ten (10) days of its notifying Contractor of the termination, reduction, or modification of available funding, except, however, the District cannot reduce Contractor's right(s) to recover payments due for work performed prior to the notification. Any reduction or modification of this Agreement made pursuant to this provision must comply with the requirements (except the requirement of mutual consent) of paragraph 28 below.

27. Venue

This Agreement shall be governed under the laws of the State of California and venue for any litigation under this Agreement shall be the county of Humboldt, State of California.

28. Amendment

This Agreement may be extended, modified, amended, changed, added to, or subtracted from, by the mutual consent of the parties hereto, if such amendment or change is in written form, signed by authorized representatives of the parties, in full compliance with the Public Contract Code, and attached to the original Agreement to maintain continuity.

29. Notice

Any notice, communication, amendments, additions, deletions to this Agreement, including change of address of either party during the term of this Agreement, shall be in writing and may be personally serviced, or sent by prepaid first class mail to the respective parties as follows:

Lake County Sanitation District:

Attention: Jan Coppinger, Administrator
230 N. Main Street, Lakeport, CA 95453
Phone: (707) 263-0119
Fax: (707) 263-3836

Contractor:

30. Entire Agreement

This Agreement, along with the Plans and Specifications, contain the entire agreement of the parties, and no representations, inducements, promises, or agreements otherwise between the parties not embodied herein or incorporated herein by reference, shall be of any force or effect. Further, no term of provision hereof may be changed, waived, discharged, or terminated, unless the same be in writing executed by the parties hereto.

Signatures

Executed at Lakeport, California on _____.

LAKE COUNTY
SANITATION DISTRICT

CONTRACTOR

CHAIR, Board of Directors

ATTEST:
CAROL J. HUCHINGSON
Clerk to the Board of Directors

By: _____

APPROVED AS TO FORM:
ANITA L. GRANT
County Counsel

By:  _____

(DO NOT DETACH)

(Attach completed Contractor's "Certificate of Insurance" to this page)

**CERTIFICATE OF INSURANCE
LAKE COUNTY SANITATION DISTRICT**

ISSUE DATE (MM/DD/YY)

PRODUCER**THIS CERTIFICATE OF INSURANCE IS NOT AN INSURANCE POLICY AND DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.****INSURERS AFFORDING COVERAGE:****BEST'S RATING****INSURER A:** _____**INSURER B:** _____**INSURER C:** _____**INSURER D:** _____**INSURER E:** _____**INSURED**

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXP. DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. <input type="checkbox"/> OTHER				EACH OCCURRENCE	\$
					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
					MED. EXP. (Any one person)	\$
					PERSONAL & ADV INJURY	\$
					GENERAL AGGREGATE	\$
					PRODUCTS COMP/OP AGG.	\$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT (Ea accident)	\$
					BODILY INJURY (Per person)	\$
					BODILY INJURY (Per accident)	\$
					PROPERTY DAMAGE	\$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCURRENCE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION				EACH OCCURRENCE	\$
					AGGREGATE	\$
	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICERS/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below.				WC STATU- TORY LIMITS OTHER EACH ACCIDENT DISEASE-POLICY LIMIT DISEASE-EACH EMPLOYEE	
	PROPERTY INSURANCE <input type="checkbox"/> COURSE OF CONSTRUCTION				AMOUNT OF INSURANCE	\$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

THE FOLLOWING PROVISIONS APPLY:

1. None of the above-described policies will be canceled until after 30 days' written notice has been given to the District at the address indicated below.
2. The District, its officials, officers, employees, and volunteers are added as insureds on all liability insurance policies listed above.
3. It is agreed that any insurance or self-insurance maintained by the District will apply in excess of and not contribute with the insurance described above.
4. The District is named a loss payee on the property insurance policy listed above, if any.
5. All rights of subrogation under the property insurance policy listed above have been waived against the District.
6. The workers' compensation insurer named above, if any, agrees to waive all rights of subrogation against the District for injuries to employees of the insured resulting from work for the District or use of the District's premises or facilities.

CERTIFICATE HOLDER/ADDITIONAL INSURED
LAKE COUNTY SANITATION DISTRICT
230 N. MAIN STREET
LAKEPORT, CALIFORNIA 95453
AUTHORIZED REPRESENTATIVE

SIGNATURE _____

TITLE _____

PHONE NO. _____

Rev. 6/08

(DO NOT DETACH)

(Attach completed Contractor's "Commercial General Liability Endorsement" to this page.)

INSURER:
(MODIFIED)
POLICY NUMBER:
LIABILITY
ENDORSEMENT NUMBER:

ISO FORM CG 20 10 22 85:
COMMERCIAL GENERAL

THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY

**ADDITIONAL INSURED – OWNERS, LESSEES, OR
CONTRACTORS (FORM B)**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

NAME OF ORGANIZATION:
LAKE COUNTY SANITATION DISTRICT
230 N. MAIN STREET, LAKEPORT, CALIFORNIA 95453

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you.

Modifications to ISO form CG 20 10 11 85:

1. The insured scheduled above includes the Insured's officers, officials, employees, and volunteers.
2. This insurance shall be primary as respects the insured shown in the schedule above, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Insured scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.
3. The insurance afforded by this policy shall not be canceled except after thirty days prior written notice by certified mail return receipt requested has been given to the District.

Signature-Authorized Representative

Address

CG 20 10 11 85 Insurance Services Office, Inc. Form (Modified)

(Attach completed Contractor's "Automobile Liability Special Endorsement" to this page.)

REV. 2/08

(DO NOT DETACH)

(Attach completed Contractor's "Workers' Compensation and
Employer's Liability Special Endorsement" to this page.)

WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY SANITATION ENDORSEMENT FOR LAKE COUNTY SANITATION DISTRICT		SUBMIT IN DUPLICATE	
		ENDORSEMENT NO.	ISSUE DATE (MM/DD/YY)
PRODUCER Telephone _____		POLICY INFORMATION: Insurance Company: _____ Policy No.: _____ Policy Period: (from) _____ (to) _____	
NAMED INSURED 		OTHER PROVISIONS 	
CLAIMS: Underwriter's representative for claims pursuant to this insurance. Name: _____ Address: _____ Telephone: _____		EMPLOYER'S LIABILITY LIMITS \$ _____ (Each Accident) \$ _____ (Disease-Policy Limit) \$ _____ (Disease-Each Employee)	
<p>In consideration of the premium charged and notwithstanding any inconsistent statement in the policy to which this endorsement is attached or any endorsement now or hereafter attached thereto, it is agreed as follows:</p> <p>1. CANCELLATION NOTICE. This insurance shall not be canceled, except after thirty (30) days prior written notice by receipted delivery has been given to the District.</p> <p>2. WAIVER OF SUBROGATION. This Insurance Company agrees to waive all rights of subrogation against the District, its officers, officials, employees, and volunteers for losses paid under the terms of this policy which arise from the work performed by the Named Insured for the District.</p> <p>Except as stated above nothing herein shall be held to waive, alter or extend any of the limits, conditions, agreements or exclusions of the policy to which this endorsement is attached.</p>			
ENDORSEMENT HOLDER			
LAKE COUNTY SANITATION DISTRICT 230 N. MAIN STREET LAKEPORT, CALIFORNIA 95453		AUTHORIZED REPRESENTATIVE <input type="checkbox"/> Broker/Agent <input type="checkbox"/> Underwriter <input type="checkbox"/> _____ I, _____ (print/type name), warrant that I have authority to bind the above-mentioned insurance company and by my signature hereon do so bind this company to this endorsement. Signature _____ (original signature required) Telephone: (_____) _____ Date Signed _____	

REV. 1/93

(DO NOT DETACH)

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the Lake County Sanitation District, County of Lake, State of California,

by motion passed _____, 20_____, has awarded to

_____,
hereinafter designated as the "Principal", a contract for constructing

RELOCATION OF SEWER FACILITIES IN MIDDLETOWN

AND WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract,

NOW THEREFORE, we, _____

_____,
as Principal, and _____, as Surety, are
held and firmly bound unto Lake County Sanitation District, hereinafter called the "Owner", to the penal
sum of

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

THE CONDITION OF THIS OBLIGATION IS SUCH that if the hereby bounded Principal, his or its heirs,
executors, administrators, successors, or assigns shall in all things stand to and abide by and well and truly
keep and perform all the undertakings, terms, covenants, conditions, and agreements in the said contract
and any alteration thereof, made as therein provided, all within the time and in the manner therein designated
and in all respects according to their true intent and meaning, then this obligation shall become null and
void; otherwise, it shall be and remain in full force and virtue.

FURTHER, THE SAID SURETY, FOR VALUE RECEIVED, HEREBY STIPULATES AND AGREES
that no change, extension of time, or alteration or modification of the Contract Documents or of the work to
be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice
of any such change, extension of time, alteration, or modification of the Contract Documents or of work to
be performed thereunder.

(DO NOT DETACH)

IN WITNESS WHEREOF five (5) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by Principal and Surety

herein named, on the _____ day of _____, 20_____, the name and corporate seal of each corporate party being hereto affixed, and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Principal

By _____

Title

Surety

By _____

Address of Surety

(DO NOT DETACH)

LABOR AND MATERIAL BOND

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the Lake County Sanitation District, County of Lake, State of California,

by motion passed _____, 20_____, has awarded to

_____,
hereinafter designated as the "Principal", a contract for constructing

RELOCATION OF SEWER FACILITIES IN MIDDLETOWN

AND WHEREAS, said Principal is required to furnish a bond in connection with said contract, providing that if said Principal, or any of his or its subcontractors, shall fail to pay for any materials, provisions, provender, or other supplies or teams used in, upon, or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, the Surety on this bond will pay the same to the extent hereinafter set forth;

NOW THEREFORE, we, _____

_____,
as Principal, and _____, as Surety, are held and firmly bound unto the Lake County Sanitation District, hereinafter called the "Owner", to the penal sum of

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

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns shall fail to pay any of the persons named in Section 3181 of the Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18806 of the Revenue and Taxation Code with respect to such work and labor as required by Section 3247 et seq. of the Civil Code of California, then said Surety will pay for the same, in or to an amount not exceeding the amount hereinabove set forth, and also will pay in case suit is brought upon this bond such reasonable attorney's fees, as shall be fixed by the court, awarded and taxed as in the above-mentioned statutes provided.

FURTHER, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, or alteration or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, or alteration or modification of the Contract Documents or of work to be performed thereunder.

(DO NOT DETACH)

IN WITNESS WHEREOF five (5) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety

herein named, on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Principal

By _____

Title

Surety

By _____

Address of Surety

(DO NOT DETACH)

GUARANTY BOND

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the Lake County Sanitation District, County of Lake, State of California,

by motion passed _____, 20_____, has awarded to

_____,
hereinafter designated as the "Principal", a contract for constructing

RELOCATION OF SEWER FACILITIES IN MIDDLETOWN

AND WHEREAS, said Principal is required under the terms of said contract to furnish a bond for correction of deficiencies during the specified guaranty period;

NOW THEREFORE, we, _____

_____,
as Principal, and _____, as Surety, are held and firmly bound unto the Lake County Sanitation District, hereinafter called the "Owner", to the penal sum of

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

THE CONDITION OF THIS OBLIGATION IS SUCH that if the hereby bounded Principal, his or its heirs, executors, administrators, successors, or assigns shall in all things stand to and abide by and well and truly keep and perform all the undertakings, terms, covenants, conditions, and agreements in the said guaranty of the contract, all within the time and in the manner therein designated and in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise, it shall be and remain in full force and virtue.

(DO NOT DETACH)

IN WITNESS WHEREOF five (5) identical counterparts of this instrument, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Principal and Surety

herein named, on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative pursuant to authority of its governing body.

Principal

By _____

Title

Surety

By _____

Address of Surety

(DO NOT DETACH)

**NON-COLLUSION AFFIDAVIT TO BE EXECUTED BY
EACH AWARDEE OF A PRINCIPAL CONTRACT**

STATE OF CALIFORNIA)

)ss.

COUNTY OF LAKE)

_____, being first duly sworn, deposes
and says:

That he is _____, the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived, or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not, in any manner, directly or indirectly, sought by agreement of collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix any overhead, profit, or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Owner or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

(Fill in description of contract)

Signature of Bidder

Business Address

Place of Residence

State of California

County of _____

Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20____, by _____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature _____ (seal)

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