

MODULAR CONSTRUCTION, DELIVERY, AND INSTALLATION AGREEMENT

THIS AGREEMENT, (the “Agreement”) entered into this _____ day of _____ in the year _____ in the County of Kern of the State of California, by and between the Sierra Sands Unified School District called the “DISTRICT”, and Meehleis Modular Buildings, Inc., hereinafter called the “CONTRACTOR”.

WITNESSETH that the DISTRICT and the CONTRACTOR, for the consideration stated herein, agree as follows:

ARTICLE I - SCOPE OF WORK

1.1 Description of Work: The CONTRACTOR shall furnish all labor, materials, equipment, tools, and utility and transportation services, and perform and complete all work required to fabricate, deliver, and install modular buildings for the DISTRICT’s Murray Middle School as further described herein (hereinafter called the “PROJECT”).

1.1.1 CONTRACTOR’s Proposal: CONTRACTOR shall provide to the DISTRICT on the terms herein set forth the services (the “SERVICES”) as further articulated in **ATTACHMENT “A”** to this Agreement (“CONTRACTOR’s Proposal”). The PARTIES agree that the terms of this Agreement shall be controlling in the event any of the terms hereof shall be in conflict with any of the terms of the CONTRACTOR’s Proposal. In summary, CONTRACTOR’s services shall include, in addition and in conjuncture with the work described in the CONTRACTOR’s Proposal, all services necessary to provide the following:

(a) Modular Building Construction. CONTRACTOR shall construct, fabricate, and finalize modular building structures (the “Modular Building”) at the CONTRACTOR’s fabrication facility (the “CONTRACTOR’S PROJECT SITE”) in conformance with the following documents, all of which are incorporated into this Agreement as the “PROJECT DOCUMENTS”:

- i) The plans provided by the DISTRICT through IBI Group Architects which are incorporated into this Agreement by this reference (“PROJECT PLANS”).
- ii) CONTRACTOR’s “Project Responsibility Matrix” dated March 23, 2015, incorporated into this Agreement as Exhibit B.
- iii) The “Summary of Gymnasium Resistance to Blast Loads, Phase 1” provided by Protective Technologies dated February 4, 2016, incorporated into this Agreement as Exhibit C.
- iv) The “Summary of Resistance to Blast Loads Building Types A, C, and D Phase 1” dated February 16, 2016, incorporated into this Agreement as Exhibit D.

- v) CONTRACTOR's Scope of Work revisions dated March 3, 2016, incorporated into this Agreement as Exhibit E.
- vi) The Specifications provided by Protective Technologies, incorporated into this Agreement as Exhibit F.
- vii) The Scope of Work provided by Protective Technologies, incorporated into this Agreement as Exhibit G.

The PROJECT DOCUMENTS are incorporated into this Agreement by this reference. The constructed Modular Building shall be subject to review, inspection and written approval by the Inspectors and DISTRICT staff as discussed below before delivery to the PROJECT site.

(b) Modular Building Installation. CONTRACTOR shall deliver and install the Modular Building on the PROJECT site as designated and prepared by DISTRICT. This site installation work shall be performed at the direction of the DISTRICT and in accordance with the CONTRACTOR's Proposal. CONTRACTOR at all times shall keep DISTRICT property, including the Modular Buildings, free from debris such as waste, dust, excess water, storm water runoffs, rubbish, and excess materials and equipment. CONTRACTOR shall not leave debris under, in, or about DISTRICT property, but shall promptly remove same from the premises and dispose of it in a lawful manner. CONTRACTOR shall maintain the structures and site in a clean and orderly condition at all times until acceptance of the PROJECT by the DISTRICT.

(c) Coordination with PROJECT team. CONTRACTOR understands that the PROJECT is funded by the Department of Defense Program for Construction, Renovation, Repair or Expansion of Public Schools Located on Military Installations ("DOD Program"). CONTRACTOR shall comply with all terms, conditions, requirements and duties set forth by the DOD Program applicable to its services and shall work in good faith with the DISTRICT to ensure CONTRACTOR's Work, as well as the PROJECT, comply with any requirement set forth by the DOD Program throughout the course of the PROJECT. CONTRACTOR shall also work with any representative from the DOD Program and provide any requested information regarding the PROJECT and/or CONTRACTOR's services necessary to maintain DOD Program funding and PROJECT compliance. As directed by the DISTRICT, CONTRACTOR shall comply with all applicable federal regulations and DOD Program requirements as established by any federal agency claiming jurisdiction over the PROJECT or the DOD Program. CONTRACTOR shall also work with, and incorporate, all information obtained or provided by the DISTRICT to ensure the PROJECT complies with the requirements set forth herein, including, but not limited to, all information and reports provided by the DISTRICT's consultants including, but not limited to, the PROJECT DOCUMENTS and all other PROJECT related information provided by IBI Group Architects and Protective Technologies. CONTRACTOR shall provide any and all required services pursuant to this section at no additional cost.

1.2 CONTRACTOR's Certifications, Representations and Warranties: CONTRACTOR makes the following certifications, representations, and warranties for the benefit of the DISTRICT and CONTRACTOR acknowledges and agrees that the DISTRICT, in deciding to engage CONTRACTOR pursuant to this Agreement, is relying upon the truth and validity of the following certifications, representations and warranties and their effectiveness throughout the term of this Agreement and the course of CONTRACTOR's engagement hereunder:

(a) CONTRACTOR is qualified in all respects to provide to the DISTRICT all of the services contemplated by this Agreement and, to the extent required by any applicable laws, CONTRACTOR has all such licenses and/or governmental approvals as would be required to carry out and perform for the benefit of the DISTRICT, such services as are called for hereunder.

(b) CONTRACTOR, in providing the services and in otherwise carrying out its obligations to the DISTRICT under this Agreement, shall, at all times, comply with all applicable federal, state, and local laws, rules, regulations, and ordinances, including worker's compensation and equal protection and non-discrimination laws (collectively, for purposes of this section only "Applicable Laws") in effect at the time CONTRACTOR is performing its work hereunder. CONTRACTOR shall not, however, be responsible or liable for the failure of its work hereunder to comply with any Applicable Laws if CONTRACTOR performed its work in compliance with the plans, specifications, PROJECT DOCUMENTS or any other documents referred to herein not prepared by Contractor. If CONTRACTOR discovers the plans, specifications, PROJECT DOCUMENTS or any other documents referred to herein do not comply with any Applicable Laws, CONTRACTOR shall notify DISTRICT immediately in writing. Nothing in this Section shall be construed as reducing or eliminating CONTRACTOR's indemnity obligations as set forth in Article V below.

1.3 DISTRICT may employ or designate inspectors and observers to review, assess, and approve any and all work provided by CONTRACTOR. The Inspectors may include, but are not limited to, Project Inspectors approved by the Division of the State Architect ("DSA") to provide DSA approval services for the PROJECT (the "Inspectors"). The Inspectors will provide DSA inspection services for both the fabrication of the Modular Buildings at CONTRACTOR'S PROJECT SITE as well as the installation work provided on DISTRICT property. Thus, CONTRACTOR shall provide unlimited twenty-four (24) hour access to the Inspectors to all work related to the PROJECT at the CONTRACTOR'S PROJECT SITE as well as the installation site upon twenty-four (24) hours written notice.

In addition to the Inspectors, DISTRICT shall designate individuals to oversee, observe, and work with CONTRACTOR to ensure DISTRICT has full knowledge of the Modular Building's construction and installation (the "Observers"). The Observers may include DISTRICT staff and employees of IBI Group, Pro West, Maas Corp. ("Maasco"), and representative from the Department of Defense (DOD). The Observers shall have unlimited twenty-four (24) hour access to the PROJECT including all fabrication work for the Modular Buildings conducted at the CONTRACTOR'S PROJECT SITE and all installation work performed on DISTRICT property. The Observers may issue written questions, comments, or concerns about the

PROJECT to the CONTRACTOR who shall provide a written response. All observations conducted by the Observers will be coordinated with CONTRACTOR by DISTRICT staff as follows: DISTRICT will issue at least twenty-four (24) hour written notice to CONTRACTOR requesting inspection in which case CONTRACTOR will respond by confirming the requested observation time or explaining why the requested observation time is not acceptable and providing an alternative time.

(a) CONTRACTOR's work shall be under the observation of the Inspectors. The Inspector shall have free access to any or all parts of the work at any time including all work performed off DISTRICT property to fabricate the Modular Buildings. The CONTRACTOR shall furnish the Inspectors such information as may be necessary to keep the Inspector fully informed regarding progress and manner of work and character of materials. Such observations shall not, in any way, relieve the CONTRACTOR from responsibility for full compliance with all terms and conditions of the Contract, or be construed to lessen to any degree the CONTRACTOR's responsibility for providing efficient and capable superintendence. Unless specifically designated by the DISTRICT, none of the Inspectors will be authorized to make changes to the PROJECT PLANS. The Inspector's approval of the work and methods do not relieve the CONTRACTOR of responsibility for the correction of subsequently discovered defects, or from its obligation to comply with the Contract Documents.

(b) The Inspectors shall have the authority to reject work whenever provisions of the Contract are not being complied with, and CONTRACTOR shall immediately address and rectify all rejected work. In addition, the Inspectors may stop any work that poses a probable risk of harm to persons or property. The CONTRACTOR shall instruct its employees, subcontractors, material and equipment suppliers, etc., accordingly. The absence of any Stop Work order or rejection of any portion of the work shall not relieve the CONTRACTOR from any of its obligations pursuant to the Contract.

(c) For the DSA Inspector, CONTRACTOR shall establish a protocol for requesting inspection with Inspector so as to not delay the PROJECT and provide adequate time for the Inspector to perform inspection. CONTRACTOR is required to meet all DSA inspection requirements and specifically the requirements related to the DSA Inspection Card. CONTRACTOR shall be required to meet the latest DSA requirements applicable to the Project throughout the Project.

(e) If necessary, it is the CONTRACTOR's responsibility to request special inspections with sufficient time so all testing may be timely completed and posted so work may proceed and the Inspector's signature is attached to the Project Inspection Card. As applicable, CONTRACTOR must make timely requests for special inspection under the DSA Verified Report Forms 291 (laboratory), DSA Verified Report Form 292 (Special Inspection), and DSA Verified Report 293 (geotechnical) since DSA requirements under PR 13-01 specifically gives the Special Inspections 14 days to post to the DSA website.

(f) Inspector shall electronically post DSA required documents on the DSA electronic posting website. It is the CONTRACTOR's responsibility to determine the status of posting and determine if all the criteria for sign off of a category of Work on the Project Inspection Card as defined more thoroughly in the most current version of the DSA manual posted on the DSA website. Inspector may collaborate with CONTRACTOR about approval of areas that may be constructed and approved incrementally under the DSA card pursuant to the guidelines of PR-13. Inspector shall work with CONTRACTOR to present incremental approval proposals to DSA.

(g) DSA may issue a Stop Work Order, or an Order to Comply, when either 1) the work proceeds without DSA approval; 2) the work proceeds without a DSA Inspector of Record, or 3) where DSA determines that the Work is not being performed in accordance with applicable rules and regulations, and would compromise the structural integrity of the Project or would endanger lives. If a Stop Work Order is issued, the Work in the affected area shall cease until DSA withdraws the Stop Work Order. Pursuant to Education Code Section 81133.5, the DISTRICT shall not be held liable in any action filed against the DISTRICT for any delays caused by compliance with the Stop Work Order, except to the extent that an error or omission by the DISTRICT is the basis for the issuance of the Stop Work Order. Examples of Stop Work Orders that may be issued by DSA include DSA Bulletin 07-04 and Policy 10-01, the installation of Automatic Fire Sprinkler Systems without approved Plans, covering Work that has not been approved by Inspector on DSA Project Inspection Card.

1.4 During any work provided by the CONTRACTOR on DISTRICT property, the CONTRACTOR shall keep on the work at all times during its progress a competent Superintendent satisfactory to the DISTRICT. The Superintendent shall be present on a full-time basis, shall be dedicated exclusively to the PROJECT and shall not share superintendency duties with another project or job. The Superintendent shall not be replaced except with written consent of the DISTRICT. The Superintendent shall represent the CONTRACTOR in its absence and shall be fully authorized to receive and fulfill any instruction from the Architect, the Inspector, the DISTRICT or any other DISTRICT representative. The Superintendent shall have authority to bind CONTRACTOR through the Superintendent's acts. The Superintendent shall represent the CONTRACTOR, and communications given to the Superintendent shall be binding on the CONTRACTOR. Before commencing the work, CONTRACTOR shall give written notice to DISTRICT and Architect (if applicable) of the name and a Statement of Qualifications of such superintendent. Superintendent shall not be changed except with written consent of DISTRICT, unless a superintendent proves to be unsatisfactory to CONTRACTOR and ceases to be in its employ, in which case, CONTRACTOR shall notify DISTRICT in writing. CONTRACTOR shall provide a replacement superintendent approved by the DISTRICT prior to performing additional work. DISTRICT shall have the right, but not the obligation, to require the removal from the PROJECT of any superintendent, staff member, agent, or employee of any CONTRACTOR, Subcontractor, material, or equipment supplier.

ARTICLE II - TIME OF COMPLETION

Upon receiving notice of award from DISTRICT of the PROJECT contract, CONTRACTOR will provide a proposed design, fabrication, and installation schedule for DISTRICT written approval. CONTRACTOR shall achieve "Substantial Completion" of the PROJECT in accordance with this Agreement within Three Hundred Thirty Five (335) calendar days from receipt of DSA stamped PROJECT PLANS and receipt of Notice of To Proceed from the DISTRICT, whichever is later. For the purposes of this PROJECT, Substantial Completion shall occur when the DISTRICT occupies or utilizes the Modular Building for the use for which it is intended or the DISTRICT confirms in writing that Modular Building is Substantially Complete and acceptable for occupation. The District shall not unreasonably delay or withhold such notification.

ARTICLE III - LIQUIDATED DAMAGES

It being impracticable and infeasible to determine the amount of actual damage, it is agreed that the CONTRACTOR will pay the DISTRICT the sum of One Thousand Dollars (\$1,000) per calendar day for each and every day of delay beyond the time set forth in Article 2 of this Agreement for completion of said work as liquidated damages and not as a penalty or forfeiture. In the event the same is not paid, the CONTRACTOR further agrees that the DISTRICT may deduct such amount thereof from any money due or that may become due the CONTRACTOR under the contract. This Article shall not be construed as preventing the DISTRICT from the recovery of damages under provisions of the Contract Documents.

ARTICLE IV - CONTRACT PRICE

4.1 Contract Price. The DISTRICT shall pay to the CONTRACTOR as full consideration for the faithful performance of the contract, subject to any additions or deductions, the sum of **TWENTY MILLION TWO HUNDRED THOUSAND ONE HUNDRED NINETY THREE DOLLARS (\$20,200,193)**, said sum being the total amount stipulated by the parties and stated in the CONTRACTOR's Proposal ("Total Fee"). This Total Fee includes Four Hundred Ninety Four Thousand Five Hundred Ninety Dollars (\$494,590) for design fees and a "construction allowance" of One Hundred Fifty Thousand Dollars (\$150,000). The "Construction Allowance" will be used to address unforeseen circumstances and conditions that may occur during the PROJECT that are outside of CONTRACTOR's control but require additional services to complete the PROJECT. The "Construction Allowance", however, is not a cap on the amount of costs CONTRACTOR may seek from the DISTRICT in the event of unforeseen circumstances or conditions, if the DISTRICT provides prior written agreement and approval of such costs. CONTRACTOR shall not be entitled to any additional cost or damage for unforeseen circumstances unless the additional work is approved and accepted by the DISTRICT in writing. As soon as such unforeseen circumstances arise, CONTRACTOR shall provide written notification to DISTRICT summarizing the unforeseen circumstances, explaining why the unforeseen circumstances are not part of the CONTRACTOR's scope of work and outside of the CONTRACTOR's control, identifying the additional services necessary to address the unforeseen circumstances, and proposing the total cost necessary to address the unforeseen circumstances. CONTRACTOR shall not commence with any additional services prior to

obtaining written approval from DISTRICT. DISTRICT, at its sole discretion, may reject any request for additional work or compensation for any unforeseen circumstances claimed by CONTRACTOR. CONTRACTOR shall not be entitled to any payment for any additional services or work provided by CONTRACTOR without prior written approval from DISTRICT and written acceptance of the additional work by DISTRICT. Any and all remaining funds after completion of the PROJECT will be returned to the DISTRICT by means of a deductive change order.

4.2 Progress Payments.

(a) Payments to CONTRACTOR. CONTRACTOR shall receive payments in accordance with the Budget Breakdown provided in the CONTRACTOR's Proposal. CONTRACTOR shall be paid a sum equal to ninety-five percent (95%) of the value of the Work performed (as certified by Architect and Inspector and verified by CONTRACTOR) up to the last day of the previous month, less the aggregate of previous payments. The value of the Work completed shall be the CONTRACTOR's best estimate. Work completed as estimated shall be an approximation or estimate only and no mistake, inaccuracy, error or falsification in said any approved estimate shall operate to release the CONTRACTOR, or any surety upon any bond, from damages arising from such Work, or from the DISTRICT's enforcement of each and every provision of this Contract including but not limited to the Performance Bond and Payment Bond. The DISTRICT shall have the right to subsequently to correct any mistake, inaccuracy, error or falsification made or otherwise set forth in any approved Request for Payment and such correction may occur in any future Payment Application or in the Retention Payment to the CONTRACTOR. No Surety upon any bond shall be relieved, released or exonerated of its obligations under this Contract or any applicable bond when the DISTRICT is unable to correct an overpayment to the CONTRACTOR due to any abandonment by the CONTRACTOR or termination by the DISTRICT.

The CONTRACTOR shall not be entitled to payment of Incomplete Work, which means any Work for which lawful or proper direction given by the DISTRICT concerning the Work, or any portion thereof, remains incomplete.

(b) Purchase of Materials and Equipment and Cost Fluctuations.

The CONTRACTOR is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from DISTRICT to assure that there will be no delays. CONTRACTOR understands that materials fluctuate in value and shall have adequately addressed market fluctuations through agreements with CONTRACTOR Vendors or by other means. CONTRACTOR further understands and incorporates into CONTRACTOR's bid cost any wage rate increases during the Project for the CONTRACTOR's labor force as well as all other subcontractor and vendor labor forces. DISTRICT shall not be responsible for market fluctuations in costs or labor rate increases during the Project. CONTRACTOR further has incorporated any and all cost increases in areas of Work where there may be schedule

variations so that cost increases are not passed through to the DISTRICT.

(c) No Waiver.

No payment by DISTRICT hereunder shall be interpreted so as to imply that DISTRICT has inspected, approved, or accepted any part of the Work. CONTRACTOR specifically understands that Title 24 Section 4-343 that:

“It is the duty of the contractor to complete the work covered by his or her contract in accordance with the approved plans and specifications therefore. The contractor in no way is relieved of any responsibility by the activities of the Architect, Engineer, Inspector or DSA in the performance of such duties...In no case, however, shall the instruction of the Architect or registered Engineer be construed to cause work to be done with is not in conformity with the approved Plans, Specifications, and change orders.”

Notwithstanding any payment, the DISTRICT may enforce each and every provision of this Contract which includes, but is not limited to, the Performance Bond and Payment Bond. The DISTRICT may correct any error subsequent to any payment. In no event shall the CONTRACTOR or the Surety be released or exonerated from performance under this Contract when the DISTRICT overpays the CONTRACTOR based upon any mistake, inaccuracy, error or falsification in any estimate that is included in any Request for Payment.

(d) Issuance of Certificate of Payment.

The DISTRICT shall, within seven (7) days after receipt of the CONTRACTOR's Application for Payment, either approve such payment or notify the CONTRACTOR in writing of the DISTRICT's reasons for withholding approval in whole or in part as provided in Paragraph 4.6. The review of the CONTRACTOR's Application for Payment by the DISTRICT is based on the DISTRICT's observations at the Site and the data comprising the Application for Payment that the Work has progressed to the point indicated and that, to the best of the DISTRICT's knowledge, information, and belief, the quality of the Work is in accordance with the Contract Documents. In some cases, the DISTRICT may act upon or rely on the evaluation of the Work by the Inspector. This review of Payment Applications is sometimes called a "Pencil Draft." DISTRICT's return of a Pencil Draft shall constitute the DISTRICT's dispute of the Pay Application that has been submitted. CONTRACTOR shall promptly respond to Pencil Drafts or CONTRACTOR's Pay Applications may be delayed. CONTRACTOR's failure to promptly respond to a Pencil Draft shall qualify as a delay in the Prompt Payment of a Request for Payment or Request for Retention. The foregoing representations are subject to 1) an evaluation of the Work for conformance with the Contract Documents, 2) results of subsequent tests and inspections, 3) minor deviations from the Contract Documents correctable prior to completion, and 4) specific qualifications expressed by the DISTRICT. The issuance of a Certificate

for Payment will further constitute the CONTRACTOR's Verified representation that the CONTRACTOR is entitled to payment in the amount certified.

(e) Payment of Undisputed Contract Payments.

In accordance with Public Contract Code section 7100, payments by the DISTRICT to the CONTRACTOR for any and all undisputed amounts (including all Progress Payments, Final Payments or Retention Payment) is contingent upon submission of a proper and accurate Pay Application and the CONTRACTOR furnishing the DISTRICT with a release of all Claims against the DISTRICT related to such undisputed amounts. Disputed Contract claims in stated amounts may be specifically excluded by the CONTRACTOR from the operation of the release. If, however, the CONTRACTOR specifically excludes any Claims, the CONTRACTOR shall provide details such as a specific number of disputed days or costs of any such exclusion.

4.3 Applications for Progress Payments.

(a) Procedure.

A. Application for Progress. On or before the fifth (5th) day of each calendar month during the progress of the Work, CONTRACTOR shall submit to the DISTRICT an itemized Application for Progress Payment for operations completed. Such application shall be supported by the following or such portion thereof as DISTRICT requires:

- i. The amount paid to the date of the Application to the CONTRACTOR, to all its Subcontractors, and all others furnishing labor, material, or equipment for its Contract;
- ii. Itemized breakdown of Work done for the purpose of requesting partial payment;
- iii. The additions to and subtractions from the Contract Price and Contract Time;
- iv. A summary of the Retention held;
- v. Material invoices, evidence of equipment purchases, rentals, and other support and details of cost as the DISTRICT may require from time to time; and
- vi. The percentage of completion of the CONTRACTOR's Work.

B. All Payment Requests. No payment requests will be processed unless CONTRACTOR has submitted copies of the Certified Payroll records for the Work which correlates to the payment request and a proper CPM schedule pursuant to Article 2 is submitted.

4.4 Warranty of Title. The CONTRACTOR warrants title to all work. The CONTRACTOR further warrants that all work is free and clear of liens, claims, security interests, or encumbrances in favor of the CONTRACTOR, Subcontractors, material and equipment suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the PROJECT. Failure to keep work free of liens, stop notices, claims, security interests or encumbrances is grounds to make a claim against CONTRACTOR's Payment and Performance Bond to immediately remedy and defend.

If a lien or stop notice of any nature should at any time be filed against the PROJECT or any DISTRICT property, by any entity which has supplied material or services at the request of the CONTRACTOR, CONTRACTOR shall promptly, on demand by DISTRICT and at CONTRACTOR's and own expense, take any and all action necessary to cause any such lien or stop notice to be released or discharged immediately. If the CONTRACTOR fails to furnish to the DISTRICT within ten (10) calendar days after demand by the DISTRICT, satisfactory evidence that a lien or stop notice has been so released, discharged, or secured, then DISTRICT may discharge such indebtedness and deduct the amount required, together with any and all losses, costs, damages, and attorney's fees and expense incurred or suffered by DISTRICT from any sum payable to CONTRACTOR under the Contract. In addition, any liens, stop notices, claims, security interests or encumbrances shall trigger the indemnification requirements under Article 5, and shall act as a trigger under Civil Code section 2778 and 2779 requiring reimbursement for any and all costs following the DISTRICT's written demand has been made. Any withholdings by the DISTRICT for stop notices in accordance with Civil Code section 9358 shall not be a basis by the CONTRACTOR to make a Claim for interest penalties under Public Contract Code sections 7107. Pursuant to California Civil Code 9358, DISTRICT may, upon receipt of a stop payment notice, withhold from CONTRACTOR sufficient funds due or to become due to CONTRACTOR to pay the claim stated in the stop payment notice and to provide for DISTRICT's reasonable cost of any litigation pursuant to the stop payment notice which shall total one hundred fifty percent (150%) of the stop notice amount unless and until CONTRACTOR addresses the stop notice as provided herein.

4.5 Reasons to Withhold Payment. The DISTRICT may withhold payment, in whole, or in part, to such extent as may be necessary to protect the DISTRICT from loss because of, but not limited to:

- (a) Defective work not remedied;
- (b) Stop notices served upon the DISTRICT;
- (c) Liquidated damages assessed against the CONTRACTOR;
- (d) Damage to the DISTRICT or other contractor;

- (e) Unsatisfactory prosecution of the work by the CONTRACTOR;
- (f) Failure of the CONTRACTOR to prosecute the work in a timely manner;
- (g) Failure to properly pay prevailing wages as defined in Labor Code section 1720, et seq.;
- (h) Failure to properly maintain or clean up the Site;
- (i) Payments to indemnify, defend, or hold harmless the DISTRICT;
- (j) If required, failure to obtain proper inspection and approval of the Project components as required by DSA and the Project Inspector demonstrated by an incomplete DSA Form Inspection Care or a Notice of Deviation (DSA Form 154); or
- (j) Failure to pay Subcontractor or suppliers.

4.6 Nonconforming Work. If CONTRACTOR defaults or neglects to carry out the work required to complete the PROJECT or fails to perform any provision hereof, DISTRICT may, after ten (10) calendar days written notice to the CONTRACTOR and without prejudice to any other remedy make good such deficiencies. The DISTRICT shall adjust the total Contract price by reducing the amount thereof by the cost of making good such deficiencies. If DISTRICT deems it inexpedient to correct work which is damaged, defective, or not done in accordance with Contract provisions, an equitable reduction in the Contract price (of at least 150% of the estimated reasonable value of the nonconforming work) shall be made. In no event shall Contractor provide work that does not comply with the Blast Force Protections requirements of the Project.

ARTICLE V - HOLD HARMLESS & INDEMNITY

5.1 CONTRACTOR shall defend, indemnify and hold harmless DISTRICT, Architect, Inspector, the State of California and their officers, and employees agents and independent contractors from all liabilities, claims, actions, liens, judgments, demands, damages, losses, costs or expenses of any kind arising from death, personal injury, property damage or other cause based or asserted upon any act, omission, or breach connected with or arising from the progress of Work or performance of service under this Agreement or the Contract Documents. As part of this indemnity, CONTRACTOR shall protect and defend, at its own expense, DISTRICT, Architect, Inspector, the State of California and their officers, and employees, agents and independent contractors from any legal action including attorney's fees or other proceeding based upon such act, omission, breach or as otherwise required by this Article

5.2 Furthermore, CONTRACTOR agrees to and does hereby defend, indemnify and hold harmless DISTRICT, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors from every claim or demand made, and every liability, loss,

damage, expense or attorney's fees of any nature whatsoever, which may be incurred by reason of:

(a) Liability for 1) death or bodily injury to persons; 2) damage or injury to, loss (including theft), or loss of use of, any property; 3) any failure or alleged failure to comply with any provision of law or the Contract Documents; or 4) any other loss, damage or expense, sustained by any person, firm or corporation or in connection with the Work called for in this Agreement or the Contract Documents, except for liability resulting from the sole or active negligence, or the willful misconduct of the DISTRICT.

(b) Any bodily injury to or death of persons or damage to property caused by any act, omission or breach of CONTRACTOR or any person, firm or corporation employed by CONTRACTOR, either directly or by independent contract, including all damages or injury to or death of persons, loss (including theft) or loss of use of any property, sustained by any person, firm or corporation, including the DISTRICT, arising out of or in any way connected with Work covered by this Agreement or the Contract Documents, whether said injury or damage occurs either on or off DISTRICT property, but not for any loss, injury, death or damages caused by the sole or active negligence or willful misconduct of the DISTRICT.

(c) Any dispute between CONTRACTOR and CONTRACTOR's subcontractors/supplies/ Sureties, including, but not limited to, any failure or alleged failure of the CONTRACTOR (or any person hired or employed directly or indirectly by the CONTRACTOR) to pay any Subcontractor or Materialman of any tier or any other person employed in connection with the Work and/or filing of any stop notice or mechanic's lien claims.

CONTRACTOR, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the DISTRICT, its officers, agents or employees, on account of or founded upon any cause, damage, or injury identified herein Article 5 and shall pay or satisfy any judgment that may be rendered against the DISTRICT, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

CONTRACTOR's and Subcontractors' obligation to defend, indemnify and hold harmless the Owner, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors hereunder shall include, without limitation, any and all claims, damages, and costs for the following: (1) any damages or injury to or death of any person, and damage or injury to, loss (including theft), or loss of use of, any property; (2) breach of any warranty, express or implied; (3) failure of the CONTRACTOR or Subcontractors to comply with any applicable governmental law, rule, regulation, or other requirement; (4) products installed in or used in connection with the Work; and (5) any claims of violation of the Americans with Disabilities Act ("ADA"), except for any claims of violation of the ADA caused by the sole or active negligence or willful misconduct of the DISTRICT.

5.3 The indemnity requirements described herein Article 5 is intended to apply during the period of CONTRACTOR's performance under this Contract and shall survive the expiration or

termination of this Contract. However, nothing in this Agreement, including without limitation this Article 5, or the Contract Documents shall require the CONTRACTOR to defend, indemnify or hold harmless anyone for claims or liabilities arising from the sole negligence or willful misconduct of the parties seeking such defense or indemnity.

ARTICLE VI - CONTRACTOR'S INSURANCE

6.1 Insurance Requirements. Before the commencement of the work on the Project ("Work"), the CONTRACTOR shall purchase from and maintain in a company or companies lawfully authorized to do business in California with a financial rating of at least an A-VIII status as rated in the most recent edition of Best's Insurance Reports or as amended by the Supplementary General Conditions, such insurance as will protect the DISTRICT from claims set forth below, which may arise out of or result from the CONTRACTOR's Work under the Contract and for which the CONTRACTOR may be legally liable, whether such Work are by the CONTRACTOR, by a Subcontractor, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Any required insurance shall not contain any exclusion that applies to the type of work performed by the CONTRACTOR under the Contract Documents:

- (a) Claims for damages because of bodily injury, sickness, disease, or death of any person DISTRICT would require indemnification and coverage for employee claim;
- (b) Claims for damages insured by usual personal injury liability coverage, which are sustained by a person as a result of an offense directly or indirectly related to employment of such person by the CONTRACTOR or by another person;
- (c) Claims for damages because of injury or destruction of tangible property, including loss of use resulting therefrom, arising from operations under the Contract Documents;
- (d) Claims for damages because of bodily injury, death of a person, or property damage arising out of the ownership, maintenance, or use of a motor vehicle, all mobile equipment, and vehicles moving under their own power and engaged in the Work;
- (e) Claims involving contractual liability applicable to the CONTRACTOR's obligations under the Contract Documents, including liability assumed by and the indemnity and defense obligations of the CONTRACTOR and the Subcontractors;
- (f) Claims involving Completed Operations, Independent CONTRACTORS' coverage, and Broad Form property damage, without any exclusions for collapse, explosion, demolition, underground coverage, and excavating. (XCU); and
- (g) Claims involving sudden or accidental discharge of contaminants or pollutants.

6.2 Additional Insured Endorsement Requirements. The CONTRACTOR shall name, on any policy of insurance required under Article 6.1, the DISTRICT, Architect, Inspector, Pro West,

Maasco, the State of California, their officers, employees, agents, volunteers and independent contractors as additional insureds. Subcontractors shall name the CONTRACTOR, the DISTRICT, Architect, Inspector, Pro West, Maasco, the State of California, their officers, employees, agents, volunteers and independent contractors as additional insureds. The Additional Insured Endorsement included on all such insurance policies shall be an ISO CG 20 10 (04/13), or an ISO CG 20 38 (04/13), or their equivalent as determined by the DISTRICT in its sole discretion, and must state that coverage is afforded the additional insured with respect to claims arising out of operations performed by or on behalf of the insured. If the additional insureds have other insurance which is applicable to the loss, such other insurance shall be on an excess or contingent basis. The insurance provided by the CONTRACTOR pursuant to 11.1 must be designated in the policy as primary to any insurance obtained by the DISTRICT. The amount of the insurer's liability shall not be reduced by the existence of such other insurance.

6.3 Specific Insurance Requirements. CONTRACTOR shall take out and maintain and shall require all subcontractors, if any, whether primary or secondary, to take out and maintain:

(a) General Liability Insurance. Comprehensive General Liability Insurance with a combined single limit per occurrence of not less than \$2,000,000.00 or Commercial General Liability Insurance which provides limits of not less than:

(a) Per occurrence (combined single limit) \$2,000,000.00

OR

(a) Per occurrence (combined single limit) \$1,000,000.00

(b) Project Specific Aggregate (for this project only)\$2,000,000.00

(c) Products and Completed Operations..... \$2,000,000.00

(d) Personal and Advertising Injury Limit\$1,000,000.00

(b) Insurance Covering Special Hazards. The following Special hazards shall be covered by riders or riders to above mentioned public liability insurance or property damage insurance policy or policies of insurance, in amounts as follows:

(a) Automotive and truck where operated in amounts \$1,000,000.00

(b) Material Hoist where used in amounts \$1,000,000.00

(c) Explosion, Collapse and Underground (XCU coverage) \$1,000,000.00

(d) Hazardous Materials \$1,000,000.00

- In addition, provide Excess Liability Insurance coverage in the amount of Four Million Dollars (\$4,000,000.00)

OR

- In addition, provide Excess Liability Insurance coverage in the amount of Four Million Dollars (\$8,000,000.00)

6.4 Workers' Compensation Insurance. During the term of this Contract, the CONTRACTOR shall provide workers' compensation and employer's liability insurance for all of the CONTRACTOR's employees engaged in Work under this Contract on or at the Site of the Project and, in case any of the CONTRACTOR's Work is subcontracted, the CONTRACTOR shall require the Subcontractor to provide workers' compensation insurance for all the Subcontractor's employees engaged in Work under the subcontract. Any class of employee or employees not covered by a Subcontractor's insurance shall be covered by the CONTRACTOR's insurance. In case any class of employees engaged in Work under this Contract on or at the Site of the Project is not protected under the Workers' Compensation laws, the CONTRACTOR shall provide or cause a Subcontractor to provide insurance coverage for the protection of those employees not otherwise protected. The CONTRACTOR shall file with the DISTRICT certificates of insurance as required under this Article and in compliance with Labor Code § 3700.

6.5 Fire Insurance. Before the commencement of the Work, the CONTRACTOR shall procure, maintain, and cause to be maintained at the CONTRACTOR's expense, fire insurance on all Work subject to loss or damage by fire. The amount of fire insurance shall be sufficient to protect the Project against loss or damage in full until the Work is accepted by the DISTRICT. This requirement may be waived upon confirmation by the DISTRICT that such coverage is provided under the Builder's Risk Insurance being provided.

6.6 Automobile Insurance. The DISTRICT, Architect, Maasco, and Inspectors, their directors, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the CONTRACTOR or for which the CONTRACTOR is responsible. Such insurance coverage shall be primary and non-contributory insurance as respects the DISTRICT, Architect, Maasco, and Inspectors, their directors, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the CONTRACTOR's scheduled underlying coverage. Any insurance or self-insurance maintained by the DISTRICT, Architect, Maasco, and Inspectors, their directors, officers, employees, agents and volunteers shall be excess of the CONTRACTOR's insurance and shall not be called upon to contribute with it. The insurer shall agree to waive all rights of subrogation against the DISTRICT, Architect, Maasco, and Inspectors, their directors, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy that arise from Work performed by the CONTRACTOR. Insurance Services Office Business Auto Coverage Form Number CA 0001, Code 1 (any auto) is required. Comprehensive Automobile Liability insurance to include all autos, owned, non-owned, and hired, with limits of \$1,000,000 per accident for bodily injury and property damage.

6.7 Other Insurance. The CONTRACTOR shall provide all other insurance required to be maintained under applicable laws, ordinances, rules, and regulations.

6.8 Proof of Insurance. The CONTRACTOR shall not commence work on the PROJECT, nor shall it allow any Subcontractor to commence work on the PROJECT until all required insurance and certificates have been obtained and delivered in duplicate to the DISTRICT for approval subject to the following requirements:

(a) Certificates and insurance policies shall include the following clause:

“This policy shall not be non-renewed, canceled, or reduced in required limits of liability or amounts of insurance until notice has been mailed to the DISTRICT.”

(b) Certificates of insurance shall state in particular those insured, the extent of insurance, location and operation to which the insurance applies, the expiration date, and cancellation and reduction notices;

(c) Certificates of insurance shall clearly state that the DISTRICT and the Architect are named as additional insureds under the policy described and that such insurance policy shall be primary to any insurance or self-insurance maintained by DISTRICT; and

(d) The CONTRACTOR and its Subcontractors shall produce a certified copy of any insurance policy required under this Section upon written request of the DISTRICT.

6.9 Compliance. In the event CONTRACTOR fails to furnish and maintain any insurance required by this Article, the CONTRACTOR shall be in default under the Contract. Compliance by CONTRACTOR with the requirement to carry insurance and furnish certificates or policies evidencing the same shall not relieve the CONTRACTOR from liability assumed under any provision of the Contract Documents, including, without limitation, the obligation to defend and indemnify the DISTRICT.

ARTICLE VII - PREVAILING WAGES

Wage rates for this PROJECT shall be in accordance with the general prevailing rate of holiday and overtime work in the locality in which the work is to be performed for each craft, classification or type of work needed to execute the contract as determined by the Director of the Department of Industrial Relations. Copies of schedules of rates so determined by the Director of the Department of Industrial Relations are on file at the administrative office of the DISTRICT and are also available from the Director of the Department of Industrial Relations. The following are hereby referenced and made a part of this Agreement and CONTRACTOR stipulates to the provisions contained therein:

(a) Chapter 1 of Part 7 of Division 2 of the Labor Code (Section 1720 et seq.);

(b) California Code of Regulations, Title 8, Chapter 8, Subchapters 3-6 (Section 16000 et seq.).

ARTICLE VIII - TERMINATION OF THE CONTRACT

8.1 Termination for Cause. The DISTRICT may terminate the CONTRACTOR and/or this Contract for the following reasons:

- (a) Persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- (b) Persistently or repeatedly is absent, without excuse, from the job site;
- (c) Fails to make payment to Subcontractors, suppliers, materialmen, etc.;
- (d) Persistently disregards laws, ordinances, rules, regulations, or orders of a public authority having jurisdiction;
- (e) Becomes bankrupt or insolvent, including the filing of a general assignment for the benefit of creditors;
- (f) CONTRACTOR fails to follow the inspection procedure required by DSA or takes actions to delay or frustrate the inspection process; or
- (g) Otherwise is in substantial breach of a provision of the Contract Documents.

8.2 Notification of Termination. When any of the above reasons set forth in Article 8.1 above exists, the DISTRICT may, without prejudice to any other rights or remedies of the DISTRICT and after giving the CONTRACTOR and the CONTRACTOR's surety (if applicable) written notice to cure of five (5) working days specifying the reasons for the notice, and Contractor fails to cure (or take measurable steps to cure to be determined at the District's sole and absolute discretion) the reasons identified in the notice to cure within such five (5) working day period, terminate the CONTRACTOR and/or this Contract and may, subject to any prior rights of the surety (if applicable):

- (a) Take possession of the PROJECT and of all material, equipment, tools, and construction equipment and machinery thereon owned by the CONTRACTOR;
- (b) Accept assignment of Subcontracts. CONTRACTOR acknowledges and agrees that if the DISTRICT (in its sole and absolute discretion) decides to takeover completion of the PROJECT, the CONTRACTOR agrees to immediately assign all subcontracts to the DISTRICT which the DISTRICT has chosen to accept; and
- (c) Complete the Work by any reasonable method the DISTRICT may deem expedient, including contracting with a replacement contractor or contractors.

8.3 Payments Withheld. If the DISTRICT terminates the Contract for one of the reasons stated in Article 8.1 above, the CONTRACTOR shall not be entitled to receive further payment until the Work is complete. All costs associated with the termination and completion of the PROJECT shall be the responsibility of the CONTRACTOR and/or its surety (if applicable).

8.4 Payments Upon Completion. If the unpaid balance of the Contract Sum exceeds costs of completing the PROJECT, including compensation for professional services and expenses made necessary thereby, such excess shall be paid to the CONTRACTOR. If such costs exceed the unpaid balance, the CONTRACTOR shall pay the difference to the DISTRICT. This payment obligation shall survive completion of the Contract.

8.5 Termination for Convenience. DISTRICT may terminate the Contract upon fifteen (15) calendar days of written notice to the CONTRACTOR and use any reasonable method the DISTRICT deems expedient to complete the Project, including contracting with replacement contractor or contractors, if it is found that reasons beyond the control of either the DISTRICT or CONTRACTOR make it impossible or against the DISTRICT's interest to complete the Project. In such a case, the CONTRACTOR shall have no Claims against the DISTRICT except for: (1) the actual cost for approved labor, materials, and services performed in accordance with the Contract Documents which have not otherwise been previously paid for and which are supported and documented through timesheets, invoices, receipts, or otherwise; and (2) profit and overhead of ten percent (10%) of the approved costs in item (1); and (3) termination cost of five percent (5%) of the approved costs in item (1). CONTRACTOR acknowledges and agrees that if the DISTRICT (in its sole and absolute discretion) decides to takeover completion of the Project, the CONTRACTOR agrees to immediately assign all subcontracts to the DISTRICT which the DISTRICT has chosen to accept.

8.6 In the event of a dispute between the DISTRICT and CONTRACTOR, the CONTRACTOR shall proceed diligently with performance of the Contract, and the DISTRICT shall continue to make any undisputed payments in accordance with the Contract. If the dispute is not resolved informally, CONTRACTOR agrees it will neither rescind the Contract nor stop the progress of the work, but CONTRACTOR's sole remedy shall be to comply with the Dispute procedure set forth in Section 34 of the Terms and Conditions to Contract.

ARTICLE IX - COMPLETION OF THE WORK

9.1 Close-Out Procedures.

(a) *Incomplete Punch Items.* When the CONTRACTOR considers the Work Substantially Complete (See Article 2 for definition of Substantially Complete), the CONTRACTOR shall prepare and submit to the DISTRICT a comprehensive list of minor items to be completed or corrected (hereinafter "Incomplete Punch Items"). The CONTRACTOR and/or its Subcontractors shall proceed promptly to complete and correct the Incomplete Punch Items listed. Failure to include an item on such list does not alter the responsibility of the CONTRACTOR to complete all Work in accordance with the Contract Documents. CONTRACTOR is aware that Title 24 Section 4-343(a) provides:

"RESPONSIBILITIES. IT IS THE DUTY OF THE CONTRACTOR TO COMPLETE THE WORK COVERED BY HIS OR HER CONTRACT IN ACCORDANCE WITH THE APPROVED PLANS AND SPECIFICATIONS THEREFOR. THE CONTRACTOR IN NO WAY IS RELIEVED OF ANY

RESPONSIBILITY BY THE ACTIVITIES OF THE ARCHITECT, ENGINEER, INSPECTOR OR DSA IN THE PERFORMANCE OF SUCH DUTIES.

If any of the conditions noted in Article 2 as defining Substantial Completion are not met, the Inspector, Architect or District may reject CONTRACTOR's Incomplete Punch Items as premature. If the Architect and Inspector commence review of Incomplete Punch Items, all rights are reserved until the Project actually meets the definition of Substantially Complete. Liquidated Damages, warranties, and other contractual rights are not affected by Incomplete Punch Items unless otherwise addressed in these General Conditions.

Once the Inspector, Architect, and/or DISTRICT determine the Project is Substantially Complete, a Certificate of Substantial Completion shall be issued. The Inspector, Architect, and/or DISTRICT shall prepare a Punch List of items which is an inspection report of the Work, if any, required in order to complete the Contract Documents and ensure compliance with the PROJECT DOCUMENTS so the Project may be completed by the CONTRACTOR and a final DSA Close-Out is approved. When all Work for the Project is Complete, including Punch Lists and all Work complies with the approved Contract Documents and Change Orders, the Project has reached Final Completion.

9.2 Close-Out Requirements for Final Completion of the Project.

(a) Utility Connections. Buildings shall be connected to water, gas, sewer, and electric services, complete, and ready for use. Service connections shall be made and existing services reconnected.

(b) As-Built Up to Date and Complete. The intent of this procedure is to obtain an exact "As-Built" record of the Work upon completion of the project. The exact location and elevations of all covered utilities, including valves, cleanouts, etc. must be shown shall be carefully and correctly drawn on the prints and all items shall be accurately located and dimensioned from finished surfaces of building walls on all record drawings.

A. CONTRACTOR is liable and responsible for inaccuracies in As-Built drawings, even if they become evident at some future date.

B. Upon completion of the Work and as a condition precedent to approval of Retention Payment, CONTRACTOR shall obtain the Inspector's (or DISTRICT when there is no Project Inspector) approval of the "As-Built" information. When completed, CONTRACTOR shall deliver corrected sepias and/or a Diskette with an electronic file in a format acceptable to the DISTRICT.

(c) DISTRICT may withhold the cost to hire a draftsman and potholing and testing service to complete Record As-Built Drawings at substantial cost if the CONTRACTOR does not deliver a complete set of Record As-Built Drawings.

(d) Maintenance Manuals. At least thirty (30) days prior to final inspection, three (3) copies of complete operations and maintenance manuals, repair parts lists, service instructions for all electrical and mechanical equipment, and equipment warranties shall be submitted. All installation, operating, and maintenance information and Drawings shall be bound in 8½" x 11" binders. Provide a table of contents in front and all items shall be indexed with tabs. Each manual shall also contain a list of subcontractors, with their addresses and the names of persons to contact in cases of emergency. Identifying labels shall provide names of manufactures, their addresses, ratings, and capacities of equipment and machinery.

A. Maintenance manuals shall also be delivered in electronic media for the Project. Any demonstration videos shall also be provided on electronic media.

(e) Inspection Requirements. Before calling for final inspection, CONTRACTOR shall determine that the following Work has been performed:

- A. The Work has been completed.
- B. Mechanical and electrical Work complete, fixtures in place, connected and tested.
- C. Electrical circuits scheduled in panels and disconnect switches labeled.
- D. Painting and special finishes complete.
- E. Doors complete with hardware, cleaned of protective film relieved of sticking or binding and in working order.
- F. Tops and bottoms of doors sealed.
- G. Floors waxed and polished as specified.
- H. Broken glass replaced and glass cleaned.
- I. Grounds cleared of CONTRACTOR's equipment, raked clean of debris, and trash removed from Site.
- J. Work cleaned, free of stains, scratches, and other foreign matter, replacement of damaged and broken material.
- K. Finished and decorative work shall have marks, dirt and superfluous labels removed.
- L. Final cleanup.

- M. Furnish a letter to DISTRICT stating that the DISTRICT's Representative or other designated person or persons have been instructed in working characteristics of mechanical and electrical equipment.
- N. Provide in-person training to DISTRICT staff to ensure all members designed by DISTRICT can operate and maintain the Modular Buildings' electrical, mechanical, and plumbing systems.

9.3 Completion and Final Payment

(a) Final Payment (95% Billing). The following items must be completed before the Final Pay Application will be accepted for processing at Substantial Completion of the Project:

- A. Inspector Sign off;
- B. The Incomplete Punch Items list has been submitted to the District under Article 9.1(a) and the Project has been determined to be Substantially Complete under Article 2;
- C. Removal of temporary facilities and services;
- D. Testing, adjusting and balance records are complete;
- E. Removal of surplus materials, rubbish, and similar elements;
- F. Changeover of Door locks;
- G. Deductive items; and
- H. Completion and submission of all final Change Orders for the Project.

(b) Final Inspection (Punch List Completion).

CONTRACTOR shall comply with Punch List procedures under Article 9.1(a), and maintain the presence of Project Superintendent and Project Manager (not replacement project superintendent or project manager) until the Punch List is complete to ensure proper and timely completion of the Punch List. Under no circumstances shall CONTRACTOR demobilize its forces prior to completion of the Punch List. Upon completion of the Work under Article 9.1, the CONTRACTOR shall notify the DISTRICT and Architect, who shall again inspect such Work. If the Architect and the DISTRICT finds the Work contained in Punch List acceptable under the Contract Documents and, therefore, the Work shall have reached Final Completion. Architect

shall notify CONTRACTOR, who shall then submit to the Architect its Application for Retention Payment. This Application for Retention Payment shall contain any deductions under Article 4, including but not limited to incomplete Punch List items under Article 9.1.

Upon receipt and approval of Application for Retention Payment, the Architect shall issue a Form 6 stating that to the best of its knowledge, information, and belief, and on the basis of its observations, inspections, and all other data accumulated or received by the Architect in connection with the Work, such Work has been completed in accordance with the Contract Documents. The DISTRICT shall thereupon inspect such Work and either accept the Work as complete or notify the Architect and the CONTRACTOR in writing of reasons why the Work is not complete. Upon acceptance of the Work of the CONTRACTOR as fully complete (which, absent unusual circumstances, will occur when the Punch List items have been satisfactorily completed), the DISTRICT shall record a Notice of Completion with the County Recorder, and the CONTRACTOR shall, upon receipt of payment from the DISTRICT, pay the amounts due Subcontractors.

If the Architect and the DISTRICT find that the Work Contained in the Punch List is unacceptable, then CONTRACTOR shall issue a valued Punch List within 5 days after the date the Punch List time ends. If CONTRACTOR does not issue such a list, the Owner or Architect may issue a valued Punch List to the CONTRACTOR and withhold up to 150% of the value of the Punch List Work.

(c) Retainage (100% Billing for the Entire Project).

The retainage, less any amounts disputed by the DISTRICT or which the DISTRICT has the right to withhold Pursuant to Article 4 (including but not limited to incomplete Punch List items under Article 9.1), shall be paid after approval by the DISTRICT of the Application for Retention Payment, after the satisfaction of the conditions set forth in Article 9, the Final Inspection under Article 9.4(b) is completed, and after thirty-five (35) days after the acceptance of the Work and recording of the Notice of Completion by DISTRICT. No interest shall be paid on any retainage, or on any amounts withheld due to a failure of the CONTRACTOR to perform, in accordance with the terms and conditions of the Contract Documents, except as provided to the contrary in any Escrow Agreement between the DISTRICT and the CONTRACTOR.

A. Procedures for Application for Retention Payment. The following conditions must be fulfilled prior to release of Retention Payment:

- i. A full and final waiver or release of all Stop Notices in connection with the Work shall be submitted by CONTRACTOR, including a release of Stop Notice in recordable form, together with (to the extent permitted by law) a copy of the full and final release of all Stop Notice rights.

- ii. CONTRACTOR shall have made all corrections, including all Punch List Items, to the Work which are required to remedy any defects therein, to obtain compliance with the Contract Documents or any requirements of applicable codes and ordinances, or to fulfill any of the orders or directions of DISTRICT required under the Contract Documents.
- iii. Each Subcontractor shall have delivered to the CONTRACTOR all written guarantees, warranties, applications, releases from the Surety and warranty bonds (if applicable) required by the Contract Documents for its portion of the Work.
- iv. CONTRACTOR must have completed all requirements set forth in Article 9.
- v. CONTRACTOR must have issued a Form 6-C for the Project.
- vi. CONTRACTOR shall have delivered to the DISTRICT all manuals and materials required by the Contract Documents.
- vii. CONTRACTOR shall have completed final clean up.
- viii. CONTRACTOR shall have all deductive items under Article 4 as part of the Retention Payment.

(d) Recording of a Notice of Completion After Punch List Period and Final Inspection.

When the Work, or designated portion thereof, is complete or the DISTRICT has completed the Article 4 process, the DISTRICT will file either a Notice of Completion or a Notice of Completion noting Valued Punch List items. Valued Punch List items will be deducted from the Retention Payment.

During the time when Work is being performed on the Punch List, the Project does not meet the definition of “Complete” under Public Contract Code Section 7107(c)(1) even if there is “beneficial occupancy” of the Project since that has been no “cessation of labor” on the Project. Completion of Punch List under this Article is not “testing, startup, or commissioning by the public entity or its agent.” In other words, the continuing Punch List Work is CONTRACTOR labor on the Project until each and every item of Punch List Work is complete or the time periods under Article 9.1 have expired.

(e) Warranties.

Warranties required by the Contract Documents shall commence on the date of Completion of the entire Work. Warranty periods DO NOT commence at Substantial Completion or when a particular subcontractor work is complete. No additional charges,

extras, Change Orders, or Claims may be sought for warranties commencing from the Notice of Completion.

DISTRICT shall have the right to utilize equipment, test, and operate as necessary for acclimation, or testing without voiding or starting warranties. Taking beneficial occupancy shall not start warranties except in the case where the DISTRICT agrees, in writing, that warranties shall commence running or where the DISTRICT is taking phased occupancy of specific buildings or areas and completes separate Punch Lists.

(f) Time for Submission of Application for Final Payment and Retention Payment (Unilateral Processing of Final and Retention Pay Application).

If CONTRACTOR submits a Final Pay Application which fails to include deductive items under Article 4, the DISTRICT or Architect shall note this defective request for Final Pay Application. The CONTRACTOR shall be notified that specific deductive items shall be included in the Final Pay Application. If CONTRACTOR either continues to submit the Final Pay Application without deductive items under Article 4, or a period of 14 calendar days passes after CONTRACTOR is provided written notice of deductive items for inclusion in Final Pay Application, then DISTRICT may either alter the Final Pay Application and recalculate the math on the Final Pay Application to address the Article 4 deductive items or process a Unilateral Final Pay Application.

(g) Unilateral Release of Retention.

After the recordation of the Notice of Completion, or within sixty (60) days following the completion of the Punch List or the expiration of the time for completion of Punch List under Article 9.9.1, if CONTRACTOR does not make an Application for Release of Retention, the DISTRICT may unilaterally release retention less any deducts under Article 4, withholds due to stop notice, or other defective work on the Project. DISTRICT may also choose to unilaterally release Retention after deduction of 150% of any disputed items, which may also include items under Article 4. If a deduction pursuant to Article 4 is made from Retention, a letter deducting specific valued items shall be considered a notice of Default under the terms of the Escrow Agreement.

ARTICLE X - CHANGES IN THE WORK

10.1 Changes.

(a) No Changes Without Authorization.

There shall be no change whatsoever in the Drawings, Specifications, or in the Work without an executed Change Order, Change Order Request, Immediate Change Directive, or order by the Architect for a minor change in the Work as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless the District's Governing Board or designated representative with delegated authority (subject

to Board ratification) has authorized the same and the cost thereof approved in writing by Change Order or executed Construction Change Directive. No extension of time for performance of the Work shall be allowed hereunder unless claim for such extension is made at the time changes in the Work are ordered, and such time duly adjusted in writing in the Change Order. The provisions of the Contract Documents shall apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications. Notwithstanding anything to the contrary in this Article 10, all Change Orders shall be prepared and issued by the Architect or District and shall become effective when executed by the District's Governing Board, the Architect, and the CONTRACTOR.

ARTICLE XI - MISCELLANEOUS PROVISIONS

11.1 [Not Used]

11.2 Record Audit. In accordance with Government Code Section 8546.7, records of both the DISTRICT and the CONTRACTOR shall be subject to examination and audit by the Auditor General for a period of three (3) years after final payment.

11.3 CONTRACTOR's License. The CONTRACTOR must possess throughout the PROJECT a Class B CONTRACTOR's License, issued by the State of California, which must be current and in good standing.

11.4 CONTRACTOR's Registration with DIR. Senate Bill 854 was signed into law on June 20, 2014, and provides for new requirements for both contractors and subcontractors for any public works project. The new laws take effect on July 1, 2014. This PROJECT is a public works project as defined in Labor Code section 1720. CONTRACTOR and all Subcontractors performing any portion of the Work must comply with the requirements of Senate Bill 854 including, without limitation, Labor Code Sections 1725.5 and 1771.1.

CONTRACTOR and all Subcontractors performing any portion of the Work must register with the California Department of Industrial Relations ("DIR") and qualified to perform public work pursuant to Labor Code section 1725.5 throughout the duration of the Project. CONTRACTOR and Subcontractors will be required to pay an initial set-up fee as well as an annual renewal fee to the DIR. The fee has initially been set at three hundred dollars (\$300.00) but is subject to change. For more information, and up to date requirements, Contractors are required to periodically review the DIR's website is <http://www.dir.ca.gov>. The CONTRACTOR shall provide proof that it is currently registered with DIR. Proof of such registration must be provided to the DISTRICT. CONTRACTOR shall be solely responsible for ensuring compliance with Labor Code section 1725.5 as well as any requirement implemented by DIR applicable to its services throughout the term of the Agreement and in no event shall CONTRACTOR be granted increased payment from the District or any time extensions to complete the Project as a result of CONTRACTOR's efforts to maintain compliance with the Labor Code or any requirements implemented by the DIR. Failure to comply with these requirements shall be deemed a material breach of this Agreement and ground for termination for cause. The CONTRACTOR shall furnish certified payroll records as required pursuant Labor

Code section 1776 directly to the Labor Commissioner in accordance with Labor Code section 1771.4 on at least on a monthly basis (or more frequently if required by the District) and in a format prescribed by the Labor Commissioner. The District reserves the right to withhold contract payments if the District is notified, or determines as the result of its own investigation, that CONTRACTOR is in violation of any of the requirements set forth in Labor Code section 1720 et seq. at no penalty or cost to the District.

Contractors and subcontractors who apply to the DIR will be required to meet certain minimum qualifications to bid on any public works projects. These minimum requirements include: (i) workers compensation coverage, (ii) Contractors State License Board license (if applicable to the trade), (iii) no delinquent unpaid wage or penalty assessments owed to any employee or enforcement agency, (iv) no state or Federal debarment, and (v) no prior violations of this registration requirement (for a first violation in a 12 month period a contractor or subcontractor can still qualify by paying the applicable penalty). CONTRACTOR and all subcontractors should carefully review the DIR website for all applicable requirements. CONTRACTOR shall be solely responsible for complying with any and all requirements issued by the DIR throughout the Project and shall indemnify the District for any violation of the applicable DIR requirements.

11.5 The CONTRACTOR shall enforce strict discipline and good order among the CONTRACTOR's and Subcontractor's employees, and other persons carrying out the Contract. The CONTRACTOR shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. As used in this subsection, "unfit" includes any person who the DISTRICT concludes is improperly skilled for the task assigned to that person, who fails to comply with the requirements of this article, or who creates safety hazards which jeopardize other persons and/or property.

11.6 CONTRACTOR shall take all steps necessary to insure that employees of CONTRACTOR or any of its subcontractors' employees do not use, consume, or work under the influence of any alcohol, tobacco or illegal drugs while on the PROJECT. CONTRACTOR shall further prevent any of its employees or its subcontractor employees from playing any recorded music devices or radios or wearing any radio headphone devices for entertainment while working on the PROJECT. Likewise, CONTRACTOR shall prevent its employees or subcontractor's employees from bringing any animal onto the PROJECT. CONTRACTOR shall not violate any written DISTRICT policies.

11.7 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of any third party against the DISTRICT.

11.8 The DISTRICT and CONTRACTOR, respectively, bind themselves, their partners, officers, successors, assigns and legal representatives to the other party to this Agreement with respect to the terms of this Agreement. CONTRACTOR shall not assign this Agreement.

11.9 This Agreement shall be governed by the laws of the State of California.

11.10 This Agreement represents the entire Agreement between the DISTRICT and CONTRACTOR and supersedes all prior negotiations, representations or agreements, either

written or oral. This Agreement may be amended or modified only by an agreement in writing signed by both the DISTRICT and the CONTRACTOR.

11.11 This Contract shall be liberally construed to effectuate the intention of the PARTIES with respect to the transaction described herein. In determining the meaning of, or resolving any ambiguity with respect to any word, phrase or provision of this Contract, neither this Contract nor any uncertainty or ambiguity herein will be construed or resolved against either party (including the PARTY primarily responsible for drafting and preparation of this Contract), under any rule of construction or otherwise, it being expressly understood and agreed that the PARTIES have participated equally or have had equal opportunity to participate in the drafting hereof.

11.12 CONTRACTOR, in the performance of this Contract, shall be and act as an independent contractor. CONTRACTOR understands and agrees that CONTRACTOR and all of CONTRACTOR's employees shall not be considered officers, employees or agents of the DISTRICT, and are not entitled to benefits of any kind or nature normally provided employees of the DISTRICT and/or to which DISTRICT's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. CONTRACTOR assumes the full responsibility for the acts and/or omissions of CONTRACTOR's employees or agents as they relate to the work and/or services to be provided under this Contract. CONTRACTOR shall assume full responsibility for payment of any applicable prevailing wages and all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes for the respective CONTRACTOR's employees.

11.13 If either PARTY becomes involved in litigation arising out of this Contract or the performance thereof, each PARTY shall bear its own litigation costs and expenses, including reasonable attorney's fees.

11.14 All exhibits referenced herein and attached hereto shall be deemed incorporated into and made a part of this Agreement by each reference as though fully set forth in each instance in the text hereof. The parties agree that the terms of this AGREEMENT shall be controlling over any of the terms contained within any Exhibit attached hereto.

11.15 The Contract entered into by this Agreement consists of the following Contract Documents, all of which are component parts of the Contract as if herein set out in full or attached hereto:

Agreement

Payment Bond

Performance Bond

Guarantee

Insurance Endorsements

CONTRACTOR's Certificate Regarding Drug-free Workplace

CONTRACTOR's Certificate Regarding Alcohol Beverage & Tobacco-Free Policy

CONTRACTOR's Proposal

DISTRICT's Request for Bids and the scope of work set forth herein

The PROJECT DOCUMENTS including:

The PROJECT PLANS

CONTRACTOR's "Project Responsibility Matrix" dated March 23, 2015, incorporated into this Agreement as Exhibit B.

The "Summary of Gymnasium Resistance to Blast Loads, Phase 1" provided by Protective Technologies dated February 4, 2016, incorporated into this Agreement as Exhibit C.

The "Summary of Resistance to Blast Loads Building Types A, C, and D Phase 1" dated February 16, 2016, incorporated into this Agreement as Exhibit D.

CONTRACTOR's scope of work revisions dated March 3, 2016, incorporated into this Agreement as Exhibit E.

The Specifications provided by Protective Technologies, incorporated into this Agreement as Exhibit F.

The Scope of Work provided by Protective Technologies, incorporated into this Agreement as Exhibit G.

All of the above named Contract Documents are intended to be complementary. Work required by one of the above named Contract Documents and not by others shall be done as if required by all.

Signatures on the following page.

IN WITNESS WHEREOF, this Agreement has been duly executed by the above named parties, on the day and year first above written.

CONTRACTOR:

DISTRICT:

MEEHLEIS MODULAR BUILDINGS, INC.

SIERRA SANDS UNIFIED SCHOOL DISTRICT

By:

By:

Print

Name:

Its:

Date:

Date:

Address:

Phone:

Tax

ID:

E-mail:

(CORPORATE SEAL)

PAYMENT BOND

(CALIFORNIA PUBLIC WORK)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the SIERRA SANDS UNIFIED SCHOOL DISTRICT (sometimes referred to hereinafter as “Obligee”) has awarded to _____ (hereinafter designated as the “Principal” or “Contractor”), an agreement for the work described as follows: _____ (hereinafter referred to as the “Public Work”); and

WHEREAS, said Contractor is required to furnish a bond in connection with said Contract, and pursuant to California Civil Code section 9550;

NOW, THEREFORE, We, _____, the undersigned Contractor, as Principal; and _____, a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the SIERRA SANDS UNIFIED SCHOOL DISTRICT and to any and all persons, companies, or corporations entitled by law to file stop notices under California Civil Code section 9100, or any person, company, or corporation entitled to make a claim on this bond, in the sum of _____ Dollars (\$_____), such sum being not less than one hundred percent (100%) of the total amount payable by said Obligee under the terms of said Contract, for which payment will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, its heirs, executors, administrators, successors, or assigns, or subcontractor, shall fail to pay any person or persons named in Civil Code section 9100; or fail to pay for any materials, provisions, or other supplies, used in, upon, for, or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code, with respect to work or labor thereon of any kind; or shall fail to deduct, withhold, and pay over to the Employment Development Department, any amounts required to be deducted, withheld, and paid over by Unemployment Insurance Code section 13020 with respect to work and labor thereon of any kind, then said Surety will pay for the same, in an amount not exceeding the amount herein above set forth, and in the event suit is brought upon this bond, also will pay such reasonable attorneys’ fees as shall be fixed by the court, awarded and taxed as provided in California Civil Code section 9550 et seq.

This bond shall inure to the benefit of any person named in Civil Code section 9100 giving such person or his/her assigns a right of action in any suit brought upon this bond.

It is further stipulated and agreed that the Surety of this bond shall not be exonerated or released from the obligation of the bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, Plans, or specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described; or pertaining or relating to the furnishing of labor, materials, or equipment therefor; nor by any change or modification of any terms of payment or extension of time for payment pertaining or relating to any scheme or work of improvement herein above described; nor by any rescission or attempted rescission of the contract, agreement or bond; nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond; nor by any fraud practiced by any person other than the claimant seeking to recover on the bond; and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given; and under no circumstances shall the Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the Obligee and the Contractor or on the part of any obligee named in such bond; that the sole condition of recovery shall be that the claimant is a person described in California Civil Code section 9100, and who has not been paid the full amount of his or her claim; and that the Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

IN WITNESS WHEREOF this instrument has been duly executed by the Principal and Surety above named, on the _____ day of _____, 20__.

PRINCIPAL/CONTRACTOR:

By: _____

SURETY:

By: _____

Attorney-in-Fact

IMPORTANT: THIS IS A REQUIRED FORM.

Surety companies executing bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in California Insurance Code section 105, and if the work or project is financed, in whole or in part, with federal, grant or loan funds, Surety's name must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of agent or representative
for service for service of process in California)

Telephone: _____

Telephone: _____

PERFORMANCE BOND

(CALIFORNIA PUBLIC WORK)

KNOW ALL MEN BY THESE PRESENTS:

THAT WHEREAS, the SIERRA SANDS UNIFIED SCHOOL DISTRICT (sometimes referred to hereinafter as “Obligee”) has awarded to _____ (hereinafter designated as the “Principal” or “Contractor”), an agreement for the work described as follows: _____ (hereinafter referred to as the “Public Work”); and

WHEREAS, the work to be performed by the Contractor is more particularly set forth in that certain contract for said Public Work dated _____, (hereinafter referred to as the “Contract”), which Contract is incorporated herein by this reference; and

WHEREAS, the Contractor is required by said Contract to perform the terms thereof and to provide a bond both for the performance and guaranty thereof.

NOW, THEREFORE, we, _____, the undersigned Contractor, as Principal, and _____, a corporation organized and existing under the laws of the State of _____, and duly authorized to transact business under the laws of the State of California, as Surety, are held and firmly bound unto the SIERRA SANDS UNIFIED SCHOOL DISTRICT in the sum of _____ Dollars (\$_____), said sum being not less than one hundred percent (100%) of the total amount payable by said Obligee under the terms of said Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the bounded Contractor, his or her heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in said Contract and any alteration thereof made as therein provided, on his or her part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill guarantees of all materials and workmanship; and indemnify, defend and save harmless the Obligee, its officers and agents, as stipulated in said Contract, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees that it shall not be exonerated or released from the obligation of this bond (either by total exoneration or pro tanto) by any change, extension of time, alteration in or addition to the terms of the contract or to the work to be performed there under or the specifications accompanying the same, nor by any change or modification to any terms of payment or extension of time for any payment pertaining or relating

to any scheme of work of improvement under the contract. Surety also stipulates and agrees that it shall not be exonerated or released from the obligation of this bond (either by total exoneration or pro tanto) by any overpayment or underpayment by the Obligee that is based upon estimates approved by the Architect. The Surety stipulates and agrees that none of the aforementioned changes, modifications, alterations, additions, extension of time or actions shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, modifications, alterations, additions or extension of time to the terms of the contract, or to the work, or the specifications as well notice of any other actions that result in the foregoing.

Whenever Principal shall be, and is declared by the Obligee to be, in default under the Contract, the Surety shall promptly either remedy the default, or shall promptly take over and complete the Contract through its agents or independent contractors, subject to acceptance and approval of such agents or independent contractors by Obligee as hereinafter set forth, in accordance with its terms and conditions and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees and the payment of Liquidated Damages; or, at Obligee's sole discretion and election, Surety shall obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Obligee of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as Work progresses (even though there should be a default or succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the "balance of the Contract Price" (as hereinafter defined), and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees and the payment of Liquidated Damages. The term "balance of the Contract Price," as used in this paragraph, shall mean the total amount payable to Principal by the Obligee under the Contract and any modifications thereto, less the amount previously paid by the Obligee to the Principal, less any withholdings by the Obligee allowed under the Contract. Obligee shall not be required or obligated to accept a tender of a completion contractor from the Surety.

Surety expressly agrees that the Obligee may reject any agent or contractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal. Unless otherwise agreed by Obligee, in its sole discretion, Surety shall not utilize Principal in completing the Contract nor shall Surety accept a bid from Principal for completion of the work in the event of default by the Principal.

No final settlement between the Obligee and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

The Surety shall remain responsible and liable for all patent and latent defects that arise out of or relate to the Contractor's failure and/or inability to properly complete the Public Work as required by the Contract and the Contract Documents. The obligation of the Surety hereunder shall continue so long as any obligation of the Contractor remains.

Contractor and Surety agree that if the Obligee is required to engage the services of an attorney in connection with enforcement of the bond, Contractor and Surety shall pay Obligee's reasonable attorneys' fees incurred, with or without suit, in addition to the above sum.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit, including reasonable attorneys' fees to be fixed by the Court.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____.

PRINCIPAL/CONTRACTOR:

By: _____

SURETY:

By: _____

Attorney-in-Fact

The rate of premium on this bond is _____ per thousand.

The total amount of premium charged: \$_____ (This must be filled in by a corporate surety).

IMPORTANT: **THIS IS A REQUIRED FORM.**

Surety companies executing bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in California Insurance Code section 105, and if the work or project is financed, in whole or in part, with federal, grant or loan funds, Surety's name must also appear on the Treasury Department's most current list (Circular 570 as amended).

GUARANTEE

Guarantee for _____ . We hereby guarantee that the _____, which we have installed in _____ has been done in accordance with the Contract Documents, including without limitation, the drawings and specifications, and that the work as installed will fulfill the requirements included in the bid documents. The undersigned and its surety agrees to repair or replace any or all such work, together with any other adjacent work, which may be displaced in connection with such replacement, that may prove to be defective in workmanship or material within a period of _____One____ (____1____) year from the date of the Notice of Completion of the above-mentioned structure by the SIERRA SANDS UNIFIED SCHOOL DISTRICT, ordinary wear and tear and unusual abuse or neglect excepted.

In the event the undersigned or its surety fails to comply with the above-mentioned conditions within a reasonable period of time, as determined by the District, but not later than ten (10) days after being notified in writing by the District or within forty eight (48) hours in the case of an emergency or urgent matter, the undersigned and its surety authorizes the District to proceed to have said defects repaired and made good at the expense of the undersigned and its surety, who will pay the costs and charges therefor upon demand. The undersigned and its surety shall be jointly and severally liable for any costs arising from the District's enforcement of this Guarantee.

Countersigned

(Proper Name)

(Proper Name)

By: _____

By: _____

(Signature of Subcontract or Contractor)

(Signature of General Contractor if for Subcontractor)

Representatives to be contacted for service:

Name: _____

Address: _____

Phone Number: _____

CONTRACTOR CERTIFICATION REGARDING BACKGROUND CHECKS

Meehleis Modular Buildings, Inc. certifies that it has performed one of the following:

Pursuant to Education Code section 45125.1, Contractor has conducted criminal background checks, through the California Department of Justice, of all employees providing services to the Chime Institute, pursuant to the contract/purchase order dated _____, and that none have been convicted of serious or violent felonies, as specified in Penal Code sections 1192.7(c) and 667.5(c), respectively.

As further required by Education Code section 45125.1, attached hereto as Attachment "A" is a list of the names of the employees of the undersigned who may come in contact with pupils.

OR

Pursuant to Education Code section 45125.2, Contractor will ensure the safety of pupils by one or more of the following methods:

1. The installation of a physical barrier at the worksite to limit contact with pupils.
2. Continual supervision and monitoring of all employees of the entity by an employee of the entity whom the Department of Justice has ascertained has not been convicted of a violent or serious felony.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Date _____, 20____

Meehleis Modular Buildings, Inc.

By its: _____

ATTACHMENT A:

CONTRACTOR CERTIFICATION REGARDING BACKGROUND CHECKS

(INSERT NAMES OF EMPLOYEES WHO MAY COME IN CONTACT WITH PUPILS)