AGREEMENT

Non-Exclusive Emergency Repairs

2017 San Antonio Dam Spillway Emergency Repairs Project, Project No. 006

Monterey County, California

THIS NON-EXCLUSIVE AGREEMENT (hereinafter, the "AGREEMENT"), is made and entered into by and between the MONTEREY COUNTY WATER RESOURCES AGENCY (hereinafter, the "AGENCY"), and GRANITEROCK, (hereinafter the "CONTRACTOR").

RECITALS:

1. The AGENCY has been authorized by the Board of Supervisors of the Monterey County Water Resources Agency to enter into a Time and Materials contract for the 2017 San Antonio Dam Spillway Emergency Repairs Project, Monterey County, California; and,

2. CONTRACTOR has agreed to perform services on a time and materials basis up to a maximum amount not-to-exceed $200,000 for the 2017 San Antonio Dam Spillway Emergency Repairs Project, Monterey County, California; and,

ARTICLE 1: SCOPE OF WORK

1.1 The CONTRACTOR shall, within the time stipulated, perform the contract as herein defined and shall furnish all work, labor, equipment, transportation, material, and services to construct and complete in a good, expeditious, workmanlike, and substantial manner: the 2017 San Antonio Dam Spillway Emergency Repairs Project, Monterey County, California (hereinafter the "Project").

1.1 a. Due to the urgent and emergency nature of this work, more than one contract may be awarded for the work described herein.

1.2 All work shall be completed in strict conformance with this AGREEMENT, the plans, specifications, and working details set forth in contract documents listed below, incorporated herein by this reference and attached hereto as Exhibits, and to the satisfaction of Agency:

Exhibit A: Contract Documents Part 1 - Bond Forms and Proposal.

Exhibit B: Contract Documents Part 2 - Technical Specifications, Drawings and Attachments.

Exhibit C: Completed CONTRACTOR's Payment and Performance Bonds.

Exhibit D: CONTRACTOR's Certificate(s) of Insurance.

Exhibit E: CONTRACTOR's Additional Insured Insurance Policy Endorsements.

1.3 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order:

Permits from other agencies as may be required by law govern over Change Orders,
Change Orders govern over this AGREEMENT,
AGREEMENT govern over Technical Specifications,
Technical Specifications govern over Drawings,
Drawings govern over Referenced Standard Specifications.

With respect to the Drawings, the order of precedence is as follows:

Figures govern over scaled dimensions,
Detail drawings govern over general drawings,
Addenda/change order drawings govern over Contract drawings,
Contract drawings govern over standard drawings.

ARTICLE 2: TIME FOR START AND COMPLETION

2.1 This Agreement commences on the date mentioned on the Notice to Proceed.

2.2 Substantial Completion:

2.2.1 Substantial Completion Defined:

Substantial Completion is defined as completion of all work except demobilization and final clean-up, described in Specification Section 13000, Paragraph 1.2.

2.2.2 Substantial Completion Date:

CONTRACTOR shall commence the work on the starting date established in the Notice to Proceed and shall achieve Substantial Completion within sixty (60) calendar days after said starting date.

2.3 Final Completion:

2.3.1 Final Completion Defined:

Final Completion is defined as completion of all required work under this AGREEMENT.

2.3.2 Final Completion Date:

CONTRACTOR shall achieve Final Completion within fifteen (15) calendar days after the date of Substantial Completion or as requested by AGENCY in the event of rain or use of the spillways.

2.4 Weekly Progress Meetings:

CONTRACTOR's project representative shall meet weekly with AGENCY, or AGENCY's designated representative, to report on progress of the work, schedule for upcoming work and coordinate activities between the parties as needed.

2.5 Notices of Completion:

CONTRACTOR shall give reasonable notice to AGENCY as to when Substantial Completion and Final Completion are anticipated and CONTRACTOR and AGENCY shall inspect the work.

AGENCY shall notify CONTRACTOR in writing of any incomplete or deficient work and CONTRACTOR shall complete such work or remedy such deficiencies. AGENCY shall not unreasonably withhold inspection of or certification of Substantial Completion or Final Completion. Upon final Completion, the AGENCY shall file a Notice of Completion with the Monterey County Recorder.

ARTICLE 3: CONTRACT PRICE

3.1 CONTRACTOR shall be compensated for work completed under this AGREEMENT on a time and materials basis per completed item in accordance with the terms, up to a total amount not-to-exceed **$200,000**.

3.2 Compensation shall remain firm for term of this AGREEMENT, unless agreed otherwise by written Change Order as provided in Article 4 below.

3.3 Retention of ten percent (10%) of each approved progress payment will be withheld by the AGENCY. At Substantial Completion the AGENCY, at its option, may release any portion of the retained amount to the CONTRACTOR.

3.4 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than thirty (30) days.

3.5 CONTRACTOR shall levy no additional fees or surcharges of any kind during the term of this AGREEMENT without first obtaining approval from AGENCY via written Change Order.

ARTICLE 4: CHANGE ORDERS

4.1 Change Order: "Change Order" means a written modification of the Contract between the AGENCY and the CONTRACTOR, signed by the AGENCY and the CONTRACTOR.

4.2 Change Order Proposal: "Change Order Proposal" means a CONTRACTOR-generated document in response to a Change Order Request (COR).

4.3 Change Order Request: "Change Order Request" (COR) means a document which informs the

CONTRACTOR of a proposed change in the Work, and appropriately describes or otherwise documents such change.

4.4 Change Orders: The AGENCY, without invalidating the contract, may order changes in the work within the general scope of the contract consisting of additions, deletions, or other revisions. The contract shall be adjusted accordingly. All such changes in the work shall be authorized by change order, and shall be executed under the applicable conditions of the contract documents. The contract sum may be changed only by change order.

The amount to be paid to the CONTRACTOR pursuant to the Contract Documents shall, where applicable, be increased or decreased in the manner hereinafter set forth; provided however, that if the CONTRACTOR should proceed with a Change in the Work upon an oral order, by whomsoever given, it shall constitute a waiver by the CONTRACTOR of any claim for an increase in the Contract Sum on account thereof. Upon receipt of a written Change Order, the CONTRACTOR shall promptly proceed with the Change in the Work, even though the amount of any resultant increase or decrease in the contract sum has not yet been determined. All Changes in the Work shall be performed in accordance with the Contract Documents.

4.5 Method to Calculate Adjustments in Contract Price:

Determination of the method to be used to calculate adjustments in the Contract Price shall be at the sole discretion of the AGENCY. The use by the CONTRACTOR of the Total Cost Method (calculating the total sum of expenses incurred on the project, less amounts paid, marked up by overhead and profit) of pricing changes and claims is expressly prohibited (provided however, the AGENCY may use a "make whole" analysis to determine the reasonableness of the CONTRACTOR's claim). One of the following methods shall be used:

A. Unit Price Method;
B. Firm Fixed Price Method (also known as Lump Sum); or
C. Time and Materials Method.

4.5.1 Unit Price Method:

1. Whenever AGENCY or its representative authorizes CONTRACTOR to perform on a Unit Price basis, AGENCY's authorization shall clearly state the:

   a. Scope of Work to be performed;
   b. Applicable Unit Price; and,
   c. Not to exceed amount of reimbursement as established by the AGENCY.

2. The applicable unit price shall include reimbursement for all direct and indirect costs of the Work, including overhead and profit.

3. CONTRACTOR shall only be paid under this method for the actual quantity of materials incorporated in or removed from the Work and such quantities must be supported by field measurement statements verified by AGENCY.

4.5.2 Firm Fixed Price Method:

1. The CONTRACTOR and AGENCY may mutually agree on a fixed amount as the total compensation for the performance of changed work.

2. Any adjustments to the Contract Price using the Firm Fixed Price Method shall include, when appropriate, all reasonable costs for labor, equipment, material, overhead and profit. Such overhead and profit shall be calculated in accordance with provision 15.04(b) (4) F.

3. Whenever the AGENCY authorizes CONTRACTOR to perform changed work on a Firm Fixed Price Method, the AGENCY's authorization shall clearly state:

   a. Scope of Work to be performed;
   b. Total Fixed Price payment for performing such work.

4.5.3 Time and Materials Method:

1. Whenever the AGENCY authorizes the CONTRACTOR to perform Work on a Time and Materials basis, AGENCY's authorization shall clearly state:

   a. Scope of Work to be performed;
   b. Not to exceed amount of reimbursement as established by the AGENCY.

2. CONTRACTOR shall:

   a. Cooperate with AGENCY and assist in monitoring the Work being performed;
   b. The CONTRACTOR's and subcontractors' labor hours, materials, and equipment charged to work under the Time and Materials Method shall be substantiated by detailed time cards or logs completed on a daily basis before the close of business each working day. The CONTRACTOR shall initial each time card and/or log at the close of each working day. Records of the CONTRACTOR and subcontractors pertaining to work paid for on a Time and Material method shall be maintained and available for inspection as requested by the AGENCY or its representatives;
   c. Perform all work in accordance with this provision as efficiently as possible; and
   d. Not exceed any cost limit(s) without AGENCY's prior written approval.

3. CONTRACTOR shall submit costs and any additional information requested by the AGENCY to support CONTRACTOR's requested price adjustment.

4.6 Unallowable Costs:

No change in the Contract Price shall be allowed to the extent (1) CONTRACTOR's changed cost of performance is due to the fault, acts, or omissions of CONTRACTOR, or anyone for whose acts or omissions CONTRACTOR is responsible; (2) the change is concurrently caused by CONTRACTOR and AGENCY; or, (3) the change is caused by an act of *Force Majeure*.

The AGENCY shall not be responsible for, and the CONTRACTOR shall not be entitled to, unallowable costs. Unallowable costs include, but are not limited to, (1) interest or attorney's fees of any type other than those mandated by California statutes, (2) claim preparation or filing

costs, (3) the cost of preparing or reviewing Change Proposals or Requests for Change Orders, (4) lost profits, lost income or earnings, (5) rescheduling costs, (6) costs for idle equipment when such equipment is not at the Site, has not been employed in the Work and is not scheduled to be used at the Site, (7) lost earnings or interest on unpaid retention, (8) claims consulting costs, (9) the costs of corporate officers or staff visiting the Site or participating in meetings with the AGENCY, (10) any compensation due to the fluctuation of foreign currency conversions or exchange rates, (11) loss of other business, and (12) any other special, consequential, or incidental damages incurred by the CONTRACTOR or subcontractors.

4.7 Signatures on Change Orders:

A change order shall be in writing and shall be signed by the AGENCY's General Manager, or his designee. Except as otherwise provided herein, the change order shall also be signed by the CONTRACTOR in order to be effective, indicating the CONTRACTOR's consent to the changes made.

4.8 Changes Requiring an Increase in Contract Sum:

4.8.1 If the AGENCY elects to have the Change in the Work performed on a lump sum basis, its election shall be based on a lump sum proposal which shall be submitted by the CONTRACTOR to the AGENCY within five (5) workdays of the AGENCY's request, but the AGENCY's request for a lump sum proposal shall not be deemed an election by the AGENCY to have the Change in the Work performed on a lump sum basis.

4.8.2 If the AGENCY elects to have the Change in the work performed on a unit-cost basis, its election shall be based on a unit price proposal which shall be submitted by the CONTRACTOR to the AGENCY within five (5) workdays of the AGENCY's request, but the AGENCY's request for a unit price proposal shall not be deemed an election by the AGENCY to have the Change in the work performed on a unit price basis.

4.8.3 If the AGENCY elects to have the Change in the work performed on a time and material basis, the same shall be performed, its election shall be based on a time and materials price proposal which shall be submitted by the CONTRACTOR within five (5) workdays of the AGENCY's request, but the AGENCY's request for a time and materials price proposal shall not be deemed an election by the AGENCY to have the Change in the work performed on a time and materials basis.

4.8.4 Nothing herein contained shall preclude the AGENCY from requesting a lump sum proposal, a unit price proposal, and a time and materials price proposal, or any two of those, with respect to the same Change in the Work, in which event, the CONTRACTOR shall submit all proposals requested.

4.8.5 Until such time as the AGENCY makes it election under this paragraph, the CONTRACTOR shall submit daily time and material tickets to the AGENCY as required under subparagraph 4.8.3, which shall be subject to authentication as therein provided. At such time as the AGENCY makes its election under this paragraph, an appropriate Change Order will be issued; provided however, that until such time, the AGENCY shall

pay to the CONTRACTOR up to the AGENCY's reasonable estimated value of the Change in the Work.

4.9 Changes Requiring a Decrease in Contract Sum:

If the Change in the Work will result in a decrease in the contract sum, the AGENCY may request a quotation by the CONTRACTOR of the amount of such decrease for use in preparing a Change Order. The CONTRACTOR's quotation shall be forwarded to the AGENCY within five (5) days of the AGENCY's request and, if acceptable to the AGENCY, shall be incorporated in the Change Order. If not acceptable, the parties shall make every reasonable effort to agree as to the amount of such decrease, which may be based on a lump sum properly itemized, on unit prices stated in the Contract Documents and/or on such other basis as the parties may mutually determine. If the parties are unable to so agree, the amount of such decrease shall be the total of the estimated reduction in actual cost of the work, as determined by the AGENCY in its reasonable judgment, plus ten percent (10%) thereof as overhead and profit.

4.10 Disputes Regarding Changes:

If any dispute should arise between the parties with respect to an increase or decrease in the Contract Sum or an expansion or contraction in the contract time as a result of a Change in the Work, the CONTRACTOR shall not suspend performance of a Change in the Work or the Work itself unless otherwise so ordered by the AGENCY in writing. The AGENCY shall, however, pay to the CONTRACTOR up to the AGENCY's reasonable estimate of the value of the Change in the Work, regardless of the dispute, if said Change in the Work results in an increase in the Contract Sum; and the AGENCY shall have the right to decrease the Contract Sum to the AGENCY's reasonable estimated value of the Change in the Work, regardless of the dispute, if said Change in the Work results in a decrease in the contract sum.

4.11 Limitations:

Except as expressly provided by this Section, there shall be no change whatsoever in the plans and specifications and in the work. CONTRACTOR shall not vary the work, the contract documents, or change, add to or omit any element, component part, or portion of the work without the express written consent of AGENCY's Project Manager contained in an executed change order or field order as herein provided. AGENCY shall not be liable for the cost for any extra work or any substitutions, changes, additions, omissions, or deviations from the plans and specifications unless the same have been authorized by and the cost thereof approved in writing by change order. No extension of time for performance of the work shall be allowed hereunder unless claim for such extension shall be made at the time changes in the work are ordered and such duly adjusted in writing by AGENCY. CONTRACTOR recognizes and acknowledges that timely completion of the work is paramount and that its duty is to proceed with the work in accordance with the contract documents, notwithstanding any request for change in the work, to the extent that proceeding is reasonable and feasible under the circumstances.

ARTICLE 5: WARRANTIES

5.1 CONTRACTOR shall warrant the work performed under this AGREEMENT against faulty or defective materials, equipment, or workmanship for a period of one (1) year from the date of Substantial Completion.

5.2 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the AGENCY, or immediate family of an employee of the AGENCY.

5.3 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.4 CONTRACTOR shall at all times enforce strict discipline and good order among his employees and shall not employ on the work any unfit person or anyone not skilled in the task assigned to him. Any person in the employ of the CONTRACTOR whom the AGENCY may deem incompetent or unfit shall be dismissed from the work and shall not again be employed on it except with the written consent of the AGENCY.

ARTICLE 6: INDEMNIFICATION

6.1 CONTRACTOR shall indemnify, defend, and hold harmless AGENCY, the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of AGENCY. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

ARTICLE 7: INVOICES AND PURCHASE ORDERS

7.1 Invoice amounts shall be billed directly to the AGENCY, and delivered to:

ATTN: Brent Buche
Monterey County Water Resources Agency
Street Address: 1441 Schilling Place – North Building, Salinas, CA 93901
Mail Address: P.O. Box 930, Salinas, CA 93902

7.2 CONTRACTOR shall reference the Project Name and contract number on all invoices submitted to AGENCY. CONTRACTOR shall submit such invoices monthly or at the completion of services, but in any event, not later than thirty (30) days after completion of

services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed as called for in the Bid Form and such other information pertinent to the invoice. AGENCY shall certify the invoice, either in the requested amount or in such other amount as AGENCY approves in conformity with this AGREEMENT, and shall promptly submit such invoice to AGENCY Auditor-Controller for payment. AGENCY Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.

7.3 Unauthorized Surcharges or Fees:

Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by AGENCY. Surcharges and additional fees not included in the AGREEMENT must be approved by AGENCY in writing via Change Order.

ARTICLE 8: BOND REQUIREMENTS

The CONTRACTOR shall furnish Performance and Payment Bonds, each in the amount 100 percent of the contract total price as security for the faithful performance and payment of all CONTRACTOR's obligations under the AGREEMENT. These Bonds shall remain in effect until the bonded obligations are satisfied in full, provided that if any lawsuit is filed to enforce such obligations the bonds shall remain in effect until said lawsuit is finally resolved and any judgment satisfied, except as otherwise provided by law or regulation.

ARTICLE 9: INSURANCE

9.1 Evidence of Coverage:

9.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.

9.1.2 This verification of coverage shall be sent to the AGENCY's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by AGENCY. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.

9.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by AGENCY's Purchasing Officer.

9.2 Insurance Coverage Requirements:

9.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

9.2.2 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent CONTRACTORS, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $3,000,000 per occurrence and $5,000,000 aggregate.

9.2.3 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

9.2.4 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

9.3 Other Insurance Requirements:

9.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to AGENCY and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

9.3.2 Each liability policy shall provide that AGENCY shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

9.3.3 *Commercial general liability and automobile liability policies shall provide an endorsement naming the AGENCY of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the AGENCY and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form*

CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

9.3.4 Prior to the execution of this AGREEMENT by AGENCY, CONTRACTOR shall file certificates of insurance with AGENCY's contract administrator and AGENCY's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new, or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

9.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by AGENCY, annual certificates to AGENCY's Contract Administrator and AGENCY's Contracts/Purchasing Division. If the certificate is not received by the expiration date, AGENCY shall notify CONTRACTOR and CONTRACTOR shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles AGENCY, at its sole discretion, to terminate this AGREEMENT immediately.

ARTICLE 10: OVERRIDING CONTRACTOR PERFORMANCE REQUIREMENTS

10.1 Independent CONTRACTOR:

CONTRACTOR shall be an independent CONTRACTOR and shall not be an employee of Monterey County, the AGENCY, nor immediate family of an employee of Monterey County or the AGENCY. CONTRACTOR shall be responsible for all insurance (General Liability, Automobile, Workers' Compensation, unemployment, etc.,) and all payroll-related taxes. CONTRACTOR shall not be entitled to any employee benefits. CONTRACTOR shall control the manner and means of accomplishing the result contracted for herein.

10.2 Minimum Work Performance Percentage:

CONTRACTOR shall perform with his own organization contract work amounting to not less than 50 percent (50%) of the original total AGREEMENT amount, except that any designated 'Specialty Items' may be performed by subcontract and the amount of any such 'Specialty Items' so performed may be deducted from the original total AGREEMENT amount before computing the amount of work required to be performed by CONTRACTOR with his own organization or per a consortium.

ARTICLE 11: SAFETY

11.1 CONTRACTOR's Responsibility for Safety:

The CONTRACTOR shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the work. The CONTRACTOR shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury, or loss to:

(a) All employees on the work and all other persons who may be affected thereby;

(b) All the work and all materials and equipment to be incorporated therein, whether in storage on or off the site, under the care, custody, or control of the CONTRACTOR or any subcontractor; and

(c) Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

11.2 Compliance with Safety Requirements:

The CONTRACTOR shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of any public authority having jurisdiction for the safety of persons or property or to protect them from damage, injury, or loss. The CONTRACTOR shall erect and maintain, as required by existing conditions and progress of the work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations, and notifying owners and users of adjacent utilities.

11.3 Trench Safety:

For all trenches to be made in connection with the work, the CONTRACTOR shall submit a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trenches. If such plan varies from the shoring system standards, a registered civil or structural engineer shall prepare the plan. The plan shall be reviewed, and must receive approval as adequate to protect worker safety, by the AGENCY or by a registered civil or structural engineer employed by the AGENCY, in advance of excavation. The shoring, sloping, or protective system must be at least as effective as that required by the Construction Safety Orders. See California Labor Code Section 6705.

11.4 Hazardous Substances:

The term "hazardous substance" means any substance on the list of hazardous substances established by the Director of Industrial Relations pursuant to the California Labor Code Section 6382, which includes asbestos, lead, toxic chemicals, contaminants, any substance designated by the Environmental Protection Agency as a hazardous substance, and other pollutants and contaminants.

11.4.1 If CONTRACTOR encounters on the property any substance reasonably believed to be a Hazardous Substance that has not been rendered harmless, i.e., not potentially hazardous to

human health, CONTRACTOR shall immediately stop work in the area affected and report the condition to the AGENCY's Project Manager in writing.

11.4.2 Neither the CONTRACTOR nor any subcontractor shall cause or permit any Hazardous Substance to be brought upon the property or used in the work without the prior written consent of the AGENCY. CONTRACTOR and each subcontractor shall comply with all laws regarding the handling, treatment, presence, removal, storage, decontamination, cleanup, transportation, or disposal of Hazardous Substances brought onto the property by CONTRACTOR, its subcontractors, and/or their personnel.

11.4.3 Any handling, treatment, removal, decontamination, cleanup, transportation, disposal, or disturbance in any of Hazardous Substances shall only be performed by the CONTRACTOR or any subcontractor licensed and certified to perform the work. Any hazardous substance abatement or remediation work will be performed in such a way that is legally consistent with the recommendations of the certified County agent, appropriate governmental agencies, and all applicable laws.

11.4.4 If there is a Hazardous Substance on the property, CONTRACTOR shall protect adjoining property and shall provide barricades, temporary fences, and covered walkways required to protect the health and safety of passersby as required by this Agreement, prudent construction practices, and all applicable laws.

11.5 CONTRACTOR's Safety Monitoring:

The CONTRACTOR shall designate a responsible member of his organization at the site whose duty shall be the prevention of accidents. This person shall be the CONTRACTOR's superintendent unless otherwise designated in writing by the CONTRACTOR to the AGENCY.

11.6 Unsafe Loading:

The CONTRACTOR shall not load or permit any part of the work to be loaded so as to endanger its safety.

11.7 Emergencies:

In any emergency affecting the safety of persons or property, the CONTRACTOR shall act, at his discretion, to prevent threatened damage, injury, or loss. Any additional compensation or extension of time claimed by the CONTRACTOR on account of emergency work shall be determined as provided in Article 4 for changes in the work.

11.8 Accidents:

CONTRACTOR shall promptly report in writing to the AGENCY all accidents whatsoever arising out of, or in connection with the performance of the work, whether on or off the site, which caused death, personal injury, or property damage, giving full details and statements of witnesses. In addition, if death or serious injuries or serious damages are caused, CONTRACTOR shall stop work and report the accident immediately to the Project Manager by telephone or messenger, upon which AGENCY will determine if work may resume or if the

occurrence requires further review. CONTRACTOR shall thereafter promptly report the facts in writing to the AGENCY giving full details of the accident.

ARTICLE 12: SUBCONTRACTORS

12.1 No Contractual Relationship between AGENCY and Subcontractors:

Nothing contained in the contract documents shall create any contractual relation between the AGENCY and any subcontractor.

12.2 Work Performed by Subcontractors; Substitutions:

Subcontracted work shall be performed only by the subcontractors identified in CONTRACTOR's bid documents, as provided by Public Contract Code sections 4100, et seq. Substitution of subcontractors may be made only in conformity with the Subletting and Subcontracting Fair Practices Act, Public Contract Code sections 4100, et seq. Subcontractors are to be registered with the California Division of Industrial Relations, prior to award of this Agreement.

12.3 Contracts with Subcontractors:

All work performed for the CONTRACTOR by a subcontractor shall be pursuant to a written agreement between the CONTRACTOR and the subcontractor (and where appropriate, between subcontractors and sub-subcontractors). All such agreements shall require performance by the subcontractors in conformity with the terms of this contract, and shall include all the terms of this contract, which are applicable to subcontractors.

12.4 Payments to Subcontractors:

12.4.1 The CONTRACTOR shall pay each subcontractor, upon receipt of payment from the AGENCY, any amount equal to the percentage of completion allowed to the CONTRACTOR on account of such subcontractor's work, less the percentage retained from payments to the CONTRACTOR. The CONTRACTOR shall also require each subcontractor to make similar payments to his subcontractors. The AGENCY shall have the right, but not the obligation, to issue payment by joint checks payable to the order of CONTRACTOR and any of its subcontractors.

12.4.2 If the AGENCY fails to issue a certificate for payment for any cause which is the fault of the CONTRACTOR and not the fault of a particular subcontractor, the CONTRACTOR shall pay the subcontractor on demand, made at any time after the certificate for payment should otherwise have been issued, for his work to the extent completed, less the retained percentage.

12.4.3 The AGENCY shall not have any obligation to pay or to see to the payment of any monies to any subcontractor except as may otherwise be required by law. All monies paid to CONTRACTOR hereunder shall immediately become and constitute a trust fund and shall be applied by CONTRACTOR for the benefit of all persons supplying labor, materials or equipment

in connection with the work and shall not be diverted to any other purpose until the claims of such persons have been discharged.

12.5 Information Provided to Subcontractors:

The AGENCY'S Project Manager may, on request and at his discretion, furnish to any subcontractor, if practicable, information regarding percentages of completion certified to the CONTRACTOR on account of work done by such subcontractors.

12.6 CONTRACTOR's Responsibility for Work of Subcontractors:

CONTRACTOR shall be as fully responsible to AGENCY for the acts and omissions of any subcontractor and of persons either directly or indirectly employed by the subcontractors, as he is for acts and omissions of persons directly employed by him.

ARTICLE 13: NOTIFICATION OF THIRD-PARTY CLAIMS

AGENCY shall notify CONTRACTOR of the receipt of any third-party claim relating to the contract and is entitled to recover its reasonable costs incurred in providing the notification as provided in Public Contract Code Section 9201.

ARTICLE 14: LIQUIDATED DAMAGES

THE PARTIES AGREE THAT IN CASE ALL THE WORK CALLED FOR UNDER THE CONTRACT IN ALL PARTS AND REQUIREMENTS IS NOT COMPLETED WITHIN THE TIME SPECIFIED IN THE CONTRACT DOCUMENTS, DAMAGE WILL BE SUSTAINED BY THE AGENCY, AND THAT IT IS AND WILL BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO DETERMINE THE ACTUAL DAMAGE WHICH THE AGENCY WILL THEREBY SUSTAIN. THE PARTIES THEREFORE AGREE THAT THE CONTRACTOR WILL PAY TO THE AGENCY THE SUM OF **TWO HUNDRED NINETY-FOUR DOLLARS ($294.00) PER DAY** FOR EACH CALENDAR DAY OF DELAY UNTIL THE WORK IS COMPLETED AND ACCEPTED. CONTRACTOR AND HIS SURETY SHALL BE LIABLE FOR THE TOTAL AMOUNT THEREOF. THE CONTRACTOR AGREES TO PAY SAID LIQUIDATED DAMAGES ESTABLISHED HEREIN, AND FURTHER AGREES THAT THE AGENCY MAY DEDUCT THE AMOUNT THEREOF FROM ANY MONIES DUE OR THAT MAY BECOME DUE THE CONTRACTOR UNDER THE CONTRACT.

ARTICLE 15: RECORDS AND CONFIDENTIALITY

15.1 Confidentiality:

CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the AGENCY or prepared in connection with the performance of this AGREEMENT, unless AGENCY specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to AGENCY any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall

not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.

15.2 AGENCY Records:

When this AGREEMENT expires or terminates, CONTRACTOR shall return to AGENCY any AGENCY records which CONTRACTOR used or received from AGENCY to perform services under this AGREEMENT.

15.3 Maintenance of Records:

CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and AGENCY rules and regulations related to services performed under this AGREEMENT.

15.4 Access to and Audit of Records:

AGENCY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. Pursuant to Government Code section 8546.7, if this AGREEMENT involves the expenditure of public funds in excess of $10,000, the parties to this AGREEMENT may be subject, at the request of AGENCY or as part of any audit of AGENCY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

ARTICLE 16: CONFLICT OF INTEREST PROHIBITION

CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

ARTICLE 17: COMPLIANCE WITH APPLICABLE LAWS AND PERMIT REQUIREMENTS

17.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of Services under this AGREEMENT, with the following exceptions to be procured by the AGENCY:

17.2 CONTRACTOR shall report immediately to AGENCY's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

17.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

ARTICLE 18: EMPLOYMENT PRACTICES

18.1 Non-Discrimination in Employment Practices:

CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

18.1.1. "Discrimination" Defined:

As used in this contract, the term "discrimination" includes but is not limited to the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or any other prohibited discriminatory practice. The term also includes any act or retaliation.

18.1.2. Application of Monterey County Code, Chapter 2.80:

The provisions of Monterey County Code, Title 2, Chapter 2.80, apply to activities conducted pursuant to this contract. CONTRACTOR and its officers and employees, in their actions under this contract, are agents of the Owner within the meaning of Chapter 2.80, and are responsible for ensuring that their workplace and the services that they provide are free from discrimination, as required by Chapter 2.80. Complaints of discrimination made by CONTRACTOR, subcontractor(s), or any of their employees or agents against the Owner may be investigated and resolved using the procedures established by Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for the prompt and fair resolution of discrimination complaints made against CONTRACTOR by its own employees, agents and third parties, and shall provide a copy of such procedures to the AGENCY upon demand by the AGENCY.

18.1.3 Compliance with Laws:

During the performance of this agreement, CONTRACTOR shall comply with all applicable federal, state, and local laws and regulations, which prohibit discrimination, including but not limited to the following:

(a) CONTRACTOR shall file certified payroll records with the Department of Industrial relations, according to applicable law;
(b) California Labor Code section 1735;

(c) California Fair Employment and Housing Act, Government Code sections 12900 et seq., and the administrative regulations issued thereunder, Title 2 California Code of Regulations, sections 7285.0 et seq. (Division 4 - Fair Employment and Housing Commission);

(d) California Government Code sections 11135 - 11139.5 (Title 2, Div. 3, Part 1, Chap.1, Art. 9.5) and any applicable administrative regulations issued thereunder;

(e) Federal Civil Rights Acts of 1964 and 1991 (see especially Title VII, 42 USC sections 2000d et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 CFR Part 84); and all guidelines and interpretations issued pursuant thereto;

(f) The Rehabilitation Act of 1973, sections 503 and 504 (29 USC sections 793 and 794), as amended; all requirements imposed by the applicable HHS regulations (45 CFR Part 84); and all guidelines and interpretations issued pursuant thereto;

(g) Americans With Disabilities Act of 1990 (P.L. 101- 336), as amended, 42 USC sections 12101 et seq., and 47 USC sections 225 and 611, and any federal regulations issued pursuant thereto (see 24 CFR Chapter 1; 28 CFR Parts 35 and 36; 29 CFR Parts 1602, 1627 and 1630; and 36 CFR Part 1191;

(h) Unruh Civil Rights Act, California Civil Code sections 51 et seq.; and

(i) Monterey County Code, Title 2, Chapter 2.80, as amended and procedures issued pursuant thereto.

18.1.4 Written Assurances:

Upon request by the AGENCY, CONTRACTOR will give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, as amended, the Rehabilitation Act of 1973, as amended, the Americans With Disabilities Act of 1990, as amended, and/or Executive Order 11246, as may be required by the federal government in connection with this contract, pursuant to 45 CFR Sec. 80.4 or 45 CFR Sec. 84.5 or other applicable state or federal regulations.

18.1.5 Written Non-Discrimination Policy:

CONTRACTOR shall maintain a written statement of its non-discrimination policies, which shall be consistent with the terms of this agreement. Such statement shall be available to CONTRACTOR's employees, the Owner, Owner's officers and employees, and members of the public, upon request.

18.1.6 Access to Records by Government Agencies:

CONTRACTOR shall permit access by Owner and by representatives of the California Department of Fair Employment and Housing and the U.S. Equal Employment Opportunity Commission, and any federal and/or state AGENCY providing funds for this contract upon reasonable notice at any time during normal business hours, but in no case on less than 24-hour notice, to such of its books, records, accounts, facilities, and other sources of information as the

inspecting party may deem appropriate to ascertain compliance with these non-discrimination provisions.

18.1.7 Binding on Subcontractors:

The provisions of Article 18.1 above shall also apply to all of CONTRACTOR's subcontractors. CONTRACTOR shall include the non-discrimination and compliance provisions of these paragraphs in all subcontracts to perform work or provide services under this agreement.

18.2 Eight-hour Day, 40-Hour Week:

No work shall be performed by employees of CONTRACTORs in excess of eight (8) hours per day or forty (40) hours during any one week, unless such employees are compensated for all such excess hours at not less than one-and-one/half times the basic rate of pay, as provided in Labor Code Sec. 1815. Holiday work when permitted by law shall also be compensated at not less than one-and-one-half times the basic rate of pay.

18.2.1 Penalties:

Pursuant to California Labor Code Section 1813, the CONTRACTOR shall forfeit, as a penalty to the AGENCY, $25 for each worker employed in the execution of the contract by the CONTRACTOR or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the California Labor Code Sections 1810-1815.

18.2.2 Approvals:

CONTRACTOR will not be entitled to additional compensation for work performed outside of regular working hours, except to the extent such compensation is approved in writing by AGENCY Project Manager in advance. If so approved, such compensation shall in such event cover only the direct cost of the premium portion of the time involved, when permitted, and be without any overhead or profit, unless agreed otherwise by AGENCY.

18.3 Prevailing Wages:

18.3.1 Prevailing Wage Rates Determined:

The Director of the California Department of Industrial Relations has determined the general prevailing rate of per diem wages in the locality in which said public work is to be performed for each craft, classification or type of worker needed to execute the contract in accordance with California Labor Code (sections 1720, et seq.). Copies of the prevailing rate of per diem wages are on file and shall be made available to any interested party on request in the Monterey County Water Resources Agency offices located at 1441 Schilling Place, Salinas, California. Current prevailing wage rate schedules can also be found at the California Department of Industrial Relations website located at http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm.

18.3.2 Payment of Prevailing Wage Rates Required:

CONTRACTOR and all subcontractors performing work under this contract shall pay wages to their workers employed on such work at not less than the general prevailing rate of per diem wages for such work, as required by California Labor Code Section 1771.

18.3.3 Penalties:

Failure to pay such prevailing wages shall subject the employer to the penalties set forth in California Labor Code Section 1775.

18.4 Payroll Records:

18.4.1 Compliance with California Labor Code Section 1776:

CONTRACTOR and all subcontractors shall comply with California Labor Code Section 1776, the requirements of which are set forth in this article. The CONTRACTOR shall be responsible for compliance with these provisions by his subcontractors.

18.4.2. Accurate Payroll Records Required:

CONTRACTOR and each subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice worker, or other employee employed by him or her in connection with the public work.

18.4.3 Certification and Inspection of Payroll Records:

The payroll records enumerated under paragraph 26.02 shall be certified and shall be available for inspection at all reasonable hours at the principal office of the CONTRACTOR or subcontractor on the following basis:

(a) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

(b) A certified copy of all payroll records enumerated in paragraph 26.02 shall be made available for inspection, or furnished upon request to a representative of the AGENCY, the Division of Labor Standards Enforcement, or the Division of Apprenticeship Standards of the Department of Industrial Relations.

(c) A certified copy of all payroll records enumerated in paragraph 26.02 shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through the AGENCY, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. The public shall not be given access to such records at the principal offices of the CONTRACTOR.

18.4.4 Filing of Records:

The CONTRACTOR and each subcontractor shall file a certified copy of the records enumerated in paragraph 18.4.2 with the entity that requested such records within ten (10) days after receipt of a written request.

18.4.5 Elimination of Personal Identification:

Any copy of records made available for inspection as copies and furnished upon request to the public or any public AGENCY by the AGENCY, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the CONTRACTOR or subcontractor awarded the contract or performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the Federal Labor Management Cooperation Act of 1978 (29USC 175a) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number.

18.4.6 Notice to AGENCY Concerning Location of Records:

The CONTRACTOR and each subcontractor shall inform the AGENCY as to the location of the records enumerated under paragraph 26.02, including the street address, city, and county, and shall, within five (5) workdays, provide a notice of any change of location and address.

18.4.7 Notice of Non-Compliance; Penalties:

In the event of non-compliance with the requirements of this section, the CONTRACTOR or subcontractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects such CONTRACTOR or subcontractor must comply with this section. Should non-compliance still be evident after such ten (10) day period, the CONTRACTOR or subcontractor shall, as a penalty to the AGENCY, forfeit $25 for each calendar day, or portion thereof, for each worker, until strict compliance is effected. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due.

18.5 Local Hiring Per County of Monterey Code 5.08.120:

All provisions included in County of Monterey Code 5.08.120 are applicable to this AGREEMENT, including but not limited to:

County of Monterey Code Section 5.08.120 General Provisions; Unless such a provision would conflict with a State or Federal law or regulation applicable to a particular contract for public works of improvement, all County contracts for public works of improvement shall contain provisions pursuant to which the CONTRACTOR promises to make a good-faith effort to hire qualified individuals who are, and have been for at least one year prior to the opening of bids, residents of the Monterey Bay Area in sufficient numbers so that no less than fifty percent (50%) of the CONTRACTOR's total construction work force, including any subcontractor work force, measured in labor work hours, is comprised of Monterey Bay Area residents. For the purpose of this Section, the following terms have the meanings indicated:

- "Board" shall mean the Monterey County Board of Supervisors.
- "Qualified individual" shall mean a person who is specially trained, skilled, and experienced in the work, trade, or craft specified in the portion of the public work of improvement to be performed or who is enrolled in a certified State or federally approved apprenticeship program in the applicable trade or who is a journey person in his or her applicable trade.
- "Resident of Monterey Bay Area" shall mean a person who resides within the boundaries of Monterey County, Santa Cruz County, or San Benito County.

ARTICLE 19: GENERAL TERMS AND CONDITIONS

19.1 Notice:

Notices required under this AGREEMENT shall be in writing and delivered personally or by first class or certified mail with postage prepaid. Notice shall be deemed effective upon personal delivery or on the third day after deposit with the U.S. Postal Service. CONTRACTOR shall give AGENCY prompt notice of any change of address. Unless changed according to these notice provisions, notices shall be addressed to:

TO AGENCY:	TO CONTRACTOR:
Attn: Brent Buche	Attn: Rob Snyder
Monterey County Water Resources Agency	Graniterock
P.O. Box 930	5225 Hellyer Avenue, Suite 220
Salinas, CA 93902	San Jose, CA 95138
Tel: (831) 755-4860	Tel: (408) 574-1434
Fax: (831) 424-7935	Fax: (408) 365-9548
Email: bucheb@co.monterey.ca.us	Email: rsnyder@graniterock.com

"Notice" shall be included in the subject line. Notice by facsimile or electronic mail shall not constitute "Notice" under this section.

19.2 Governing Law:

This Agreement is made under and will in all respects be interpreted, enforced and governed by the laws of the State of California, without regard to that state's conflict of laws principles.

19.3 Amendment:

This Agreement cannot be altered, amended or modified in any respect, except by a writing duly executed by the Parties.

19.4 Non-Waiver:

No course of dealing between or among the Parties shall be deemed to affect, modify, amend or discharge any provision or term of this Agreement. No delay in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise of any right or remedy shall operate as waiver hereof, and so single or partial exercise of any such right or remedy shall preclude other or future exercise thereof.

19.5. Claims and Dispute Resolution:

19.5.1 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

19.5.2 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

19.5.3 The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

19.5.4. Prompt resolution of differences required. It is the intention of this Article that differences between the parties arising under and by virtue of this Contract be brought to the attention of Engineer at the earliest possible time in order that such matters may be promptly settled, if possible, or other appropriate action may be taken promptly. To that end, Agency and Contractor agree to attempt informal resolution of disputes prior to initiating the Claim process.

19.5.5. Contract interpretations/performance judging/decisions by Engineer.
(a) All Claims may be presented informally first to Engineer. To the extent that resolution of the Claim does not involve an extension of time or additional payments, Engineer may resolve, in writing, or otherwise, Claims that have been presented informally.

(b) The Engineer will be, in the first instance, the interpreter of the requirements of the Contract Documents and the judge of performance there under by both Agency and Contractor. The Engineer will, within a reasonable time, render such interpretations, as may deem necessary for the proper execution or progress of the Work. Claims, disputes, and other matters in question between Contractor and Agency relating to the execution or progress of the Work or interpretation of the Contract Documents shall be referred initially to the Engineer for decision which Engineer will render, in writing, within a reasonable time. In Engineer's capacity as interpreter and judge, Engineer will exercise his or her best efforts to ensure faithful performance by both Agency and Contractor and will not show partiality to either. All interpretations and decisions of the Engineer shall be consistent with the intent of the Contract Documents.

19.5.6 Obligation to Seek Informal Resolution Prior to Filing Claim for Disputed Work. Should it appear to Contractor that the Work to be performed or any of the matters relative to the Contract Documents are not satisfactorily detailed or explained therein, or should any questions arise as to the meaning or intent of the Contract Documents, or should any dispute arise regarding the true value of any Work performed, Work omitted, extra Work that the Contractor may be required to perform, time extensions, payment to the Contractor during performance of this Contract, performance of the Contract, and/or compliance with Contract procedures, or should Contractor otherwise seek extra time, compensation or payment FOR

ANY REASON WHATSOEVER, then Contractor shall first follow procedures set forth in the Contract. If a dispute remains, then Contractor shall give written notice to Agency that expressly invokes this Article 33. Agency shall decide the issue in writing within fifteen (15) days; and Agency's written decision shall be final and conclusive.

19.5.7 Time for giving notice. Notice of dispute or potential Claim must be given in writing by the Contractor as follows:
(a) For a potential Claim of an increase in the Contract Sum, Contractor shall give the Engineer written notice thereof within ten (10) days after the occurrence of the event giving rise to such Claim; in addition, this notice shall be given by Contractor before proceeding to execute the portion of the Work to which the Claim relates, except in an emergency endangering life or property, and except where Contractor could not reasonably have discovered the facts giving rise to the Claim prior to commencement of that portion of the Work.
(b) For a potential Claim of an extension of time, Contractor shall give written notice to the Engineer no more than ten (10) days after the occurrence of the delay; otherwise they shall be waived. In the case of a continuing cause of delay, only one (1) Claim is necessary.
(c) In all other cases, notice shall be given within ten (10) days after the happening of the event, thing, or occurrence giving rise to the potential Claim.

19.5.8 Form and Contents of Claim. If Contractor disagrees with Agency's decision, or if Contractor contends that Agency failed to provide a decision timely, then Contractor's SOLE AND EXCLUSIVE REMEDY is to promptly file a written Claim setting forth Contractor's position as required herein. The Claim shall be submitted to Agency within thirty (30) calendar days of receiving Agency's written decision, or the date Contractor contends such decision was due. The Contractor shall furnish reasonable documentation to support the Claim. Contractor's written Claim must identify itself as a "Claim" under this Article 19 and must include the following: (1) a narrative of pertinent events; (2) citation to contract provisions; (3) theory of entitlement; (4) complete pricing of all cost impacts; (5) a time impact analysis of all time delays that shows actual time impact on the critical path; and (6) documentation supporting items (1) through (5). The Claim must be verified under penalty of perjury by Contractor as to the Claim's accuracy, and shall be priced like a Change Order, and must be updated monthly as to cost and entitlement if a continuing Claim. The Claim must be sent by sent by registered mail or certified mail with return receipt requested to the Agency, Notices, of the Agreement. Routine contract materials, for example, correspondence, RFI, Change Order requests, or payment requests shall not constitute a Claim. Contractor shall bear all costs incurred in the preparation and submission of a Claim.

19.5.9 Actions by Agency Upon Receipt of Claim.
(a) Upon receipt of a Claim, the Agency shall conduct a reasonable review of the Claim and, within a period not to exceed forty-five (45) days, shall provide the Contractor a written statement identifying what portion of the Claim is disputed and what portion is undisputed.
(b) The Agency and the Contractor may, by mutual agreement, extend the time period provided in this Article.
(c) If the Agency needs approval from the Board of Supervisors to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the Claim, and the Board does not meet within the forty-five (45) days or within the mutually agreed to extension of time following receipt of a Claim sent by registered mail or certified mail, return receipt requested, the Agency shall have up to three (3) days following the next duly publicly

noticed meeting of the governing body after the forty-five (45) day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

19.5.10 Written Statement by Agency. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the Agency issues its written statement. Failure by the Agency to issue a written statement shall result in the Claim being deemed rejected in its entirety. A Claim that is denied by reason of the Agency's failure to have responded to a Claim, or its failure to otherwise meet the time requirements of this Article 19, shall not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the Contractor.

19.5.11 Contactor's Dispute of Written Response. If the Contractor disputes the Agency's written response, or if the Agency fails to respond to a Claim issued pursuant to this Article within the time prescribed, the Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the Agency shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

19.5.12 Written Statement by Agency After Meet and Confer Conference. Within ten (10) business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, the Agency shall provide the Contractor a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the Agency issues its written statement.

19.5.13 Nonbinding Mediation.

(a) Any disputed portion of the Claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the Agency and the Contractor sharing the associated costs equally. The Agency and Contractor shall mutually agree to a mediator within ten (10) business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

(b) Mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this Article.

(c) If mediation is unsuccessful, the parts of the Claim remaining in dispute shall be subject to applicable procedures outside this Article.

(d) Unless otherwise agreed to by the Agency and the Contractor in writing, the mediation conducted pursuant to this Article shall excuse any further obligation under Section 20104.4 of the Public Contract Code to mediate after litigation has been commenced.

(e) The Claim resolution procedures in this Article do not preclude the Agency from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this Article does not resolve the parties' dispute.

19.5.14 Amounts Not Paid Timely. Amounts not paid in a timely manner as required by this Article shall bear interest at 7 percent per annum.

19.5.15 Claims by Subcontractors. If a Subcontractor or a lower tier Subcontractor lacks legal standing to assert a Claim against the Agency because privity of contract does not exist, the Contractor may present to the Agency a Claim on behalf of a Subcontractor or lower tier Subcontractor. A Subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier Subcontractor, that the Contractor present a Claim for Work which was performed by the Subcontractor or by a lower tier Subcontractor on behalf of the Subcontractor. The Subcontractor requesting that the Claim be presented to the public entity shall furnish reasonable documentation to support the Claim. Within forty-five (45) days of receipt of this written request, the Contractor shall notify the Subcontractor in writing as to whether the Contractor presented the Claim to the Agency and, if the original Contractor did not present the Claim, provide the Subcontractor with a statement of the reasons for not having done so.

19.5.16 Prompt response when needed. Whenever it appears that a prompt response is essential, Agency will respond to Claims sooner than the limits prescribed above.

19.5.17 Compliance.
(a) The provisions of this Article constitute a non-judicial Claim settlement procedure that, pursuant to Section 930.2 of the California Government Code, shall constitute a condition precedent to submission of a valid Claim under the California Government Code. Contractor shall bear all costs incurred in the preparation, submission and administration of a Claim. Any Claims presented in accordance with the Government Code must affirmatively indicate Contractor's prior compliance with the Claims procedure herein and the previous dispositions of the Claims asserted. Pursuant to Government Code Section 930.2, the one (1) year period in Government Code Section 911.2 shall be reduced to one hundred and fifty (150) days from either accrual of the cause of action, substantial completion or termination of the contract, whichever occurs first; in all other respects, the Government Code shall apply unchanged.
(b) Failure to submit and administer Claims as required in Article19 shall waive Contractor's right to Claim on any specific issues not included in a timely submitted Claim. Claim(s) or issue(s) not raised in a timely protest and timely Claim submitted under this Article 19 may not be asserted in any subsequent litigation, Government Code Claim, or legal action.
(c) Agency shall not be deemed to waive any provision under this Article 19, if at Agency's sole discretion; a Claim is administered in a manner not in accord with this Article 19. Waivers or modifications of this Article 19 may only be made through a signed Change Order approved as to form by legal counsel for both Agency and Contractor; oral or implied modifications shall be ineffective.

19.5.18 Filing of Government Code claims. If the Contractor still remains unsatisfied and desires to preserve his/her right to pursue the matter further, Contractor must then file a claim with Agency, pursuant to Government Code Sections 900 et seq. or Sections 910 et seq.

19.5.19 Civil action. If the Government Code claim is denied, Contractor may file an action in court. Such action shall be subject to Public Contract Code Sections 9204 or 20104.4. This Section applies only to claims subject to Public Contract Code Sections 9204 or 20104. If a claim is not subject to Public Contract Code Sections 9204 or 20104, the Contractor's right to file a civil action shall be as otherwise provided by law.

19.5.20 Claims for damages. Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the other party or of any of his/her/its employees, agents, or others for whose acts he/she/it is legally liable, Claim shall be made, in writing, to such other party within a reasonable time after the first observance of such injury or damage, provided that in no case may such a Claim be filed after expiration of any applicable statute of limitations for filing such a Claim. Claims against Agency that are subject to this Article shall comply with all procedures set forth in the California Government Code concerning claims against public entities.

19.5.21 Consistency with Public Contract Code Sections 9204 and 20104 et seq. If any Claim arising under this Contract is subject to the provisions of Public Contract Code Sections 9204 or 20104 et seq. (Div. 2, Part 3, Chapter 1, Article 1.5), and if provisions of that Article require a procedure or procedural element different from that established in this Contract, then the provisions of that Article shall apply in place of the conflicting procedure or procedural element established herein.

19.6 Enforcement:

If there is litigation of any kind between the Parties arising out of or concerning the enforcement of this Agreement or if the releases set forth herein are interposed as a defense in any litigation between the Parties, the prevailing party shall be entitled to recover from the other party the reasonable attorney's fees and costs incurred in connection with such litigation.

19.7 Counterparts:

This Agreement may be executed in counterparts and has the same force and effect as if all the signatures were obtained in one document.

ARTICLE 20: OTHER PROVISIONS

20.1 In order to induce Agency to enter into this Agreement, CONTRATOR represents that it is duly organized, existing and in good standing under applicable state law; is licensed to perform all aspects of the Work; will employ only persons and Subcontractors and designers with all required licenses and certifications; that CONTRACTOR is duly qualified to conduct business in the State of California; that CONTRACTOR has duly authorized the execution, delivery and performance of this Agreement, the other Contract Documents and the Work to be performed herein; and that the Contract Documents do not violate or create a default under any instrument, Agreement, order or decree binding on CONTRACTOR.

20.2 CONTRACTOR shall not assign any portion of the Contract Documents.

20.3 Should any part, term or provision of this Agreement or any of the Contract Documents, or any document required herein or therein to be executed or delivered, be declared invalid, void or unenforceable, all remaining parts, terms and provisions shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby. If the provisions of any law causing such invalidity, illegality or unenforceability may be waived, they are hereby waived to the end that this Agreement and the Contract Documents may be deemed valid and binding

Agreements, enforceable in accordance with their terms to the greatest extent permitted by applicable law. In the event any provision not otherwise included in the Contract Documents is required to be included by any applicable law, that provision is deemed included herein by this reference (or, if such provision is required to be included in any particular portion of the Contract Documents, that provision is deemed included in that portion).

20.4 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Agency or acting as an employee, agent, or representative of Agency, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Agency is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

20.5 In entering into a Public Works Contract or a Subcontract to supply goods, services or materials pursuant to a Public Works Contract, CONTRACTOR or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 (commencing with section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the Public Works Contract of the Subcontract. This assignment shall be made and become effective at the time Agency tenders final payment to CONTRACTOR, without further acknowledgment by the parties.

20.6 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Agency's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code Sections 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every CONTRACTOR will be required to secure the payment of compensation to his/her/its employees. CONTRACTOR represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that code, and CONTRACTOR shall comply with such provisions before commencing the performance of the Contract Documents.

20.7 Agency shall have the right to review all phases of CONTRACTOR's design of deferred submittals including, but not limited to, Drawings, Specifications, Shop Drawings, samples and submittals, as specified in the Contract Documents. Such review and other action shall not relieve CONTRACTOR of its responsibility for a complete design of deferred submittals complying with the requirements of the Contract Documents; but rather, such review shall be in furtherance of Agency's monitoring and accepting the design of deferred submittals as developed and issued by the CONTRACTOR, consistent with these Contract Documents. CONTRACTOR's responsibility to design deferred submittals and construct the Project in conformance with the Contract Documents shall be absolute.

20.8 This Agreement and the Contract Documents shall be deemed to have entered into in the Monterey County Water Resources Agency, and governed in all aspects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Monterey.

IN WITNESS WHEREOF, AGENCY and CONTRACTOR execute this AGREEMENT as follows:

MONTEREY COUNTY

WATER RESOURCES AGENCY

David E. Chardavoyne

David Chardavoyne

General Manager

7 December 2017

Date

CONTRACTOR

NAME: GRANITE ROCK COMPANY

X

Signed *

Rodney Jenny

Print Name

Executive Vice President

Title

November 29, 2017

Date

X

Signed *

Thomas Squeri

Print Name

President & CEO

Title

November 29, 2017

Date

* If CONTRACTOR is a corporation (including limited liability and non-profit corporations), the full legal name of the corporation shall be set forth together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth together with the signature of a partner with authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of his or her business, if any, and shall personally sign the Agreement.

Approved as to form:

Deputy County Counsel

12-6-17

Date

Risk Management

Date

Auditor-Controller's Office

12-6-17

Date

County Administrative Office

12/6/17

Date

Graniterock

CERTIFICATION OF CORPORATE RESOLUTION

The directors of Granite Rock Company, a corporation organized and existing under the laws of the State of California, duly approved, on March 18, 2017, in accordance with the Articles of Incorporation and Bylaws of the corporation, the following resolution:

> RESOLVED, that each of the following persons is fully authorized to sign bid and contract documents on behalf of Granite Rock Company, doing business as Graniterock, and to bind the corporation with respect to such documents:
>
> Kevin Jeffery
> Rodney Jenny
> Aaron Johnston
> Mark Kaminski
> Shirley Ow
> Henry Ramirez
> Rich Sacher
> Steve Snodgrass
> Tom Squeri

I, Kevin Jeffery, Vice President and Secretary of Granite Rock Company, do hereby certify that I am the Vice President and Secretary of such corporation, and that the above resolution was duly adopted by the Board of Directors of such corporation, and that such resolution has not been revoked or rescinded.

In witness whereof, I have hereunto subscribed my name and affixed the seal of such corporation.

Dated: 12/01/2017

Kevin Jeffery
Vice President and Secretary

- Monterey County
- San Benito County
- San Mateo County
- Santa Clara County
- Santa Cruz County
- Alameda County
- City and County of San Francisco

Equal Opportunity Employer

P.O. Box 50001 Watsonville, CA 95077-5001 831.768.2000 Fax 831.768.2201
www.graniterock.com

EXHIBIT A

MONTEREY COUNTY WATER RESOURCES AGENCY

PROJECT:
2017 SAN ANTONIO DAM SPILLWAY
EMERGENCY REPAIRS PROJECT
Monterey County, California
Project No. 006

TIME AND MATERIALS CONTRACT

The project consists of the following general tasks, further described in Exhibit B:

- Mobilization/Clean-up and Demobilization;
- Remove Debris in Spillway;
- Seal Spillway Floor and Wall Slab Joints;
- Seal Small Cracks;
- Repair Concrete Spalls and Large Cracks;
- Grind Offset Floor and/or Wall-Slabs;
- Repair Concrete Spalls at Spillway Chute Walls;
- Repair 10-inch diameter Clay Pipe Spillway Drain;
- Optional - Upon MCWRA Direction - Spillway under-drain cleaning;
- Optional - Upon MCWRA Direction – Grade Spillway Access Roads;
- Optional - Upon MCWRA Direction – Repair or Resurface Spillway Access Roads.

Work is scheduled to begin in November 2017 with completion in sixty (60) working days. The Project Engineer will be present to direct the project at the work site. The project site is located at 61201 Vista Road, Bradley, Monterey County, California.

1. The CONTRACTOR shall furnish all materials, equipment, supplies, transportation, labor and perform all operations, and the WORK, all in accordance with the requirements of the Contract Documents.

2. Work will be performed by contractors with a valid license in accordance with the provisions of the California Contractors License law, Class A – General Engineering Contractor.

3. The contractor will provide a payment bond and a performance bond, each in the amount of 100% of the Contract, are required.

4. Pursuant to California Labor Code Section 1771.1(a), a contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of California Public Contract Code Section 4104, or engage in the performance of any contract for public work, as

defined in Chapter 1 of Part 7 of Division 2 of the California Labor Code, unless currently registered and qualified to perform public work pursuant to California Labor Code 1725.5. It is not a violation of Labor Code Section 1771.1(a) for an unregistered contractor to submit a bid that is authorized by California Business and Professions Code Section 7029.1 or by Public Contract Code Section 10164 or Public Contract Code Section 20103.5, provided the contractor is registered to perform public work pursuant to Labor Code Section 1725.5 at the time the contract is awarded.

Bidders must comply with the provisions of Monterey County Code (MCC) Section 5.08.120, requiring a good-faith effort to employ qualified individuals who are residents of the Monterey Bay Area as defined in MCC Section 5.08.120.H.3. "Resident of Monterey Bay Area".

5. General prevailing wage rates in the County in which the work is to be done have been determined by the Director of California Department of Industrial Relations (DIR) and are on file and available at 1441 Schilling Place, North Building, Salinas, CA 93901. It shall be mandatory upon the Contractor to whom the contract is awarded, and upon any subcontractor under him/her/it, to pay not less than said specified rates to all workers employed by them in the execution of the contract. Project is subject to compliance monitoring and enforcement by the DIR.

6. Retention of ten percent (10%) of each progress payment due the CONTRACTOR will be withheld by the AGENCY. Pursuant to California Public Contract Code Section 22300, the Contractor may substitute securities for any monies withheld by the Agency to ensure performance under the contract.

Payment (Time and Materials / Force Account)

7. work will be done on a time and expense basis, that is, on an accounting of the CONTRACTOR's forces, materials, equipment, and other items of cost as required and used to do the work. For the work performed, payment will be made for the documented actual cost of the following:

   A. Direct labor cost for workers, including foremen, who are directly assigned to the force account work: Direct labor cost is the actual payroll cost, including wages and fringe benefits as established by negotiated labor agreements or state prevailing wages. To the actual payroll cost will be added a labor surcharge which shall be the actual costs of taxes and insurance. Such labor surcharge shall constitute full compensation for all payments imposed by State and Federal laws and for all other payments made to, or on behalf of, the workmen, other than actual payroll cost and subsistence and travel allowances. No other fixed labor burdens will be considered, unless approved in writing by the OWNER.

B Material delivered and used on the designated work, including sales tax, if paid for by the CONTRACTOR or its subcontractor.

C Equipment rental, including necessary transportation for items having a value in excess of $1,000.00.

D. Additional bond.

E. Additional insurance, other than labor insurance.

To the preceding costs, there shall be added the following fees for the CONTRACTOR, subcontractor, or sub-subcontractor actually performing the work:

A. A fixed fee not to exceed 15 percent of the cost of Item A above, and 15 percent of the costs of Items B and C above.

B. To the total of the actual costs and fees allowed in items A, B, and C above, not more than 2 percent shall be added for additional bond and insurance as the cost of Items D and E above.

8. For all such work performed by forces other than the CONTRACTOR's organization, the CONTRACTOR shall reach agreement with such other forces as to the distribution of the payment made by the OWNER for such work. No additional payment therefore will be made by the OWNER by reason of the performance of the work by a subcontractor or other forces.

9. The added fixed fees shall be considered to be full compensation, covering the cost of general supervision, overhead, profit, and any other general expense. The above fixed fees represent the maximum limits which will be allowed, and they include the CONTRACTOR's and all subcontractors' indirect home office expenses and all costs for cost proposal preparation and record keeping.

10. The OWNER reserves the right to furnish such materials and equipment as it deems expedient, and the CONTRACTOR shall have no claim for profit or added fees on the cost of such materials and equipment.

11. For equipment under Item C above, rental or equivalent rental cost will be allowed for only those days or hours during which the equipment is in actual use. Payment shall be based on actual rental and transportation invoices but shall not exceed the monthly rate in the Caltrans Standard Specifications "Labor Surcharge and Equipment Rental Rates" publication. The rental cost allowed for equipment will, in all cases, be understood to cover all fuel, supplies, repairs, ownership, and incidental costs and no further allowances will be made for those items, unless specific agreement to that effect is made For

12. CONTRACTOR owned equipment, costs shall be based on either actual cost accounting records or the Caltrans Standard Specifications "Labor Surcharge and Equipment Rental Rates" publication. Hourly rates shall be determined by dividing the monthly rate by 176 hours

13. Prior to the commencement of force account work, the CONTRACTOR shall notify the ENGINEER of its intent to begin work. Labor, equipment, and materials furnished on force account work shall be recorded daily by the CONTRACTOR upon report sheets approved by the ENGINEER. The reports, if found to be correct, shall be signed by both the CONTRACTOR and ENGINEER, and a copy of which shall be furnished to the ENGINEER no later than the working day following the performance of said work. The Daily Report sheet shall thereafter be considered the true record of force account work provided. If the ENGINEER does not agree with the labor, equipment, and/or materials listed on the CONTRACTOR's daily force account report, the CONTRACTOR and ENGINEER shall sign-off on the items on which they are in agreement. The OWNER shall then review the items of disagreement and will advise the CONTRACTOR, in writing, of its determination. If the CONTRACTOR disagrees with this determination, it shall have the right to file a claim in accordance with the General Conditions in Paragraph 18 of this Exhibit. The CONTRACTOR shall maintain its records in such a manner as to provide a clear distinction between the direct costs of work paid for on a force account basis and the costs of other operations

14. To receive partial payments and final payment for force account work, the CONTRACTOR shall submit, in a manner approved by the OWNER, detailed and complete documented verification of the CONTRACTOR's and any of its subcontractor's actual costs involved in the force account pursuant to the pertinent Change Order or Field Order. Such costs shall be submitted within thirty (30) days after said work has been performed

15. The force account invoice shall itemize the materials used and shall cover the direct costs of labor and the charges for equipment rental, whether furnished by the CONTRACTOR, subcontractor, or other forces. The invoice shall be in a form acceptable to the OWNER and shall provide names or identifications and classifications of workers, the hourly rate of pay and hours worked, and also the size, type, and identification number of equipment and hours operated. Material charges shall be substantiated by valid copies of vendor's invoices.

16. When both additions and credits are involved in any one change, the combined overhead and profit shall be figured on the basis of the net increase, if any. The amount of credit to be allowed by the CONTRACTOR to the OWNER for any such change which results in a net decrease in cost will be the amount of the actual net decrease and a credit in accordance with the markups allowed under the use of the method described in this Section. The CONTRACTOR shall not claim for anticipated profits on work that may be omitted.

17. Notice to Sureties: The CONTRACTOR shall notify his sureties and the carriers of the insurance furnished and maintained by him of any changes affecting the general scope of the Work or change in the Contract Price, and the amount of the applicable Bonds and the coverage of the insurance shall be adjusted accordingly. The CONTRACTOR shall furnish proof of such adjustments to the OWNER.

18. CONTRACTOR's Claims: If the CONTRACTOR wishes to make a claim for a change in the Contract Price or the Contract Time, the CONTRACTOR shall give the ENGINEER written notice thereof within 5 working days after the occurrence of the event giving rise to such claim. This notice shall be given by the CONTRACTOR before proceeding to execute the Work covered by the claim except in an emergency endangering life or property. No such claim shall be valid unless so made. Any change in the Contract Price or the Contract Time resulting from a claim that is approved by the OWNER will be authorized by Change Order.

19. Whenever a Change Order or other modification causes a change in the information contained in previously approved submittals, the CONTRACTOR shall include in the cost for preparing and submitting revised information and submittals corresponding to the changed requirements. If the Change Order or other modification(s) causes no change in such information or submittals, the CONTRACTOR shall so certify in writing in the itemized breakdown.

Date: November 29, 2017

DAVID E. CHARDAVOYNE
GENERAL MANAGER

MONTEREY COUNTY WATER RESOURCES AGENCY

Bond #: 30012167
Premium: $600.00

PERFORMANCE BOND

(Public Contract Code Section 20129)

2017 SAN ANTONIO DAM SPILLWAY EMERGENCY REPAIRS PROJECT
MONTEREY COUNTY, CALIFORNIA
Project No. 006

THIS CONSTRUCTION PERFORMANCE BOND ("Bond") is dated November 30, 2017 is in the amount of $200,000.00 ("Penal Sum"), which is 100% of the Contract Sum and is entered into by and between the parties listed below to ensure the faithful performance of the Contract identified below. This Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 13 attached to this page. Any singular reference to Granite Rock Company ("Contractor"), Western Surety Company ("Surety"), MONTEREY COUNTY WATER RESOURCES AGENCY ("Owner" or "Agency"), or other party shall be considered plural where applicable.

CONTRACTOR:
Granite Rock Company
Address:
5225 Hellyer Avenue, Suite 220
City/State/Zip:
San Jose, CA 95138

SURETY:
Western Surety Company
Principal Place of Business:
333 S. Wabash Avenue
City/State/Zip:
Chicago, IL 60604

CONTRACTOR:

Agreement for the Monterey County Water Resources Agency
2017 SAN ANTONIO DAM SPILLWAY EMERGENCY REPAIRS PROJECT, MONTEREY COUNTY, CALIFORNIA located at Salinas, California, dated November 29, 2017, in the amount of $200,000.00

CONTRACTOR AS PRINCIPAL
Granite Rock Company
Company: (Corp. Seal)

Signature:
Name. Tom Saveri
Title. President and CEO

SURETY
Western Surety Company
Company: (Corp. Seal)

Signature:
Name. Stacy M. Clinton
Title: Attorney-in-fact

BOND TERMS AND CONDITIONS

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to Owner and the State of California for the complete and proper performance of the Construction Contract, which is incorporated herein by reference.

2. If Contractor completely and properly performs all of its obligations under the Construction Contract, Surety and Contractor shall have no obligation under this Bond.

3. If there is no Owner Default, Surety's obligation under this Bond shall arise after:

   3.1. Owner provides Surety with written notice that Owner has declared a Contractor Default under the Construction Contract pursuant to the terms of the Construction Contract; and

   3.2. Owner has agreed to pay the Balance of the Contract Sum:

      3.2.1. To Surety in accordance with the terms of this Bond and the Construction Contract; or
      3.2.2. To a Contractor selected to perform the Construction Contract in accordance with the terms of this Bond and the Construction Contract.

4. When Owner has satisfied the conditions of Paragraph 3 above, Surety shall promptly (within 40 days) and at Surety's expense elect to take one of the following actions:

   4.1. Arrange for Contractor, with consent of Owner, to perform and complete the Construction Contract (but Owner may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.2, 4.3 or 4.4 below); or

   4.2. Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; provided, that Surety may not select Contractor as its agent or independent contractor or Contractor without Owner's consent; or

   4.3. Undertake to perform and complete the Construction Contract by obtaining bids from qualified contractors acceptable to Owner for a contract for performance and completion of the Construction Contract and, upon determination by Owner of the lowest responsive and responsible Bidder, arrange for a contract to be prepared for execution by Owner and the contractor or Contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract; and, if Surety's obligations defined in Paragraph 7 below, exceed the Balance of the Contract Sum, then Surety shall pay to Owner the amount of such excess; or

   4.4. Waive its right to perform and complete, arrange for completion, or obtain a new contractor or Contractor, and with reasonable promptness under the circumstances and, after investigation and consultation with Owner, determine in good faith its monetary obligation to Owner under Paragraph 7 below, for the performance and completion of the Construction Contract and, as soon as practicable after the amount is determined, tender payment therefor to Owner with full explanation of the payment's calculation. If Owner accepts Surety's tender under this Paragraph 4.4, Owner may still hold Surety liable for future damages then unknown or unliquidated resulting from the Contractor Default, as agreed by Owner and Surety at the time of tender. If Owner disputes the amount of Surety's tender under this Paragraph 4.4, Owner

may exercise all remedies available to it at law to enforce Surety's liability under Paragraph 7 below.

5. If Surety does not proceed as provided in Paragraph 4 above then Surety shall be deemed to be in default on this Bond ten Days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond. Such Surety default shall be independent from the Contractor Default. To the extent Surety's independent default causes Owner to suffer damages, including, but not limited to, delay damages, which are different from, or in addition to (but not duplicative of) damages which Owner is entitled to receive under the Construction Contract, Surety shall also be liable for such damages.

6. At all times Owner shall be entitled to enforce any remedy available to Owner at law or under the Construction Contract including, without limitation, and by way of example only, rights to perform work, protect Work, mitigate damages, advance critical Work to mitigate schedule delay, and coordinate Work with other consultants or contractors.

7. If Surety timely elects to act under Paragraphs 4.1, 4.2 or 4.3 above and complies with its obligations under this Bond, Surety's obligations under this Bond are commensurate with the obligations of Contractor under the Construction Contract. Surety's obligations shall include, but are not limited to.

   7.1. The responsibilities of Contractor under the Construction Contract for completion of the Construction Contract and correction of Defective Work;
   7.2. The responsibilities of Contractor under the Construction Contract to pay liquidated damages; and,
   7.3. Additional legal, professional and delay costs resulting from Contractor Default or resulting from the actions or failure to act of the Surety under Paragraph 4 above (but excluding attorney's fees incurred to enforce this Bond).

8. If Surety timely elects to act under Paragraphs 4.1, 4.3 or 4.4 above and complies with its obligations under this Bond, Surety's monetary obligation under this Bond is limited by the amount of this Bond identified herein as the Penal Sum.

9. No right of action shall accrue on this Bond to any person or entity other than Owner or its successors or assigns.

10. Surety hereby waives notice of any change, alteration or addition to the Construction Contract or to related subcontracts, agreements, purchase orders and other obligations, including changes of time, and of any Owner action in accordance with Paragraph 6 above. Surety consents to all terms of the Construction Contract, including provisions on changes to the Contract. No extension of time, change, alteration, Modification, deletion, or addition to the Contract Documents, or of the Work (including services) required thereunder, or any Owner action in accordance with Paragraph 6 above shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond, unless such action is an Owner Default. Except in the event of an Owner Default, and to the extent Surety is damaged thereby, Surety hereby waives the provisions of California Civil Code Section 2809, and any other law which either prohibits, restricts, limits or modifies in any way any obligation of a surety which is larger in amount or in any other respect more burdensome than that of the principal.

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Catherine A Pinney, Nancy L Wallis, K Dixon Wright, Stacy M Clinton, Kandace L Reeves, Natalie Ann Horder, Teresa Rose, Robert Lee Murphy, Janet M Thomas, Individually

of Petaluma, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 12th day of September, 2017.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 12th day of September, 2017, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2021

J. MOHR
NOTARY PUBLIC
SOUTH DAKOTA

J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 30th day of November, 2017.

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

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

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

State of California)
County of Sonoma)

On November 30, 2017 before me, Nancy L. Wallis, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Stacy M. Clinton
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

NANCY L. WALLIS
Notary Public - California
Sonoma County
Commission # 2161736
My Comm. Expires Aug 28, 2020

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

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

Capacity(ies) Claimed by Signer(s)

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

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

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MONTEREY COUNTY WATER RESOURCES AGENCY

Bond #: 30012167
Premium: included in performance bond

PAYMENT BOND

(Civil Code Section 9550)

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, the County of Monterey Water Resources Agency has awarded CONTRACTOR, a contract for the following project:

2017 SAN ANTONIO DAM SPILLWAY EMERGENCY REPAIRS PROJECT
MONTEREY COUNTY, CALIFORNIA
Project No. 006

AND WHEREAS, CONTRACTOR is required to furnish a bond in connection with said contract, to secure the payment of claims of laborers, mechanics, material-men, and other persons furnishing labor and materials on the project as provided by law;

NOW, THEREFORE, we Granite Rock Company as CONTRACTOR, and Western Surety Company as Surety, are held and firmly bound unto the County of Monterey Water Resources Agency (hereinafter called "AGENCY"), and to the persons named in California Civil Code section 9100 in the penal sum of Two Hundred Thousand & 00/100 ($200,000.00) for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION IS SUCH THAT:

If the CONTRACTOR or any of CONTRACTOR's heirs, executors, administrators, successors, assigns, or subcontractors, (1) fails to pay in full all of the persons named in Civil Code Section 9100 with respect to any labor or materials furnished by said persons on the project described above, or (2) fails to pay in full all amounts due under California Unemployment Insurance Code with respect to work or labor performed on the project described above, or (3) fails to pay for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the CONTRACTOR and Subcontractors pursuant to Unemployment Insurance Code Section 13020 with respect to such work and labor, then the Surety shall pay for the same.

Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract on the call for bids, or to the work to be performed thereunder, or the specifications accompanying the same, shall in any way affect its obligation under this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of said contract or the call for bids, or to the work, or to the specifications.

If suit is brought upon this bond by the AGENCY and judgment is recovered, the Surety shall pay all litigation expenses incurred by the AGENCY in such suit, including attorneys' fees, court costs, expert witness fees, and investigation expenses.

This bond inures to the benefit of any of the persons named in Civil Code Section 9100, and such persons or their assigns shall have a right of action in any suit brought upon this bond, subject to any limitations set forth in Civil Code Sections 3247 et seq. (Civil Code, Division 3, Part 4, Title 15, Chapter 7: Payment Bond for Public Works).

IN WITNESS WHEREOF the above-bounden parties have executed this instrument under several seals this 30th day of November 2017, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) CONTRACTOR Granite Rock Company

By

Title Tom Saveri, President and CEO

(Corporate Seal) Surety Western Surety Company

By

Title Stacy M. Clinton, Attorney-in-fact

Attach: 1) A Copy of authorization for signature for Principal, and 2) An original or certified copy of unrevoked appointment, Power of Attorney, Attorney-in-Fact Certificate bylaws or other instrument entitling or authorizing person executing bond on behalf of Surety to do so.

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Catherine A Pinney, Nancy L Wallis, K Dixon Wright, Stacy M Clinton, Kandace L Reeves, Natalie Ann Horder, Teresa Rose, Robert Lee Murphy, Janet M Thomas, Individually

of Petaluma, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 12th day of September, 2017.

WESTERN SURETY COMPANY

Paul T. Bruflat, Vice President

State of South Dakota
County of Minnehaha } ss

On this 12th day of September, 2017, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2021

J. MOHR
NOTARY PUBLIC
SOUTH DAKOTA

J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 30th day of November, 2017.

WESTERN SURETY COMPANY

L. Nelson, Assistant Secretary

Form F4280-7-2012

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

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

State of California)
County of Sonoma)

On November 30, 2017 before me, Nancy L. Wallis, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Stacy M. Clinton
Name(s) of Signer(s)

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

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

WITNESS my hand and official seal.

NANCY L. WALLIS
Notary Public - California
Sonoma County
Commission # 2161736
My Comm. Expires Aug 28, 2020

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

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

Capacity(ies) Claimed by Signer(s)

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

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MONTEREY COUNTY WATER RESOURCES AGENCY

WITHHELD CONTRACT FUNDS CERTIFICATION

PART 1 – GENERAL

1.01 Summary

A. Public Contract Code Section 22300 requires the inclusion in invitations for public agency bids and in public agency Contracts a provision which will, at the expense of the Contractor, permit the substitution of securities of equal value for any construction progress monies withheld to ensure performance under a Contract. Therefore, as the Contractor for the 2017 SAN ANTONIO DAM SPILLWAY EMERGENCY REPAIRS PROJECT, Project No. 006, Contractor hereby certifies the following:

[√] I do not intend to substitute securities for monies withheld and thereby avail myself of the process and rights provided in Public Contract Code Section 22300.

[ ] I do intend to exercise my option as specified in Public Contract Code Section 22300 and hereby agree to the following:

1. I will establish an escrow Agreement satisfactory to the Agency, with a state or federally chartered bank, which shall contain at a minimum provisions governing inter alia:
   a. The amount of securities to be deposited;
   b. The type of securities to be deposited, (eligible securities for deposit are described in Government Code Section 16430);
   c. The providing of powers of attorney or other documents necessary for the transfer of the securities deposited;
   d. The terms and conditions of conversion to cash to provide funds to meet defaults by the Contractor including, but not limited to termination of the Contractor's control over the Work, stop notices filed pursuant to law, assessment of liquidated damages or other amounts to be kept or retained under the provisions of the Contract;
   e. The decrease in value of securities on deposit; and
   f. The termination of the escrow Agreement upon completion of the Contract and acceptance by the Agency.

2. I will obtain written consent of the Surety to any such escrow Agreement; and
3. I will attach to each progress payment submitted a notarized copy of escrow instructions executed by agents thereof and on bank letterhead as proof that such an account has been established. Such instructions will set forth that securities deposited shall not be withdrawn for any purpose. (with Contractor's complete and unreserved Agreement) without prior written approval by the Agency with respect to the Project herein above referenced.

X _____
Signature of Contractor

MONTEREY COUNTY WATER RESOURCES AGENCY

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

(Public Contract Code Section 22300)

THIS ESCROW AGREEMENT ("Escrow Agreement") is made and entered into this _____day of_____2017, by and between the MONTEREY COUNTY WATER RESOURCES AGENCY, (hereinafter "Owner") whose address is,_____ ("Contractor"), whose place of business is located at _____ Owner, as escrow agent OR [ ] (Name of Bank)_____ a state or federally chartered bank in the State of California, whose place of business is located at _____ _____ ("Escrow Agent").

For the consideration hereinafter set forth, Owner, Contractor and Escrow Agent agree as follows:

1. Pursuant to California Public Contract Code Section 22300, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to Contract Number _____entered into between Owner and Contractor for 2017 San antonio Dam Spillway Emergency Repairs Project, PROJECT NO. 006 located in Monterey County, California in the amount of $_____dated_____, 2017 (the "Contract"). Alternatively, on written request of Contractor, Owner shall make payments of the retention earnings directly to Escrow Agent. When Contractor deposits the securities as a substitute for Contract earnings, Escrow Agent shall notify Owner within ten days of the deposit. The market value of the securities at the time of substitution shall be at least equal to the cash amount then required to be withheld as retention under terms of Contract between Owner and Contractor. Securities shall be held in name of _____, and shall designate Contractor as the beneficial owner.

2. Owner shall make progress payments to Contractor for those funds which otherwise would be withheld from progress payments pursuant to Contract provisions, provided that Escrow Agent holds securities in form and amount specified in Paragraph 1of this Document.

3. When Owner makes payment(s) of retention earned directly to Escrow Agent, Escrow Agent shall hold said payment(s) for the benefit of Contractor until the time that the escrow created under this Escrow Agreement is terminated. Contractor may direct the investment of the payments into securities. All terms and conditions of this Escrow Agreement and the rights and responsibilities of the parties shall be equally applicable and binding when Owner pays Escrow Agent directly.

4. Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the escrow Account, and all expenses of Owner. Such expenses and payment terms shall be determined by Owner, Contractor, and Escrow Agent.

5. Interest earned on securities or money market accounts held in escrow and all interest earned on that interest shall be for sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to Owner.

6. Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from Owner to Escrow Agent that Owner consents to withdrawal of amount sought to be withdrawn by Contractor.

7. Owner shall have the right to draw upon the securities in event of default by Contractor. Upon seven Days written notice to Escrow Agent from Owner of the default, Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by Owner.

8. Upon receipt of written notification from Owner certifying that the Contract is final and complete, and that Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.

9. Escrow Agent shall rely on written notifications from Owner and Contractor pursuant to Paragraphs 5 through 8, inclusive, of this Document and Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of securities and interest as set forth.

10. Names of persons who are authorized to give written notice or to receive written notice on behalf of Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as set forth below. Owner or Contractor may designate a different person authorized to give or receive written notice on their behalf with 48 hours written notice to the other parties listed below.

ON BEHALF OF OWNER:	ON BEHALF OF CONTRACTOR:
_____	_____
Title	Title
_____	_____
Name	Name
_____	_____
Signature	Signature
_____	_____
Address	Address
_____	_____
City/State/Zip Code	City/State/Zip Code

ON BEHALF OF ESCROW AGENT:

_____
Title

_____
Name

_____
Signature

_____
Address

_____
City/State/Zip Code

IN WITNESS WHEREOF the parties have executed this Escrow Agreement by their proper officers on the date first set forth above.

OWNER:

MONTEREY COUNTY WATER RESOURCES AGENCY

_____
Title

_____
Name

_____
Signature

CONTRACTOR:

_____

_____
Title

_____
Name

_____
Signature

ATTEST:

_____
Name

_____
Signature

ESCROW AGENT:

_____
Escrow Agent/Title

_____
Name

_____
Signature

REVIEWED AS TO FORM:

_____
Escrow Agent/Title

_____
Name

_____
Signature

At the time the Escrow Account is opened Owner and Contractor shall deliver to Escrow Agent a fully executed counterpart of this Document.

MONTEREY COUNTY WATER RESOURCES AGENCY

GUARANTY

TO: The MONTEREY COUNTY WATER RESOURCES AGENCY ("Owner"), for 2017 SAN ANTONIO DAM SPILLWAY EMERGENCY REPAIRS PROJECT

The undersigned guarantees all construction performed on this Project and also guarantees all material and equipment incorporated therein.

Contractor hereby grants to Owner for a period of one (1) year following the date of Final Completion of the· Work: completed, or such longer period specified in Contract Documents, its unconditional warranty of the quality and adequacy of all of the Work including, without limitation, all labor, materials and equipment provided by Contractor and. its Subcontractors of all tiers in connection with the Work. Final Completion shall be the date the Monterey County Water Resources Agency accepts all Work as complete.

Neither final payment nor use nor occupancy of the Work performed by the Contractor shall constitute an acceptance of Work not done in accordance with this Guaranty or relieve Contractor of liability in respect to any express warranties or responsibilities for faulty materials or workmanship. Contractor shall remedy any defects in the Work and pay for any damage resulting therefrom, which shall appear within one year, or longer if specified, from the date of Final Acceptance of the Work completed.

If within one (1) year after the date of Final Acceptance of the Work completed, or such longer period of time as may be prescribed by laws or regulations, or by the terms of Contract Documents, any Work is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions, correct such Defective Work. Contractor shall respond within 24 hours after being notified in writing by Owner of any Work not in accordance with the requirements of the Contract or any defects in the Work. Contractor shall commence and prosecute with due diligence all Work necessary to fulfill the terms of this Guaranty, and to complete the Work within a reasonable period of time. Contractor shall remove any Defective Work rejected by Owner and replace it with Work that is not defective, and satisfactorily correct or remove and replace any damage to other Work or the Work of others resulting therefrom. If Contractor fails to promptly comply with the terms of such instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the Defective Work corrected or the rejected Work removed and replaced. Contractor shall pay for all Claims, costs, losses and damages caused by or resulting from such removal and replacement. Where Contractor fails to correct Defective Work, or defects are discovered outside the correction period, Owner shall have all rights and remedies granted by law.

Inspection of the Work shall not relieve Contractor of any of its obligations under the Contract Documents. Even though equipment materials, or Work required to be provided under the Contract Documents have been inspected, accepted, and estimated for payment, Contractor shall, at its own expense, replace or repair any such equipment, material, or Work found to be defective or otherwise not to comply with the requirements of the Contract Documents up to the end of the guaranty period.

All abbreviations and definitions of terms used in this Agreement shall have the meanings set forth in the Contract Documents.

The foregoing Guaranty is in addition to any other warranties of Contractor contained in the Contract Documents, and not in lieu of, any and all other liability imposed on Contractor under the Contract Documents and at law with respect to Contractor's duties, obligations, and performance under the Contract Documents. In the event of any conflict or inconsistency between the terms of this Guaranty and any warranty or obligation of the Contractor under the Contract Documents or at law, such inconsistency or conflict shall be resolved in favor of the higher level of obligation of the Contractor.

Date November 29 , 2017

GRANITE ROCK COMPANY
Contractor's name

By: X _____
Signature

Rodney Jenny
Print Name

Executive Vice President
Title

5225 Hellyer Avenue, Suite 220
Street Address

San Jose, CA 95138
City, State, Zip Code

MONTEREY COUNTY WATER RESOURCES AGENCY

CONTRACTOR'S CERTIFICATION OF GOOD FAITH EFFORT TO EMPLOY MONTEREY BAY AREA RESIDENTS

(Monterey County Code Section 5.08.120)

CERTIFY THAT I am aware of the provision of Monterey County Code Section 5.08.120.

Monterey County Code Section 5.08.120 provides, in relevant part:

A. General Provisions. All County Contracts for Public Works of Improvement shall contain provisions pursuant to which the Contractor shall make a good faith effort to employ qualified individuals who are, and have been for at least one (1) year out of the past three (3) years prior to the opening of bids, residents of the Monterey Bay Area in sufficient numbers so that no less than fifty percent (50%) of the Contractors total construction work force, on that particular Contract, including any Subcontractor work force (with exception of specialty Subcontractor items identified in bid items) measured in labor work hours, is comprised of Monterey Bay Area residents.

B. Nonresponsive Bidder Declaration: Enforcement. If any Contractor submitting a bid for a Contract for Public Works of Improvement fails to abide by the good faith local employment provisions of this Section, Contractor may be declared by the Board to be a nonresponsive bidder for purposes of this Chapter. If a Contractor lists in his or her bid a Subcontractor who is currently disqualified under the terms of this Section, the Board may declare said Contractor to be a nonresponsive bidder for purposes of this Chapter. If the Board finds that a Contractor to whom a Contract for Public Works of Improvement has been awarded has failed to comply with the good faith employment provisions of this Section during the performance of the Contract, the Board may disqualify Contractor from bidding on any County Contract for Public Works of Improvement for a period of one (1) year from the date of the Board's disqualification. A subsequent violation of this Section by a Contractor may result in disqualification by the Board for a period of three (3) years from the date of the subsequent disqualification.

C. Binding on Subcontractors. Every Contractor entering into a Contract for Public Works of Improvement subject to the provisions of this Section shall include in each and every Subcontract for Work, laborers, or material supplier relating to the Project the requirement that the Subcontractor shall make a good faith effort to employ qualified individuals who are, and have been for at least one (1) year out of the past three (3) years prior to the opening of bids, residents of the Monterey Bay Area. If the Board finds that any Subcontractor has failed during the performance of the Subcontract to comply with this Section, the Board may disqualify said Subcontractor from submitting or being listed in any bid for any County Contract for Public Works of Improvement for a period of one (1) year from the date of the Board's disqualification. A subsequent violation by a Subcontractor may result in disqualification by the Board for a period of three (3) years from the date of the subsequent disqualification".

I FURTHER CERTIFY AS FOLLOWS (check the box that applies):

[√] I CERTIFY that at least fifty percent (50%) of the total construction work force on the Project, including any Subcontractor work force, measured in labor work hours, will be comprised of qualified individuals who to the best of my knowledge are, and have been for at least one (1) year out of the past three (3) years prior to the effective date of the opening of bids, residents of the Monterey Bay Area. Evidence that I will comply with this requirement is as follows (please use additional pages to provide supporting evidence and/or documentation, as necessary):

Granite Rock Company is a Monterey Bay Area company and hires qualified individuals through local hiring halls. The majority of our experienced crews live in the Monterey Bay Area.

[ ] I CERTIFY that I shall make a good faith effort to employ qualified individuals who, to the best of my knowledge, are, and have been for at least one (I) year out of the past three (3) years prior to the effective date of the opening of bids, residents of the Monterey Bay Area insufficient numbers such that no less than fifty percent (50%) of the total construction work force on the Project, including any Subcontractor work force (with the exception of specialty Subcontractor items identified in the bid items) measured in labor work hours, will be comprised of Monterey Bay Area residents. Attached is my written plan to recruit Monterey Bay Area residents as part of the con1truction work force.

[ ] I CERTIFY that I do not comply with and am unable to make a good faith effort to comply with the good faith local employment provisions set forth in Monterey County Code Section 5.08.120. Explanation to why I am not able to comply is as follows (please use additional pages to provide supporting evidence and/or documentation, as necessary):

I declare under penalty of perjury under the laws of the State of California that the foregoing certification is true and correct. Executed on (date) November 29, 2017
at (city/state) San Jose, California

Contractor's Business Name: GRANITE ROCK COMPANY

By: X

Print Name: Rodney Jenny

Print Title: Executive Vice President

LIST OF SUBCONTRACTORS

Following is the name and location of the mill, shop, or office of each subcontractor who will perform labor, render service or provide equipment to the general contractor in or about the construction of the work or improvement in an amount in excess of one-half of one percent (0.50%) of the total bid presented herewith; and the portion of the work to be done by each subcontractor.

☑ **Check this box if no subcontractors are required to be listed for work or labor to be performed or services to be rendered. Otherwise provide all requested information below. Assembly Bill No. 44 requires name/ location of business/ CA contractor's license of all subcontractors:**

Portion (Type) of Work	Amount of Bid (Dollars)	Subcontractor Name/ License Number & Expiration Date	Subcontractor's Location of Place of Business	DIR Registration Number

Contractor: GRANITE ROCK COMPANY

By: X

Print Name: Rodney Jenny

Print Title: Executive Vice President

Date: November 29, 2017

MONTEREY COUNTY WATER RESOURCES AGENCY

NONCOLLUSION DECLARATION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID
(Public Contract Code Section 7106)

The undersigned declares:

I am the Executive Vice President of GRANITE ROCK COMPANY the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on 11/29/17 [date], at San Jose [city], California [state].

Signature: X _____

Print Name: Rodney Jenny

WORKER'S COMPENSATION CERTIFICATE

Pursuant to Section 1861 of the California Labor Code, I certify that I am aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code and on behalf of my firm, I will comply with such provisions before commencing the performance of the services of any contract entered into.

Contractor's Name:

GRANITE ROCK COMPANY

Address: 5225 Hellyer Avenue, Suite 220, San Jose, CA 95138

Signature: X

Title: Executive Vice President

Date: November 29, 2017

EXHIBIT B

MONTEREY COUNTY WATER RESOURCES AGENCY

PROJECT:
2017 SAN ANTONIO DAM
SPILLWAY EMERGENCY REPAIRS PROJECT
Monterey County, California
Project No. 006

The project consists of the following tasks:

1. Mobilization/Clean-up and Demobilization;
    a. Use existing access roads
    b. Stockpiles, equipment storage and staging areas to be within reasonable project boundary and at the discretion of AGENCY representative

2. Remove existing debris (soil, brush, etc.) from spillway

3. Seal spillway FLOOR-SLAB JOINTS with elastomeric sealant;
    a. Locations to be determined by AGENCY representative
    b. Use AGENCY approved elastomeric sealant material
    c. Follow product manufacturer installation guidelines, specifications, and AGENCY representative direction to include, but not limited to
        - Joint preparation:
            - vegetation, sediment/dust removal, existing sealant removal
            - AGENCY representative shall approve joint cleaning method, which may include air-jetting, water-jetting, sand-blasting, or other AGENCY approved method
        - At locations directed by AGENCY representative, joint preparation shall include grinding a slot within the concrete joint for effective elastomeric sealant installation
        - Install backer rod in joints as needed to meet product manufacturer guidelines for joint depth and width specifications, and sealant bond to concrete

4. Seal spillway WALL-SLAB JOINTS with elastomeric sealant;
    a. Locations to be determined by AGENCY representative
    b. Use AGENCY approved elastomeric sealant material
    c. Follow product manufacturer installation guidelines, specifications, and AGENCY representative direction to include, but not limited to
        - Joint preparation:
            - vegetation, sediment/dust removal, existing sealant removal
            - AGENCY representative shall approve joint cleaning method, which may include air-jetting, water-jetting, sand-blasting, or other AGENCY approved method

- At locations directed by AGENCY representative, joint preparation shall include grinding a slot within the concrete joint for effective elastomeric sealant installation
- Install backer rod in joints as needed to meet product manufacturer guidelines for joint depth and width specifications, and sealant bond to concrete

5. Seal small cracks (cracks approximately ¼" in depth and ½" wide) with elastomeric sealant:
    a. Locations to be determined by AGENCY representative
    b. Use AGENCY approved elastomeric sealant material
    c. Follow product manufacturer installation guidelines, specifications, and AGENCY representative direction to include, but not limited to
        - Crack preparation:
            - vegetation, sediment/dust removal, existing sealant removal
            - AGENCY representative shall approve joint cleaning method, which may include air-jetting, water-jetting, sand-blasting, or other AGENCY approved method
        - Install backer rod in cracks as needed to meet product manufacturer guidelines for depth and width specifications, and sealant bond to concrete

6. Repair concrete spalls and large cracks (over ½" wide);
    a. Locations and square footage to be determined by AGENCY representative
    b. Site preparation to include, but not limited to, air-jetting, water jetting, concrete chipping, saw cutting, and grout or concrete placement depending on size of repair (submit grout/concrete specification(s) for AGENCY approval prior to placement)

7. Grind offset floor slabs and/or wall-slabs:
    a. Locations and acceptable finished slope and/or elevation to be determined by AGENCY representative

8. Repair concrete spalls at spillway chute wall locations:
    a. Locations and square footage to be determined by AGENCY representative
    b. Site preparation to include, but not limited to, air-jetting, water jetting, concrete chipping, saw cutting, and grout or concrete placement depending on size of repair (submit grout/concrete specification(s) for AGENCY approval prior to placement)

9. Repair cracked and partially collapsed 10-inch diameter clay pipe near approximately STA 14+90 at the right (south) spillway drain line. Access through existing manhole shall be via confined space safety protocol. Method of repair shall be approved by AGENCY representative prior to commencing work.

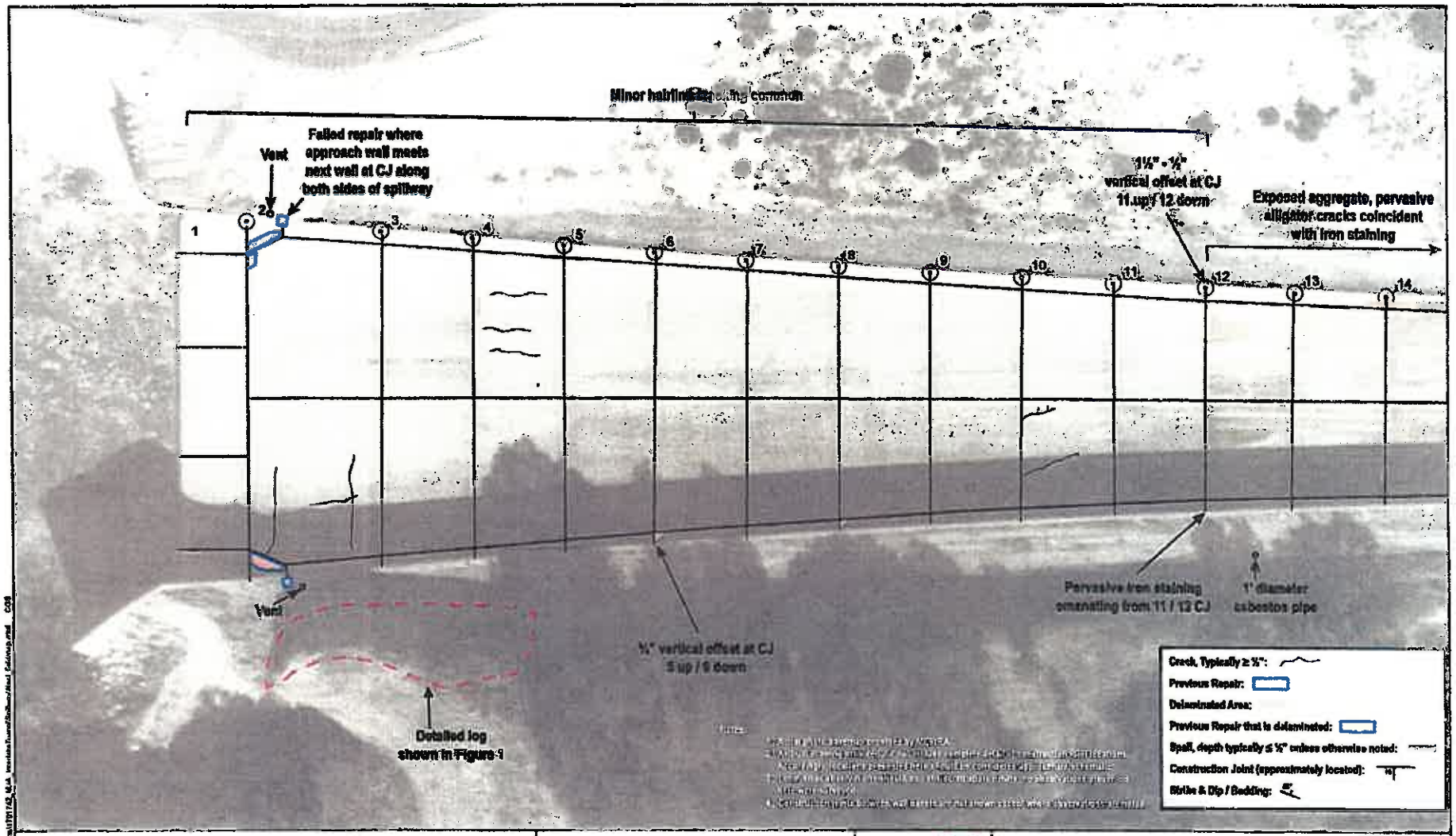
10. Upon AGENCY representative direction, clear spillway under-drains using water-jetting or other AGENCY representative approved method.

11. Upon AGENCY representative direction:
    a. Grade access roads adjacent spillway walls
    b. Repair or resurface access road surfacing adjacent spillway walls

See Figure 1B for general repair types, locations, and approximate quantities. AGENCY representative will be made available to CONTRACTOR each work day. All work will be marked and directed by AGENCY representative throughout the work period. Work shall not exceed contracted amount; therefore, AGENCY representative will direct work and quantities appropriately.

END

FIGURE 1B - PAGE 1 OF 4



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Feet

N

San Antonio Spillway Inspection
Monterey County

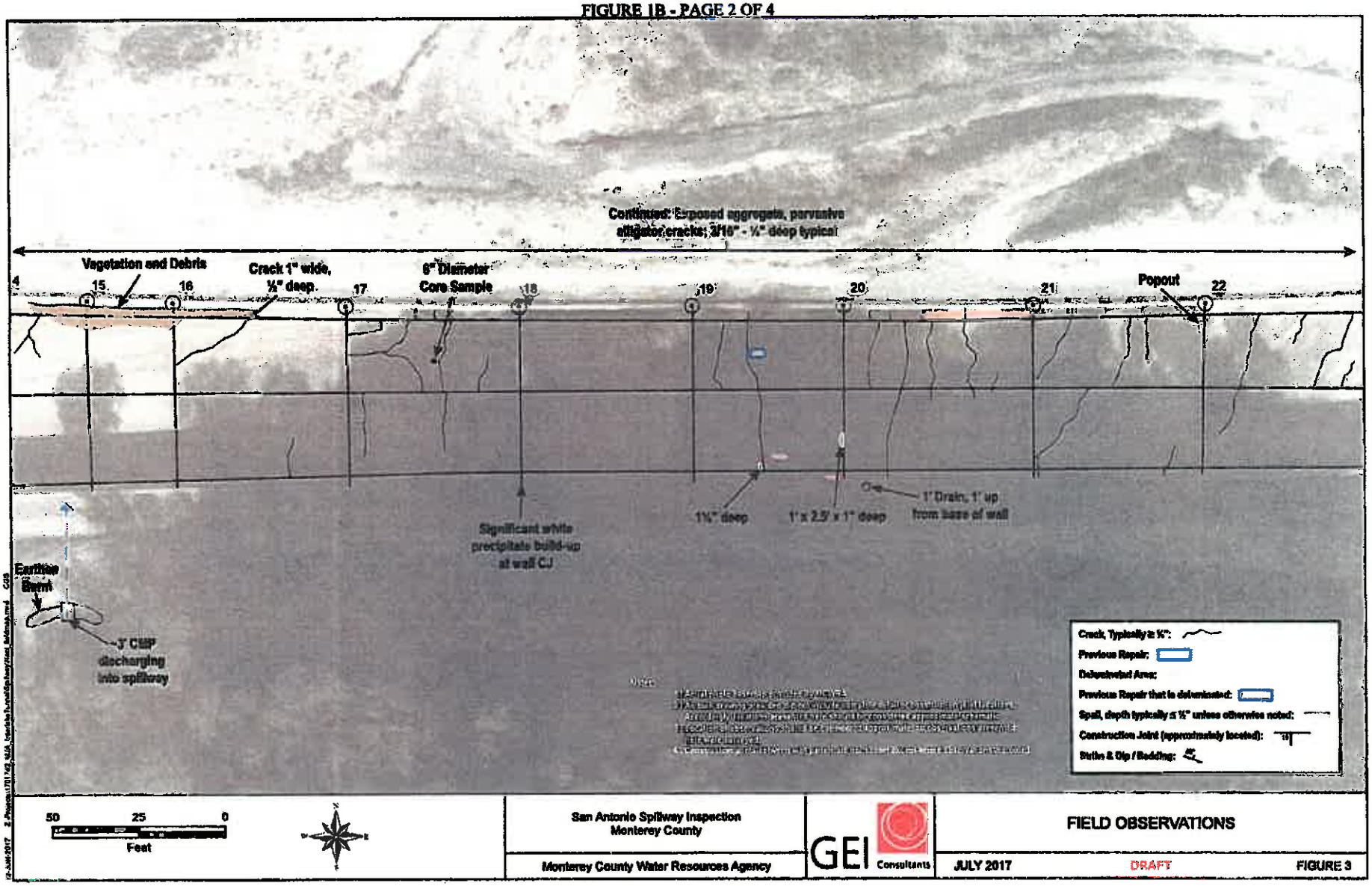
Monterey County Water Resources Agency

GEI Consultants

FIELD OBSERVATIONS

JULY 2017 DRAFT FIGURE 2

FIGURE 1B - PAGE 2 OF 4



San Antonio Spillway Inspection
Monterey County

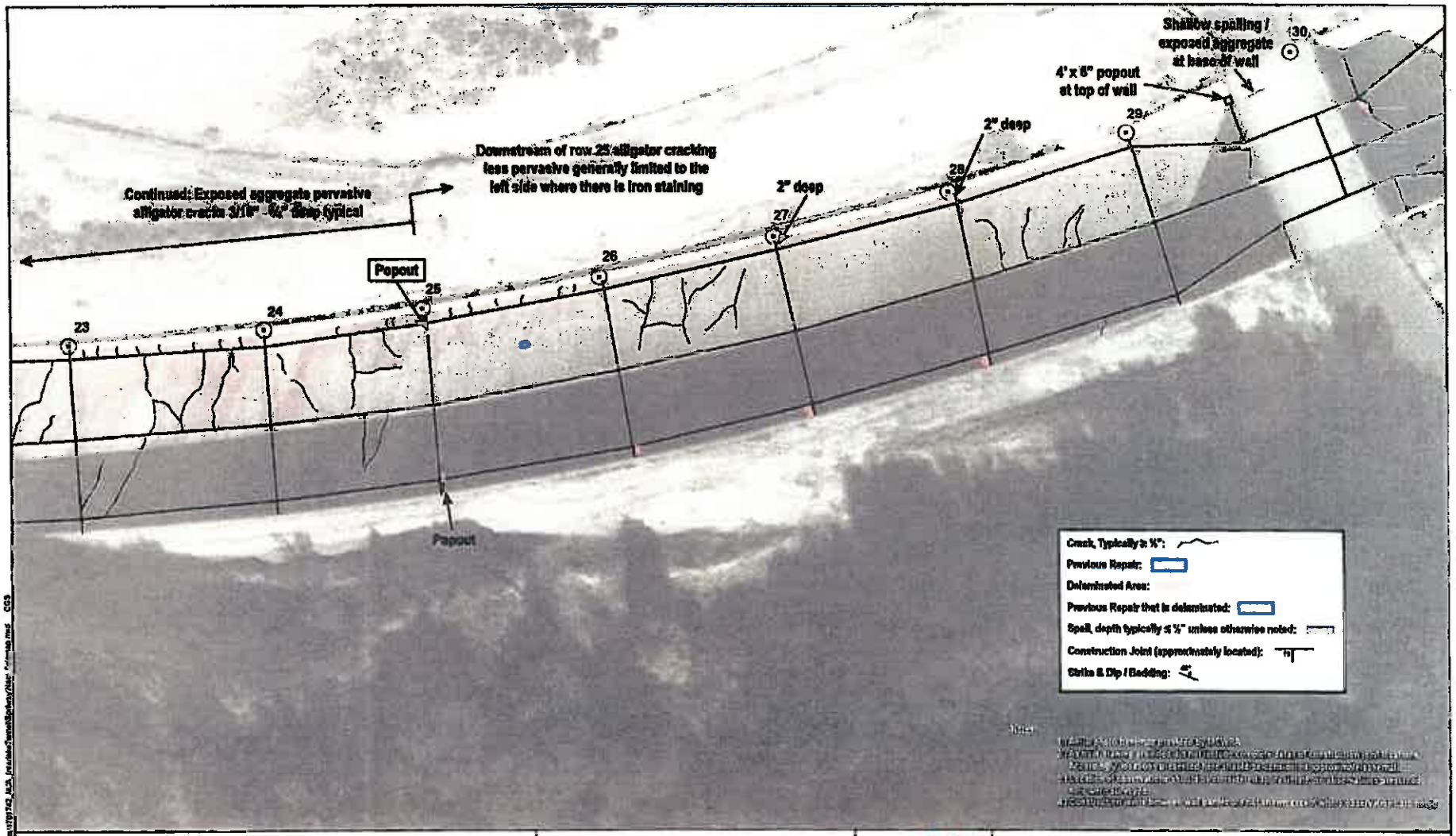
Monterey County Water Resources Agency

GEI Consultants

FIELD OBSERVATIONS

JULY 2017 DRAFT FIGURE 3

FIGURE 1B - PAGE 3 OF 4



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Feet

San Antonio Spillway Inspection
Monterey County

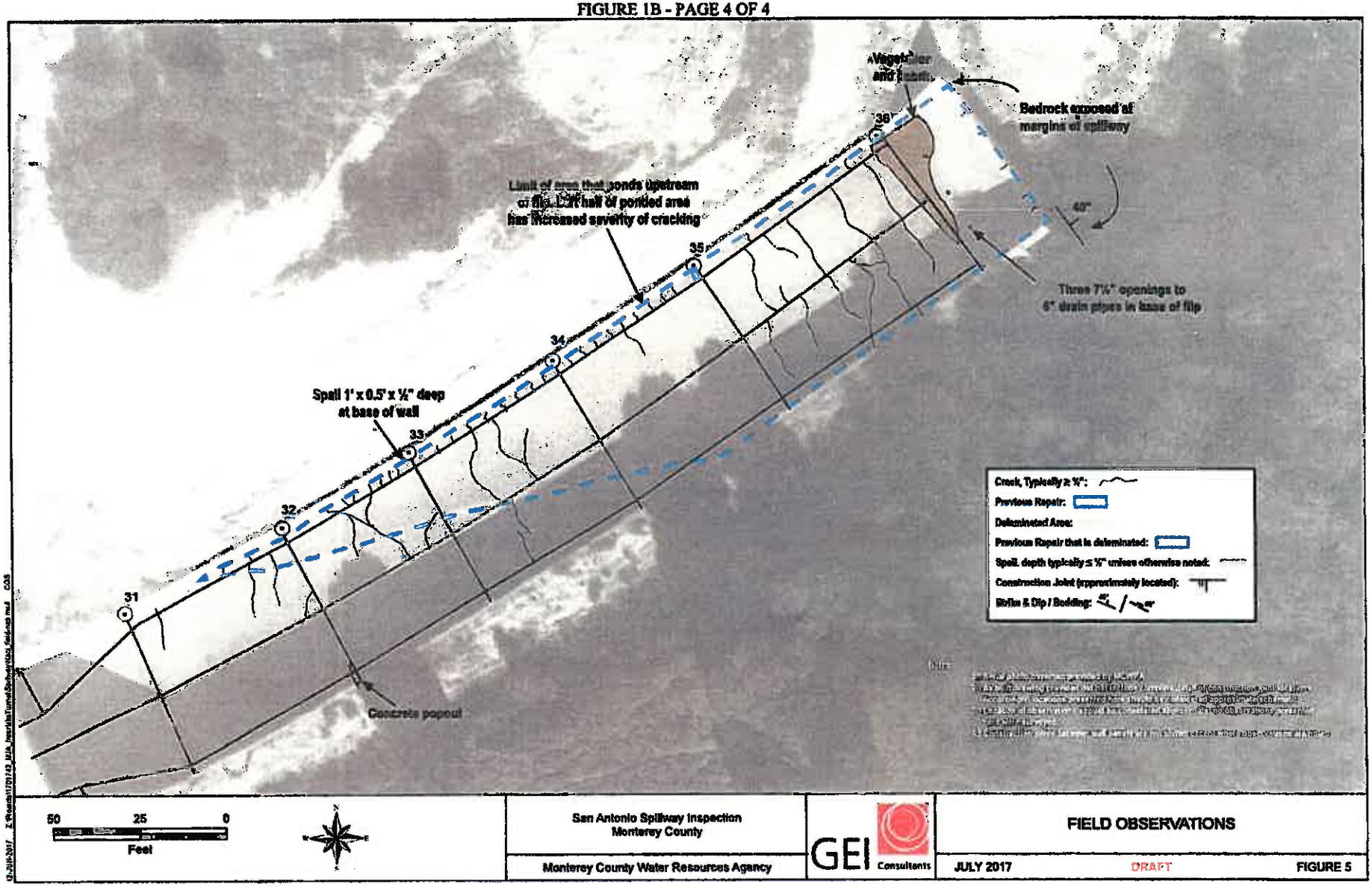
Monterey County Water Resources Agency

GEI Consultants

FIELD OBSERVATIONS

JULY 2017 DRAFT FIGURE 4

FIGURE 1B - PAGE 4 OF 4



303844

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/29/2017

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

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

PRODUCER
Construction & Real Estate Practice
Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408
45 Fremont Street, Suite 800
San Francisco, CA 94105-2259

CONTACT NAME:
PHONE (A/C, No, Ext): **FAX (A/C, No):** 866-358-1487
E-MAIL ADDRESS: CertRequests@wellsfargo.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A :	American Contractors Ins Co RRG	12300
INSURER B :	Zurich American Insurance Co	16535
INSURER C :	ACIG Insurance Company	19984
INSURER D :		
INSURER E :		
INSURER F :		

INSURED
Granite Rock Company
PO Box 50001
Watsonville, CA 95077

COVERAGES **CERTIFICATE NUMBER:** 12476117 **REVISION NUMBER:** See below

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE [X] OCCUR	X		GL17A00056 (Primary)	06/01/2017	06/01/2018	EACH OCCURRENCE	$ 5,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
A		X		GL17B00056 (Excess Follow Form 1)	06/01/2017	06/01/2018	MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 5,000,000
A	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [X] PRO-JECT [ ] LOC	X		GL17C00056 (Excess Follow Form 2)	06/01/2017	06/01/2018	GENERAL AGGREGATE	$ 5,000,000
							PRODUCTS - COMP/OP AGG	$ 5,000,000
	OTHER:							$
B	AUTOMOBILE LIABILITY X ANY AUTO	X		BAP347266916	06/01/2017	06/01/2018	COMBINED SINGLE LIMIT (Ea accident)	$ 2,000,000
	OWNED AUTOS ONLY [ ] SCHEDULED AUTOS						BODILY INJURY (Per person)	$
	X HIRED AUTOS ONLY [X] NON-OWNED AUTOS ONLY						BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB [ ] OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB [ ] CLAIMS-MADE						AGGREGATE	$
	DED [ ] RETENTION $							$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N [N] (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WCA000019017	06/01/2017	06/01/2018	X PER STATUTE [ ] OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

CA20481013,U-CA-424-F CW (04-14),Additional Insured - Automatic Status Re: Job No. 6275; 2017 San Antonio Dam Spillway Emergency Repairs Project, Project No. 006; Monterey County, California.
Monterey County Water Resources Agency, its officers, agents, and employees is named as additional insured as respects general liability and automobile liability per endorsements attached.

CERTIFICATE HOLDER

Monterey County Water Resources Agency
1441 Schilling Place - North Building
Salinas, CA 93901

CANCELLATION

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

AUTHORIZED REPRESENTATIVE

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POLICY NUMBER: BAP347266916

COMMERCIAL AUTO
CA 20 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Granite Rock Company

Endorsement Effective Date: 06/01/2017

SCHEDULE

Name Of Person(s) Or Organization(s):

Re: Job No. 6275; 2017 San Antonio Dam Spillway Emergency Repairs Project, Project No. 006; Monterey County, California.
Monterey County Water Resources Agency, its officers, agents, and employees.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph **A.1.** of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph **D.2.** of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

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Coverage Extension Endorsement

ZURICH

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
BAP347266916	6/1/17	6/1/18	6/1/17			

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Business Auto Coverage Form
Motor Carrier Coverage Form

A. Amended Who Is An Insured

1. The following is added to the **Who Is An Insured** Provision in **Section II – Covered Autos Liability Coverage:**

   The following are also "insureds":

   a. Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow for acts performed within the scope of employment by you. Any "employee" of yours is also an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

   b. Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business.

   c. Anyone else who furnishes an "auto" referenced in Paragraphs **A.1.a.** and **A.1.b.** in this endorsement.

   d. Where and to the extent permitted by law, any person(s) or organization(s) where required by written contract or written agreement with you executed prior to any "accident", including those person(s) or organization(s) directing your work pursuant to such written contract or written agreement with you, provided the "accident" arises out of operations governed by such contract or agreement and only up to the limits required in the written contract or written agreement, or the Limits of Insurance shown in the Declarations, whichever is less.

2. The following is added to the **Other Insurance** Condition in the Business Auto Coverage Form and the **Other Insurance – Primary and Excess Insurance Provisions Condition** in the Motor Carrier Coverage Form:

   Coverage for any person(s) or organization(s), where required by written contract or written agreement with you executed prior to any "accident", will apply on a primary and non-contributory basis and any insurance maintained by the additional "insured" will apply on an excess basis. However, in no event will this coverage extend beyond the terms and conditions of the Coverage Form.

B. Amendment – Supplementary Payments

Paragraphs **a.(2)** and **a.(4)** of the **Coverage Extensions** Provision in **Section II – Covered Autos Liability Coverage** are replaced by the following:

(2) Up to $5,000 for the cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to $500 a day because of time off from work.

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C. **Fellow Employee Coverage**

The **Fellow Employee** Exclusion contained in **Section II – Covered Autos Liability Coverage** does not apply.

D. **Driver Safety Program Liability and Physical Damage Coverage**

1. The following is added to the **Racing** Exclusion in **Section II – Covered Autos Liability Coverage**:

   This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

2. The following is added to Paragraph **2.** in the **Exclusions** of **Section III – Physical Damage Coverage** of the Business Auto Coverage Form and Paragraph **2.b.** in the **Exclusions** of **Section IV – Physical Damage Coverage** of the Motor Carrier Coverage Form:

   This exclusion does not apply to covered "autos" participating in a driver safety program event, such as, but not limited to, auto or truck rodeos and other auto or truck agility demonstrations.

E. **Lease or Loan Gap Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Lease Or Loan Gap Coverage

In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the lease or loan for a covered "auto", less:

a. Any amount paid under the **Physical Damage Coverage** Section of the Coverage Form; and

b. Any:

   (1) Overdue lease or loan payments at the time of the "loss";

   (2) Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;

   (3) Security deposits not returned by the lessor;

   (4) Costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and

   (5) Carry-over balances from previous leases or loans.

F. **Towing and Labor**

Paragraph **A.2.** of the **Physical Damage Coverage** Section is replaced by the following:

We will pay up to $75 for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

G. **Extended Glass Coverage**

The following is added to Paragraph **A.3.a.** of the **Physical Damage Coverage** Section:

If glass must be replaced, the deductible shown in the Declarations will apply. However, if glass can be repaired and is actually repaired rather than replaced, the deductible will be waived. You have the option of having the glass repaired rather than replaced.

H. **Hired Auto Physical Damage – Increased Loss of Use Expenses**

The **Coverage Extension** for **Loss Of Use Expenses** in the **Physical Damage Coverage** Section is replaced by the following:

Loss Of Use Expenses

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or written rental agreement. We will pay for loss of use expenses if caused by:

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(1) Other than collision only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";

(2) Specified Causes Of Loss only if the Declarations indicate that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

(3) Collision only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is $100 per day, to a maximum of $3000.

I. **Personal Effects Coverage**

The following is added to the **Coverage** Provision of the **Physical Damage Coverage** Section:

Personal Effects Coverage

a. We will pay up to $750 for "loss" to personal effects which are:

(1) Personal property owned by an "insured"; and

(2) In or on a covered "auto".

b. Subject to Paragraph a. above, the amount to be paid for "loss" to personal effects will be based on the lesser of:

(1) The reasonable cost to replace; or

(2) The actual cash value.

c. The coverage provided in Paragraphs a. and b. above, only applies in the event of a total theft of a covered "auto". No deductible applies to this coverage. However, we will not pay for "loss" to personal effects of any of the following:

(1) Accounts, bills, currency, deeds, evidence of debt, money, notes, securities, or commercial paper or other documents of value.

(2) Bullion, gold, silver, platinum, or other precious alloys or metals; furs or fur garments; jewelry, watches, precious or semi-precious stones.

(3) Paintings, statuary and other works of art.

(4) Contraband or property in the course of illegal transportation or trade.

(5) Tapes, records, discs or other similar devices used with audio, visual or data electronic equipment.

Any coverage provided by this Provision is excess over any other insurance coverage available for the same "loss".

J. **Tapes, Records and Discs Coverage**

1. The Exclusion in Paragraph **B.4.a. of Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.2.c. of Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply.

2. The following is added to Paragraph **1.a. Comprehensive Coverage** under the **Coverage** Provision of the **Physical Damage Coverage** Section:

We will pay for "loss" to tapes, records, discs or other similar devices used with audio, visual or data electronic equipment. We will pay only if the tapes, records, discs or other similar audio, visual or data electronic devices:

(a) Are the property of an "insured"; and

(b) Are in a covered "auto" at the time of "loss".

The most we will pay for such "loss" to tapes, records, discs or other similar devices is $500. The **Physical Damage Coverage Deductible** Provision does not apply to such "loss".

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K. Airbag Coverage

The Exclusion in Paragraph **B.3.a.** of **Section III – Physical Damage Coverage** in the Business Auto Coverage Form and the Exclusion in Paragraph **B.4.a.** of **Section IV – Physical Damage Coverage** in the Motor Carrier Coverage Form does not apply to the accidental discharge of an airbag.

L. Two or More Deductibles

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

If an accident is covered both by this policy or Coverage Form and by another policy or Coverage Form issued to you by us, the following applies for each covered "auto" on a per vehicle basis:

1. If the deductible on this policy or Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible on this policy or Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

M. Physical Damage – Comprehensive Coverage – Deductible

The following is added to the **Deductible** Provision of the **Physical Damage Coverage** Section:

Regardless of the number of covered "autos" damaged or stolen, the maximum deductible that will be applied to Comprehensive Coverage for all "loss" from any one cause is $5,000 or the deductible shown in the Declarations, whichever is greater.

N. Temporary Substitute Autos – Physical Damage

1. The following is added to **Section I – Covered Autos:**

   Temporary Substitute Autos – Physical Damage

   If Physical Damage Coverage is provided by this Coverage Form on your owned covered "autos", the following types of vehicles are also covered "autos" for Physical Damage Coverage:

   Any "auto" you do not own when used with the permission of its owner as a temporary substitute for a covered "auto" you do own but is out of service because of its:

   1. Breakdown;
   2. Repair;
   3. Servicing;
   4. "Loss"; or
   5. Destruction.

2. The following is added to the Paragraph **A. Coverage** Provision of the **Physical Damage Coverage** Section:

   Temporary Substitute Autos – Physical Damage

   We will pay the owner for "loss" to the temporary substitute "auto" unless the "loss" results from fraudulent acts or omissions on your part. If we make any payment to the owner, we will obtain the owner's rights against any other party.

   The deductible for the temporary substitute "auto" will be the same as the deductible for the covered "auto" it replaces.

O. Amended Duties In The Event Of Accident, Claim, Suit Or Loss

Paragraph a. of the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is replaced by the following:

a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident", claim, "suit" or "loss". However, these duties only apply when the "accident", claim, "suit" or "loss" is known to you (if you are an individual), a partner (if you are a partnership), a member (if you are a limited liability company) or an executive officer or insurance manager (if you are a corporation). The failure of any

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agent, servant or employee of the "insured" to notify us of any "accident", claim, "suit" or "loss" shall not invalidate the insurance afforded by this policy.

Include, as soon as practicable:

(1) How, when and where the "accident" or "loss" occurred and if a claim is made or "suit" is brought, written notice of the claim or "suit" including, but not limited to, the date and details of such claim or "suit";

(2) The "insured's" name and address; and

(3) To the extent possible, the names and addresses of any injured persons and witnesses.

If you report an "accident", claim, "suit" or "loss" to another insurer when you should have reported to us, your failure to report to us will not be seen as a violation of these amended duties provided you give us notice as soon as practicable after the fact of the delay becomes known to you.

P. **Waiver of Transfer Of Rights Of Recovery Against Others To Us**

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

This Condition does not apply to the extent required of you by a written contract, executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by such contract. This waiver only applies to the person or organization designated in the contract.

Q. **Employee Hired Autos – Physical Damage**

Paragraph **b.** of the **Other Insurance** Condition in the Business Auto Coverage Form and Paragraph **f.** of the **Other Insurance – Primary and Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

(1) Any covered "auto" you lease, hire, rent or borrow; and

(2) Any covered "auto" hired or rented under a written contract or written agreement entered into by an "employee" or elected or appointed official with your permission while being operated within the course and scope of that "employee's" employment by you or that elected or appointed official's duties as respect their obligations to you.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

R. **Unintentional Failure to Disclose Hazards**

The following is added to the **Concealment, Misrepresentation Or Fraud** Condition:

However, we will not deny coverage under this Coverage Form if you unintentionally:

(1) Fail to disclose any hazards existing at the inception date of this Coverage Form; or

(2) Make an error, omission, improper description of "autos" or other misstatement of information.

You must notify us as soon as possible after the discovery of any hazards or any other information that was not provided to us prior to the acceptance of this policy.

S. **Hired Auto – World Wide Coverage**

Paragraph **7a.(5)** of the **Policy Period, Coverage Territory** Condition is replaced by the following:

(5) Anywhere in the world if a covered "auto" is leased, hired, rented or borrowed for a period of 60 days or less,

T. **Bodily Injury Redefined**

The definition of "bodily injury" in the **Definitions** Section is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease, sustained by a person including death or mental anguish, resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.

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U. **Expected Or Intended Injury**

The **Expected Or Intended Injury** Exclusion in Paragraph B. **Exclusions** under **Section II – Covered Auto Liability Coverage** is replaced by the following:

Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured". This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

V. **Physical Damage – Additional Temporary Transportation Expense Coverage**

Paragraph A.4.a. of **Section III – Physical Damage Coverage** is replaced by the following:

4. **Coverage Extensions**

   a. **Transportation Expenses**

   We will pay up to $50 per day to a maximum of $1,000 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

W. **Replacement of a Private Passenger Auto with a Hybrid or Alternative Fuel Source Auto**

The following is added to Paragraph **A. Coverage** of the **Physical Damage Coverage** Section:

In the event of a total "loss" to a covered "auto" of the private passenger type that is replaced with a hybrid "auto" or "auto" powered by an alternative fuel source of the private passenger type, we will pay an additional 10% of the cost of the replacement "auto", excluding tax, title, license, other fees and any aftermarket vehicle upgrades, up to a maximum of $2500. The covered "auto" must be replaced by a hybrid "auto" or an "auto" powered by an alternative fuel source within 60 calendar days of the payment of the "loss" and evidenced by a bill of sale or new vehicle lease agreement.

To qualify as a hybrid "auto", the "auto" must be powered by a conventional gasoline engine and another source of propulsion power. The other source of propulsion power must be electric, hydrogen, propane, solar or natural gas, either compressed or liquefied. To qualify as an "auto" powered by an alternative fuel source, the "auto" must be powered by a source of propulsion power other than a conventional gasoline engine. An "auto" solely propelled by biofuel, gasoline or diesel fuel or any blend thereof is not an "auto" powered by an alternative fuel source.

X. **Return of Stolen Automobile**

The following is added to the **Coverage Extension** Provision of the **Physical Damage Coverage** Section:

If a covered "auto" is stolen and recovered, we will pay the cost of transport to return the "auto" to you. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes of Loss Coverage.

All other terms, conditions, provisions and exclusions of this policy remain the same.

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ADDITIONAL INSURED – AUTOMATIC STATUS AS REQUIRED BY CONTRACT – BLANKET

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Any person or organization that you are required by written contract to include as an additional insured on this policy if the contract is executed prior to the loss.

A. Who is an Insured (Section II) is amended to include as an insured any person or organization shown in the above SCHEDULE (called additional insured), but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of your premises or your operations for the additional insured, and only to the extent and for the minimum limits required in the written contract.

B. The insurance provided to the additional insured is subject to the following limitations:

1. Unless required by written contract, this insurance does not apply to "bodily injury" or "property damage" occurring after "your work" for the additional insured has been completed or after that portion of "your work" out of which the "bodily injury" or "property damage" arises has been put to its intended use by any person or organization, whichever occurs first.

2. Unless specifically required by written contract, this insurance does not apply to "bodily injury" or "property damage" arising out of the sole negligence, act or omission of the additional insured.

3. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" for which the additional insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement except to the extent that the additional insured would have been obligated to pay such damages in the absence of the contract or agreement.

4. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render any professional services by any insured or on any insured's behalf, including:

   a) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, drawings or specifications; and
   b) Supervisory, inspection, architectural or engineering services.

   This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of, or the failure to render, any professional architectural, engineering or surveying services.

5. This endorsement shall not apply to a person or organization if any other additional insured endorsement attached to this policy specifically applies to that person or organization.

6. The insurance afforded herein only applies to the extent permitted by applicable state law, including statutes governing additional insured coverage in the construction industry.

7. The insurance afforded to the additional insured shall not exceed the minimum limits required in the written contract.

C. In no event shall the insurance provided to the additional insured exceed the scope of coverage, including minimum limits, required by the contract. If a written contract or agreement requires that additional insured status be provided by the use of specified edition dates of the ISO CG2010 and/or CG2037, then the terms of that endorsement are incorporated into this endorsement as respects such additional insured and shall supersede the coverage grant and limitations in Sections A. and B. of this endorsement. In the event that CG2010 and/or CG2037 are required but no edition dates are specified, the 04/13 editions shall apply.

D. This insurance is excess to any other insurance, whether primary, excess, contingent or on any other basis, available to the additional insured unless a written contract requires that this insurance be primary or primary and non-contributing. However, this insurance is always excess to other insurance, whether primary, excess, contingent or on any other basis, when the additional insured has been added to the other insurance as an additional insured.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the mentioned Policy, other than as above stated.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective: **Same as policy effective date unless otherwise indicated above.**

Policy Effective: 6/1/2017 Policy No.: GL17A00056 Endorsement No.:

Insured: Granite Rock Company Premium $

Insurance Company: American Contractors Insurance Co. RRG