

City of Redondo Beach

Progressive Design-Build Agreement

This **AGREEMENT** is made as of the 7th day of July in the year of 2026, by and between the following parties, for services in connection with the Project identified below:

OWNER:

City of Redondo Beach
415 Diamond Street
Redondo Beach, CA 90277

DESIGN-BUILDER:

Swinerton Builders
1150 S. Olive Street, 27th Floor
Los Angeles, CA 90015

PROJECT:

Measure FP - Public Safety General Obligation Bond Measure
Reconstruction of Fire Stations 1 & 2 Subproject

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree as set forth herein.

Article 1

General

- 1.1 Mutual Obligations. Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith to permit each party to realize the benefits afforded under the Contract Documents.
- 1.2 Basic Definitions. Exhibit 1 to this Agreement, DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder (2022 Edition)* ("General Conditions of Contract"), sets forth the definitions for defined terms in the Contract Documents, unless otherwise defined in this Agreement.
- 1.3 Design Professional Services. Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, currently California licensed design professionals employed by Design-Builder, or procured from qualified, independent, currently California licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.
 - 1.3.1 In accordance with California Civil Code Section 2782.8(b), "All contracts and all solicitation documents, including requests for proposal, invitations for bid, and other solicitation documents for design professional services are deemed to incorporate by reference the provisions of this section." Moreover, per Civil Code Section 2782.8(c), "design professional" includes all of the following:
 - 1.3.1.1 An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
 - 1.3.1.2 An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
 - 1.3.1.3 An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
 - 1.3.1.4 An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.
 - 1.3.2 Pursuant to Business and Professions Code Section 7059(b) and Public Contract Code Section 3300(a), a valid California Contractor's License Class "B" (General Building Contractor) issued by the California Contractors State License Board (CSLB) is required by the Design-Builder at the time the contract is awarded. Design-Builder shall maintain said license and obtain and maintain, at its sole cost and expense, such other license, permits, registrations, and approvals as may be required by applicable legal requirements. Design-Builder shall further ensure that all Design Consultants and Subcontractors obtain and maintain all licenses, permits, registrations, and approvals as may be required by the above statutes and any other applicable legal requirements.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 Owner shall provide Design-Builder with Owner's Project Criteria describing Owner's program requirements and objectives for the Project as set forth in Exhibit A. Owner's Project Criteria shall include Owner's use, space, price, time, site, performance, and expandability requirements. Owner's Project Criteria may include conceptual documents, design specifications, design performance specifications, and other technical materials and requirements prepared by or for Owner.

2.1.2 If Owner's Project Criteria have not been developed prior to the execution of this Agreement, Design-Builder will assist Owner in developing Owner's Project Criteria, with such service deemed to be an additional service for which additional compensation shall be paid by Owner to Design-Builder. If Owner has developed Owner's Project Criteria prior to executing this Agreement, Design-Builder shall review and prepare a written evaluation of such criteria, including recommendations to Owner for different and innovative approaches to the design and construction of the Project. The parties shall meet to discuss Design-Builder's written evaluation of Owner's Project Criteria and agree upon what revisions, if any, should be made to such criteria.

2.2 Phased Services.

2.2.1 Phase 1 Services. Design-Builder shall perform the services of design, pricing, and other services for the Project based on Owner's Project Criteria, as may be revised in accordance with Section 2.1 hereof, as set forth in Exhibit B, Scope of Services. Design-Builder shall perform such services to the level of completion required for Design-Builder and Owner to establish the Contract Price for Phase 2, as set forth in Section 2.3 below. The Contract Price for Phase 2 shall be developed during Phase 1 on an "open-book" basis. Design-Builder's Compensation for Phase 1 Services is set forth in Section 7.1 herein, including completion of design services for the Project pursuant to the Contract Price Amendment or, in the event that no such Contract Price Amendment is executed, upon the request of Owner pursuant to Section 5.3.2. The level of completion required for Phase 1 Services is defined in Exhibit B, Phase 1 Scope of Services (either as a percentage of design completion or by defined deliverables).

2.2.2 Phase 2 Services. Design-Builder's Phase 2 services shall consist of design support during construction, the procurement of all materials and equipment for the Project, the performance of construction services for the Project, the start-up, testing, and commissioning of the Project, and the provision of warranty services, all as to be further described in the Contract Price Amendment. Upon receipt of Design-Builder's proposed Contract Price for Phase 2, Owner may proceed as set forth in Section 2.3.

2.3 Proposal. Upon completion of the Phase 1 Services and any other Basis of Design Documents upon which the parties may agree, Design-Builder shall submit a proposal to Owner (the "Phase 2 Price Proposal") for the completion of the design and construction for the Project for the Contract Price, which may be based on Lump Sum or Design-Builder's Fee and Cost of the Work with an option for a Guaranteed Maximum Price (GMP).

2.3.1 The Phase 2 Price Proposal shall include the following unless the parties mutually agree otherwise:

2.3.1.1 The Contract Price that may be based on a Lump Sum or Design-Builder's Fee and Cost of the Work, with an option for a GMP, which shall be the sum of:

- i. Design-Builder's Fee as defined in Section 7.4.1 hereof;

- ii. The estimated Cost of the Work as defined in Section 7.5 hereof, inclusive of any Design-Builder's Contingency as defined in Section 7.6.2 hereof; and
- iii. The prices ("bid" or "fees") established under Section 7.1.3 hereof and as reflected in the Design-Builder's best and final offer (BAFO) dated May 4, 2026, and revised July 1, 2026.

2.3.1.2 The Basis of Design Documents, which may include, by way of example, Owner's Project Criteria, which are set forth in detail and are attached to the Phase 2 Price Proposal;

2.3.1.3 A list of the assumptions and clarifications made by Design-Builder in the preparation of the Phase 2 Price Proposal, which list is intended to supplement the information contained in the drawings and specifications and is specifically included as part of the Basis of Design Documents;

2.3.1.4 The Scheduled Substantial Completion Date upon which the Phase 2 Price Proposal is based, to the extent said date has not already been established under Section 6.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based and a project schedule for the Work (Project Schedule);

2.3.1.5 If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis;

2.3.1.6 If applicable, a schedule of alternate prices;

2.3.1.7 If applicable, a schedule of unit prices;

2.3.1.8 If applicable, a statement of Additional Services which may be performed but which are not included in the Phase 2 Price Proposal, and which, if performed, shall be the basis for an increase in the Contract Price and/or Contract Time(s);

2.3.1.9 If applicable, a Savings provision;

2.3.1.10 If applicable, Performance Incentives;

2.3.1.11 The time limit for acceptance of the Proposal; and

2.3.1.12 An Owner's permit list, a list detailing the permits and governmental approvals that Owner will bear responsibility to obtain.

2.3.2 Review and Adjustment to Phase 2 Price Proposal.

2.3.2.1 After submission of the Phase 2 Price Proposal, Design-Builder and Owner shall meet to discuss and review the Phase 2 Price Proposal. If Owner has any comments regarding the Phase 2 Price Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the Phase 2 Price Proposal.

2.3.2.2 Acceptance of Phase 2 Price Proposal. If Owner accepts the Phase 2 Price Proposal, as may be amended by Design-Builder and Owner, the Contract Price and its basis shall be set forth in an amendment to this Agreement, when mutually agreed between the parties (interchangeably Contract Price Amendment or Phase 2 Amendment). Once the parties have agreed upon the Contract Price and Owner has issued a Notice to Proceed with Phase 2 Services, Design-Builder shall perform the Phase 2 Services, all as further described in the Contract Price Amendment, as it may be revised.

2.3.2.3 Failure to Accept the Phase 2 Price Proposal. If Owner rejects the Phase 2 Price Proposal, or fails to notify Design-Builder in writing on or before the date specified in the Phase 2 Price Proposal that it accepts the Phase 2 Price Proposal, the Phase 2 Price Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

- i. Owner may suggest modifications to the Phase 2 Price Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the Phase 2 Price Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 2.3.2.2 above;
- ii. [DBIA Document No. 544, 2024, option intentionally omitted]; or
- iii. Owner may exercise its rights to terminate this Agreement for convenience in accordance with Article 9 hereof.

2.3.2.4 If Owner fails to exercise any of its options under Section 2.3.2.3 within, as applicable, the Phase 2 Price Proposal acceptance period, as such period may be extended by mutual agreement of the parties, Design-Builder may, after giving Owner thirty (30) days written notice of intention to do so, declare the Phase 2 Price Proposal null and void. Additionally, Design-Builder may declare that Owner has constructively terminated the Agreement under Section 9.1.1 below, in which case Design-Builder's sole rights and remedies shall be as stated in Section 9.1.2 below.

Article 3

Contract Documents

3.1 The Contract Documents are comprised of the following, all of which are incorporated by reference herein, and shall be construed in the following order of priority:

3.1.1 All written modifications, amendments, minor changes, and Change Orders to this Agreement issued in accordance with the General Conditions of Contract Agreement Between Owner and Design-Builder ("General Conditions of Contract");

3.1.2 The Contract Price Amendment referenced in Section 2.3.2.2 herein or the Phase 2 Price Proposal accepted by Owner in accordance with Section 2.3 herein.

3.1.3 This Agreement, including all exhibits (including, but not limited to Exhibits A, Owner's Project Criteria, and B, Scope of Services) but excluding, if applicable, the Contract Price Amendment; provided, that in the event of conflict between the Agreement and any attachment or exhibit, the Agreement shall prevail.

3.1.4 The General Conditions of Contract;

3.1.5 Construction Documents (100% signed drawings and completed Project specifications) prepared and approved in accordance with Section 2.4 of the General Conditions of Contract; and

3.1.6 Any other documents: RFQ/P No. 2526-PW002; and Design-Builder's Submittal and Cost Proposal (March 25, 2026), Presentation Package (April 23, 2026), and Best and Final Offer [BAFO] (May 4, 2026, and revised July 1, 2026).

Article 4

Interpretation and Intent

4.1 Design-Builder and Owner, at the time of acceptance of the Phase 2 Price Proposal by Owner in accordance with Section 2.3 hereof, shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement, or if applicable, prior to Owner's acceptance of the Phase 2 Price Proposal pursuant to a Contract Price Amendment.

4.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after Owner's acceptance of the Phase 2 Price Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict, or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 3.1 hereof.

4.3 Terms, words, and phrases used, and not otherwise defined in Exhibit 1 of this Agreement, in the Contract Documents, including this Agreement, shall have the meanings given them in the DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2022 Edition) ("General Conditions of Contract").

4.4 If Owner's Project Criteria contain design specifications: (a) Design-Builder is entitled to reasonably rely on the accuracy of the information represented in the design specifications and their compatibility with other information set forth in Owner's Project Criteria, including any design performance specifications; and (b) Design-Builder shall be entitled to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification.

4.5 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 5

Ownership of Work Product

5.1 **Owner's Rights in Work Product.** All drawings, specifications, and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement are "works made for hire" for the benefit of Owner, and are deemed "Work Product". Design-Builder hereby assigns and conveys to Owner all right, title, and interest, including all copyrights, patents, or any other intellectual property rights (but excluding Pre-Existing Intellectual Property defined in Section 5.3 below) in all Work Product and all ideas or methods specifically developed for such Work Product. All Work Product will become the property of Owner on the earlier of: (a) Owner's payment to Design-Builder of monies due in accordance with this Agreement and not subject to a good faith dispute; (b) the date any Work Product is delivered to Owner; or (c) upon any termination of this Agreement. Owner's use of any Work Product for any purpose other than the Project, without the involvement of Design-Builder, shall be at its own risk, and Design-Builder shall have no liability to Owner for or relating to any such use.

5.2 **Pre-Existing Intellectual Property.** Owner acknowledges and agrees that in the performance of services under this Agreement, a Design-Builder related entity may use proprietary algorithms, software, hardware, databases, other background technology, and other proprietary information that the Design-Builder related entity developed or licensed from third parties prior to the Agreement Date or, in the case

of the performance of Phase 2 Services, prior to the date upon which the GMP Amendment is effective, or for any specific Early Work Package, prior to the date upon which the relevant Early Work Package amendment is effective (“Pre-Existing Intellectual Property”). Without limiting Owner’s rights with respect to the Work Product or the Project, the Design-Builder related entity will retain all right, title, and interest in such Pre-Existing Intellectual Property. However, Owner shall have the irrevocable, perpetual, and unrestricted right from and after the Agreement Date to use (or permit use of) all Pre-Existing Intellectual Property incorporated in the Work Product or the Project, all oral information received by Owner in connection with the Work, and all ideas or methods represented by Pre-Existing Intellectual Property incorporated in the Work Product or the Project, and in each case without additional compensation. Design-Builder hereby licenses such irrevocable, perpetual, and limited rights to Owner for the sole purpose of designing, constructing, commissioning, operating, and maintaining the Project. Owner’s use of such license rights for any purpose other than the Project shall be at its own risk, and neither Design-Builder nor any other Design-Builder related entity shall have liability to Owner for or relating to any such use. The parties acknowledge and agree that notwithstanding the foregoing, any third party software purchased or developed for use for the Project, regardless of the date of purchase or development, shall be deemed to be Pre-Existing Intellectual Property, *provided, however*, that any input or output data or other information obtained through such third party software shall be deemed Work Product and not Pre-Existing Intellectual Property, unless such data or other information obtained otherwise meets the definition of Pre-Existing Intellectual Property.

Article 6

Contract Time

6.1 Date of Commencement. The Phase 1 Services shall commence within five (5) days of Design-Builder’s receipt of Owner’s Notice to Proceed for Phase 1 Services unless the parties mutually agree otherwise in writing. The Work shall commence within five (5) days of Design-Builder’s receipt of Owner’s Notice to Proceed for Phase 2 Services (“Date of Commencement”) if the Phase 2 Price Proposal is accepted and the Contract Price Amendment is amended pursuant to this Agreement unless the parties mutually agree otherwise in writing. Phase 1 Services shall be completed no later than the date set forth in the milestone schedule as shown in 6.2.2 below.

6.2 Substantial Completion and Final Completion.

6.2.1 Substantial Completion of the entire Work shall be achieved no later than nine hundred thirty-five (935) calendar days after the Date of Commencement (“Scheduled Substantial Completion Date”).

6.2.2 Interim Milestones and/or Substantial Completion of identified portions of the Work shall be achieved as follows:

- a. 100% Schematic Design (SD) within one hundred twenty (120) calendar days of the Date of Commencement for Phase 1 Services.
- b. 100% Design Development (DD) and Phase 2 Price Proposal submittal within two hundred thirty (230) calendar days of the Date of Commencement for Phase 1 Services.
- c. Substantial Completion within the earlier of (a) six hundred fifty (650) calendar days of the Notice to Proceed for Phase 2 Services or (b) the Scheduled Substantial Completion Date.

6.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.17 of the General Conditions of Contract.

6.2.4 All of the dates set forth in this Article 6 (“Contract Time(s)”) shall be subject to adjustment in accordance with the General Conditions of Contract.

6.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

6.4 Liquidated Damages. Design-Builder understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify.

6.4.1 Design-Builder agrees that if Substantial Completion is not attained by the Scheduled Completion Date (the "Phase 2 LD Date"), Design-Builder shall pay Owner five thousand dollars (\$5,000) as liquidated damages for each day that Substantial Completion extends beyond the Phase 2 LD Date.

6.5 Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages, whether special or consequential, and of whatsoever nature, incurred by Owner which are occasioned by any delay in achieving Substantial Completion, Interim Milestone Dates (if any), or Final Completion; provided, that this limitation shall not apply to other extra costs, losses, expenses, claims, penalties, and any other damages arising for reasons caused by the Design-Builder that do not relate to delay in achieving Substantial Completion, Interim Milestone Dates (if any) or Final Completion.

Owner and Design-Builder agree that the maximum aggregate liability Design-Builder has for any liquidated damages that may be assessed under this Agreement shall be (\$_____) dollars.

Article 7

Contract Price

7.1 Contract Price.

7.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the not-to-exceed sum of one million six hundred sixty-four thousand eight hundred fifteen dollars (\$1,664,815) for the Phase 1 Services, subject to adjustments made in accordance with the General Conditions of Contract ("Phase 1 Services Contract Price"). Unless otherwise provided in the Contract Documents, the Phase 1 Services compensation is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.1.1.1 Phase 1 Services Contract Price is deemed to constitute the following:

- a. Design services, including program validation, conceptual design, schematic design and design development necessary to support the development of the GMP, but excluding construction documents and construction administration, in the not-to-exceed sum of one million four hundred seventy-five thousand three hundred eighty-five dollars (\$1,475,385);
- b. Pre-construction services, such as estimating, scheduling, phasing/logistics planning, and constructability reviews for the Design-Builder and its subcontractors or consultants, in the not-to-exceed sum of three hundred ninety thousand two hundred seventy-nine dollars (\$390,279); and
- c. Less a combined program discount for leveraging one integrated team across the Measure FP subprojects of two hundred thousand eight hundred forty-nine dollars (\$200,849).

7.1.2 For Phase 2 Services, Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to the Lump Sum amount set forth in Section 7.2 hereof or in the Contract Price Amendment, or equal to the Design-Builder's

Fee (as defined in Section 7.4 hereof) plus the Cost of the Work (as defined in Section 7.5 hereof), subject to any GMP established in Section 7.6 hereof or as set forth in the Contract Price Amendment and any adjustments made in accordance with the General Conditions of Contract.

7.1.3 For the specific Phase 2 Work set forth below, Owner agrees to pay Design-Builder, as part of the Contract Price, on the following basis, as may be applicable and unless the parties agree otherwise.

7.1.3.1 Design completion services, including design consultant fees for preparation of construction documents, in the not-to-exceed sum of one million fifty-eight thousand three hundred forty-five dollars (\$1,058,345).

7.1.3.2 Construction administration services through Project closeout in the not-to-exceed sum of nine hundred thirty thousand six hundred fifty dollars (\$930,650).

7.1.3.3 General conditions (GC)/general requirements (GR) on a monthly basis in the not-to-exceed sum of two hundred one thousand five hundred sixty dollars (\$201,560), based on an assumed Phase 2 construction duration of twenty-one (21) months.

- a. In the event the parties collaboratively work during Phase 1 to reach agreement on a reduced construction duration for Phase 2 Work, the total GC/GR shall be proportionally reduced, with such savings realized by the City and incorporated into the GMP.

7.1.3.4 Overhead and profit (Design-Builder's Fee) in an amount not to exceed four percent (4.00%) of the Cost of the Work (construction costs), exclusive of GC/GR, contingencies, escalation, insurance, and payment and performance bonds.

7.1.3.5 Payment and performance bonds in an amount not to exceed one-half of one percent (0.50%) of the Cost of the Work (construction costs).

7.2 Lump Sum. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum as set forth in the Contract Price Amendment ("Contract Price") for the Work for Phase 2 Services, subject to adjustments made in accordance with the General Conditions of the Contract. Unless otherwise provided in the Contract Documents, the Contract Price is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.3 Markups for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Article 9 of the General Conditions of Contract, the following markups shall be allowed on such changes:

7.3.1 For additive Change Orders initiated by the Owner, including additive Change Orders arising from both additive and deductive items, it is agreed that Design-Builder shall receive a Fee equal to the percentage set forth in the Design-Builder's Fee of the additional costs incurred for that Change Order, plus any other markups set forth in the Contract Price Amendment, if any.

7.3.2 For deductive Change Orders initiated by the Owner, including deductive Change Orders arising from both additive and deductive items, the deductive amounts shall include an amount not to exceed the percentage set forth in Section 7.1.3.4 above.

7.3.3 Any changes or extra work provided under any Change Order shall be a part of and subject to all the provisions of this Agreement and the Design-Builder, and its sureties shall be bound thereby and to the same extent as under the original Agreement.

7.4 Design-Builder's Fee.

7.4.1 Design-Builder's Fee for Phase 2 Services shall be as established in Section 7.1.3.4 above.

7.4.2 Design-Builder's Fee will be adjusted as follows for any changes in the Work:

7.4.2.1 For additive Change Orders initiated by the Owner, including additive Change Orders arising from both additive and deductive items, it is agreed that Design-Builder shall receive a Fee not to exceed the percentage established in Section 7.1.3.4 and applied to the additional Costs of the Work incurred for that Change Order, plus any other markups set forth in the Contract Price Amendment, if any.

7.4.2.2 For deductive Change Orders initiated by the Owner, including deductive Change Orders arising from both additive and deductive items, the deductive amounts shall include an amount not to exceed the percentage set forth in Section 7.1.3.4 above.

7.5 Cost of the Work.

7.5.1 The term Cost of the Work shall mean costs reasonably incurred by Design-Builder in the proper performance of the Work. The Cost of the Work shall include only the following:

7.5.1.1 Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site, provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.

7.5.1.2 Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.

7.5.1.3 Wages or salaries of Design-Builder's personnel stationed at Design-Builder's principal or branch offices, but only to the extent said personnel are identified in Exhibit C and performing the function set forth in said Exhibit. The reimbursable costs of personnel stationed at Design-Builder's principal or branch offices shall include no markup to compensate Design-Builder for the Project-related overhead associated with such personnel.

7.5.1.4 Pro rata costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 7.5.1.1 through 7.5.1.3 hereof. Such costs shall not be subject to additional markup, overhead, or profit.

7.5.1.5 The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work.

7.5.1.6 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants.

7.5.1.7 Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work (including any warranty or corrective Work performed after Substantial Completion), provided that such Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes, inadvertence, and negligence of Design-Builder or those working by or through Design-Builder. If the costs associated with such Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise best efforts to obtain recovery from the appropriate source and provide a credit to Owner if recovery is obtained.

7.5.1.8 Costs, including transportation, inspection, testing, storage, and handling of materials, equipment, and supplies incorporated or reasonably used in completing the Work.

7.5.1.9 Costs less salvage value of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling, and removing such items.

7.5.1.10 Costs of removal of debris and waste from the Site.

7.5.1.11 The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying, and reasonable petty cash expenses, to the extent not already included within GC/GR compensated pursuant to Section 7.1.3.3.

7.5.1.12 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work; provided, that any rental charges or costs from assets rented from Design-Builder shall not exceed the prevailing market cost (which shall not exceed the applicable rate set forth in the most current Labor Surcharge and Equipment Rental Rates (Cost of Equipment Ownership) published by the State of California, California State Transportation Agency, Department of Transportation, Division of Construction), and further provided that such costs are not already included GC/GR compensated pursuant to Section 7.1.3.3.

7.5.1.13 Premiums for insurance and bonds required by this Agreement or the performance of the Work, to the extent not separately compensated pursuant to Section 7.1.3.

7.5.1.14 All fuel and utility costs incurred in the performance of the Work.

7.5.1.15 Sales, use, or similar taxes, tariffs, or duties incurred in the performance of the Work.

7.5.1.16 Legal costs, court costs, and costs of mediation and arbitration reasonably arising from claims based on the Owner's negligence, wrongful acts, or breach of this Agreement, as determined by agreement or final judicial decision.

7.5.1.17 Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.

7.5.1.18 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product expressly required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent, except to the extent caused by Design-Builder's negligence, willful misconduct, or breach of this Agreement.

7.5.1.19 Deposits which are lost, except to the extent caused by Design-Builder's negligence or avoidable omissions.

7.5.1.20 Costs incurred in preventing damage, injury, or loss in case of an emergency affecting the safety of persons and property, except to the extent caused by Design-Builder's negligence.

7.5.1.21 Accounting and data processing costs related to the Work, excluding corporate overhead, enterprise software, and general business operations costs.

7.5.1.22 Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

7.5.2 Non-Reimbursable Costs. The following shall be excluded from the Cost of the Work:

7.5.2.1 Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 7.5.1.1, 7.5.1.2, and 7.5.1.3 hereof.

7.5.2.2 Overhead and general expenses, except as provided for in Section 7.5.1 hereof, or which may be recoverable for changes to the Work.

7.5.2.3 The cost of Design-Builder's capital used in the performance of the Work.

7.5.2.4 If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted in accordance with the Contract Documents, to be exceeded.

7.5.2.5 Any costs arising from the Design-Builder's negligence.

7.5.2.6 Costs included within the negotiated GC/GR, overhead and profit, and/or bond percentages established under Section 7.1.3 above shall also constitute non-reimbursable costs.

7.5.3 In the event that Design-Builder receives proceeds from third party sources for the Cost of Work, including, but not limited to insurance proceeds, such amounts shall reduce the City's obligation to make such payment for such Cost of Work.

7.6 The Guaranteed Maximum Price (GMP). If this option is used, the GMP and its basis shall be set forth in an amendment to this Agreement (Contract Price Amendment or Phase 2 Amendment) and may include any of the following unless the parties mutually agree otherwise.

7.6.1 Design-Builder guarantees that it shall not exceed the GMP of (\$ _____) dollars. Documents used as a basis for the GMP shall be identified in the Contract Price Amendment to this Agreement. Design-Builder does not guarantee any specific line item provided as part of the GMP and has the sole discretion to apply payment due to overruns in one line item to savings due to underruns in any other line item. Design-Builder agrees, however, that it will be responsible for paying all costs of completing the Work which exceed the GMP, as adjusted in accordance with the Contract Documents.

7.6.2 The GMP includes a Contingency in the amount of (\$ _____) dollars, which is available for Design-Builder's exclusive use for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Article 8 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price. The Contingency is not available to Owner for any reason, including changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner notice of all anticipated charges against the Contingency, and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide

reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

7.6.3 Savings.

7.6.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 7.1.3 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows:

Twenty percent (20%) to Design-Builder and eighty percent (80%) to Owner.

or

The first (\$ _____) dollars of Savings shall be provided to _____ (choose either Design-Builder or Owner), with the balance of Savings, if any, shared (____%) percent to Design-Builder and (____%) percent to Owner.

7.6.3.2 Savings shall be calculated and paid as part of Final Payment under Section 8.4 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, the parties shall recalculate the Savings in light of the costs so incurred, and Design-Builder shall be paid by Owner accordingly.

7.7 Allowance Items and Allowance Values.

7.7.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the Contract Price Amendment or the Phase 2 Price Proposal.

7.7.2 Design-Builder and Owner shall have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

7.7.3 No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed by the date set forth in the Project Schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.

7.7.4 The Allowance Value includes the direct cost of labor, materials, equipment, transportation, taxes, and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and Fee, are deemed to be included in the original Contract Price, and are not subject to adjustment notwithstanding the actual amount of the Allowance Item.

Article 8

Procedure for Payment

8.1 Payment for Preliminary Services. Design-Builder and Owner agree upon the following method for partial and final payment to Design-Builder for the services hereunder: The hourly rates set forth in Exhibit C; provided, that in no event shall exceed the Phase 1 Contract Price.

8.2 Contract Price Progress Payments.

8.2.1 Design-Builder shall submit to Owner by the twenty-first (21st) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

8.2.2 Owner shall make payment within thirty (30) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

8.2.3 If Design-Builder's Fee under Section 7.4 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

8.3 Retainage on Progress Payments.

8.3.1 Owner will retain five percent (5%) of each Application for Payment provided, however, that when seventy-five percent (75%) of the Work has been satisfactorily completed by Design-Builder and Design-Builder is otherwise in compliance with its contractual obligations, Owner may choose to not retain any additional retention amounts from Design-Builder's subsequent Applications for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project.

8.3.2 Within thirty (30) days after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to: (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion; and (b) all other amounts Owner is entitled to withhold pursuant to Section 6.3 of the General Conditions of Contract.

8.4 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.6 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within sixty (60) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.6 of the General Conditions of Contract.

8.5 Interest. Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of one percent (1%) per month until paid.

8.6 Record Keeping and Finance Controls. Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of four (4) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time to time, upon reasonable notice, Design-Builder's records, books, correspondence,

receipts, subcontracts, purchase orders, vouchers, memoranda, and other data relating to the Work, all of which Design-Builder shall preserve for a period of four (4) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, but the composition of such multiplier or markup is not subject to audit. Any lump sum agreed to by Owner and Design-Builder as part of this Agreement is not subject to audit.

Article 9

Termination for Convenience

9.1 Owner's Right to Terminate for Convenience Prior to Execution of Phase 2 Amendment

9.1.1 Prior to execution of the Phase 2 Amendment, Owner may terminate this Agreement for its convenience for any reason, including but not limited to the failure of Owner and Design-Builder to agree upon the terms of a Phase 2 Amendment. Owner's decision to terminate under this Section 9.1.1 shall be made in its sole and absolute judgment. The provisions of this Section 9.1 address Owner's rights to terminate this Agreement for its convenience prior to the execution of the Phase 2 Amendment. For the avoidance of doubt, the termination for convenience provisions of Section 11.6 of the General Conditions of Contract is not applicable to Owner's termination under this Section 9.1.

9.1.2 If Owner terminates this Agreement under Section 9.1.1 above, Design-Builder's sole and exclusive right and remedy shall be to be paid for all Phase 1 Services properly performed through the date of the termination notice. Design-Builder shall not be entitled to any overhead or profit on unperformed Work or services of any other kind. In no case shall Design-Builder or any other Design-Builder related entity be entitled to anticipatory or unearned profits, unabsorbed overhead, opportunity costs, or consequential or other damages as a result of the termination.

9.1.3 Owner shall have the right, in its sole and absolute judgment, to determine whether to complete the Project and, if so, the delivery approach for the Project, including but not limited to the right to complete the design and use a design-bid-build or construction manager at-risk process, retain another design-builder, or any other delivery approach.

9.2 Furnishing of Documents

9.2.1 If Owner has exercised its rights under Section 9.1.1 above, Owner and Design-Builder shall promptly meet and confer about the documents and other materials prepared by Design-Builder, Design Consultants and, if applicable, Subcontractors as part of the Phase 1 Services. Design-Builder shall furnish, or cause to be furnished, to Owner all design documents and other materials, including but not limited to schedules, bid packages, cost estimates, and procurement documents, requested by Owner, which documents shall, to the extent they were not already Work Product, be deemed Work Product.

9.3 Owner's Right to Terminate for Convenience after Execution of Phase 2 Amendment

9.3.1 Upon execution of the Phase 2 Amendment, Owner's rights to terminate this Agreement for convenience shall be governed by Section 11.6 of the General Conditions of Contract.

9.4 Conditional Right of Owner to Contract with Design Consultants

9.4.1 Design-Builder acknowledges that Owner's ability to successfully complete the Project may be significantly impacted if Owner terminates Design-Builder for either cause or convenience and certain Design Consultants (including a Lead Designer) are not available to continue working on the Project. Consequently, Design-Builder hereby agrees that if Owner exercises its rights under

Section 9.1.1 above, or exercises its rights to terminate under either Sections 11.2 or 11.6 of the General Conditions of Contract, Owner shall have the right, but not the obligation, to contract directly with any and all Design Consultants for services related to this Project. Design-Builder shall take such steps as are reasonably necessary to enable Owner to implement such relationships, including having a provision in its Subcontracts with Design Consultants that, in the event Design-Builder is terminated under this Agreement for any reason, the Design Consultant will in good faith negotiate with Owner the contractual terms (e.g., scope of work, compensation and other requirements) associated with such Design Consultant continuing to work on the Project. For the avoidance of doubt, Design-Builder shall have no liability to Owner for those acts or omissions of a Design Consultant that take place after the termination of the Contract with Design-Builder and Design Consultant enters into a contract with Owner.

9.5 Design Consultant Liability

9.5.1 In accordance with California Public Contract Code Section 22185.5(c)(2), any Design Consultant responsible for performing design services on behalf of Design-Builder that has been replaced shall have sole liability for its design errors and omissions, provided Owner elects to use such Design Consultant's complete and stamped designs with subsequent design-build entities or licensed contractors.

Article 10

Representatives of the Parties

10.1 Owner's Representatives.

10.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Article 10 of the General Conditions of Contract:

Luke Smude, Assistant to the City Manager
415 Diamond Street, Redondo Beach, CA 90277, 310-697-3236

10.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract:

Dustin Alamo, Vice President, Griffin Structures
1 Technology Drive, Building I, Suite 829, Irvine, CA 92618, 949-497-9000, x263

10.2 Design-Builder's Representatives.

10.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2 of the General Conditions of Contract:

Besim Fejzagic, Director of Public/Civic
1150 S. Olive Street, 27th Floor, Los Angeles, CA 90015, 949-468-8582

10.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract:

Besim Fejzagic, Director of Public/Civic
1150 S. Olive Street, 27th Floor, Los Angeles, CA 90015, 949-468-8582

10.3 Design-Builder's Representations

10.3.1 Design-Builder reaffirms that all disclosures, representations, warranties, and certifications made in Design-Builder's Proposal remain true and correct as of the Agreement Date and shall remain binding and in effect throughout the term of this Agreement.

10.4 Representations in Submitting the Phase 2 Price Proposal and Executing the Phase 2 Amendment. Design-Builder shall be deemed to have made the following representations with its submission of the Phase 2 Price Proposal and execution of the Phase 2 Amendment (interchangeably the Contract Price Amendment):

10.4.1 Design-Builder has examined, carefully studied, and thoroughly understands the Contract Documents and the Owner-furnished information associated with the Work covered by the Phase 2 Price Proposal and Phase 2 Amendment.

10.4.2 Design-Builder has visited the Site and has become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work covered by the Phase 2 Price Proposal and Phase 2 Amendment.

10.4.3 Design-Builder is familiar with and is satisfied as to all Legal Requirements that may affect cost, progress, or performance of the Work covered by the Phase 2 Price Proposal and Phase 2 Amendment.

10.4.4 Design-Builder has correlated the Contract Documents with the information known to Design-Builder, information obtained from the Owner-furnished information, and observations made during visits to the Site.

10.4.5 Design-Builder is aware of the nature of other work that will be undertaken by Owner's Separate Contractors, and of the relationship of such other work to the Work.

10.4.6 Design-Builder has given Owner written notice of all conflicts, errors, ambiguities, or discrepancies that Design-Builder has discovered in the Contract Documents and Owner-furnished information before submitting the Phase 2 Price Proposal and the written resolution thereof by Owner is acceptable to Design-Builder.

10.4.7 The Phase 2 Price Proposal Design Documents are based upon and comply with Owner's Project Criteria.

10.4.8 The Contract Documents are sufficiently complete to indicate and convey an understanding of all terms and conditions for performance and furnishing of the Work covered by the Phase 2 Price Proposal and Phase 2 Amendment, including having enabled Design-Builder to establish the GMP.

10.4.9 The GMP established by the Phase 2 Price Proposal contains sufficient monies to perform all Work associated with the Phase 2 Price Proposal, including Design-Builder's obligation to provide and construct any items that are not explicitly contained in the Phase 2 Price Proposal Documents but which are reasonably inferable from the Phase 2 Price Proposal Design Documents and necessary to provide a fully-functioning Project conforming to the Contract Documents.

10.4.10 Design-Builder shall be bound by and shall perform its obligations in full compliance with the Contract Documents.

Article 11

Bonds and Insurance

11.1 Insurance. Design-Builder shall procure, at its own cost and without reimbursement, the insurance coverages set forth in Appendix H - Insurance Requirements attached hereto.

11.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

Performance Bond.

Required Not Required

Payment Bond.

Required Not Required

Other Performance Security.

Required Not Required

Article 12

Other Provisions

12.1 Other provisions, if any, are as follows: All Exhibits, Appendices, Attachments and documents specified in Section 12.2 below are incorporated by reference herein.

12.2 Listing of Exhibits, Appendices, Attachments and documents incorporated herein:

Exhibit 1 - General Conditions of Contract

Exhibit A - Owner's Project Criteria

Exhibit B - Scope of Services

Exhibit C - Design-Builder's Personnel and Hourly Rates

Appendix A - Other Terms and Conditions [Included within Attachment 1 - RFQ/P]

Appendix B - Design-Build Firm Questionnaire

Appendix C - Designation of Subcontractors List

Appendix D - Conflict of Interest Disclosure

Appendix E - Non-Collusion Declaration

Appendix F - Performance Bond

Appendix G - Labor and Material Payment Bond

Appendix H - Insurance Requirements

Attachment 1 - Request for Qualifications/Proposals (RFQ/P)

Contract Price Amendment (if any)

Any claims, disputes, or controversies between the parties arising out of or related to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 of the General Conditions of Contract shall be resolved in a court of competent jurisdiction in the state in which the Project is located.

12.3 Standard Owner Terms

12.3.1 By execution of this Agreement and upon City's issuance of a written "Notice to Proceed", Owner contracts for the services in Phase One (1) for design. Design-Builder shall not perform any other Phase of the Agreement, and this Agreement shall not be a contract for any other Phase, until further performance is authorized by Owner's issuance of a written "Notice to Proceed" for such additional phase(s). It shall, however, remain Design-Builder's offer to perform all remaining phases described herein. In the event Design-Builder performs without Owner's prior written authorization, Design-Builder will not be entitled to compensation for such services.

12.3.2 Design-Builder acknowledges, represents and warrants that Design-Builder has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

12.3.3 Design-Builder shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by Owner; provided, however, that Owner may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.

12.3.4 Design-Builder acknowledges, represents and warrants that Design-Builder shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Design-Builder further acknowledges, represents and warrants that Design-Builder has no business relationship or arrangement of any kind with any Owner official or employee with respect to this Agreement. Design-Builder acknowledges that in the event that Design-Builder shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to Owner forthwith. This provision shall survive the termination of this Agreement for one (1) year.

12.3.5 Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties".

12.3.6 No Owner official or employee shall be personally liable for any default or liability under this Agreement.

12.3.7 This Agreement constitutes the entire agreement between the parties concerning the subject matter herein and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Design-Builder and Owner may be used to assist in the interpretation of the exhibits to this Agreement.

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:
CITY OF REDONDO BEACH,
a Chartered Municipal Corporation

DESIGN-BUILDER:
SWINERTON BUILDERS
a California Corporation

James A. Light, Mayor
City of Redondo Beach

By: _____
(Chairman/President/Vice President)

John R.W. (Bobby) Jennings
Vice President and Division Manager

Date: _____

And: _____
(Secretary/Treasurer/Financial Officer)

ATTEST:

Bradley K. Peterson
Executive Vice President/Chief Financial Officer

Eleanor Manzano, City Clerk

Date: _____

APPROVED AS TO LEGAL FORM:

Joy A. Ford, City Attorney

Diane Strickfaden, Risk Manager

EXHIBIT “1”

GENERAL CONDITIONS OF CONTRACT

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Based on Design-Build Institute of America (DBIA) Document No. 535, Standard Form of General Conditions of Contract Between Owner and Design-Builder (Third Edition, 2022), as Modified by the Agreement and City Attachments.

Article 1

General

1.1 Mutual Obligations.

1.1.1 Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits accorded under the Contract Documents.

1.2 Basic Definitions.

The following defined terms shall have the same meaning as used throughout the Contract Documents, except where a separate and/or more specific definition is provided.

1.2.1 *Agreement* refers to the document titled "Progressive Design-Build Agreement" as part of the Contract Documents and means the Agreement between the City and the Design-Build Entity for Design-Build Entity's Work on the Project to which these General Conditions are attached.

1.2.2 *Allowance Item* is a scope of work for a designated portion of the Project that the parties agree to manage pursuant to Section 7.7 of the Agreement.

1.2.3 *Allowance Value* means an itemized budget value identified in the Contract Price Amendment for Allowance Items as determined pursuant to Section 7.7 of the Agreement.

1.2.4 *Application for Payment* means a request for payment in form acceptable to Owner that is submitted by Design-Builder to Owner on a monthly basis, or other periodic basis acceptable to Owner, and which includes, without limitation, all supporting documentation and information required by Owner or the Contract Documents.

1.2.5 *Basis of Design Documents* means the documentation that serve as the basis for the design document submitted under the Agreement, including complete drawings based on the Owner's Project Criteria and Scope of Work, in each case, as modified in accordance with the Agreement.

1.2.6 *Commercial Terms* are any terms that establish the Contract Price or Design-Builder's Compensation, including but not limited to the GMP, any Not-to-Exceed amount, any Lump Sum, any Allowance, or the Design-Builder's Contingency. The term "Commercial Terms" also includes any terms that establish the Contract Time(s), including but not limited to the Project Schedule, Substantial Completion, and Final Completion

1.2.7 *Construction Documents* are the documents, consisting of Drawings and Specifications, to be prepared or assembled by Design-Builder consistent with the Owner's Project Criteria and the Basis of Design Documents unless a deviation from the Owner's Project Criteria or Basis of Design Documents is specifically set forth in a Change Order executed by both Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of the General Conditions.

1.2.8 *Contract Price Amendment or Phase 2 Amendment* has the meaning assigned to such term in Section 2.3.2.2 of the Agreement.

1.2.9 *Day or Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.10 *Design-Builder or Design-Build Entity* means the corporation, limited liability company, partnership, joint venture, or other legal entity that is appropriately licensed and capable of providing, and has agreed to provide, all contracting, architectural, and engineering Work required to design and construct the Project consistent with the Contract Documents.

1.2.11 *Design-Build Team* is comprised of Design-Builder, Design Consultant, and key Subcontractors identified by Design-Builder.

1.2.12 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of Design Consultant but is retained by Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

1.2.13 *Design Log* is a log of Reliable Design Decisions agreed upon by the parties and supplements the Owner's Program and the Basis of Design Documents, as applicable.

1.2.14 *Design Materials, Submission or Submittal* means any and all documents, shop drawings, electronic information, including computer programs and computer-generated materials, data, plans, drawings, sketches, illustrations, specifications, descriptions, models, and other information developed, prepared, furnished, delivered or required to be delivered by, or for, the Design-Builder to the Owner under the Contract Documents or developed or prepared by or for the Design-Builder specifically to discharge its duties under the Contract Documents.

1.2.15 *Differing Site Conditions* has the meaning set forth in Section 4.3 below.

1.2.16 *Equipment and Materials* shall mean all of the equipment, materials, machinery, apparatus, structures, supplies and other goods required by the terms of the Contract Documents to complete the Work and to be incorporated into the Project or provided to Owner. The term "Equipment and Materials" shall not be construed to include any construction equipment, supplies, materials, apparatus or tools owned by Design-Builder or any other Design-Builder Related Entity that are used to complete the Work but are not contemplated under the Contract Documents to become incorporated into the Project or to be provided to Owner.

1.2.17 *Final Completion* of the entire Project shall be deemed to have occurred when all Work, including that identified on the Punch List, is complete in accordance with the Contract Documents, and Design-Builder has satisfied all conditions for Final Completion set forth in the Contract Documents, including, without limitation, Section 8.3 below. Obligations which by their nature accrue or continue past Final Completion, such as warranty obligations, are not required to be complete in order to achieve Final Completion.

1.2.18 *Force Majeure Events* are those events that are beyond the control of both Design-Builder and Owner, including the events of war, fires, floods, labor disputes, riot or similar civil disturbance, earthquakes, epidemics or pandemics, adverse weather conditions not reasonably anticipated, natural catastrophes which neither party can prevent, and other acts of God. Financial incapacity of Design-Builder shall not be deemed to be a Force Majeure Event.

1.2.19 *General Conditions of Contract* refer to this *General Conditions of Progressive Design-Build Contract Between Owner and Design-Builder*.

1.2.20 *Governmental Approval* means any authorization, consent, approval, license, lease, ruling, permit, certification, exemption, or registration by or with any national, state or local government, any political subdivision thereof, or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or other person and/or entity having jurisdiction over the performance of the Work, the Project or the Parties.

1.2.21 *Guaranteed Maximum Price (GMP)*, including all contingencies, shall mean the maximum price that the Owner will pay Design-Builder for all Construction Work.

1.2.22 *Hazardous Materials or Environmental Conditions* are any materials, wastes, substances

and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.23 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.24 *Notice to Proceed* means a written notice provided by Owner to Design-Builder authorizing and directing Design-Builder to commence performance of the Work, or any Phase(s) of the Work, specified in such a notice.

1.2.25 *Open-Book Basis* means providing Owner all underlying assumptions, records, price quotes and other data associated with pricing or compensation or adjustments thereto, including assumptions as to the costs of the Work, schedule, composition of equipment spreads, equipment rates, labor rates and burdens, productivity allowance, estimating factors, contingency and indirect costs, risk pricing, discount rates, interest rates, and other items reasonably required by Owner to satisfy itself as to the reasonableness and accuracy of the amount(s) proposed by Design-Builder.

1.2.26 *Owner or City* means the City of Redondo Beach, California.

1.2.27 *Owner Indemnitees* has the meaning assigned to such term in Article 4 of the General Conditions of Contract.

1.2.28 *Owner's Project Criteria or Program* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, and LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

1.2.29 *Performance Criteria* means the requirements developed by or for the City to describe the City's program requirements and objectives for the Project, including, as appropriate, use, space, price, durability, production standards, ingress and egress requirements, expandability requirements, or other criteria for the intended design and use of the Project. Performance Criteria may include conceptual documents, performance-oriented preliminary drawings, design criteria, standards, outline specifications and/or other documents provided to Design-Builder establishing the Project's basic elements and their relationship to the Site.

1.2.30 *Preconstruction Services* shall mean the Work performed during the Design Work to calculate the cost of Construction Work, refine deliverables, review constructability and coordination of Design Materials, and to align Design Work with the target GMP, including, without limitation, value engineering, constructability reviews, procuring Subcontractors, and preparing the GMP pursuant to the Contract Documents.

1.2.31 *Project* means the total design, phasing and construction of the Owner's public safety facilities or buildings as set forth in the Contract Documents.

1.2.32 *Project Schedule* is the schedule provided by the Design-Builder and approved by the Owner pursuant to Section 2.1.3 of the General Conditions and Section 2.3.1.4 of the Agreement.

1.2.33 *Punch List* means the list of Work that has been identified as incomplete by the parties as of the Substantial Completion Date and compiled as set forth under the General Conditions.

1.2.34 *Reliable Design Decision* is a decision, development, or election that refines the Basis of Design Documents, that is approved by the Owner and set forth in the Design Log, and with which all subsequent Design Submissions and Construction Documents shall be consistent.

1.2.35 *Schedule of Values* means the tabulation or breakdown of the entire GMP set forth in an exhibit to the Contract Price Amendment, allocating such GMP to various components or portions of the Work and other line-items, prepared by Design-Builder in such form and detail, and supported by such data to substantiate its accuracy, as Owner may require and consistent with the requirements of the Contract Documents.

1.2.36 *Site* is the land or premises on which the Project is located, as more specifically described in Owner's Project Criteria.

1.2.37 *Specifications* means the written requirements that complement the Construction Drawings for materials, equipment, systems, standards, execution, and workmanship for the Construction Work, and performance of related services.

1.2.38 *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include Design Consultants, materialmen and suppliers.

1.2.39 *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include but not be limited to Design Consultants, design subconsultants, design-build subcontractors, materialmen and suppliers.

1.2.40 *Substantial Completion* or *Substantially Complete* means that the Work is sufficiently complete in accordance with the Contract Documents so that Owner can beneficially use and occupy the Project for its intended purposes and with functionality intended, and Design-Builder has satisfied or fulfilled all other requirements set forth in Section 8.2.3 below. Unless otherwise expressly stated, any reference to Substantial Completion applies to the entire Work as a whole, and not to only a portion of the Work.

1.2.41 *Substitution* means a material and/or process offered by Design-Builder in lieu of the specified material and/or process and accepted by Owner in writing as being equal to the specified material and/or process.

1.2.42 *Supplier* means any person or entity retained by Design-Builder to provide Equipment and Materials, or construction equipment, supplies or other goods to be used in the performance of the Work but not incorporated into the Work.

1.2.43 *Trend* is an issue identified in the *Trend Log*, which is a log of issues that have been identified by Design-Builder or Owner during the design process that may cause change to the Owner's Program or the Basis of Design Documents, as applicable and/or any Commercial Term and is further described in Section 2.4.1.7 of the General Conditions.

1.2.44 *Work* shall mean the services, design and construction to be completed by Design-Builder under the terms of the Contract Documents. Work specifically includes, without limitation, the furnishing of all services, labor, materials, equipment, and all incidentals necessary to the successful completion of the services, design and construction, whether expressly required by or reasonably inferable from the Contract Documents, whether they are temporary or permanent, and whether they are incorporated into the finished Work or not. The term Work may refer to the whole or a part of the Project, or any phase(s) of the Project or component thereof, and also includes all other obligations imposed on the Design-Builder by the Contract Documents.

1.2.45 *Work Product* means all drawings, specifications, calculations, data, models, images, materials, products, documents, and work developed or produced by or on behalf of Design-Builder in connection with the Project, including, without limitation all materials, products, and such items developed or produced by all Design Consultants and Subcontractors of any tier, in all forms, whether in hard-copy, digital or electronic data, or any other medium.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Unless the parties agree on a different time period for submission of a status report, Design-Builder shall provide Owner with reports detailing the progress of the Work as set forth in Exhibit B, including but not limited to: (a) whether the Work is proceeding according to schedule; (b) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution; (c) whether health and safety issues exist in connection with the Work; (d) status of the contingency account(s) to the extent provided for in the Agreement; and (e) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s). In addition to the manner and frequency set forth in Exhibit B, status reports shall be submitted with Design-Builder's draft Payment Applications as a pre-requisite to payment.

2.1.3 Design-Builder shall prepare and submit the schedules and deliverables set forth in Exhibit B, including but not limited to the Project Schedule for the execution of the Work for Owner's review and response. The Project Schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The Project Schedule shall be revised as required by Exhibit B and the conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the Project Schedule and other deliverables provided by Design-Builder shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement any necessary procedures additional to Exhibit B, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.1.5 Representatives of the Design-Build Team, including at a minimum of the Design-Builder's Representative and a representative from the lead designer and lead constructor, shall meet with the Owner at least on a weekly basis and shall provide to the Owner a written update regarding the status of the Project, including but not limited to the information required in Exhibit B and any issues that may have a material effect on the Project. The Design-Build Team shall issue meeting minutes within three (3) days of meeting.

2.2 Design Professional Services.

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide or furnish through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.2.2 Design-Builder shall employ only Design Consultants and/or Design Subconsultants who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Prior to the date that Design Consultants and/or Design Subconsultants perform Work on the Project, Design-Builder shall identify in writing to Owner all Design Consultants and Design Subconsultants. To the extent that Design-Builder has not selected a Design Consultant or Design Subconsultant prior to performing the Work, Design-Builder shall provide Owner in writing a list of any subsequently added Design Consultants and/or Design Subconsultants and their scope of Work prior to their performing Work on the Project. Owner may reasonably object to Design-Builder's selection of any Design Consultant or Design Subconsultant, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance. Design-Builder shall not substitute a listed Design Consultant or Subconsultant without obtaining Owner's prior written consent; such consent shall not be unreasonably withheld. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant or Design Subconsultant, including but not limited to any third-party beneficiary rights. Design-Builder assumes responsibility to Owner for the proper performance of the Work of the Design Consultants and any Sub-Consultant and any acts and omissions in connection with such performance.

2.3 Standard of Care.

2.3.1 The standard of care for all professional services performed to execute the Work shall be the care and skill ordinarily used by members of the applicable profession practicing under similar conditions at the same time and locality of the Project. The Design-Builder shall also perform the design and construction so that the Work meets or exceeds the performance requirements set forth in the Owner's Project Criteria, the Initial Project Scope and/or the Basis of Design Documents.

2.3.2 Design Builder shall perform all activities efficiently and with the requisite expertise, skill, and competence to satisfy the requirements of the Contract Documents and in accordance with applicable Legal Requirements and Governmental Approvals.

2.4 Design Development Services.

2.4.1 Design-Builder shall provide the Design Submissions set forth in the Contract Documents. Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim Design Submissions that Owner may wish to review, which interim Design Submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements.

2.4.1.1 Design Submissions shall be consistent with the Owner's Project Criteria as well as the Basis of Design Documents, as the Basis of Design Documents may have been changed or supplemented through the design process set forth in this Section 2.4. By submitting Design Submissions, Design-Builder represents to the Owner that the Work depicted and otherwise shown, contained, or reflected in Design Submissions may be constructed in compliance with the then current Commercial Terms, including but not limited to the Contract Price and Contract Time(s), and are consistent with the Owner's Project Criteria, the Design Log and Basis of Design Documents, as applicable. Notwithstanding the above, Design-Builder may propose Design Submissions that may alter the Owner's Project Criteria, the Basis of Design Documents, the Contract Price and/or Contract Time(s); however, Design-Builder must provide notice thereof in accordance with Article 9 of the General Conditions and obtain a Change Order before such proposed Design Submissions are incorporated into the Construction Documents.

2.4.1.2 On or about the time of the Design Submissions, Design-Builder and Owner shall meet and confer about the Design Submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted Design Submissions.

Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1 below, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim Design Submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.1.3 Owner shall review and respond to Design Submissions, providing any comments and/or concerns about the Design Submissions. Owner shall provide all comments on the Design Submissions within the time provided by the Contract Documents. Design-Builder shall revise the Design Submissions (and any other deliverables) in response to Owner's comments and incorporate said responses into the next submission of Design Submissions.

2.4.1.4 If incorporation of Owner's comments results in a design that is inconsistent with or otherwise gives rise to a change in Owner's Project Criteria, the Basis of Design Documents, the Contract Price and/or the Contract Time(s), Design-Builder shall provide notice thereof in accordance with Articles 9 and 10 of the General Conditions. Changes to the Basis of Design Documents, the Contract Price and/or the Contract Time(s), including those that are deemed minor changes, shall be processed in accordance with Article 9 of the General Conditions. Design-Builder shall not include any design that is inconsistent with a Commercial Term without the written Change Order.

2.4.1.5 The Design Builder shall provide an updated cost model for the Project periodically as set forth Exhibit B. The cost model will be based on a detailed labor and material cost estimate for the GMP and the other Commercial Terms as required in Contract Documents. The cost model will be supplemented pursuant to Contract Documents.

2.4.1.6 A Design Log, including a full listing of Reliable Design Decisions and all changes to the Basis of Design Documents, shall be maintained by the Design-Builder and provided to the Owner for review.

- a. Both parties must agree to include a Reliable Design Decision in the Decision Log.
- b. The Design Log shall be updated after every Design Review Meeting, and in any case, on a weekly basis.
- c. The Design Log is for the sole purpose of tracking the development of the Design Submissions.
- d. Once a Reliable Design Decision is incorporated into the Design Log, it shall be binding on the Design-Builder as if set forth in the Initial Project Scope, Owner's Program and/or the Basis of Design Documents, as applicable.
- e. If a Reliable Design Decision will cause a change in the Owner's Project Criteria, Initial Project Scope or Basis of Design Decisions, or any of the other Commercial Terms, such changes must be processed pursuant to Articles 9 and 10 of the General Conditions.

2.4.1.7 If either party does not know the extent to which a Design Submission or other potential change will alter a Commercial Term, either party may request in writing to identify a Trend in the Trend Log.

- a. The request to include a Trend in the Trend Log must include the following information:

- i. Identification of the portion of the Design Submission for which the costs are uncertain and may cause any Commercial Term to be exceeded;
 - ii. The estimated change in the applicable Commercial Term; and
 - iii. Potential impacts or changes to the Initial Project Scope, Owner's Program or Basis of Design Documents as a result of the Trend.
- b. Both parties must consent in writing to include the Trend in the Trend Log. The Design-Builder shall track the Trend on the Trend Log, and the Trend Log shall be updated with the most recent information on a weekly basis.
 - c. The parties shall work collaboratively to resolve Trends in the Trend Log as quickly as possible. When a Trend in the Trend Log is resolved and the resolution changes the Initial Project Scope, Basis of Design Documents and/or any Commercial Term, the resolution shall be memorialized in a Change Order.

2.4.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim Design Submissions, as such submissions may have been modified by the parties and recorded as set forth in the Contract Documents. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

2.4.2.1 The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality, including its phasing and subcontracting mode. The Construction Documents shall include all information required by the building trades to complete the construction of the Project, other than such details customarily developed by others during construction. To the extent not prohibited by the Contract Documents or applicable code requirements, and subject to written approval by the Owner, Design-Builder may prepare Construction Documents for approved Construction Packages for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.4.2.2 It is acknowledged by the parties hereto that inherent in a design-build project, the production and review of Construction Documents may be a continuing process with portions thereof completed at different times. The Design-Builder will limit the Construction Packages for Owner's review to a reasonable number, unless approved in writing by the Owner. Contract Schedule shall include the times for the Owner to review the completion of each such portion of the Construction Documents and a reasonable time for review of same.

2.4.3 Owner's review and approval of Design Submissions, meeting minutes, the Design Log, the Trend Log, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any Design Submissions, meeting minutes, the Design Log, the Trend Log, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner, and Owner's review shall not be deemed an approval or waiver by the Owner of any deviation from, or of the Design-Builder's failure to comply with, any provision or requirement of the Contract Documents, unless such deviation or failure has been expressly identified as such in writing in the documents submitted by the Design-Builder and approved by the Owner. Design-Builder shall provide Owner with sufficient time in the Project Schedule to review

and approve the Design Submissions.

2.4.4 To the extent not prohibited by the Contract Documents or Legal Requirements, and with the Owner's written permission, Design-Builder may prepare Design Submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements.

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements that directly affect the Work that are enacted after the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits.

2.6.1 Unless the parties have identified permits in an Owner's Permit List either as an exhibit to the Agreement or as part of the Owner's Project Criteria or Basis of Design Documents, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6.2 Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

2.7 Design-Builder's Construction Phase Services.

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, commissioning, start-up, testing, Equipment and Materials, construction equipment, supplies, temporary utilities, other temporary facilities, and other related services to permit Design-Builder to achieve Substantial Completion and Final Completion of the Project consistent with the Contract Documents. Design-Builder retains all market risk, whether or not foreseeable, pertaining to cost and availability of labor, Equipment and Materials, and all other items required or used in connection with the performance of the Work.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Builder shall employ only Subcontractors who are "responsible", as defined in Public Contract Code Section 1103, licensed and qualified to perform the Work consistent with the Contract Documents. Design-Builder shall coordinate the activities of all Subcontractors. At all times herein, Design-Builder shall comply with the provisions of Public Contract Code Sections 22185.3(b) and 22185.6 governing the use of subcontractors and which require Design-Builder and its subcontractors at every tier to use a skilled and trained workforce to perform all work on this Project that falls within an apprenticeable occupation in the building and construction trades, in accordance with Public Contract Code Section 2600, et seq. and as referenced herein.

2.7.4 If any separate Contractor performs work on, adjacent, or in proximity to the Project or the Site, or has any element of work that interfaces or affects the Work, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate Contractors so that

the Project can be completed in an orderly and coordinated manner without unreasonable disruption. Design-Builder specifically agrees to attend and participate in any coordination meetings that are held by Owner to manage and coordinate the work of Design-Builder and separate Contractors.

2.7.5 Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

2.7.6 Except as may be explicitly set forth in the Phase 2 Amendment, Design-Builder shall have care, custody, and control of the Project (including but not limited to having responsibility for the security of the Site and risk of loss), until the Substantial Completion Date.

2.7.7 Design-Builder shall be responsible for performing and paying for all utility relocations necessary or convenient to its performance of the Work. For all such relocations, Design-Builder will meet all requirements, procedures and standards set forth in the Contract Documents and/or required by the applicable utility.

2.7.8 Design-Builder shall be responsible for making arrangements to obtain, provide and pay for all temporary and permanent utilities, including but not limited to gas and electric, associated with the Work, except for those utilities specifically identified in the Contract Documents as being provided by Owner and furnished without cost to Design-Builder.

2.7.9 During any adverse weather (including but not limited to unusually severe and abnormal weather conditions as referenced in Article 8 below), Design-Builder shall take necessary precautions so that the Work may progress properly and is satisfactory in all respects.

2.7.10 Pursuant to California Labor Code Section 6705, Design-Builder shall submit, in advance of excavation, 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 trench or trenches. Full compensation for sheeting, shoring, bracing, sloping, and all other provisions required for worker protection shall be deemed to be included in the GMP.

2.7.11 For a project involving the use of in-use off-road diesel-fueled vehicles, as defined by California Code of Regulations, Title 13, Section 2449 (13 CCR Section 2449), Design-Builder shall obtain copies of the valid Certificates of Reported Compliance, as described in 13 CCR Section 2249(n), for the fleet performing services pursuant to this Agreement and all listed Subcontractors, if applicable, prior to commencing any work pursuant to this Agreement or any renewed contract with that fleet. Design-Builder shall indemnify, defend and hold harmless the Owner, its officers, agents, employees and directors from any liability imposed arising from Design-Builder's violation of any regulation set forth in 13 CCR Section 2449.

2.7.12 Design-Builder shall at all times ensure that the Work is conducted in a manner that does not interfere with ongoing operations at the Site not immediately under any Phase 2 Work. Design-Builder and each of its Subcontractors shall cooperate with Owner to ensure security, access, parking, utilities and other operation needs of Owner are not interrupted during Owner's hours of operation.

2.8 Design-Builder's Responsibility for Project Safety.

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to: (a) all individuals at the Site, whether working or visiting; (b) the

Work, including Equipment and Materials incorporated into the Work or stored on-Site or off-Site; and (c) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a member of its key personnel with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work ("Design-Builder's Safety Representative"). Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. Design-Builder's Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors of any tier, and others as applicable.

2.8.2 Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.8.3 Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors of any tier of their own contractual and legal obligations and responsibility for: (a) complying with all Legal Requirements, including those related to health and safety matters; and (b) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.

2.9 Design-Builder's Warranty.

2.9.1 Design-Builder warrants to Owner that: (a) the construction, including all Equipment and Materials, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents, and free of defects in materials and workmanship; (b) the Project shall be fit for use for the purposes, objectives, functions, uses and requirements set out in or reasonably inferred from this Contract; and (c) the Work shall meet all of the requirements of the Contract Documents. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer or Supplier warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or any Contract Document. Design-Builder will provide Owner with all manufacturer or Supplier warranties upon Substantial Completion and will perform the Work so as to maintain and preserve such Supplier warranties. Manufacturers' disclaimers and limitations on product warranties do not relieve Design-Builder of its warranty on Work that incorporates such products.

2.10 Correction of Defective Work.

2.10.1 Design-Builder agrees to correct any Work that is found not to be in conformance with the Contract Documents ("Nonconforming Work"), including that part of the Work subject to Section 2.9 above, within a period of one (1) year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

2.10.2 Nonconforming Work rejected by Owner shall be removed and replaced so as to conform to the requirements of the Contract Documents, at Design-Builder's cost and without any adjustment to the Contract Price or time extension or any other relief; and Design-Builder shall promptly take all action necessary to prevent similar deficiencies from occurring in the future. The

fact that Owner may not have discovered the Nonconforming Work shall not constitute an acceptance of such Nonconformance Work. Design-Builder shall, within seven (7) days of receipt of written notice from Owner of Nonconforming Work, take meaningful steps to commence correction of such Nonconforming Work, including the correction, removal or replacement of the Nonconforming Work and any damage caused to other parts of the Work affected by the Nonconforming Work. If the correction of Nonconforming Work cannot be completed within such seven (7) day period, Design-Builder must: (a) provide a schedule for correcting the Nonconforming Work; and (b) commence and diligently prosecute such correction in accordance with the approved schedule to completion. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such Nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the Nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable. Design-Builder shall perform or cause to be performed all corrective work in a manner that will minimize interference with the ongoing operations of the Project.

2.10.3 Owner may, based on good cause, direct Design-Builder to perform a “root cause” analysis of any alleged defect in the Work. If Design-Builder fails to perform such analysis as directed by Owner, or if Owner concludes that the “root cause” analysis is flawed, Owner may elect to conduct an independent analysis of the alleged defect, whereupon Design-Builder shall cooperate with Owner and provide such information relevant to the alleged defect as Owner may request. If the “root cause” or independent analysis reveals a defect or defects in any part of the Work, Design-Builder shall be responsible for the costs and expenses of remedying such defects, including the costs of the “root cause” of independent analysis. If the “root cause” of independent analysis demonstrates that there is no defect, then Owner shall bear the reasonable costs and expenses of such analyses. All remedial measures related to defects revealed by any “root cause” or independent analysis must be approved by Owner prior to implementation by Design-Builder.

2.10.4 The one-year period referenced in Section 2.10.1 above applies only to Design-Builder’s obligation to correct Nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder’s other obligations under the Contract Documents, at law, or in equity.

Article 3

Owner’s Services and Responsibilities

3.1 Duty to Cooperate.

3.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder’s timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder’s performance of its obligations under the Contract Documents.

3.1.2 Owner shall provide timely reviews and approvals of Design Submissions and Construction Documents consistent with the turnaround times set forth in the Contract, by agreement of the Owner and Design-Builder, or the approved Design-Builder’s scheduler, as applicable.

3.1.3 Owner shall give Design-Builder timely notice of any Work that Owner notices to be defective or not in compliance with the Contract Documents, provided, however, Owner shall have no liability to the Design-Builder for failure to notify the Design-Builder or failure to discover such defects or noncompliant Work.

3.2 Furnishing of Services and Information.

3.2.1 The Owner's Project Criteria sets forth the information provided by the Owner.

3.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information.

3.3.1 Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

3.4 Owner's Representative.

3.4.1 Owner shall designate a representative responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents ("Owner's Representative"). The Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

3.5 Government Approvals.

3.5.1 Owner shall obtain and pay for only the Governmental Approvals expressly set forth in the Phase 2 Amendment as being the sole responsibility of Owner.

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those Governmental Approvals that are Design-Builder's responsibility.

3.6 Owner's Separate Contractors.

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors with whom Owner has contracted. Owner shall contractually require its separate contractors to cooperate with Design-Builder, and coordinate their activities so as not to interfere with Design-Builder, in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents. Owner shall also contractually require its separate contractors to attend and participate in any coordination meetings that are held by Owner to manage and coordinate the work of Design-Builder and separate contractors.

Article 4

Hazardous Environmental Conditions and Differing Site Conditions

4.1 Hazardous Conditions.

4.1.1 Where Owner has advised Design-Builder of known Hazardous Materials or Hazardous Environmental Conditions at the Site, or where Design-Builder has identified Hazardous Materials or Hazardous Environmental Conditions at the Site during its performance of the Phase 1 Services,

these Hazardous Materials and Hazardous Environmental Conditions are part of the Work and Design-Builder shall take such action as is necessary, in accordance with the applicable Legal Requirements, to plan for and to remediate and render harmless all such Hazardous Materials and Hazardous Environmental Conditions. Remediation plans for such known Hazardous Materials and Hazardous Environmental Conditions shall be provided to Owner for approval prior to undertaking the remediation.

4.1.2 If Design-Builder encounters any unknown Hazardous Environmental Conditions at the Site, it shall stop Work immediately in the affected part of the Work to the extent required to avoid any such safety or health hazard until it has taken such action as is necessary, and in accordance with California Public Contract Code Section 7104, if the Project involves digging trenches or other excavations that extend deeper than four (4) feet below the surface:

- a. The contractor shall promptly, and before the following conditions are disturbed, notify the local public entity, in writing, of any:
 1. Material that the contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
 2. Subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to bidders prior to the deadline for submitting bids.
 3. Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.
- b. The local public entity shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the contractor's cost of, or the time required for, performance of any part of the work shall issue a change order under the procedures described in the contract.
- c. That, in the event that a dispute arises between the local public entity and the contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the contractor's cost of, or time required for, performance of any part of the work, the contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

4.1.3 Design-Builder, in consultation with Owner, shall take necessary measures required to ensure that Hazardous Environmental Conditions are remediated or rendered harmless in accordance with applicable Legal Requirements. Design-Builder shall, as may be directed by Owner and prior to proceeding with any such work: (a) obtain all environmental site assessments of the affected property and submit copies of such assessments to Owner for its approval; (b) develop remediation plans for Hazardous Environmental Conditions, subject to Owner's approval; and (c) obtain on Owner's behalf all applicable Governmental Approvals to implement such plans. During the period of any investigation and remediation efforts, Design-Builder shall take all necessary measures to isolate and contain such Hazardous Environmental Conditions from the unaffected parts of the Work, and shall continue the Work to the maximum extent possible on unaffected parts of the Work.

4.1.4 Except for those Hazardous Materials and Hazardous Environmental Conditions set forth in Section 4.1.6 below, Design-Builder will be entitled to an adjustment in the GMP and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of unknown Hazardous Environmental Conditions, provided Design-Builder satisfies the requirements of Articles 8 and 9 below.

4.1.5 Notwithstanding anything to the contrary in this Section 4.1, Design-Builder shall bear full responsibility for the handling, treatment, storage, removal, remediation, avoidance, or other appropriate action (if any), with respect to: (a) any Hazardous Material or Hazardous Environmental Condition present at, on, in or under, or migrating and/or emanating to or from the Site, to the extent brought or caused to be brought on the Site by any act or omission of Design-Builder or any other Design-Builder related entity; (b) Hazardous Materials or Hazardous Environmental Conditions that are part of the Work pursuant to Section 4.1.1 above; and (c) the creation or exacerbation of any known or unknown Hazardous Environmental Condition due to the breach of contract, negligence, gross negligence, or willful misconduct of Design-Builder or any other Design-Builder related entity. To the fullest extent permitted by Legal Requirements, Design-Builder shall indemnify, defend and hold harmless Owner, its consultants, and their respective elected officials, officers, directors, employees, and agents (collectively "Owner Indemnitees") from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from Items (a), (b) and/or (c) above.

4.1.6 Nothing contained in this Section 4.1 is intended to identify Design-Builder as the generator of any pre-existing Hazardous Material(s) or Hazardous Environmental Condition(s).

4.2 Inspection of Site Conditions.

4.2.1 Design-Builder represents and warrants that it has, as of the Phase 2 Amendment Date, ascertained the nature and location of the Work, the character and accessibility of the Site, the existence of obstacles to construction which are ascertainable or visible upon a thorough investigation of the Site, the availability of facilities and utilities, the location and character of existing or adjacent work or structures, the surface conditions, and other general and local conditions (including labor) which might affect its performance or cost of the Work.

4.2.2 If Design-Builder undertakes any additional testing, inspections or investigations, all reports or analyses generated thereby shall be furnished to Owner promptly after such reports or analyses are generated.

4.3 Differing Site Conditions.

4.3.1 Concealed or latent physical conditions or subsurface conditions at the Site that: (a) materially differ from the conditions indicated in the Contract Documents; or (b) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work, are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the GMP and/or Contract Time(s) to the extent the Cost of Work incurred by Design-Builder and/or time of performance are adversely impacted by the Differing Site Condition, provided Design-Builder satisfies the requirements of Articles 8 and 9 below. The term "Differing Site Conditions" excludes: (a) conditions of which Design-Builder had actual or constructive knowledge as of the Phase 2 Amendment Date; and (b) conditions that should have been discovered through a reasonable Site investigation performed during the Phase 1 Services and under Section 4.2.1 above. For the avoidance of doubt, Hazardous Environmental Conditions are not deemed Differing Site Conditions, and shall be treated as set forth under Section 4.1 above.

4.3.2 Upon encountering a Differing Site Condition, Design-Builder shall immediately notify Owner thereof by telephone or in person, to be followed by written notification within five (5) days.

Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered. Design-Builder shall immediately stop Work in and secure the area pending further instructions.

4.3.3 If directed by Owner, Design-Builder shall promptly conduct such further investigation. If Design-Builder continues to believe that the material or condition falls within the scope of Section 4.3.1, Design-Builder shall at that time also advise Owner or any action recommended to be taken regarding the situation. Owner then will determine whether Design-Builder's findings and proposed actions are acceptable and either approve, or require modification of, Design-Builder's proposed actions. If the condition involves discovery of Hazardous Materials or Hazardous Environmental Conditions that are Owner's responsibility under the Contract, Owner shall advise Design-Builder regarding its plans for Hazardous Materials Remediation and shall coordinate with Design-Builder in performance of such activities in accordance with Section 4.1 above.

4.3.4 Owner shall have the right to require Design-Builder to recommence work in the area at any time, even though an investigation or other work may still be ongoing, so long as recommencing work would not violate any Legal Requirements. Design-Builder shall promptly recommence Work in the area upon receipt of notification from Owner to do so. On recommencing Work, Design-Builder shall follow all applicable procedures contained in the Contract Documents and all other Legal Requirements with respect to such work, consistent with the Owner's determination or preliminary determination regarding the nature of the material or condition.

4.4 Historical Artifacts or Archaeological Resources.

4.4.1 In the event Design-Builder or any of its Subcontractors inadvertently discover any archaeological, paleontological, biological, cultural, or other unidentified historical resources or properties at any time during the project, Design-Builder shall immediately halt all activity within the immediate area of the discovery and in any adjacent areas where additional or related resources may reasonably be expected to be present and notify the Owner of the discovery by telephone or in person, which notice shall be given within twenty-four (24) hours of Design-Builder making such discovery. Owner will thereafter provide instructions to Design-Builder as to how to address such discoveries, including the protocol for recovery and/or documentation associated with such discoveries. Design-Builder shall take interim measures to protect the discovery from looting and vandalism. Work in all areas not subject of the discovery may continue. All items discovered by Design-Builder belong to the property owner.

4.4.2 If Design-Builder has been adversely impacted by the presence, removal or remediation of a discovery under Section 4.4.1 above, Design-Builder will be entitled to an adjustment in the GMP and/or Contract Time(s) to the extent the Cost of the Work, incurred by Design-Builder and/or time of performance are adversely impacted by such discovery, provided Design-Builder satisfies the requirements of Articles 8 and 9 below.

4.4.3 "Historical Artifact" or "Archaeological Resource" shall mean any material remains of human life or activities which are of interest, and this shall include all sites, objects, structures, artifacts, implements, and locations of prehistoric or archaeological interest, whether previously recorded or still unrecognized, including, but not limited to objects pertaining to prehistoric and historic American Indian or aboriginal burials, campsites, dwellings, and their habitation sites, including rock shelters and caves, their artifacts and implements of culture such as projectile points, arrowheads, skeletal remains, grave goods, basketry, pestles, mauls and grinding stones, knives scrapers, rock carvings and painting, and other implements and artifacts of any material or form.

Article 5

Insurance and Bonds

5.1 Design-Builder's Insurance Requirements.

5.1.1 Design-Builder is responsible for procuring and maintaining, at its own cost and expense, the insurance coverages set forth in Appendix H to the Agreement. Coverage shall be secured from insurance companies authorized to do business in the State of California and in accordance with this Section 5.1.

5.1.2 Design-Builder's insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.3 Upon signing and returning the signed Agreement to Owner, and in any event, prior to performing any Work under the Agreement, Design-Builder shall provide Owner with certificates and original endorsements evidencing that: (a) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents; and (b) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days' prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment is reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by Design-Builder with reasonable promptness according to Design-Builder's information and belief.

5.1.4 The Design-Builder's maintenance of insurance, its scope of coverage, and limits as required herein shall not be construed to limit the liability of Design-Builder to the coverage provided by such insurance, or otherwise limit Owner's recourse to any remedy available at law or in equity. Design-Builder shall be financially responsible for all pertinent deductibles, self-insured retentions, and/or self-insurance.

5.1.5 If Design-Builder maintains higher insurance limits than the minimums required, Owner shall be insured for the full available limits of commercial general and excess or umbrella liability maintained by Design-Builder, irrespective of whether such limits maintained by Design-Builder are greater than those required by the Agreement or whether any certificate of insurance furnished to Owner evidences limits of liability lower than those maintained by Design-Builder.

5.1.6 Design-Builder's insurance coverage shall be primary insurance with respect to Owner. Any insurance, self-insurance, or insurance pool coverage maintained by Owner shall be excess of Design-Builder's insurance and shall not contribute with it.

5.1.7 Design-Builder shall cause each and every Subcontractor to provide insurance coverage that complies with all applicable requirements of Design-Builder-provided insurance as set forth herein, except Design-Builder shall have sole responsibility for determining the limits of coverage required to be obtained by Subcontractors. Design-Builder shall ensure that the Owner is an additional insured on each Subcontractor's Commercial General Liability (CGL) insurance policy using an endorsement of at least as broad as ISO CG 20 10 10 01 for ongoing operations and CG 20 37 10 01 for completed operations.

5.1.8 Failure on the part of Design-Builder to maintain the insurance as required shall constitute a material breach of contract, upon which Owner may, after giving at least five (5) business days' notice to Design-Builder to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to Owner on demand, or at the sole discretion of Owner, offset against funds due Design-Builder from Owner.

5.1.9 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all losses and damages caused by, arising out of, or resulting from any of the perils, risks, or causes of loss covered by the Builder's Risk Insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

5.2 Performance and Labor and Material Payment Bonds.

5.2.1 Design-Builder shall, no later than ten (10) days after the Phase 2 Amendment Date, provide Owner with: (a) Performance Bond in the penal amount equal to one hundred percent (100%) of the GMP, which bond shall cover the faithful performance of all the Design-Builder's obligations under the Contract Documents, including warranty obligations; and (b) Labor and Material Payment Bond in the penal amount equal to one hundred percent (100%) of the GMP. The forms of the Performance Bond and Labor and Material Payment Bond are those set forth in Appendices F and G, respectively, to the Agreement. The Performance Bond shall remain valid for a period of two (2) years after Final Completion. If Design-Builder fails to provide such bonds, Design-Builder may be found in material default of the Agreement.

5.2.2 The Performance Bond and Labor and Material Payment Bond shall be provided by a surety (or sureties) authorized by applicable Legal Requirements to do business in the State of California, with an A.M. Best Company Financial Strength Rating of A- or better. Sureties must also be listed in the U.S. Department of Treasury's Circular No. 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies (U.S. Department of the Treasury 2022).

Article 6

Payment

6.1 Schedule of Values.

6.1.1 Design-Builder shall submit for Owner's review and approval a Schedules of Values for all of the Work as set forth in Exhibit B. The Schedule of Values will: (a) subdivide the Work into its respective parts based on the project's Work Breakdown Structure (WBS); (b) include values for all items comprising the Work; and (c) serve as the basis for monthly progress payments made to Design-Builder throughout the Work. Design-Builder will furnish, as part of the Schedule of Values, adequate and reliable cost justification and documentation on an Open Book Basis so as to provide both Owner and Design-Builder a transparent understanding of the cost data estimates and bids that comprise the initial baseline Schedule of Values as well as any updates thereto. Design-Builder will provide a final Schedule of Values with the GMP Proposal.

6.1.2 Owner will timely review and approve the schedule of values so as not to delay the submission of Design-Builder's first Application for Payment. Owner and Design-Builder shall timely resolve any differences so as not to delay Design-Builder's submission of its first application for payment.

6.2 Monthly Progress Payments.

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for

Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents, including, without limitation, such documents, information and data as Owner may require to: (a) waive and unconditional release Owner from suppliers' and subcontractors' lien and stop notice rights for all Work performed and materials provided (other than with respect to any retainage then withheld); and (b) evaluate or verify the right to receive payment of any amount requested. The Application for Payment shall be in a form acceptable to Owner, including but not limited to the following information:

6.2.1.1 An invoice cover sheet that includes the following items:

- a. Project name/title and invoice number;
- b. Period covered by the invoice (specific beginning and ending calendar days);
- c. Total amount authorized;
- d. Total amount invoiced through last period;
- e. Current invoice amount;
- f. Total invoiced to-date;
- g. Percent invoiced;
- h. Remaining Contract Price (exclusive of the Allowance amounts), GMP, and remaining Allowance amounts;
- i. Retainage withheld;
- j. Net amount due to Design-Builder for current period and earned to date;
- k. Authorized signature, title of signer and date of signature; and
- l. Signatures of Design-Builder and Design-Builder's Quality Control Manager.

6.2.1.2 An itemization of the costs incurred pursuant to the Contract Documents, including but not limited to:

- a. Detailed amounts spent for the Cost of the Work incurred during the period of the Application for Payment and the back-up documentation for the Cost of the Work, including but not limited to timesheets, invoices, purchase orders, or any other documentation that evidences the Cost of the Work or any other cost for which Design-Builder requests reimbursement;
- b. Design-Builder's Fee Percentage on the Cost of the Work;
- c. Any Contingency Items charged under Article 7 of the Agreement; and
- d. Any Lump Sums established pursuant to Article 7 of the Agreement.

6.2.1.3 Attachment of the monthly periodic deliverables for the relevant phase of Work per Exhibit B and inclusive of:

- a. Weekly progressed Project Schedule and monthly progress reports, and reference to any Critical Path Method (CPM) resource(s); and
- b. Updated cash flow for the Project, such as baseline (planned) monthly costs, actual monthly costs, earned (budgeted value of completed Work) monthly costs, forecasted costs to complete the Project, and with reference to all applicable Schedule of Values.

6.2.1.4 Certification by the Design-Builder's Quality Control Manager confirming that:

- a. The Work has been performed in accordance with the approved Quality Control Program; and

- b. The elements of the approved Quality Control Program and all the measures and procedures provided for therein are functioning properly and being followed.

6.2.2 The Application for Payment may request payment for Equipment and Materials not yet incorporated into the Project, provided that: (a) Owner is satisfied that the Equipment and Materials are suitably stored at either the Site or another acceptable location; (b) the Equipment and Materials are protected by suitable insurance; and (c) upon the earlier of incorporation into the Project or payment, Owner will receive the Equipment and Materials free and clear of all liens and encumbrances.

6.2.3 The Application for Payment shall constitute Design-Builder's representation that the Work described therein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier. The passage of title shall not be construed as relieving Design-Builder from the sole responsibility for all Work upon which payments have been made (including but not limited to risk of loss or the restoration of any damaged Work), or as waiving the right of Owner to require the fulfillment of all of the terms of the Contract Documents.

6.3 Withholding of Payments.

6.3.1 On or before the date established in the Agreement, Owner, and subject to all required retentions, shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will so notify Design-Builder in writing within twenty (20) days after Owner's receipt of the Application for Payment. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 below.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement. Payments which Owner disputes in good faith shall not be deemed due.

6.4 Right to Stop Work and Interest.

6.4.1 If Owner fails to timely pay Design-Builder any amount that becomes due and is not subject to a good faith dispute, then Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 below. All payments due and unpaid, other than those subject to a good faith dispute, shall bear interest at the rate set forth in the Agreement.

6.5 Design-Builder's Payment Obligations.

6.5.1 Design-Builder will pay its Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment, mechanic's liens, and/or stop notices as set forth in Section 7.3 below.

6.6 Final Payment.

6.6.1 Upon achieving Final Completion in accordance with Section 8.3 below, Design-Builder shall provide Owner with a Final Application for Payment. The Final Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents, including, without limitation the following:

6.6.1.1 An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, Equipment and Materials, construction equipment, supplies, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

6.6.1.2 A general release executed by Design-Builder waiving all claims, except for receipt of final payment by Design-Builder and those claims previously made in writing to Owner and remaining unsettled at the time of final payment, which previously made claims shall be specifically listed in an attachment to the general release;

6.6.1.3 Consent of Design-Builder's surety to final payment;

6.6.1.4 All record information, operating manuals, warranties and other deliverables required by the Contract Documents, to the extent they have not been previously provided to Owner;

6.6.1.5 All documents, information and data as Owner may require to: (a) unconditionally waive or release lien rights in connection with all Work performed (other than with respect to claims for Work not waived under the general release provided under Section 6.6.1.2 above); and (b) evaluate or verify the right to receive payment of any amount requested for payment; and

6.6.1.6 Certificates of insurance, or other evidence reasonably required by Owner, confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

6.6.2 After receipt of a proper Final Application for Payment from Design-Builder, Owner shall make final payment by the time required in the Agreement.

Article 7

Indemnification

7.1 Intellectual Property Infringement.

7.1.1 To the fullest extent permitted by law, Design-Builder shall defend any action or proceeding brought against any Owner Indemnitee based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, violates any intellectual property right, or constitutes infringement or unauthorized use of any patent, trademark, copyright, or trade secret now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner Indemnitees from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner Indemnitees or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner Indemnitees regularly informed of all developments in the defense of such actions.

7.1.2 If any Owner Indemnitee is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent, trademark, copyright or trade secret suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense: (a) modify the Work so as to avoid infringement of any such patent, trademark, copyright, or trade secret; or (b) replace said Work with Work that does not infringe or violate any such patent, trademark, copyright or trade secret; provided, however, that any such modification or replacement shall not adversely affect the performance, use, operation, or any material characteristic of the Project, and shall be subject to the approval of Owner Indemnitees.

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent, trademark, copyright or trade secret: (a) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner; or (b) arising from modifications to the Work by Owner or its agents after acceptance of the Work.

7.2 Tax Claim Indemnification.

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner, to the fullest extent permitted by Legal Requirements, shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine or tax assessment imposed by the applicable governmental unit or entity, and reasonable attorneys' fees or other expenses or costs incurred by Design-Builder as a result of defending a claim caused by any action taken by Design-Builder in accordance with Owner's directive with respect to such claimed tax exemption. Owner shall furnish Design-Builder with any applicable tax exemption certificates necessary to obtain such exemption, upon which Design-Builder may rely.

7.3 Payment Claim Indemnification.

7.3.1 Design-Builder shall indemnify, defend and hold harmless Owner Indemnitees from any and all claims, stop notices, and/or mechanic's liens brought against any Owner Indemnitee or against the Project as a result of the failure of Design-Builder or any other Design-Builder related entity to pay for any services, Equipment and Materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from any Owner Indemnitee that such a claim has been asserted or stop notice or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said stop notice, claim or lien, including, if necessary, the furnishing of a bond that will remove such claim or lien from title. If Design-Builder fails to do so, Owner Indemnitees will have the right to discharge the stop notice, claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification.

7.4.1 Other than in the performance of design professional services, Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner Indemnitees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily and personal injury, sickness and/or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the acts, omissions, breach of this Agreement, or willful misconduct of Design-Builder, its contractors, employees, agents, and/or any other Design-Builder related entity. Such obligation shall not be construed to negate, abridge or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 7.4.

7.4.2 If an employee of any Design-Builder or any other Design-Builder related entity has a claim against any Owner Indemnitee, Design-Builder's indemnity obligations set forth in Section 7.4.1

above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder or any other Design-Builder related entity under any employee benefit acts, including workers' compensation or disability acts.

7.4.3 For design professional services and to the fullest extent permitted by law, Design-Builder shall, at its sole cost and expense, indemnify, defend and hold harmless the Owner Indemnitees, and each of them, from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants and other professionals, and all costs associated therewith, and reimbursement of attorneys' fees and costs of defense, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of the Design-Builder, Design Consultant, and/or their officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for whom Design-Builder shall bear legal liability) in the performance of design professional services under this Agreement. Notwithstanding the foregoing and as required by Civil Code Section 2782.8(a), in no event shall the cost to defend the Owner Indemnitees that is charged to Design-Builder, exceed Design-Builder's proportionate percentage of fault.

7.5 Defense and Indemnification Procedures.

7.5.1 If any Owner Indemnitee receives notice of or otherwise has actual knowledge of a claim which it believes is within the scope of Design-Builder's indemnification under the Contract Documents, it shall by writing as soon as practicable: (a) inform Design-Builder of such claim; (b) send to Design-Builder a copy of all written materials Owner Indemnitee has received asserting such claim; and (c) notify Design-Builder that either: (i) the defense of such claim is being tendered to Design-Builder; or (ii) Owner Indemnitee has elected to conduct its own defense for a reason set forth below.

7.5.2 If the insurer under any applicable insurance policy accepts tender of defense, Design-Builder and Owner Indemnitee shall cooperate in the defense as required by the insurance policy. If no defense is provided by insurers under potentially applicable insurance policies, then the following provisions shall apply.

7.5.3 If the defense is tendered to Design-Builder, it shall within forty-five (45) days of said tender deliver to Owner Indemnitee a written notice stating that Design-Builder: (a) accepts the tender of defense and confirms that the claim is subject to full indemnification hereunder without any "reservation of rights" to deny or disclaim full indemnification thereafter; (b) accepts the tender of defense but with a "reservation of rights" in whole or in part; or (c) rejects the tender of defense if it reasonably determines it is not required to indemnify against the claim under the Contract Documents. If such notice is not delivered within such forty-five (45) days, the tender of defense shall be deemed rejected.

7.5.4 If Design-Builder accepts the tender of defense, Design-Builder shall have the right to select legal counsel for each Owner Indemnitee, subject to reasonable approval of the Owner Indemnitee, and Design-Builder shall otherwise control the defense of such claim, including settlement, and bear the fees and costs of defending and settling such claim. During such defense: (a) Design-Builder shall, at Design-Builder's expense, fully and regularly inform each Owner Indemnitee of the progress of the defense and of any settlement discussions; and (b) Each Owner Indemnitee shall, at Design-Builder's expense for all of each Owner Indemnitee's reasonable out-of-pocket third party expenses, fully cooperate in said defense, provide to Design-Builder all materials and access to personnel it requests as necessary for defense, preparation and trial and which or who are under the control of or reasonably available to the Owner Indemnitee and maintain the confidentiality of all communications between it and Design-Builder concerning such defense to the extent allowed by law.

7.5.5 Each Owner Indemnitee shall be entitled to select its own legal counsel and otherwise control the defense of such claim if: (a) the defense is tendered to Design-Builder and it refuses the tender of defense, or fails to accept such tender within forty-five (45) days, or reserves any right to deny or disclaim such full indemnification thereafter; or (b) the Owner Indemnitee, at the time it gives notice of the claim or at any time thereafter, reasonably determines that: (i) a conflict exists between it and Design-Builder which prevents or potentially prevents Design-Builder from presenting a full and effective defense; or (ii) Design-Builder is otherwise not providing an effective defense in connection with the claim and Design-Builder lacks the financial capability to satisfy potential liability or to provide an effective defense. Each Owner Indemnitee may assume its own defense pursuant to the above by delivering to Design-Builder written notice of such election and the reasons thereof.

7.5.6 If Owner Indemnitee is entitled and elects to conduct its own defense pursuant hereto, all reasonable costs and expenses it incurs in investigating and defending and claim for which it is entitled to indemnification hereunder (and any settlements or judgments resulting there from) shall be reimbursed by Design-Builder after completion of the proceeding.

7.5.7 If Owner Indemnitee is entitled to and elects to conduct its own defense, then it shall have the right to settle or compromise the claim with Design-Builder's prior written consent, which shall not be unreasonably withheld or delayed, or with approval of the court, and with the full benefit of Design-Builder's indemnity. Notwithstanding the foregoing, if Owner Indemnitee elects to conduct its own defense and it is later determined that no indemnification obligation existed as to the particular claim, Owner Indemnitee shall pay its own costs and expenses relating thereto.

7.6 Survival.

7.6.1 All of Design-Builder's obligations under this Article 7 shall survive any termination of the Agreement, whether for cause or convenience, and/or the expiration of this Agreement.

Article 8

Time

8.1 General.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve completion of the Work within the Contract Time(s) in accordance with Article 6 of the Agreement.

8.1.2 Design-Builder shall perform the Work in accordance with the Project Schedule. Design-Builder shall provide Owner with monthly updates, or more frequently as required by conditions and progress of the Work, comparing actual progress to the Project Schedule, but such updates shall not be deemed to modify the Project Schedule or Contract Time(s), nor relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as may be adjusted in accordance with this Article 8.

8.2 Substantial Completion.

8.2.1 Design-Builder shall notify Owner when it believes the Work has achieved Substantial Completion and is ready for Owner to prepare and execute a Certificate of Substantial Completion. As a condition to such notice, Design-Builder shall have prepared and submitted to Owner a proposed Punch List, including planned dates for completion for each Punch List item. In no event shall the Punch List contain any incomplete items that would impact the ability of Owner to operate and maintain the Project as intended, safely, and in compliance with Legal Requirements.

By submitting the Punch List to Owner, Design-Builder represents that work on the Punch List will be completed by the scheduled Final Completion Date. Owner shall have the right to approve the Punch List in its reasonable discretion. The failure to include any items on such list does not alter the responsibility of Design-Builder to complete all Work in accordance with the Contract Documents.

8.2.2 Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect the Work to assess the Punch List and verify that the Work has achieved progress required for Substantial Completion in accordance with the requirements of the Contract Documents.

8.2.3 Substantial Completion shall be deemed to have occurred only when all of the following conditions have been satisfied:

8.2.3.1 Design-Builder has submitted, and Owner has approved in writing (such approval not to be unreasonably withheld or delayed) a certification by Design-Builder to Owner that the Work, excepting only items on the approved Punch List, is complete in accordance with the Contract Documents;

8.2.3.2 Design-Builder and Owner have agreed in writing upon the Punch List;

8.2.3.3 Design-Builder has delivered to Owner copies of the warranties of all Equipment and Materials, together with copies of all related operating manuals supplied by, or required from, Suppliers;

8.2.3.4 Design-Builder has successfully completed all performance tests required under the Contract Documents and provided Owner with copies of all test results and any required certification;

8.2.3.5 All Governmental Approvals required for the occupancy and continued operations and maintenance of the Project by Owner or others have been obtained and are in full force and effect;

8.2.3.6 Design-Builder has completed all Owner training and provided Owner all training materials required under the training plan; and

8.2.3.7 All Delay Liquidated Damages due Owner, if any, have been paid in full by Design-Builder or otherwise satisfied.

8.2.4 Owner will inspect the Work following notice from Design-Builder, evaluate Design-Builder's submissions under Section 8.2.3 above, and determine whether Substantial Completion has been achieved. If Owner determines that Substantial Completion has not yet been achieved, it shall so notify Design-Builder in writing of the reasons for such determination. Design-Builder shall expeditiously remedy the issues and, when completed, re-request in writing that Owner perform a Substantial Completion inspection.

8.2.5 When Owner agrees that Design-Builder has satisfied all other requirements for Substantial Completion, Owner will prepare a Certificate of Substantial Completion that will set forth: (a) the Substantial Completion Date; (b) the approved Punch List; (c) provisions (to the extent not already provided in the Contract Documents or requiring modification) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities, insurance, and damage to Work; and (d) an acknowledgment that warranties commence to run on Substantial Completion Date, except as may otherwise be noted in the Certificate of Substantial Completion.

8.2.6 The Substantial Completion Date shall be the day on which Owner has executed the Certificate of Substantial Completion, provided, however, that if Owner has executed the Certificate of Substantial Completion, then Substantial Completion shall be deemed effective as of the date Design-Builder has executed the Certificate of Substantial Completion for the sole purposes of determining: (a) Design-Builder's liability to Owner for Delay Liquidated Damages for failure to achieve Substantial Completion on or before the Scheduled Substantial Completion Date; and (b) Design-Builder's obligation to correct Work under Section 2.10 above.

8.3 Final Completion.

8.3.1 Final Completion shall be deemed to have occurred when all of the following conditions have been satisfied:

8.3.1.1 Design-Builder has achieved Substantial Completion in accordance with Section 8.2 above;

8.3.1.2 All Work, including all clean-up and removal of construction materials, demolition debris and temporary facilities, is complete, and in all respects is in compliance with the Contract Documents;

8.3.1.3 Design-Builder shall have delivered to Owner all closeout documents and other deliverables required by the Contract Documents;

8.3.1.4 Design-Builder's surety has consented to the release of final payment to Design-Builder;

8.3.1.5 Design-Builder has certified to Owner that all of its claims against Owner have been resolved, except for those set forth in the attachment to the general release described in Section 6.6.1.2 above;

8.3.1.6 All Delay Liquidated Damages due under the Agreement have been paid or otherwise satisfied; and

8.3.1.7 Design-Builder and Owner have executed a Certification of Final Completion that all of the foregoing conditions have been satisfied.

8.3.2 Design-Builder shall notify Owner when it believes the Work has achieved Final Completion and is ready for Owner to prepare and execute a Certificate of Final Completion. Owner shall determine, within twenty-one (21) days following its receipt of such notice, whether it concurs that Final Completion has been achieved. If Owner disagrees, it shall promptly send written notice to Design-Builder of the basis for its disagreement. Design-Builder shall expeditiously correct the conditions raised by Owner in order to achieve Final Completion. The preceding process will continue until Owner determines that Final Completion has been achieved.

8.3.3 The Final Completion Date shall be the day on which Owner has executed the Certificate of Final Completion. However, for the sole purpose of determining Design-Builder's liability to Owner for Delay Liquidated Damages for failure to achieve Final Completion on or before the scheduled Final Completion Date, Final Completion shall be deemed effective as of the date Design-Builder has executed the Certificate of Final Completion.

8.4 Excusable Delays.

8.4.1 The term "Excusable Delay" shall refer to delays in the performance of the Work to the extent caused directly by acts, omissions, conditions, events, or circumstances beyond the reasonable control of Design-Builder and all other Design-Builder related entities, including, by way

of example, acts or omissions of Owner or anyone under Owner's control (including Owner's separate Contractors), changes in the Work, Differing Site Conditions, unknown Hazardous Environmental Conditions, and Force Majeure Events.

8.4.2 Notwithstanding Section 8.4.1 above, all cost, time, and other risks arising from the following events or circumstances shall be borne exclusively by Design-Builder, shall not be deemed Excusable Delays, and shall not be the basis for any relief, monetary, schedule, or otherwise, to Design-Builder:

8.4.2.1 General market and economic conditions affecting the availability, supply or cost of labor, Equipment and Materials, construction equipment, supplies, or commodities;

8.4.2.2 Strikes, labor disputes, work slowdowns, work stoppages, boycotts or other similar labor disruptions, unless such strikes, disputes, slowdowns, stoppages, boycotts or disruption affect a specific trade on a national or regional level and were not caused by the improper acts or omissions of Design-Builder or any other Design-Builder related entity;

8.4.2.3 Delays in obtaining or delivery of Equipment and Materials, or any other goods or services, from any Design-Builder related entity, unless the Design-Builder related entity's reason for delay arises from an event that would otherwise be excusable to Design-Builder under these General Conditions of Contract;

8.4.2.4 Delays of common carriers, unless the common carrier's reason for the delay arises from an event that would otherwise be excusable to Design-Builder under these General Conditions of Contract;

8.4.2.5 Bankruptcy or insolvency of any Design-Builder related entity;

8.4.2.6 The inability of any Design-Builder related entity to perform, unless such inability would be otherwise excusable to Design-Builder under these General Conditions of Contract;

8.4.2.7 Any acts, omissions, conditions, events, or circumstances that were caused by or arose from the negligent acts, omissions, fault, gross negligence, willful misconduct, breach of contract, or violation of law by Design-Builder or any other Design-Builder related entity; and

8.4.2.8 The exercise of any right or any act by Owner permitted under the Contract Documents, except to the extent the Contract Documents expressly require an adjustment in the GMP and/or Contract Time(s) as a result of such exercise or act (e.g., a change in the Work that will delay performance).

8.4.3 If Design-Builder intends to seek Excusable Delay classification for any weather condition, it shall demonstrate, as a condition to qualifying for an Excusable Delay, that the actual weather encountered was unusually severe and abnormal compared with the five-year average weather statistics compiled by the United States National Oceanic and Atmospheric Administration for the time of year and locality of the Site.

8.4.4 If Design-Builder intends to seek Excusable Delay classification for a delay in the issuance of a Governmental Approval, it shall demonstrate that: (a) Design-Builder and all other applicable Design-Builder related entities have submitted all applications, data, studies, reports, responses and other information required under Legal Requirements in order to obtain the Governmental Approval; (b) Design-Builder and all other applicable Design-Builder related entities have in all respects used commercially reasonable efforts to obtain the Governmental Approval; and

(c) Design-Builder and all other applicable Design-Builder related entities have consistently maintained a fully responsive, engaged and respectful professional relationship with the staff and management of the Governmental Unit in a manner that, while not expressly required under Legal Requirements, is generally recognized among regular practitioners in the permitting field as necessary on a practical level to secure similar Governmental Approvals in a timely manner in light of the discretion accorded to Governmental Units under Legal Requirements.

8.5 Adjustment of Contract Times.

8.5.1 Design-Builder shall be entitled to request a Change Order adjusting the Contract Time(s) to reflect not more than the amount of time Design-Builder is actually delayed by an Excusable Delay, expressly conditioned upon Design-Builder demonstrating that: (a) Design-Builder has demonstrated that the delay event qualifies as an Excusable Delay; (b) Design-Builder has complied with the requirements of Section 9.5 below; (c) the delay impacts the critical path of the Work as demonstrated by Section 8.5.2 below; (d) the delay was not foreseeable as of the Phase 2 Amendment Date by Design-Builder, and would not have been foreseen as of the Phase 2 Amendment Date by a reasonably experienced design-builder; and (e) Design-Builder, in view of all the circumstances, has exercised reasonable efforts to avoid and mitigate the delay and did not, through itself or any other Design-Builder related entity, cause the delay.

8.5.2 Design-Builder shall demonstrate the critical path impact of an Excusable Delay and the impact on the Contract Time(s) through a written time impact analysis ("TIA") establishing the influence of the event on the most current monthly updated Project Schedule. Each TIA shall include a fragmentary network ("fragnet") - that is a smaller, detailed portion of the overall Project timeline that focuses on a specific segment, group or sequence of activities within the overall Project Schedule - and for events that have yet to occur (such as an Owner proposed change), the fragnet shall demonstrate how Design-Builder proposes to incorporate such event into the most current monthly updated Project Schedule. The TIA shall demonstrate: (a) the time impact based on the date the event occurred, or, in the instance of an Owner-proposed change, the date such proposed change was given to Design-Builder; (b) the status of the Work at such point in time; and (c) the time computation of all affected activities.

8.6 Compensation for Delays

8.6.1 Design-Builder shall be entitled to request an adjustment of the GMP pursuant to the provisions of Article 9 for all Excusable Delays for which Design-Builder is entitled to a time extension pursuant to Section 8.5 above; provided, however, that such adjustment shall be no more than the increase in the Cost of the Work incurred by Design-Builder, plus the applicable Design-Builder's Fee, resulting directly from the time extension allowed under Section 8.5 above. Notwithstanding anything to the contrary, Design-Builder shall not be entitled to an adjustment of the GMP for Excusable Delays where Design-Builder's performance was or would have been concurrently delayed or interrupted by any event that does not otherwise qualify as an Excusable Delay, with the understanding that Design-Builder's sole remedy for such concurrent delays is an extension of the Contract Time(s), provided that Design-Builder has complied with the requirements of Section 8.5 above.

8.7 Recovery Schedules

8.7.1 Notwithstanding the right of Design-Builder to request a time extension for an Excusable Delay pursuant to this Article 8, Design-Builder agrees that it will, if directed by Owner, develop and implement a recovery schedule and plan to improve progress and take such measures to overcome such delay. Should Owner have a reasonable belief that the Contract Time(s) will not be met, then Owner has the right, but not the obligation, to so notify Design-Builder and direct Design-Builder to overcome such delay by working additional overtime, engaging additional personnel and taking such other measures as necessary to complete the Work within the Contract Time(s). If such delay

is not an Excusable Delay, Design-Builder shall bear all costs related to such overtime, additional personnel and other measures. If such delay is an Excusable Delay, and Design-Builder has met the requirements of this Article 8 for an adjustment to the Contract Time(s) for such delay, then Design-Builder may request an adjustment to the GMP in accordance with the requirements of Article 9 for the increase in the Cost of the Work incurred by Design-Builder directly related to such overtime, additional personnel and other measures.

Article 9

Changes to the Phase 1 Services Compensation, GMP and Contract Times

9.1 Right of Owner to Make Changes.

9.1.1 Without invalidating the Agreement, Owner may by written order, at any time and from time-to-time, authorize and/or request changes in, additions to, or deletions in the Work, including but not limited to those involving: (a) changes in, additions to, or deletions in the Contract Documents; (b) changes in the method, manner, sequence and time of performance of the Work (provided that Design-Builder retains and accepts full responsibility for all associated construction means, methods, techniques, sequences, and procedures); (c) changes in Owner-furnished services or deliverables; or (d) a direction to accelerate performance of the Work. If Owner proposes making a change in the Work, Owner shall advise Design-Builder and Design-Builder shall follow the processes set forth in Section 9.2 below.

9.1.2 No oral instruction, order or statement by Owner or Owner's Representative shall constitute a change under this Article 9. If Design-Builder believes that any oral instruction, order or statement by Owner or Owner's Representative may result in a change in the Work or require an adjustment to the Phase 1 Services Contract Price (interchangeably Amount or Compensation), GMP or the Contract Time(s), Design-Builder shall request that the oral instruction, order or statement be given in writing and shall thereafter comply with the provisions of this Article 9.

9.1.3 A "Change Order" is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon the scope of a change in the Work, and the agreed adjustment, if any, to the Phase 1 Services Contract Price, GMP, Contract Time(s), or any other requirement of the Contract Documents. Unless specifically stated to the contrary in the Change Order, an executed Change Order shall constitute the final and complete compensation and satisfaction for all costs and schedule impacts related to: (a) the implementation of the changes that are the subject of the Change Order; and (b) the cumulative impact of effects resulting from such changes on all prior Work and changes in the Work to be performed as scheduled.

9.1.4 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.2 Work Change Directives.

9.2.1 A "Work Change Directive" is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Phase 1 Services Contract Price, GMP and/or the Contract Time(s).

9.2.2 Upon receipt of a Work Change Directive, Design-Builder shall promptly proceed with the change in the Work involved, unless Owner directs otherwise. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the Parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.2.3 If the Parties are not able to agree on the method for adjusting the GMP for a Work Change Directive within a reasonable time, then Owner shall pay Design-Builder for such Work on a cost reimbursable basis as set forth in Section 9.7.2.3 below.

9.3 Minor Changes in the Work.

9.3.1 A “Minor Change” is a change in the Work that does not involve an adjustment in the Phase 1 Services Contract Price, GMP and/or Contract Time(s) and does not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents.

9.3.2 Owner may request Minor Changes. If Design-Builder disputes that such order is a Minor Change, Design-Builder shall notify Owner in accordance with Section 9.4 below.

9.3.3 Design-Builder may make Minor Changes consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, prior to making such change. If Owner disputes that such a change is a Minor Change, Owner shall promptly notify Design-Builder of its position. If Design-Builder nevertheless desires to make such change, it shall notify Owner in accordance with Section 9.4 below. All Minor Changes shall be recorded on the documents maintained by Design-Builder.

9.4 Procedures Following Owner’s Notice of Proposed Change.

9.4.1 Design-Builder shall, within twenty-one (21) days after receipt of notice of an Owner proposed change, prepare and submit to Owner in writing the information set forth in Section 9.5.2 below as if such change were the subject of a Design-Builder Proposed Change Order, and such other information and data as Owner may reasonably request. Owner shall endeavor to review Design-Builder’s submittal with Design-Builder within twenty-one (21) days of its receipt of such submittal. If the parties reach agreement on the terms of Owner’s proposed change and Owner elects to proceed with such change, a Change Order shall be executed by the parties. If the parties are unable to reach agreement on the terms of the proposed change, Owner shall have the right, in its sole discretion, to direct Design-Builder to proceed with the change by issuing a Work Change Directive to Design-Builder.

9.4.2 Owner shall have the right, at any time and at its sole discretion, not to undertake any proposed change. If Owner elects not to undertake a proposed change for which Design-Builder performed design services in developing its submittal under Section 9.4.1 above, Design-Builder shall be paid its reasonable design costs incurred for such submittal.

9.5 Design-Builder Proposed Change Orders.

9.5.1 If Design-Builder believes that it is entitled under the Contract Documents to an adjustment to the Phase 1 Services Contract Price, GMP, Contract Time(s), or other relief due to any event or situation arising out of or related to the Work (including but not limited to alleged Excusable Delays, disputes over Owner’s instructions or interpretation of the Contract Documents), Design-Builder shall, within ten (10) days after Design-Builder knows, or should have reasonably known, of such event or situation giving rise to the requested relief, submit to Owner a written notice labeled “Notice of Design-Builder Proposed Change Order.” The Notice of Design-Builder Proposed Change Order shall describe the general nature of the event or situation and, if such Notice involves an Excusable Delay, the probable duration thereof.

9.5.2 Design-Builder shall, within fourteen (14) days after providing Owner with a Notice of Design-Builder Proposed Change Order, submit to Owner in writing: (a) a description of the facts, circumstances and contractual basis for the relief sought, with sufficient specificity for Owner to assess the matter; (b) the cost data supporting any proposed adjustments to the Phase 1 Services

Contract Price or the GMP; and (c) the scheduling information and analysis required under Section 8.5.2 above to support any request for adjustment to the Contract Time(s).

9.5.3 Owner shall endeavor to review Design-Builder's submittal under Section 9.5.2 above within fourteen (14) days of its receipt of such submittal. If Owner believes that Design-Builder's request is justified, in whole or in part, Owner shall advise Design-Builder and an appropriate Change Order shall be executed. If Owner disputes Design-Builder's request, and the parties are unable to resolve the dispute, such dispute shall be resolved in accordance with Article 10 below. Owner may request clarifications and/or additional information to assist with its decision on such Design-Builder Proposed Change Order.

9.5.4 Design-Builder's failure to provide the written statements in the manner and time required by this Section 9.5 shall constitute a conclusive presumption that no price or time adjustment, or other relief, is claimed or warranted for the event or situation giving rise to the relief, and Design-Builder waives its rights to seek relief for any such event or situation.

9.6 Owner Directive Letters.

9.6.1 If the parties are unable to reach agreement on the terms of a Design-Builder Proposed Change Order under the processes set forth in Section 9.5 above, then Owner may, in its sole discretion, issue to Design-Builder a written notice ("Directive Letter") that directs Design-Builder to proceed in accordance with the terms of such notice notwithstanding the inability of the parties to reach agreement on the terms of the Design-Builder Proposed Change Order. Design-Builder shall fully comply with all Directive Letters and shall have the right to pursue its remedies under Article 10 below.

9.7 Adjustments to the Phase 1 Services Contract Price and GMP.

9.7.1 The increase or decrease in the Phase 1 Services Contract Price (interchangeably Amount or Compensation) resulting from a change in the Work shall be determined by the method as set forth in the "Phase 1 Services Contract Price" Exhibit of the Agreement.

9.7.2 The increase or decrease in GMP resulting from a change in the Work shall be determined by one or more of the following methods:

9.7.2.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

9.7.2.2 A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner; or

9.7.2.3 If the parties have not reached agreement on the basis of 9.7.2.1 or 9.7.2.2 above, the GMP shall be adjusted based upon the Cost of the Work and Design-Builder's Fee as set forth in Article 7 of the Agreement, provided, however, that such Cost of the Work is: (a) reasonably and properly incurred by Design-Builder; (b) reasonably documented; and (c) comprised of those costs that would not have been incurred but for the change in the Work.

9.8 Emergencies.

9.8.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. If the cause of the emergency would justify a change in the Phase 1 Services, GMP and/or Contract Time(s) under these General Conditions of Contract, Design-Builder shall submit a Design-Builder Proposed Change Order in accordance with Section 9.5 above.

9.9 Duty to Proceed.

9.9.1 No dispute between Design-Builder and Owner, including but not limited to those relating to the entitlement, cost or time associated with a notice of Owner proposed change or Design-Builder Notice of Proposed Change Order, shall interfere with the progress of the Work. Design-Builder shall have the duty to diligently proceed with the Work in accordance with Owner's instructions despite any dispute, including but not limited to those events where the parties are in disagreement as to whether instructions from Owner constitute a change to the Work and justify adjustments to the GMP and/or Contract Time(s).

9.9.2 Design-Builder's sole recourse in the event of such a dispute will be to pursue its rights under Article 10 below. Design-Builder shall retain any and all rights provided that pertain to the resolution of disputes. The disputed work will be categorized as an "unresolved dispute" and payment, if any, shall be as later determined in Article 10 below. Design-Builder shall keep accurate, detailed records of all disputed work, claims and other disputed matters.

9.10 Burden of Proof.

9.10.1 Design-Builder shall bear the burden of proof in establishing its entitlement to relief under this Article 9, including but not limited to adjustments in the Phase 1 Services Contract Price, GMP and/or Contract Time(s).

Article 10

Disputes and Claims

10.1 Dispute Avoidance and Resolution

10.1.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

10.1.2 Owner and Design-Builder shall first attempt to resolve disputes at the field level through discussions between Design-Builder's Representative and Owner's Representative. If, after the passage of a reasonable period of time, the dispute is not resolved at the field level, then, upon the written request of either party, the dispute shall be elevated to senior representatives of the parties. The senior representative shall meet as soon as conveniently possible to attempt to resolve such dispute. If the dispute is not resolved at the senior representative level, then Design-Builder shall have the right to make a Claim under Section 10.2 below, provided, however, that before doing so Design-Builder shall have satisfied its obligations under the process set forth in Section 9.5 above to file a Notice of Design-Builder Proposed Change Order.

10.2 Claims Process.

10.2.1 California Public Contract Code (PCC) § 20104 et seq. prescribes a process using informal conferences, non-binding judicial-supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. PCC § 9204 prescribes a process for negotiation and mediation to resolve disputes on construction claims. Therefore, this Section 10.2 is intended to implement and shall be construed as being consistent with said statutes.

10.2.2 For purposes of these procedures, "Claim" means a separate demand by Design-Builder, after Owner has denied Design-Builder's timely and duly made request for payment for extra work and/or a time extension, for: (a) a time extension; (b) payment of money or damages arising from

work done by or on behalf of Design-Builder pursuant to the Agreement and payment of which is not otherwise expressly provided for or Design-Builder is not otherwise entitled to; or (c) an amount the payment of which is disputed by Owner. The following requirements apply to all claims to which this Section 10.2 applies.

10.2.2.1 The Claim shall be in writing and include the documents necessary to substantiate the Claim. Claims governed by this procedure must be filed on or before the date of Final Payment. Nothing in this Section 10.2 is intended to extend the time limit or supersede notice requirements otherwise provided in the Agreement for the filing of claims, including all requirements pertaining to compensation or payment for extra work, disputed work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

10.2.2.2 Design-Builder shall submit all claims in the following format:

- (a) Summary of the Claim, including references to the specific Contract Document provisions upon which the claim is based.
- (b) List of documents relating to the Claim, including: (1) Construction Documents; (2) clarifications and requests for information; (3) Project Schedule(s); and (4) any other relevant material or supporting documentation.
- (c) Chronology of events and correspondence related to the Claim.
- (d) Statement of grounds for the Claim.
- (e) Analysis of the claim's cost, if any.
- (f) Analysis of the Claim's time/schedule impact, if any.

10.2.3 Upon receipt of a Claim pursuant to Section 10.2.2 above, Owner shall conduct a reasonable review of the Claim and, within a period not to exceed forty-five (45) calendar days, shall provide Design-Builder a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the Claim will be processed and made within sixty (60) calendar days after Owner issues its written statement.

10.2.3.1 If Owner needs approval from the Owner's City Council to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion of the Claim, and the City Council does not meet within the forty-five (45) calendar 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, Owner shall have up to three (3) days following the next duly publicly noticed meeting of the City Council after the 45-day period, or extension, expires to provide Design-Builder a written statement identifying the disputed portion and the undisputed portion.

10.2.3.2 Within thirty (30) calendar days of receipt of a Claim, Owner may request in writing additional documentation supporting the Claim or relating to defenses or claims Owner may have against Design-Builder. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of Owner and Design-Builder.

10.2.3.3 Owner's written response to the Claim, as further documented, shall be submitted to Design-Builder within thirty (30) calendar days (if the claim is less than \$50,000, within fifteen (15) calendar days) after receipt of the further documentation, or within a period of time no greater than that taken by Design-Builder in producing the additional information or requested documentation, whichever is greater.

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

10.2.5 Within ten (10) business days following the conclusion of the meet and confer conference set forth in Section 10.2.4 above, if the Claim or any portion of the Claim remains in dispute, Owner shall provide Design-Builder 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) calendar days after Owner issues its written statement. Any disputed portion of the Claim, as identified by Design-Builder in writing, shall be submitted to nonbinding mediation, with Owner and Design-Builder sharing the associated costs equally. Owner 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, unless the parties agree to select a mediator at a later time.

10.2.5.1 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.

10.2.5.2 For purposes of this Section 10.2.5, 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 used shall conform to the timeframes herein.

10.2.5.3 Unless otherwise agreed to by Owner and Design-Builder in writing, the mediation conducted pursuant to this section shall excuse any further obligation under PCC Section 20104.4 to mediate after litigation has been commenced.

10.2.5.4 All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

10.2.6 Owner's failure to respond to a claim from Design-Builder within the time periods described in this Section 10.2, or to otherwise meet the time requirements of this Section 10.2, shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of Owner's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this Section 10.2, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility of qualifications of Design-Builder. Owner's failure to respond shall not waive Owner's rights to any subsequent procedures for the resolution of disputed claims.

10.2.7 If following the mediation, the claim or any portion remains in dispute, Design-Builder must comply with the claim procedures set forth in California Government Code § 900 et seq. prior to filing any lawsuit against Owner. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, construction claims, and/or changed conditions, including any required mediation, have been followed by Design-Builder. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against Owner may be filed. A Government Code claim must be filed no earlier than the date that Design-Builder completes all contractual prerequisites to filing a Government Code claim, including any required mediation. A Government Code claim shall be inclusive of all

unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted. For purposes of California Government Code § 900 et seq., the running of the period of time within which a claim must be filed shall be tolled from the time Design-Builder submits its written claim to Owner until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation that does not result in a complete resolution of all claims.

10.2.8 The following procedures are established for all civil actions filed to resolve claims totaling \$375,000 or less:

10.2.8.1 Within sixty (60) calendar days, but no earlier than thirty (30) calendar days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both parties or unless mediation was held prior to commencement of the action in accordance with PCC § 9204 and the procedures in this Section 10.2. The mediation process shall provide for the selection within fifteen (15) calendar days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) calendar days of the submittal, and shall be concluded within fifteen (15) calendar days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the fifteen-day period, either party may petition the court to appoint the mediator.

10.2.8.2 If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act (Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

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

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

Article 11

Stop Work and Termination Rights

11.1 Owner's Right to Stop Work.

11.1.1 Owner may, at any time, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed either sixty (60) consecutive days or in the aggregate more than one hundred twenty (120) days. Notwithstanding the preceding sentence, the parties agree that: (a) days during which the Work is suspended prior to the Phase 2 Amendment Date shall not be allocable to or considered in the aggregate with days during which the Work is suspended after the Phase 2 Amendment Date; (b) the time occurring from the Phase 2 Amendment Date through and including the date upon which Owner issues the

Phase 2 Notice to Proceed, shall not be deemed as suspension in the Work or allocable to any aggregate period of suspension under this Section 11.1.1; and (c) any period of suspension pending evaluation and discussion of the Phase 2 Price Proposal shall be measured separately and not deemed a suspension under Section 11.1.1, but, rather, subject to the terms of Article 2 of the Agreement.

11.1.2 Design-Builder is entitled to seek an adjustment of the GMP and/or Contract Time(s) if the Cost of the Work it incurs or time to perform the Work has been adversely impacted by any suspension of the Work by Owner, provided Design-Builder satisfies the requirements of Articles 8 and 9 above.

11.2 Owner's Right to Perform and Terminate for Cause.

11.2.1 If Design-Builder, at any time, fails to: (a) provide a sufficient number of skilled workers; (b) supply the Equipment and Materials required by the Contract Documents; (c) comply with applicable Legal Requirements; (d) timely pay, without cause, Design Consultants or Subcontractors; (e) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted pursuant to Article 8 above; or (f) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents, by Legal Requirements, or at law or in equity, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below, and as provided at law.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be promptly cured, within seven (7) days of Design-Builder's service of such notice. If Design-Builder fails to cure, or reasonably commence and diligently continue to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence and diligently continue to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration. Notwithstanding anything to the contrary, if Owner has provided Design-Builder within three (3) initial notices of Owner's intent to terminate the Agreement for any of the reasons set forth in Section 11.2.1 above, then Owner shall have no further obligation to provide Design-Builder with an opportunity to cure, and may terminate the Agreement for cause as set forth in a written notice from Owner.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the Site and take possession, for the purpose of completing the Work, of all Work Product, Equipment and Materials, construction equipment, supplies, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, Equipment and Materials, construction equipment, supplies, and other items; provided, however, that Owner shall not take possession of any construction equipment, supplies, scaffolds, tools, appliances and other similar items owned or rented by Design-Builder.

11.2.4 In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. If the unpaid balance of the GMP exceeds the costs of finishing the Work, including Delay Liquidated Damages and other amounts due under the Agreement, Design-Builder will only be entitled to be paid for Work performed prior to its default, and the balance will be for the account of and retained by Owner. If the costs of finishing the Work exceed the unpaid balance, Design-Builder shall, within thirty (30) days of receipt of written notice setting out the amount of the excess costs, pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work (including costs to accelerate the Work as necessary to achieve

Substantial Completion as near as possible to the Scheduled Completion Date), but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the re-procurement and defense of claims arising from Design-Builder's default, subject to the liability limitations set forth in the Contract Documents.

11.2.5 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted automatically to and treated as a termination for convenience under the provisions of Section 11.6 below.

11.3 Design-Builder's Right to Stop Work.

11.3.1 Design-Builder may, in addition to any other rights accorded under the Contract Documents or at law, stop the Work for the following reasons:

11.3.1.1 Owner's failure to provide financial assurances as required under Section 3.3 of the General Conditions above; or

11.3.1.2 Owner's failure to make any undisputed payment due under Design-Builder's Application for Payment within forty-five (45) days after receipt of an acceptable Application for Payment, provided, however, that amounts subject to a good faith dispute shall not be deemed properly due.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the GMP and/or Contract Time(s) to the extent it incurs additional costs of the Work, or the progress of the Work has been adversely impacted by such stoppage, provided Design-Builder satisfies the requirements of Articles 8 and 9 above.

11.4 Design-Builder's Right to Terminate for Cause.

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents, may terminate the Agreement for cause for the following reasons:

11.4.1.1 The Work has been stopped for sixty (60) consecutive days, or more than one hundred twenty (120) days in the aggregate either entirely before the Phase 2 Amendment Date or entirely after the Phase 2 Amendment Date, because of court order, any Government unit or entity, failure of Owner to obtain Governmental Approvals that are Owner's responsibility under the Contract Documents, or orders by Owner under Section 11.1.1 above, provided that such stoppages are not due to the acts or omissions of Design-Builder or any other Design-Builder related entity.

11.4.1.2 Owner's failure to provide Design-Builder with any information that is Owner's responsibility under the Contract Documents which results in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days in the aggregate during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 above.

11.4.1.3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice.

If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Section 11.6 below.

11.5 Bankruptcy of Owner or Design-Builder.

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the “Bankrupt Party”), such event may impair or frustrate the Bankrupt Party’s ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

11.5.1.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

11.6 Owner’s Right to Terminate for Convenience.

11.6.1 Design-Builder’s performance of Work under the Agreement may be terminated by Owner in accordance with this Section 11.6 in whole or in part, without cause or whenever Owner shall determine that such termination is in the best interest of Owner. Any such termination shall be effected by delivery to Design-Builder of a Notice of Termination for Convenience, specifying the extent to which performance of Work under the Agreement is terminated, and the date upon which such termination becomes effective.

11.6.2 Design-Builder shall comply with instructions in the Notice of Termination for Convenience and, unless such notice directs otherwise:

11.6.2.1 Immediately discontinue the Work on the date specified in such notice and to the extent specified in such notice;

11.6.2.2 Place no further orders or Subcontracts except as may be necessary for completion or such portion of the Work as is not discontinued;

11.6.2.3 Assign to Owner any Subcontract relating to the performance of Work that is discontinued that Owner elects in writing, at its sole election and without obligation, to have

assigned to it, with Owner assuming, and Design-Builder being relieved of, all obligations under the Subcontract accruing from the date of the assignment;

11.6.2.4 Promptly cancel or terminate, on terms reasonably and commercially appropriate, all Subcontracts that Owner does not elect to have assigned to Owner to the extent that such Subcontracts relate to the performance of Work that is discontinued;

11.6.2.5 Complete performance of such part of the Work as shall not have been terminated by the Notice of Termination for Convenience;

11.6.2.6 Take such action as may be necessary, or as Owner may direct, for the protection and preservation of the property related to the Agreement which is in the possession of Design-Builder and in which Owner has or may acquire an interest; and

11.6.2.7 Deliver to Owner all Work Product produced during the period commencing on the Agreement Date to the date of the termination, which Work Product shall, for the avoidance of doubt, become the property of Owner, to the extent that it may not have been the property of Owner before the date of termination.

Design-Builder shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the cost, or any item of reimbursable cost, under this Section 11.6.

11.6.3 In the event of a termination for convenience, Design-Builder shall be entitled to receive only the following with respect to the terminated portion of the Project (to the extent not previously paid or subject to a good faith dispute) as its sole and exclusive remedy for such termination: (a) Cost of Work and Design-Builder's General Conditions performed through the date of termination in accordance with the Schedule of Values; (b) the reasonable costs incurred by Design-Builder in the performance of its obligations under Section 11.6.2 above resulting directly from such termination, including all actual and reasonable demobilization costs and amounts due in settlement of terminated Subcontracts; and (c) a fair and reasonable portion of Design-Builder's Fee attributable to the Work performed on the terminated portion of the Work up to the time of termination. Design-Builder shall not be entitled to recover Design-Builder's Fee, Design-Builder's General Conditions, or any other overhead or profit on unperformed portions of the Work. In no case shall Design-Builder or any other Design-Builder related entity be entitled to anticipatory or unearned profits, unabsorbed overhead, opportunity costs, or consequential or other damages as a result of a termination for convenience under this Section 11.6.

11.6.4 The obligation of Owner to pay amounts due in settlement of Subcontracts under Section 11.6.3 above shall be limited to the reasonable costs incurred by Design-Builder in settling and closing out Subcontracts that Owner does not elect to have assigned to it under Section 11.6.3 above and shall be subject to cost substantiation. Any convenience termination settlement payment under any Subcontract shall be calculated in the same manner as provided in Section 11.6.3 above with respect to the convenience termination settlement payment to Design-Builder.

11.6.5 The total sum to be paid to Design-Builder under Section 11.6.3 above shall not exceed the total GMP as reduced by the amount of payments otherwise made and as further reduced by the price of Work not terminated.

11.7 Right to Contract with Design Consultants.

11.7.1 In addition to any other rights available to Owner under the Contract Documents, Owner shall have the right to contract with Design Consultants in accordance with Section 9.4 of the Agreement if it terminates Design-Builder under either Sections 11.2 or 11.6 above.

Article 12

Electronic Data

12.1 Electronic Data.

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

12.2.1 Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

12.2.2 Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

12.2.3 By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 5 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

12.3.1 The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error. Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

12.3.2 Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

12.3.3 The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

12.3.4 The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data

via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

Article 13

Miscellaneous

13.1 Confidential Information.

13.1.1 Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (a) the transmitting party identifies as either confidential or proprietary; (b) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (c) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project. Either party may disclose Confidential Information, following notice to the other party, when required by law, including the California Public Records Act, subpoena, or court order.

13.1.2 Design-Builder may share Confidential Information with the other Design-Builder related entities as appropriate for the procurement and execution of the Work.

13.1.3 Unless a longer period is required by law, the confidentiality obligations herein shall expire within three (3) years of the Final Completion Date.

13.2 Assignment.

13.2.1 Neither the Agreement nor any right, privilege, delegation or interest thereunder may be assigned or transferred in whole or in part by Owner or Design-Builder without the prior written consent of the other Party, and any attempted assignment or transfer without such written consent shall be void, except as set forth in Section 13.2.2 below.

13.2.2 Notwithstanding the above, Design-Builder's consent of Owner's assignment or transference shall not be required for assignments relating in any way to the financing of the Agreement, Work or Project. Design-Builder shall execute such assignments, consents, and other documents as may be reasonably requested to give effect to or implement any assignment or conveyance of the Agreement of any right, privilege, delegation, or interest thereunder.

13.3 Successorship.

13.3.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and permitted assigns.

13.4 Governing Law and Venue.

13.4.1 The Agreement and all Contract Documents shall be governed by the laws of the State of California, without giving effect to its conflict of law principles. Venue for any litigation or other legal or equitable action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.

13.5 Severability.

13.5.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity,

legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

13.6 No Waiver.

13.6.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

13.7 Sovereign Immunity.

13.7.1 Notwithstanding any other provision of the Contract Documents to the contrary, nothing in the Contract Documents nor any action taken by Owner pursuant to the Contract Documents nor any document which arises out of the Contract Documents shall constitute or be construed as a waiver of the sovereign immunity of Owner, or of its elected and appointed officials, officers and employees.

13.8 Headings.

13.8.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

13.9 Amendments.

13.9.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

Article 14

California Labor Code Compliance

14.1 Public Work.

14.1.1 Design-Builder acknowledges that the Project is a “public work” as defined in Labor Code Section 1720 et seq. (Chapter 1), and that this Project is subject to: (a) Chapter 1, including without limitation Labor Code Section 1771; and (b) the rules and regulations established by California’s Director of Industrial Relations implementing such statutes. Design-Builder shall perform all Work on the Project as a public work. Design-Builder shall comply with and be bound by all the terms, rules and regulations described in (a) and (b) as though set forth in full herein.

14.2 Prevailing Wage Rates.

14.2.1 Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages for each craft, classification, or type of worker needed to perform the Project are on file at City Hall and will be made available to any interested party on request. By initiating any Work, Design-Builder acknowledges receipt of a copy of the DIR determination of such prevailing rate of per diem wages, and Design-Builder shall post such rates at each job site covered by these Contract Documents.

14.2.2 Design-Builder shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. Design-Builder shall, as a penalty paid to the City, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the

prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to these Contract Documents by Design-Builder or by any Subcontractor.

14.3 Payroll Records.

14.3.1 Design-Builder shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Design-Builder and each Subcontractor to: (1) keep accurate payroll records and verify such records in writing under penalty of perjury; (2) certify and make such payroll records available for inspection; and (3) inform the City of the location of the records. Design-Builder has ten (10) days in which to comply subsequent to receipt of a written notice requesting these records, or as a penalty to the City, Design-Builder shall forfeit one hundred dollars (\$100) for each day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.

14.3.2 Design-Builder and each Subcontractor shall comply with and be bound by the provisions of Labor Code Section 1771.4(a)(3), which requires that each Design-Builder and each Subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner at least monthly, in a format prescribed by the Labor Commissioner.

14.4 Hours of Labor.

14.4.1 Design-Builder acknowledges that eight (8) hours labor constitutes a legal day's work. Design-Builder shall comply with and be bound by Labor Code Section 1810 and comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. Design-Builder shall, as a penalty paid to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Project by Design-Builder or by any Subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, work performed by employees of Design-Builder in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1-1/2) times the basic rate of pay.

14.5 Apprentices.

14.5.1 Design-Builder shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6 and 1777.7 and California Code of Regulations (CCR) Title 8, Section 200 et seq. concerning the employment of apprentices on public works projects. Design-Builder shall be responsible for compliance with these Sections for all apprenticeable occupations. Before commencing Work on this Project, Design-Builder shall provide the City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding Work, Design-Builder and each of its Subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Contract. Design-Builder is also required to comply with the requirements of Public Contract Code Section 22185.3(b) requiring the use of a skilled and trained workforce as defined in Public Contract Code Section 2600, et seq. (referenced below).

14.6 Debarment or Suspension.

14.6.1 Design-Builder shall not perform Work with any Subcontractor that has been debarred or suspended pursuant to California Labor Code Section 1777.1 or any other federal or state law

providing for the debarment of contractors from public works. Design-Builder and Subcontractors shall not be debarred or suspended throughout the duration of this Contract pursuant to Labor Code Section 1777.1 or any other federal or state law providing for the debarment of contractors from public works. If Design-Builder or any Subcontractor becomes debarred or suspended during the duration of the Project, Design-Builder shall immediately notify the City.

14.7 Registration with DIR.

14.7.1 In accordance with Labor Code Sections 1725.5 and 1771.1, no Contractor or Subcontractor shall be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered with the Department of Industrial Relations (DIR) and qualified to perform public work pursuant to Section 1725.5.

14.8 Compliance Monitoring and Posting Job Sites.

14.8.1 This Project is subject to compliance monitoring and enforcement by the DIR. Design-Builder shall post job site notices, as prescribed by regulation.

14.9 Subcontractors.

14.9.1 For every Subcontractor who will perform Work on the Project, Design-Builder shall be responsible for such Subcontractor's compliance with the requirements set forth above, and Labor Code Sections 1860 and 3700, and Design-Builder shall include in the written contract between it and each Subcontractor a copy of these provisions and a requirement that each Subcontractor shall comply with those provisions. Design-Builder shall be required to take all actions necessary to enforce such contractual provisions and ensure Subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the Subcontractor and upon becoming aware of the failure of the Subcontractor to pay its workers the specified prevailing rate of wages, Design-Builder shall diligently take corrective action to halt or rectify any failure.

Article 15

Other Statutorily Required Terms

15.1 Public Contract Code.

15.1.1 Pursuant to Public Contract Code Section 7103.5, Design-Builder offers and agrees to assign to Owner all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the California Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time the Owner tenders final payment to Design-Builder without further acknowledgment by the parties.

15.1.2 Pursuant to Public Contract Code Section 9201, the Owner has full authority to compromise or otherwise settle any claim relating to this Contract at any time. The Owner shall timely notify Design-Builder of the receipt of any third-party claim relating to the Contract. The Owner shall be entitled to recover its reasonable costs incurred in providing the notification required by Public Contract Code Section 9201(b).

15.2 California Government Code.

15.2.1 Pursuant to Government Code Section 8546.7, since this Contract involves the expenditure of public funds in excess of ten thousand dollars (\$10,000), Design-Builder shall be subject to State

Auditor examination and audit at the request of the Owner or as part of any audit of the Owner, for a period of three (3) years after final payment under this Contract.

15.2.2 The methods used and costs involved to locate existing elements, points of connection and all construction methods are Design-Builder's sole responsibility. Accuracy of information furnished, as to existing conditions, is not guaranteed. Design-Builder, at its sole expense, must make all investigations necessary to determine locations of existing elements, which requires compliance with Government Code Section 4216, et seq., and includes, without limitation, contacting regional notification center(s) such as DigAlert, and other private underground locating firm(s), and/or utilizing potholes, specialized locating equipment and/or hand trenching.

15.2.3 Pursuant to Government Code Section 4215, the Owner acknowledges its responsibilities with respect to locating, relocating, removing or protecting utility facilities on the site of the Project, if it entails construction and such utilities are not identified by the Owner in writing prior to commencement of construction.

15.2.4 Design-Builder agrees not to accept any employment or representation during the term of this Contract or within twelve (12) months after completion of the work under this Contract which is or may likely make Design-Builder "financially interested," as provided in Government Code Sections 1090 and 87100, in any decisions made by Owner on any matter in connection with which Design-Builder has been retained pursuant to this Contract.

EXHIBIT A

OWNER'S PROJECT CRITERIA

VISION, GOALS AND OBJECTIVES

The City's Measure FP Project is a voter-approved \$93,350,000 general obligation bond measure to fund the reconstruction of Fire Stations No. 1 and 2 and the modernization of Police facilities, including the Headquarters and Annex buildings, in an expedient manner within the established budget in order to enhance public safety operations.

This Exhibit is focused solely on the construction of new Fire Stations No. 1 and 2 for the Measure FP Project and the following defines the fundamental programmatic, performance and quality requirements that will guide design and construction under the PDB approach, which may be modified during Phase One (1) (Preconstruction/Design Development), subject to Owner approval, and defines the standards against which the Guaranteed Maximum Price (GMP) proposal will be evaluated before proceeding to Phase Two (2) (Final Design and Construction).

Vision Statement

The City envisions modern, resilient, durable and operationally efficient fire stations that will enhance the City's ability to protect lives and property; support firefighter health and readiness; reflect best practices in fire service design and sustainability; and meet the needs of the community for the foreseeable future.

Key Goals and Objectives

- Phased Redevelopment with Operational Continuity

As the City's Fire Department (RBFD) must remain fully operational throughout the duration of the Project, the Design-Builder will be responsible for developing a detailed phasing and transition plan that ensures uninterrupted emergency response operations during construction. This includes assisting with and coordination of temporary site improvements and utility connections necessary to support modular facilities, such as apparatus bays and living quarters (to be procured directly by the City), which will be critical to maintaining operations during the reconstruction/replacement of each station.

- Program-Driven Facility Replacement

Each replacement station will be guided by the City's established programmatic space needs and operational goals. The design should accommodate modern apparatus and technology, provide an optimal working and living environment for personnel, ensure adequate circulation for fire service equipment and resources, and promote efficient response times.

- Cost Effectiveness and Long-Term Value

In collaboration with the PDB team, the City aims to emphasize cost-conscious design and construction solutions; leverage open-book cost estimating, value engineering and life-cycle cost analysis; and invest in durable, low-maintenance materials and systems that extend the useful life of City assets.

- Integrated and Collaborative Delivery

The PDB process will require close collaboration between the City, and more specifically the Fire Department, and the Design-Builder to refine design documents, validate costs, and establish a GMP aligned with the approved budget and scope. As such, the Design-Builder must demonstrate an ability to coordinate design progression with financial, permitting and construction readiness in order to minimize downtime and accelerate delivery.

- Operational Efficiency and Site Functionality

Each station must balance functionality, safety and aesthetics with careful attention to apparatus bay access, traffic flow and neighborhood compatibility. The Design-Builder should propose site layouts that support rapid deployment, safe ingress/egress, and minimal disruption to the surrounding communities.

- Collaborative and Transparent Team Culture

The City seeks a Design-Builder with proven experience delivering public safety facilities utilizing alternative or innovative delivery models, particularly those involving phased operations and temporary facilities, in order to yield a strong, transparent and collaborative working relationship centered around communication, problem solving and trust.

LOCATION

The Project is a two-site, multi-phase initiative to replace the existing Fire Station No. 1 and Fire Station No. 2 with modern, high-performance and operationally resilient facilities that meet current and future service demands. The sites indicated for temporary operations will be utilized for the duration of the construction period.

- Fire Station No. 1 (FS1): 401 S Broadway: 23,500 SF lot
- Fire Station No. 2 (FS2): 2400 Grant Avenue: 31,000 SF lot
- Temporary FS1: City Hall employee parking lot at N Broadway & Carnelian St
- Temporary FS2: Undeveloped, City owned lot at Inglewood Ave & Grant Ave

PROGRAM / SCOPE

The following are intended as general use and occupancy objectives, along with space requirements, but are not exhaustive in nature.

- Fire Station No. 1 (FS1): Roughly 16,000 SF inclusive of three (3) apparatus bays.
 - Administrative offices/support workrooms;
 - Sleeping quarters/dorms for A-C shifts of ten (10) personnel;
 - Private offices/living quarters for two (2) captains;
 - Living areas (dayroom/kitchen/dining);
 - Fitness room and locker/restroom facilities;
 - Apparatus support (decontamination, gear storage, compressor, etc.); and
 - Secure staff parking and ADA access, including public entry.
- Fire Station No. 2 (FS2): Roughly 16,000 SF inclusive of three (3) apparatus bays.
 - Training/administrative support spaces;
 - Sleeping quarters/dorms for A-C shifts of nine (9) personnel;
 - Private offices/living quarters for two (2) captains and one (1) division chief;
 - Living areas (dayroom/kitchen/dining);
 - Fitness room and locker/restroom facilities;
 - Apparatus support (decontamination, gear storage, compressor, etc.);
 - Secure staff parking and outdoor areas; and
 - Separate access (ingress/egress point) for battalion chief vehicle.

- Temporary FS1 & FS2
 - Coordination of site improvements such as grading, circulation layouts, and utility connections to support the modular facilities and temporary operations.
 - Support with the relocation of equipment/resources and facilitate operational alignment with the approved construction schedule for the permanent stations.

DESIGN CHARACTER

The reconstruction of both stations should strive to maintain design compatibility and continuity with the surrounding neighborhoods based on key materials and elements.

- **Core Improvements**
Replacement of existing fire stations with new facilities designed around the City's identified programmatic space requirements, including modern apparatus bays, living quarters/dorms, training areas, administrative offices and support spaces.
- **Temporary Operations Support**
While the City will directly procure any necessary temporary modular facilities, the PDB team will be responsible for designing and implementing any associated site improvements, grading and utility connections required to ensure the temporary facilities are fully functional and aligned with the approved construction schedule.
- **Site Enhancements**
Upgraded utilities, site circulation, drive aprons, wash areas and landscaping designed to enhance safety, efficiency and neighborhood compatibility.
- **Sustainability and Resiliency**
Incorporation of durable, energy-efficient systems, inclusive of an emergency generator, and design strategies that reduce long-term maintenance costs and improve building performance under emergency and post-disaster conditions.
- **Future Scalability**
Design flexibility to accommodate future technology integration, apparatus modifications, and evolving operational demands without major disruption.

PERFORMANCE STANDARDS / TECHNICAL SPECIFICATIONS

- Structural and seismic compliance for essential services buildings with 75-year design life, and meets or exceeds building code standards for living quarters.
- Functional and operational systems, including mechanical, electrical, and plumbing (MEP), designed for high reliability and with redundancy.
- Environmental and energy efficiency standards in compliance with California Title 24 requirements.
- Sustainability, durability and resiliency factors and construction materials that utilize a low maintenance, life-cycle replacement planning/cost orientation and with specific consideration given to air handling/dehumidification systems.
- Compliance with National Fire Protection Association (NFPA) codes and standards, and adherence to the U.S. Fire Administration (USFA) and FEMA's "Safety and Health Considerations for the Design of Fire and Emergency Medical Services Stations" publication (May 2018).

FUNDING / BUDGET

The total approved Measure FP bond funding authorization is \$93,350,000 with roughly \$48,000,000 set aside for the reconstruction of Fire Stations 1 and 2, including the costs associated with temporary relocation of the said station operations during construction. The estimated direct construction cost, for purposes of fee proposal calculation, is \$32,000,000, inclusive of new facilities and temporary site improvements.

Key cost components include but are not limited to: construction; geotechnical (e.g., soils reports); deputy testing/inspections; architectural and engineering services; furniture, fixtures and equipment; temporary facilities and relocation expenses; electrical systems and special equipment; utility connection services and fees; and program and construction management firm overhead, fees and reimbursables.

The City's previously approved contingency is roughly ten percent (10%), and all escalation allowances shall be tracked separately. The City will withhold five percent (5%) retention from all Phase 2 or early work package payments for work performed. The Design-Builder shall develop and maintain an open-book cost model, updated at each design milestone with life-cycle cost analysis completed throughout, and GMP validation must demonstrate budget alignment before Phase 2 authorization.

SCHEDULE / TIMELINE OVERVIEW

The work to be performed under the established contract will be informed by the following, anticipated milestones with the understanding that time is of the essence to this Project.

- Phase 1: Pre-Construction / Design Development

Utilizing the City's established programmatic space needs and functional requirements to advance design, validate scope and confirm existing site and utility conditions, the PDB team will develop a GMP during the design development stage. This phase will encompass cost modeling, constructability reviews and schedule development. Moreover, the Design-Builder will also prepare a detailed, phased and operational continuity plan that ensures uninterrupted emergency-response operations during construction and coordination of temporary site improvements and utility connections to support modular facilities and associated equipment to be procured directly by the City.

- Phase 2: Construction

Upon mutual agreement of the GMP, proposed schedule and execution of the Phase 2 Amendment, the Project will transition into construction. This phase will include full demolition and replacement of each existing fire station and deliver utility and infrastructure upgrades along with associated site improvements. The new facilities will be delivered as code-compliant, seismically resilient, energy-efficient and future-ready assets that enhance operational readiness and serve the City well into the future.

- Anticipated Timeline

<i>Target Completion Schedule</i>	<i>Est. Duration</i>	<i>Est. Completion</i>
Phase 1 - Design & Concept Review	4 Months	Fall 2026
Phase 1 - GMP Development/Negotiation	3-4 Months	End of 2026
Notice to Proceed to Phase Two (2) - Start of 2027		
Phase 2 - Construction Docs/Early Work	5 Months	Summer 2027
Phase 2 - Substantial Completion	12-18 Months	Summer/Fall 2028

EXHIBIT B

SCOPE OF SERVICES

The scope of work to be performed by the Design-Builder during both Phase 1 and Phase 2 are specified herein and with reference to the attached Contract Documents, which include the Progressive Design-Build Agreement, General Conditions of Contract, and various associated exhibits, appendices and amendments, where applicable.

California Senate Bill No. 706: Public Contracts: Progressive Design-Build: Local Agencies (2023-2024), an act to add and repeal Chapter 4.7 (commencing with Section 22185) of Part 3 of Division 2 of the Public Contract Code, relating to public contracts, also governs the progressive design-build (PDB) procurement process for public agency capital projects.

COMPLIANCE WITH LAWS

Design-Builder shall comply with all applicable federal, state, and local laws, ordinances, regulations, and codes prohibiting discrimination, including but not limited to the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act. Design-Builder shall not discriminate against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Design-Builder shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Design-Builder shall include a similar non-discrimination provision in all subcontracts related to the performance of this Agreement

The Design-Builder shall ensure that the Project design complies with the California Environmental Quality Act (CEQA). Based on the existing environmental documentation, assuming consistency with the City's General Plan and zoning provisions and leveraging prior Environmental Impact Report (EIR) work completed for the existing facilities, it is anticipated that a CEQA Exemption Memo will serve as the most appropriate path for compliance.

RESPONSIBILITIES AND STANDARD OF CARE

The standard of care for all professional services performed to execute the work shall be the care and skill ordinarily used by members of the applicable profession practicing under similar conditions at the same time and locality of the Project.

The Design-Builder shall also perform the design and construction so that the work meets or exceeds the performance requirements set forth in the Owner's Project Criteria, the Initial Project Scope and/or the Basis of Design Documents.

The Design Builder shall perform all activities efficiently and with the requisite expertise, skill, and competence to satisfy the requirements of the Contract Documents and in accordance with applicable legal requirements and governmental approvals. The Design-Builder accepts full responsibility for:

- Design quality, coordination, and code compliance;
- Professional engineering and architectural standards;
- Constructability, cost control, and schedule integration;
- Temporary facilities siting and functionality;
- Operational continuity for public safety operations during construction;
- Preparation of complete and coordinated Construction Documents; and
- GMP development using transparent, open-book methodologies.

PHASE 1: PRE-CONSTRUCTION / DESIGN DEVELOPMENT

Preconstruction and progressive design services will include collaborative design development, scheduling, cost estimating and risk analysis to support the City’s goals, and the selected Design-Builder shall not begin services until the City issues a formal Notice to Proceed (NTP) for Phase 1: Preconstruction.

The Phase 1 Services shall commence within five (5) days of Design- Builder’s receipt of Owner’s Notice to Proceed (NTP), unless the parties mutually agree otherwise in writing, and shall include the following tasks identified and per the Contract Documents.

<u>Task 1: Project Initiation: Program Validation and Alignment</u>			
1A	Kickoff Meeting	Design-Builder, City staff and Owner’s Representative shall meet to confirm Project team members and overall goals, review program documents, and clarify temporary provisions.	Within 7 days of NTP
1B	Alignment Workshops	Process intended to validate alignment of Owner’s Project Criteria with initial scope, cost model(s), schedule assumptions, budget, phasing and baseline program in order to ensure early consensus.	Within 30 days of NTP
1C	Deliverables	<ul style="list-style-type: none"> • Review and validate program materials completed during the Strategic Planning Phase. • Evaluate operational requirements for Rbfd. • Establish baseline assumptions for scope, schedule, budget and risk. • Provide documentation of alignment decisions. 	Within 30 days of NTP
<u>Task 2: Project Management: Reporting, Meetings and Plans</u>			
2A	Action Item Log	<p>Design-Builder shall maintain a dedicated log to track key actions (to be) completed by the team to progress the Project, and such log(s) shall have:</p> <ul style="list-style-type: none"> - Date(s) that the actions are recorded; - Party/person responsible to complete action(s); - Project component related to the action; and - Action due date(s) and other pertinent notes. 	Ongoing, as actions and decisions are made.
2B	Decision Log	<p>Design-Builder shall maintain a dedicated log to track key Project decisions that shall include:</p> <ul style="list-style-type: none"> - Date(s) the decision was recorded; - Project component related to the decision; and - Pertinent notes or docs that contain record of the decision (e.g., meeting, email, etc.). 	Ongoing, as actions and decisions are made.
2C	Design Log	Design-Builder shall maintain and provide to the Owner for review a Design Log, including a full listing of Reliable Design Decisions and all changes to the Basis of Documents, for the sole purpose of tracking the development of design decisions.	Weekly, and after every design review.

2D	Trend Log	Design-Builder shall maintain a log of issues that have been identified by the Design-Builder or Owner during the design process that may cause change to the Owner's program, the Basis of Design Documents and/or any commercial term.	At request of Design-Builder or Owner.
2E	Risk Register	<p>Design-Builder shall provide risk management, identifying Project risks for both Phase 1 and Phase 2 and documenting such risks in the Project Risk Register, and update it regularly as new risks are identified, with the following information included:</p> <ul style="list-style-type: none"> - Risk identification and description; - Project component(s) related to the risk; - Estimated likelihood risk will occur; - Potential impact (e.g., cost, schedule, material, design, etc.) should risk occur; and - Risk management/mitigation strategy. 	Updated/ revised as necessary/ regularly.
2F	Quality Assurance/ Quality Control	<p>Design-Builder shall develop a Quality Assurance/ Quality Control (QA/QC) Plan for implementation, and be reviewed and approved by the Owner, and shall include or reference all of the following:</p> <ul style="list-style-type: none"> - Purpose and objective; - QA/QC team, roles and responsibilities; - Technical memorandum of QC process; - Design submittal QC process; and - Proposed QA/QC documentation and forms. 	Utilized for ongoing execution of scope of work.
2G	Information Mgmt. Plan	Design-Builder and Owner shall agree upon the software and the format for the transmission of Electronic Data (i.e., document storage, format, transmittal protocols, etc.). Each party shall be responsible for securing the legal rights thereto.	Mutually agreed upon format(s).
2H	Progress Reporting Protocol	<p>Design-Builder shall submit a monthly progress report with each monthly invoice, which shall include:</p> <ul style="list-style-type: none"> - Written narrative summarizing work performed over the past (30-day) progress period and work planned in the next (30-day) progress period; - Monthly progress schedule accounting for the status of activities in Project Baseline Schedule; - Any recommended modifications to the Project Baseline Schedule; - Estimated spending for the next three months; - Updated design, decision and trend logs; - Updated Risk Register; and - Monthly invoice (reference Article 6 - Payment of General Conditions as to required format and monthly periodic deliverables) and supporting documentation including budget status update. 	Monthly, and attached to each Application for Payment.

21	Meetings / Workshops Agendas & Look-Ahead Schedule(s)	<p>Design-Builder shall facilitate and serve as the primary lead for meetings, calls and/or workshops as required to move the Project forward, and for each meeting, Design-Builder shall develop an agenda prior to, submit meeting minutes to the Owner within three (3) business days after, and include a list of action items resulting from the meeting.</p> <p>Bi-weekly progress meetings shall inform the Owner of performance, budget status, scope changes, and to resolve issues relating the Project budget, work quality and performance. These shall include a Look-Ahead Schedule to help identify any roadblocks, constraints, and resource needs based on the last and future progress meetings.</p> <p>Prior to the submission of key design deliverables, Design-Builder shall facilitate design workshops to inform the Owner of design development and to solicit Owner's input on design decisions. Following the submission and timely review of design deliverables, Design-Builder shall facilitate review meetings to discuss Owner's review comments.</p>	<p>Biweekly progress meetings</p> <p>Design workshops and review meetings for each design milestone.</p>
<u>Task 3: Site Investigation and Due Diligence</u>			
3A	Inspection of Site Conditions	Design-Builder shall obtain and review with the City all available site conditions, geotechnical, environmental and building data, and civil and topographic surveys along with any other due diligence items requiring further investigation.	Within 60 days of NTP
3B	Site and Design Alignment	Findings should directly inform the initial design and subsequent design phases, ensuring alignment of design strategies with actual site conditions.	Within 60 days of NTP
3C	Deliverables	<ul style="list-style-type: none"> • Review all existing reports, surveys, and studies provided by the City. • Identify gaps requiring any supplemental field testing, inspections or investigations. • Due diligence necessary for Design Development, including geotechnical, utilities, hazmat, structural assessment, surveys, etc. • Incorporate findings into CD, SD, DD and GMP deliverables as referenced herein. 	Within 60 days of NTP, unless additional follow-up necessary for Phase 1.
<u>Task 4: Temporary Facilities Planning</u>			
4A	Objective	Temporary FD facilities will be hosted/located in modular buildings furnished under City lease and/or purchase, while the Design-Builder will be responsible for the site preparation work, including design and construction within the GMP.	Ready for occupation at start of Phase 2

4B	Deliverables	<ul style="list-style-type: none"> • Prepare temporary facility site design inclusive of grading, utilities, circulation, access control, emergency vehicle pathways, and security measures for personnel and equipment. • Integrate the modular building footprint(s), loads, and utility demands into civil, structural, mechanical, electrical, and plumbing (MEP) design for efficient, code-compliant operations. • Prepare construction documents for all temporary facility site work after having ascertained the character and accessibility of the sites and the surface conditions thereof. • Include temporary facility site construction within the proposed contract price/GMP development. 	Completion prior to Phase 2, with the possibility of a separate GMP negotiation and agreement for the temporary facilities site work if fast tracked.
<u>Task 5: Conceptual Design (CD) Milestone</u>			
5A	Objective	Design-Builder shall prepare a concept design package that establishes the Project vision for the FD facilities, develop multiple design options for and associated campus configuration, explore site organization, and provide direction for advancing the Project forward.	CD Milestone
5B	Deliverables	<ul style="list-style-type: none"> • Conceptual site plans for the facilities. • Conceptual floor plans and adjacencies. • Operational flow diagrams. • High-level phasing strategy for service continuity. • Design narrative describing intent, systems approach, and architectural character. • Order-of-magnitude cost model. • Preliminary integrated schedule. • CD presentation to City staff for final review, direction and approval prior to the SD phase. 	Within sixty (60) days of NTP
<u>Task 6: Schematic Design (SD) Milestone</u>			
6A	Objective	Design-Builder shall further refine the Project's scope, scale and character in line with preliminary budget and schedule targets. PDB team shall introduce preliminary building systems and begin integrating site utilities and landscape strategies.	SD Milestone
6B	Deliverables	<ul style="list-style-type: none"> • Schematic Design site plan, floor plans, building massing and system concepts. • Outlined specifications that identify the Project's major components and building materials. • Updated cost model consistent with budget. • Updated schedule with identified critical path method (CPM). • Draft phasing and logistics plans. • Identification of early works packages (EWPs) including demolition/abatement, utility relocations, early grading, temporary facilities site prep, and long-lead procurement. • SD presentation to City staff for final approval(s). 	Within one hundred twenty (120) days of NTP.

<u>Task 7: Design Development (DD) Milestones</u>			
7A	Objective	Design-Builder shall advance the Project to a level suitable for GMP preparation and a Phase 2 Price Proposal based on checkpoints at 50% and at 100% DD for the City to review cost, schedule, and scope alignment and confirm strategies for next steps.	50% and 100% DD milestones
7B	50% DD Deliverables	<ul style="list-style-type: none"> • Coordinated architectural, structural, mechanical, electrical, plumbing, and fire protection layouts. • System diagrams and narratives. • Updated DD-level cost estimate(s). • Updated logistics and operational phasing plan. • Refined EWP list. • Updated risk matrix. 	Within forty-five (45) days of SD completion date.
7C	100% DD Deliverables	<ul style="list-style-type: none"> • Fully coordinated 100% DD package suitable for GMP pricing. • Updated cost estimate(s) and reconciliation. • Updated integrated schedule. • Refined operational continuity plan. • DD presentation to City staff for final approval(s). 	Within forty-five (45) days of 50% DD completion date.
<u>Task 8: Cost Modeling/Estimate Reconciliation & Schedule/Phasing Development</u>			
8A	Objective	At each milestone (CD, SD, 50% DD and 100% DD), Design-Builder shall facilitate, at a minimum, bi-weekly progress meetings, monthly progress reports, and updates to the various logs, plans, and/or registers as changes are made/as needed.	Milestone Tracking
8B	Deliverables	<ul style="list-style-type: none"> • Identified, transparent cost estimates and risks, and value opportunities. • Updated design risk register, along with constructability review(s). • Preliminary GMP with system-level breakdowns. • Updated Project schedule, site logistics and phasing plan(s) for operational continuity. <p>Recommendations for EWPs and procurement strategies for long-lead items.</p>	Ongoing and as necessary.
<u>Task 9: Guaranteed Maximum Price (GMP) Development</u>			
9A	Objective	<p>Following 100% DD approval, the Design-Builder will prepare and submit the GMP package for City review using an open-book approach and competitive trade bidding to ensure transparency.</p> <p>If the City and Design-Builder cannot reach agreement on the GMP, schedule, Phase 2 Amendment terms and/or completion date, the City reserves the right to terminate for convenience and procure construction separately.</p>	GMP Package

9B	Key Components	<ul style="list-style-type: none"> • GMP-level drawings and outline specifications. • Detailed schedule of values (SOV) including: <ul style="list-style-type: none"> a. Subdivision of work into parts based on the Work Breakdown Structure (WBS); b. Values for all items comprising the work; and c. Basis for monthly progress applications for payment as part of the open book basis. • Breakdown by trade and system. • List of clarifications, assumptions and exclusions used in the development of the GMP. • Subcontractor bid results and procurement narratives. • Updated, integrated schedule and phasing plan. • Bonds, insurance certificates, and other required documentation and/or supplementary forms. 	To be submitted as part of the Phase 2 Price Proposal, which may be based on Lump Sum or Design-Builder's Fee and Cost of the Work with an option for a GMP.
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PHASE 2: CONSTRUCTION AND CLOSE-OUT SERVICES

Design-Builder's Phase 2 services shall consist of design support during construction; the procurement of all materials and equipment; the performance of construction services; the start-up, testing, and commissioning; and the provision of warranty services, all as to be further described and agreed to in the Contract Price or Phase 2 Amendment.

Design-Builder shall provide, through itself or subcontractors, the necessary supervision, labor, inspection, commissioning, start-up, testing, equipment and materials, construction equipment, supplies, temporary utilities, other temporary facilities, and other related services to enable the PDB team to achieve Substantial Completion and Final Completion of the Project consistent with the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

- Conditions for Issuance of Phase 2 Notice to Proceed (NTP)
 - Agreement upon a final GMP, Project schedule, and completion date.
 - Completion of plan checks for Phase 2 and verification of conformance to the Agreement.
 - Verification of required payment bond and insurance.
 - Confirmation that the Project cost is within the approved budget.

Construction Bid Packages

As construction bid packages are to be developed and released progressively, aligned with the phased design completion and cost validation milestones, the Design-Builder, in coordination with the City, may develop a preliminary bid package plan and procurement strategy that leverages early procurement opportunities and logical bid package breakdowns.

Bid packaging components shall be identified by the Design-Builder during the Pre-Construction services phase. Examples of possible bid packages include work for underground utilities, site preparation and improvements, building construction and landscaping.

Upon the City's acceptance of the Design-Builder's recommended separate bid packages, the Design-Builder shall include the bid packages in the GMP proposal to the City and indicate separate construction costs, schedule and other conditions for each bid package to be initiated, completed and accepted in accordance with the Contract Documents.

Subcontractor Procurement Methodology

The Design-Builder shall set forth, using the Designation of Subcontractor's List (Appendix C), required under California Public Contract Code Section 4100 et seq. ("Subletting and Subcontracting Fair Practices Act", Chapter 4 (commencing with Section 4100) of Part 1 of Division 2), the name, location of the place of business, contractor's license number, and public works contractor registration number of each subcontractor that will perform work or labor or render service to the prime contractor in or about the construction of the project as identified in the Design-Builder's SOQ or Proposal.

In accordance with the Public Contract Code as referenced, the Design-Builder shall procure all trade contractors (subcontractors) not otherwise listed in the SOQ or proposal through a publicly advertised and competitive bidding process that provides for public notice of the availability of work to be subcontracted and a fixed date and time as to which the subcontracted work will be awarded.

Per the contract terms, and in compliance with the associated California statute, the Proposer must provide an enforceable commitment to the City that it, as the Design-Builder, and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the Project or contract that falls within an apprenticed occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1.

Note: The City will not reimburse the Design-Builder or trade contractors (subcontractors) for the reproduction costs of bid or construction documents.

Design-Builder Responsibilities for Construction Documents

- Design decisions to be based on construction materials, methods, systems and costs to provide the best value within the sought price and schedule.
- Documents shall identify design codes, standards and requirements used for the development of the plans, including the edition and applicable sections.
- Update building information modeling (BIM) to include specific construction elements, connections and interfaces, and fabrication/assembly details.
- Technical documents incorporating all input/comments and agreed upon value-engineering items shall be advanced to Issued-for-Construction (IFC) level.
- Documents shall include a quality control program and an implementation plan to ensure the Project progresses and complies with the approved design.
- Registered design professional-of-record (DPOR) shall provide construction administration services and specify all tests and inspections that are mandated by the building code and necessary to achieve regulatory compliance.
- DPOR services shall also include shop drawing review, response to requests for information, and periodic site visits to observe/verify quality of work.
- Manage design package, track all approvals through final signoff, and facilitate regulatory approval, permit acquisition and code compliance.
- Final, approved-for-construction set of documents shall be signed and stamped by the California-licensed professionals who prepared them and such licensed (sub-)contractors shall certify the documents' compliance with codes, standards, practices and regulations.

<u>Task 10: Construction Documents (CD) Milestone</u>			
10A	Objective	Design-Builder shall develop, prepare and submit complete Construction Documents, taking into account performance specifications and quality of materials and equipment identified in the DD phase, to ensure achievement of established City goals within the agreed upon contract price/GMP.	CD Milestones at 30%, 60%, 90% and 100%
10B	Deliverables	<ul style="list-style-type: none"> - Drawings and specifications for all disciplines. - Updated cost model. - Updated schedule and critical path analysis. - Constructability refinements. - Updated EWP scope and sequencing. 	100% CDs must be permit-ready and stamped by licensed contractors.
<u>Task 11: Cost Estimating</u>			
11A	Objective	Design-Builder shall develop a cost model for the Project for review and approval by Owner as to the format for presenting cost estimates that will be used consistently throughout the Project and so the Owner can track the evolution of estimated costs through successive cost submittals.	Cost model review and approval
11B	Components	<p>Costs shall be broken down to show/display:</p> <ul style="list-style-type: none"> - Labor classification and hours (including any overtime and/or night shift as needed); - Equipment and materials; - Any subcontract costs for each item; - All contingency and escalation factors; and - Assessment of risks and risk costs. <p>Cost model shall include: cost details and section for summary costs of major cost categories, markups and contingencies.</p>	Initial/first cost estimate to be updated at any point thereafter based on design changes.
<u>Task 12: Schedule Development</u>			
12A	Objective	Design-Builder shall develop and submit a Project Baseline Schedule that includes contractual dates for key milestones including Substantial Completion and Final Completion.	Project Baseline Schedule
12B	Components	<ul style="list-style-type: none"> - Schedule shall use critical path method (CPM); - Durations shall not exceed thirty (30) days, except for fabrication and delivery of equipment and materials, design activities, or items approved in writing by Owner; - Schedule shall include activities that require Owner's observation or acceptance; - Planned shutdowns/outages shall not exceed eight (8) hours and require Owner approval, and designs shall include provisions for such; - Tasks for Owner review shall be based on a three (3) week duration aligned with CPM; and - Schedule shall be in Microsoft Project, submitted as electronic files (native and Adobe PDF format) and hard copy, unless otherwise agreed to by all parties. 	Updated at min. on a monthly basis, and as needed to reflect significant Project changes, concurrent with design changes.

<u>Task 13: Schedule of Values</u>			
13A	Objective	The Phase 2 activities in the Project Baseline Schedule are required to match the Schedule of Values (SOV) that will be used for Phase 2 progress payments (defined in the Agreement).	Congruent with Baseline Schedule
13B	Elements	SOV shall be an early-stage Phase 2 Deliverable and included in the Phase 2 Amendment for: <ul style="list-style-type: none"> - Permitting; - Construction Design Documents; - Engineering services during construction; - Construction and permit compliance; and - Testing, startup, and commissioning. 	Review by Owner within a three (3) week duration.
<u>Task 14: Construction Phase Management</u>			
14A - Site Safety and Cal/OSHA Compliance		Develop and implement a site-specific safety plan compliant with Cal/OSHA. Maintain secure access controls separating construction zones from operational City facilities.	
14B - Utility Coordination		Manage tie-ins, relocations, and shutdowns to existing utilities to avoid disruption to active facilities.	
14C - Document Management		Maintain construction documents, including RFIs, submittals, shop drawings, change orders, and meeting minutes through a project management platform as agreed upon by the parties.	
14D - QA/QC Procedures & Required Inspections		Implement a quality assurance/quality control (QA/QC) program to verify conformance with design intent and specifications, including regular inspections, testing oversight, and deficiency tracking through Punch Lists.	
14E - Document Management		Maintain and manage construction documents, including RFIs, submittals, shop drawings, change orders, and meeting minutes through a cloud-based project management platform as agreed upon by Owner and Design-Builder.	
14F - Change Management		Administer a transparent process for evaluating pricing, approving changes, and maintaining real-time logs and impact analyses for City review.	
14G - Phasing and Operational Continuity, Including Coordination with City's Inspector		Implement approved construction sequencing plan and coordinate any temporary facilities, apparatus access routes, and on-site circulation to maintain uninterrupted emergency response operations. Proactively manage transitions between temporary and permanent facilities to ensure safety, accessibility, and minimal disruption to City personnel and surrounding neighborhoods.	
14H - Trade Coordination		Oversee subcontractor performance, manage work sequencing, resolve trade conflicts, and enforce adherence to safety, schedule and quality requirements.	

14I - Environmental and Regulatory Compliance	Ensure construction activities comply with environmental regulations, stormwater pollution prevention measures, hazardous materials handling, sustainability targets, and all applicable local and state codes.
14J - Testing and Inspection	Coordinate with the City all special testing and inspection of the Project's construction and as necessitated by law.
14K - Site Progress Reporting	Provide weekly site progress reports, photos, safety logs, and participate in regular OAC (Owner-Architect-Contractor) meetings; assist the City in reporting Project progress to oversight entities at regular intervals and as necessary.
<u>Task 15: Commissioning, Turnover and Training</u>	
15A - Implement Commissioning Plan for Buildings	Systematic, quality-focused process through operation, involving design review, installation verification, extensive functional testing, documentation and staff training.
15B - Deliver O&M Manuals	Delivery of record documents including operations and maintenance (O&M) manuals, warranty services, and as-built drawings for performing system start-up, testing and balancing.
15C - Conduct Systems Training	Educate O&M staff on how to properly run, monitor and maintain the building's components and system sequences.
15D - Provide As-Built Drawings	Updated plans with facilities' final, actual construction, reflecting all changes from original designs, including digital models.
15E - Prepare Warranty Log	Create a systematic process for recording, monitoring and managing all product or asset warranties through their lifecycle.
<u>Task 16: Closeout</u>	
16A - Punch List Mgmt./Resolution	Identify, track and correct all incomplete, incorrect or defective work items on the Punch List.
16B - Final As-Built Documentation	Submit final set of drawings capturing all changes made during construction and depicting the Project in its completed state.
16C - Final Cost Reconciliation	Upon achieving Final Completion, provide Owner with a Final Application for Payment as required by the Contract Documents.
16D - Occupancy Support	Occupancy and Operations or Post-Occupancy phase as the final stage of the commissioning process.
16E - Closeout Report	Final documentation package confirming all building systems function as designed and verifying all contract requirements met.

EXHIBIT C

DESIGN-BUILDER'S PERSONNEL & HOURLY RATES

City of Redondo Beach
 FS1 & FS2
 RFQ/P# 2526-PW002



Staff Rate Table - Phase 1

Classification	Name	Current Employee	Estimated Hours	Hourly Rate
Swinerton				
Operations				
Operations Manager	Besim Fejzagic	Y	2	255.83
Project Executive	Michele Prata	Y	190	220.73
Sr Project Manager				194.38
Project Manager	Bret Kret	Y	94	169.07
Assist Project Manager	Aiden Carter	Y		148.87
				0.00
Sr Project Engineer				121.06
Project Engineer	TBD		40	102.11
Intern Project Engineer				76.11
Field Operation Manager	Roger Bruce	Y	24	295.65
General Superintendent				250.78
Sr Superintendent				228.28
Superintendent	Victor Camposeco	Y	102	182.15
Assist Superintendent	Phil Chomicki	Y		156.24
Precon & Estimating				
Preconstruction Director	Mark Heit	Y	115	255.46
Preconstruction Executive				246.92
Sr Preconstruction Manager	Harry Lu	Y	498	246.92
Preconstruction Manager				210.85
Design Build Manager				192.67
Director of Support				164.32
Chief Estimator	Ken Kubota	Y	16	234.90
Estimating Manager	Dennis Teo	Y	170	219.12
Sr Estimator	TBD		64	197.89
Lead Estimator	TBD		530	152.96
Estimator	TBD		352	146.08
Estimating Coordinator	Ruth Perez	Y	13	80.25
Support Services				
Sr Scheduler	Jeff Crooks	Y	6	178.88
Scheduler	Anas Sheaber	Y	24	161.06
VDC Manager	Breawn Felix	Y	34	169.21
VDC Engineer	David Nagy	Y	228	91.74



Staff Rate Table - Phase 1

Classification	Name	Current Employee	Estimated Hours	Hourly Rate
Sr Mech/Elec/Plumb Superin	Mark Renz	Y	84	174.31
Mech/Elect/Plumb Superintendent				165.12
Division Safety Manager				199.94
Safety Manager				163.86
Safety Representative				151.14
Senior Quality Control Mana	Brian McCaw	Y	16	184.48
Quality Control Manager				157.52
Quality Control Engineer				135.20
Admin & Accounting				
Sr Project Accountant				88.40
Project Accountant				88.40
Sr Project Field Admin				98.80
Project Field Admin				82.12
Sr Admin Assistant				92.03
Admin Assistant				77.80
Self Perform				
Director of Self Perform				255.46
Director of Preconstruction - Self Perform				217.01
Senior Estimator - Self Perform			42	181.92
Estimator - Self Perform			72	140.49
Senior Superintendent - Self Perform				196.67



Classification	Name	Current Employee	Estimated Hours	Hourly Rate
Design Services				
Civil Engineering				
Principal	Kathereen Shinkai	Y	80	\$ 315.00
Senior Project Manager	Anthony Tsui	Y	250	\$ 225.00
Design Coordinator	TBD	Y	350	\$ 175.00
Landscape				
Principal	Kari Kikuta	Y	10	\$ 315.00
Project Manager	Michael Michalek	Y	100	\$ 215.00
Project Designer	Danielle Cleveland	Y	100	\$ 215.00
Design Coordinator	TBD	Y	150	\$ 175.00
Designer	TBD	Y	140	\$ 140.00
Structural Engineering				
Principal	Bryan Seamer	Y	10	\$ 315.00
Project Manager	John Wilson	Y	125	\$ 215.00
Project Engineer	Mohan Cehng	Y	150	\$ 175.00
Design Coordinator	TBD	Y	150	\$ 175.00
Designer	TBD	Y	150	\$ 140.00
Architecture				
Principal	Jeremy Hart	Y	80	\$ 315.00
Managing Director	Will Oren	Y	500	\$ 215.00
Project Designer	Ti Than	Y	400	\$ 215.00
Project Architect	Tracey Powl	Y	250	\$ 215.00
Design Coordinator	TBD	Y	550	\$ 175.00
Designer	TBD	Y	500	\$ 140.00
Interior Design				
Managing Director	Chris Lentz	Y	20	\$ 265.00
Project Designer	Brenda Beza	Y	80	\$ 215.00
Design Coordinator	Heather Tapia	Y	100	\$ 175.00
Mechanical Engineering				
Principal	Erik Ring	Y	15	\$ 315.00
Project Manager	Krystie Nelson	Y	150	\$ 265.00
Designer	TBD	Y	175	\$ 140.00
Plumbing				
Principal	Erik Ring	Y	15	\$ 315.00
Project Manager	Jared Plummer	Y	225	\$ 215.00
Designer	TBD	Y	175	\$ 140.00

City of Redondo Beach
 FS1 & FS2
 RFQ/P# 2526-PW002



Staff Rate Table - Phase 1

Classification	Name	Current Employee	Estimated Hours	Hourly Rate
Electrical Engineering				
Managing Director	Aldo Bacuzzi	Y	175	\$ 265.00
Design Coordinator	TBD	Y	100	\$ 175.00
Designer	TBD	Y	125	\$ 140.00
Lighting Design				
Project Designer	Becky Ceballos	Y	110	\$ 215.00

**APPENDIX B
DESIGN-BUILD FIRM QUESTIONNAIRE**

In accordance with Chapter 4.7, commencing with Section 22185, of Part 3 of Division 2 of the Public Contract Code, relating to public contracts.

1. Please indicate if the Proposer's Design-Build entity is or is intended to be a privately held corporation, limited liability company, partnership, or joint venture.
Swinerton Builders is a privately held corporation.
2. Please list the Design-Build entity's current or intended shareholders, partners, or members.
Swinerton Builders is a wholly-owned subsidiary of Swinerton Incorporated.
3. Does the Respondent (including all personnel and subcontractors included in this SOQ/proposal) have the licenses and registrations required to design and construct the Project as contemplated? *Yes*
4. Have the licenses or registrations of any of the entities considered in the response to the question above been revoked or suspended at any time? *No*
5. Does the Proposer's construction firm have liability insurance (commercial general liability of two million dollars per occurrence and professional liability insurance of at least two million dollars per occurrence) with an A.M. Best Company Financial Strength Rating of A- or better and authorized to do business in the State of California? *Yes*
6. Do all of the firms included in the SOQ have workers' compensation insurance? *Yes*
7. Does the Proposer's construction firm have a workers' safety program in place? *Yes*
8. Does the Proposer's construction firm have an average experience modification rate of 1.00 or less in the most recent three-year period, and does its average total recordable injury or illness rate and average lost work rate for the most recent three-year period not exceed the applicable statistical standards for its business category, or is it a party to an alternative dispute resolution (ADR) system as provided for in Section 3201.5 of the California Labor Code? *Yes*

Note: If the answer above is no, then the Proposer shall provide its record for the past five (5) years, including Experience Modification Rate (EMR), OSHA recordable incident rate, and a summary of any safety citations or violations, along with an explanation of corrective actions for any incidents exceeding industry norms.

The responses to the questionnaire must be signed by a representative of the Proposer who has authority to contractually bind the Design-Build team and must state from that representative that "I certify under penalty of perjury that the information provided in the foregoing is true and correct," along with the name, title, company and date signed by said representative.

I certify under penalty of perjury that the information provided in the foregoing is true and correct.

Authorized Signature:



Printed Name:

Besim Fejzagic

Title and Company Name:

Director of Public/Civic, Swinerton Builders

Date:

March 13, 2026

A0666560

ENDORSED - FILED
In the office of the Secretary of State
of the State of California

AUG 31 2007

**RESTATED ARTICLES OF INCORPORATION
OF
SWINERTON BUILDERS
A California Corporation**

Gordon W. Marks and Luke P. Argilla certify that:

1. They are the President and the Secretary, respectively, of Swinerton Builders, a California corporation.
2. The Articles of Incorporation of said corporation shall be restated to read in full as follows:

ONE

The name of this corporation is SWINERTON BUILDERS.

TWO

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business, or the practice of a profession permitted to be incorporated by the California Corporations Code.

THREE

The county in the State of California where the principal office for the transaction of business of this corporation is to be located is the City and County of San Francisco.

FOUR

This corporation is authorized to issue only one class of shares of stock. The total number of such shares shall be One Million (1,000,000), the par value of each such share of stock shall be Two Dollars and Fifty Cents (\$2.50) per share, and the aggregate par value of all shares shall be Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

FIVE

This corporation elects to be governed by all of the provisions of the California General Corporation Law of 1977 not otherwise applicable to it under Chapter 23 thereof.

SIX

The liability of the directors of this corporation for monetary damages shall be eliminated to the fullest extent permissible under California law.

SEVEN

This corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaws, resolutions, agreements with agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the applicable limits set forth in Section 204 of the California Corporations Code.

3. The foregoing Restated Articles of Incorporation has been approved by the Board of Directors of said corporation.

4. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the required vote of shareholders in accordance with Section 902, California Corporations Code. The total number of outstanding shares of the corporation is 191,173. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

Date: Aug 7, 2007


Gordon W. Marks, President

Date: Aug 7, 2007


Luke P. Argilla, Secretary

Gordon W. Marks and Luke P. Argilla each declares under penalty of perjury that the matters set forth in the foregoing Certificate are true and correct of his own knowledge and that this declaration was executed on August 7, 2007 at San Francisco, California.


Gordon W. Marks


Luke P. Argilla



Contractors License

CA Lic. #92 was issued in October 1929.

Swinerton Builders' current and valid general building contractor's license, Class B, is in good standing with the California contractor's license board. It has not been suspended or revoked at any time.



LICENSE CLASSIFICATION / TYPE	QUALIFIER	EXPIRATION
A - General Engineering Contractor	R. Haj	8/31/2027
B - General Building Contractor	R. Haj	8/31/2027
C2 - Insulation & Acoustical	R. Haj	8/31/2027
C4 - Boiler, Hot Water Heating & Steam Fitting	R. Haj	8/31/2027
C5 - Framing & Rough Carpentry	R. Haj	8/31/2027
C6 - Cabinet, Millwork & Finish Carpentry	R. Haj	8/31/2027
C8 - Concrete	R. Haj	8/31/2027
C9 - Drywall	K. Dancey	8/31/2027
C10 - Electrical	M. Renz	8/31/2027
C12 - Earthwork & Paving	R. Haj	8/31/2027
C21 - Building Moving, Demolition	G. Nuno	8/31/2027
C29 - Masonry	R. Haj	8/31/2027
C33 - Painting & Decorating	R. Haj	8/31/2027
C35 - Lathing & Plastering	R. Haj	8/31/2027
C39 - Roofing	R. Haj	8/31/2027
C50 - Steel, Reinforcing	R. Haj	8/31/2027
C61/D28 - Doors, Gates, and Activating Devices	R. Haj	8/31/2027
Cert - ASB - Certification: Asbestos	G. Nuno	8/31/2027

Professional Licenses

License Holder	License No.	License Type	Expiration
Casey R. Chapin	C35839	Architect	11/20/2027
Charles K. Williams	C30523	Architect	07/31/2027
Erin Blanenau	C38974	Architect	05/21/2027
Jeremy C. Hart	C29148	Architect	03/31/2027
Melody Tang	C35167	Architect	10/31/2027
Kari J. Kikuta	4932	Landscape Architect	04/20/2027
Erik Ring	31731	Mechanical Engineer	06/30/2027
Bryan Seamer	4899	Structural Engineer	06/30/2026
Bryan Seamer	63135	Civil Engineer	06/30/2026
Kathereen M. Shinkai	68369	Civil Engineer	09/30/2027
John M. Cruikshank	50792	Civil Engineer	09/20/2027



Insurance | Risk Management | Consulting

Arthur J. Gallagher Risk Management Services LLC
595 Market Street, Suite 2100, San Francisco, CA 94105
2121 N California Blvd, Suite 350, Walnut Creek, CA 94596
CA Lic # 0726293
United States

M 415.391.1500
T 800.500.7202
F 415.391.1682
ajg.com

August 5, 2024

Re: Workers' Compensation Coverage for Swinerton

To Whom It May Concern:

Arthur J. Gallagher Risk Management Services LLC (Gallagher Construction Services) is the insurance broker of Swinerton.

By way of this letter we certify that Swinerton and its affiliate companies M D Builders, Inc. SAK Builders, Inc. and Timberlab, Inc. has/had Workers' Compensation Coverage with the following carriers:

- | | | |
|--------------------|-----------------------------------|-------------------|
| • 8/1/19 to 8/1/20 | The First Liberty Insurance Corp. | WA6-66D066493-039 |
| • 8/1/20 to 8/1/21 | The First Liberty Insurance Corp. | WA6-66D066493-030 |
| • 8/1/21 to 8/1/22 | The First Liberty Insurance Corp. | WA6-66D066493-031 |
| • 8/1/22 to 8/1/23 | The First Liberty Insurance Corp. | WA6-66D066493-032 |
| • 8/1/23 to 8/1/24 | The First Liberty Insurance Corp. | WA6-66D066493-033 |
| • 8/1/24 to 8/1/25 | The First Liberty Insurance Corp. | WA6-66D066493-034 |

The Workers' Compensation coverage applies to all states except DC, GU, MA, PR, ND, OH, VI, WA WY, and WI. Should you have any questions regarding Swinerton's insurance program please contact me directly.

Sincerely,

Frances K. Tsui

Area Vice President
D (415) 536-8424
www.ajg.com | Frances.Tsui@ajg.com
Arthur J. Gallagher Risk Management Services LLC
CA License #0D69293



Worker Safety Program

A True Safety Mindset

Make Safety a Habit—Your Family Needs You, is the rallying cry for everyone on a Swinerton jobsite. It shows why and how we do what we do: a true safety mindset is the default for everyone who works with Swinerton because everyone deserves to go home safely, every day.

Jobsite safety does more than protect people, however. It has positive ripple effects on project quality, productivity, cost savings, and efficiency—all of which benefit our clients.

Resting on a foundational approach, Swinerton’s Health and Safety Program works to establish a safety mindset. At every step of every project, our team and partners focus on the industry-recognized strategies, processes, and actions that are known to have the greatest measurable impact on safety, including comprehensive safety plans, meticulous pre-planning, ongoing training, and daily mentoring. By building these actions into our process, we ensure that safety truly becomes a habit.

As a result, Swinerton boasts an **exemplary safety rating, with a 2025 Experience Modification Rate (EMR) of 0.70 in California**, well below the national average of 1.00.

- In 2025, Swinerton and its affiliates achieved a **Lost Time Incident Rate of 0.15** compared to the general building industry average lost time rate of 1.10.
- The **Recordable Incident Rate was 1.1** compared to the industry average recordable rate of 2.50.

Health & Safety Program

To create a clear, consistent, and concise document for our craft and operations personnel in the field, Swinerton streamlined its Health and Safety Program to fully encompass the company’s national reach. While our continuous emphasis on safety remains unchanged, our documentation for processes and expectations is clearer and more accessible than ever before.

The Health and Safety Program Document includes the following sections that provide personnel with relevant information and processes on Swinerton jobsites:

- **Injury and Illness Prevention Program (IIPP)** which details roles and responsibilities, communication, hazard assessment and correction, incident investigation, training, and many additional topics.
- **Code of Safe Work Practices** which explains the expectations for safe work for self-perform trades and operations.
- **Program Elements** which details specific safety practices for all types of construction work, including crane operations, electrical safety, fire prevention, PPE, tools, and many additional topics.
- **Health and Environmental Programs** which include instructions for hazardous materials, heat illness prevention, infection control, respiratory protection, and more.



Scan or Click here to read Swinerton Builder’s Health and Safety Program



	2023	2024	2025	3-yr Avg.
Experience Modification Rate	0.63	0.62	0.70	0.65
Recordable Incident Rate	1.93	0.86	1.76	1.52
Lost Time Incident Rate	0.08	0.14	0.31	0.17



Liberty Mutual Insurance
157 Berkeley St.
Boston, MA 02116

July 17, 2025

To Whom It May Concern

RE: Swinerton Builders - Experience Modification

Dear Sir or Madam:

First Liberty Mutual Insurance Corporation is the insurance carrier for Swinerton Builders. By means of this letter, we confirm the following experience modification history, effective August 1:

WCIRB – California

NCCI – Most other States

ID No.: 5-00-72-R

ID No.: 910679686

2025-2026 - .70

2025-2026 - .68

2024-2025 - .62

2024-2025 - .54

2023-2024 - .63

2023-2024 - .60

2022-2023 - .59

2022-2023 - .58

Please feel free to contact me if you have any questions in regards to this letter.

Sincerely,

Andrew Shaw
Executive Underwriter
Major Accounts – Construction
Work: (857) 224-6817
Cell: (857) 270-1953



**APPENDIX C
DESIGNATION OF SUBCONTRACTORS LIST**

Each Respondent shall list the name, location of the place of business, California contractor license number, and scope of work for each subcontractor, subconsultant, or major trade partner who will perform work or services in an amount exceeding one-half of one percent (0.5%) of the total contract price, as required by California Public Contract Code (PCC) Section 4104.

Failure to properly list subcontractors may render the proposal non-responsive and subject to disqualification. If no subcontractors are proposed at this stage, indicate "None" and acknowledge that subcontractors will be designated during Phase 1 consistent with the City's Progressive Design-Build Agreement.

Subcontractor / Trade Partner Name	Business Address	License No. / Classification	Portion of Work / Trade	% of Work or Est. Value (\$)	DIR Registration No.
------------------------------------	------------------	------------------------------	-------------------------	------------------------------	----------------------

If the Proposer intends to identify "Pre-Construction Trade Partners" (e.g., structural, MEP, civil, etc.) for participation during Phase 1 design development, the following table may be used:

Trade Partner	Role During Phase 1	Anticipated Role in Phase 2	Selection Method (e.g., Expertise, Early Trade)	CA License No. & DIR Registration No.
---------------	---------------------	-----------------------------	---	---------------------------------------

NOTES:

1. Subcontractor percentages or values are preliminary and for informational purposes only; final scopes and values will be confirmed prior to execution of the Phase 2 Price Amendment.
2. Subcontractors performing work under the Contract Documents must hold valid California contractor licenses and Department of Industrial Relations (DIR) registration at the time of contract execution.
3. Any substitution of listed subcontractors shall comply with PCC Section 4107 and must be approved by the City in writing.
4. For design-build entities, design consultants who are integral to the team (architect, structural engineer, MEP engineers) shall also be listed (with firm name, discipline, CA license number, primary contact, and email/phone number).

The Respondent shall also include the following acknowledgement as part of the submission:

"The undersigned certifies under penalty of perjury under the laws of the State of California that the information provided herein is true and correct to the best of my knowledge."

Authorized Signature:



Printed Name:

Besim Fejzagic

Title and Company Name:

Director of Public/Civic, Swinerton Builders

Date:

March 13, 2026

Design-Build Entities

Firm Name	Discipline	CA Lic. No.	Primary Contact	Email/Phone
Swinerton Builders	General Contractor	92	Besim Fejzagic Director of Public/Civic	bfejzagic@swinerton.com 949.468.8582
LPA	Architecture	C29148	Jeremy Hart Principal, Design Director	jhart@lpadesignstudios.com 949.701.4046
JMC2	Civil Engineering	50792	John Cruikshank President & CEO	jcruikshank@JMC-2.com 310.241.6550 ext. 228

Subcontractor List

Subcontractor/Trade Partner Name	Business Address	License No./ Classification	Portion of Work/ Trade	% of Work or Est. Value (\$)	DIR Registration No.
Swinerton Self-Perform Concrete	200 N Main Street, Santa Ana CA 92701	92 C8	Foundations & Structural Concrete	TBD	1000000296
Swinerton Self-Perform Drywall	200 N Main Street, Santa Ana CA 92701	92 C9	Drywall	TBD	1000000296
Swinerton Self-Perform Doors, Frames Hardware	200 N Main Street, Santa Ana CA 92701	92 C61/D28	Doors, Frames & Hardware	TBD	1000000296

Pre-Construction Trade Partners

Trade Partner	Role During Phase 1	Anticipated Role in Phase 2	Selection Method (e.g., expertise, early trade)	CA License No. & DIR Registration
Nova Services	Geotechnical Investigation	Geotechnical Investigation	Early Trade	1000007909
Swinerton Self-Perform Concrete	Foundations & Structural Concrete	Foundations & Structural Concrete	Self Perform	92 / 1000000296
Swinerton Self-Perform Drywall	Drywall	Drywall	Self Perform	92 / 1000000296
Swinerton Self-Perform Doors, Frames Hardware	Doors, Frames & Hardware	Doors, Frames & Hardware	Self Perform	92 / 1000000296
Plumbing TBD - Bid at 100% DD		Plumbing	TBD	
Fire Protection TBD - Bid at 100% DD		Fire Protection	TBD	
HVAC TBD - Bid at 100% DD		HVAC	TBD	
Electrical & Low Voltage TBD - Bid at 100% DD		Electrical & Low Voltage	TBD	

Swinerton Builders (Proposer) is the General Contractor. Our design team structure is primarily composed of specialists from our design partner, LPA. We've had strong success collaborating with LPA to develop a comprehensive MEP Criteria with 100% DD documents early in the design phase. This approach enables us to take the package to market early and award both the MEP engineering and trade contracts simultaneously, streamlining coordination and delivery.

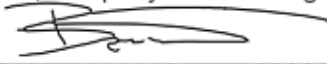
**APPENDIX D
CONFLICT OF INTEREST DISCLOSURE**

	YES*	NO
1 Are you currently in litigation with the City of Redondo Beach or any of its agents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2 Do you represent any firm, organization or person who is in litigation with the City of Redondo Beach?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Do you currently represent or perform work for any clients who do business with the City of Redondo Beach?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Redondo Beach, or in a business which is in litigation with the City of Redondo Beach?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Redondo Beach employee who has any significant role in the subject matter of this service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* If the answer to any question is yes, please explain in full below.

The responses to the foregoing must be signed by a representative of the Respondent who has authority to contractually bind the Design-Build team and must state the following:

"I certify under penalty of perjury that the information provided in the foregoing is true and correct," along with the name, title, company and date signed by said representative."

Authorized Signature: 
 Printed Name: Besim Fejzagic
 Title and Company Name: Director of Public/Civic, Swinerton Builders
 Date: March 13, 2026

**APPENDIX E
NON-COLLUSION DECLARATION**

Title 23 United States Code Section 112, and
California Code, Public Contract Code (PCC) Section 7106

The undersigned declares:

I am the Director of Public/Civic of Swinerton Builders, 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 March 13, 2026 [date], at Los Angeles [city], California."



(Signature of representative of Bidder)

APPENDIX F

PERFORMANCE BOND

Under California law, progressive design-build (PDB) projects are subject to specific bonding requirements mandated by California Civil Code Sections 9550-9566 (the "Little Miller Act") and Public Contract Code (PCC) Section 22185.4.

In accordance with the Contract Documents, the Design-Builder shall, no later than ten (10) days after the Phase 2 Amendment Date, provide the City (Owner) with a Performance Bond in the penal amount equal to one hundred percent (100%) of the GMP (contract price), which bond shall cover the faithful performance of all the Design-Builder's obligations under the Contract Documents, and on the City's form(s) herein. If Design-Builder fails to provide such bond, Design-Builder may be found in material default of the Agreement.

The Performance Bond shall be provided by a surety (or sureties) authorized by applicable Legal Requirements to do business in the State of California, with an A.M. Best Company Financial Strength Rating of A- or better. Sureties must also be listed in the U.S. Department of Treasury's Circular No. 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies (U.S. Department of the Treasury 2022).

The bond shall be accompanied by a power of attorney from the surety company authorizing the person executing the bond to sign on behalf of the company. The signature of the person executing the bond shall be acknowledged by a notary public as the signature of the person designated in the power of attorney.

If during the continuance of the Contract Documents any of the sureties, in the opinion of the City, are or become non-responsible or otherwise unacceptable to City, City may require other new or additional sureties, which the Contractor shall furnish to the satisfaction of City within ten (10) days after notice, and in default thereof the Agreement may be suspended and the materials may be purchased or the Work completed as provided in the Contract Documents.

No modifications or alterations made in the Work to be performed under the Contract Documents or the time of performance shall operate to release any surety from liability on any bond or bonds required to be given herein. Notice of such events be waived by the surety.

The Contract Documents will not be executed by City nor the Notice to Proceed issued until the said bond(s) have been received and approved by the City. The City's decision as to the acceptability of all sureties and bonds is final. No substitution of the form of the documents will be permitted without the prior written consent of City.

Performance Bond

Bond No.: _____

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS, the City of Redondo Beach, California ("City"), has awarded to

(Name and address of Contractor)

("Principal"), a contract ("Contract") for the work described as follows:

Untitled Project, Job No. TBD

WHEREAS, Principal is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Principal, and

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of

_____ Dollars (\$ _____), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bound Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and will and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the Contract and any alteration thereof made as therein provided, on the Principal's part to be kept and performed, all within the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and hold harmless the City, its officers, agents, and others as therein provided, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect. In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court.



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

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Date: _____

"Principal"

"Surety"

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

(Seal)

(Seal)

CITY OF REDONDO BEACH

**APPROVED AS TO SURETY
AND PRINCIPAL AMOUNT**

APPROVED AS TO FORM

By: _____

By: _____

Risk Manager

City Attorney

Note: This bond must be executed in duplicate and dated. All signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.



Zurich North America Surety
4 Embarcadero Center #3740
San Francisco, CA 94111

Phone: 415-538-7100
Fax: 415-538-7366
<http://www.zurichna.com>

March 5, 2026

City of Redondo Beach
415 Diamond Street, Door 2
Redondo Beach, CA 90277

Re: Swinerton Builders
RFQ/P# 2526-PW002 Reconstruct Fire Stations 1 & 2

To Whom It May Concern:

The surety requirements for Swinerton Builders are handled by Zurich American Insurance Company, (since 2003) NAIC #16535. Contact: Carolina Benedict, Four Embarcadero Center, Suite 3740, San Francisco, California 94111 Telephone (818) 625-2311, in partnership with Liberty Mutual Insurance Company, (since 1992) NAIC #23043 Contact: Raymond Wu, One Embarcadero Center, Suite 1320, San Francisco, CA 94111, Telephone (415) 537-2509, both California Admitted Carriers authorized to issue surety bonds in the State of California, and highly regarded surety companies. The sureties have never had to complete any work on their behalf.


Zurich American Insurance Company and Liberty Mutual Insurance Company have provided surety credit to Swinerton Builders for single projects to \$2,000,000,000 in the past and for an aggregate level of \$10,000,000,000. This is not to be construed as the maximum the sureties would entertain for this contractor but has satisfied their normal needs in the past. Zurich American Insurance Company is rated "A+" (Superior) with a financial size category of XV (\$2 billion+) by AM Best and has a US Treasury Limit of \$563,120,000. Liberty Mutual Insurance Company is rated "A" (Excellent), Class XV and has a US Treasury Limit of \$2,248,066,000. Arthur J. Gallagher Risk Management Services LLC, 50 California Street, 12th Fl., San Francisco, CA 94111 has been the Surety Broker for Swinerton Builders for over 34 years.

If Swinerton Builders is awarded a contract and requests that we provide the necessary Performance and/or Payment Bonds, we will be prepared to execute the bonds subject to our acceptable review of the contract terms and conditions, bond forms, appropriate contract funding and any other underwriting considerations at the time of the request.

Our consideration and issuance of bonds is a matter solely between Swinerton Builders and ourselves, and we assume no liability to third parties or to you by the issuance of this letter.

We trust that this information meets with your satisfaction. If there are further questions, please feel free to contact us.

Very truly yours,
Zurich American Insurance Company / Liberty Mutual Insurance Company

By: 
Janell C. Rojo, Attorney-in-Fact



ACKNOWLEDGMENT

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.

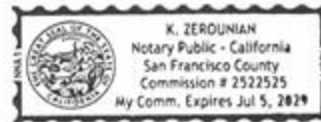
State of California
County of San Francisco

On March 5, 2026 before me, K. Zerounian, Notary Public
(insert name and title of the officer)

personally appeared Janet C. Rojo,
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.



Signature  (Seal)

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

KNOW ALL MEN BY THESE PRESENTS: That the ZURICH AMERICAN INSURANCE COMPANY, a corporation of the State of New York, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, a corporation of the State of Illinois, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND a corporation of the State of Illinois (herein collectively called the "Companies"), by Christopher Nolan, Vice President, in pursuance of authority granted by Article V, Section 8, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, do hereby nominate, constitute, and appoint **Susan HECKER, K. ZEROUNIAN, Janet C. ROJO, Betty L. TOLENTINO, M. MOODY, Maureen O'CONNELL, Robert P. WRIXON, Kevin RE, Virginia L. BLACK, Sallina KO, Thuyduong I.E, Brittany KAVAN, Julia ORTEGA, Douglas B. BOWRING, Matthew KALAFATIS, Misty R HEMJE, Courtney CHEW, Maria D. REYNOSO, Tina K. NIERENBERG, Harold FOY, Shawndrae N. JOHNSTON, Forrest CHAMBERLAIN** of San Francisco, its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the ZURICH AMERICAN INSURANCE COMPANY at its office in New York, New York, the regularly elected officers of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at its office in Owings Mills, Maryland, and the regularly elected officers of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at its office in Owings Mills, Maryland, in their own proper persons.

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

IN WITNESS WHEREOF, the said Vice-President has hereunto subscribed his/her names and affixed the Corporate Seals of the said ZURICH AMERICAN INSURANCE COMPANY, COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 01st day of August, A.D. 2025.



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

By: Christopher Nolan
Vice President

By: Dawn E. Brown
Secretary

**State of Maryland
County of Baltimore**

On this 01st day of August, A.D. 2025, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, **Christopher Nolan, Vice President and Dawn E. Brown, Secretary** of the Companies, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and acknowledged the execution of same, and being by me duly sworn, depose and saith, that he/she is the said officer of the Company aforesaid, and that the seals affixed to the preceding instrument are the Corporate Seals of said Companies, and that the said Corporate Seals and the signature as such officer were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

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

Genevieve M. Watson
Notary Public
My Commission Expires January 27, 2029



Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790

EXTRACT FROM BY-LAWS OF THE COMPANIES

"Article V, Section 8, Attorneys-in-Fact. The Chief Executive Officer, the President, or any Executive Vice President or Vice President may, by written instrument under the attested corporate seal, appoint attorneys-in-fact with authority to execute bonds, policies, recognizances, stipulations, undertakings, or other like instruments on behalf of the Company, and may authorize any officer or any such attorney-in-fact to affix the corporate seal thereto; and may with or without cause modify or revoke any such appointment or authority at any time."

CERTIFICATE

I, the undersigned, Vice President of the ZURICH AMERICAN INSURANCE COMPANY, the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, and the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that Article V, Section 8, of the By-Laws of the Companies is still in force.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the ZURICH AMERICAN INSURANCE COMPANY at a meeting duly called and held on the 15th day of December 1998.

RESOLVED: "That the signature of the President or a Vice President and the attesting signature of a Secretary or an Assistant Secretary and the Seal of the Company may be affixed by facsimile on any Power of Attorney...Any such Power or any certificate thereof bearing such facsimile signature and seal shall be valid and binding on the Company."

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994, and the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies, this SP day of March, 2016



Mary Jean Pethick
Vice President

TO REPORT A CLAIM WITH REGARD TO A SURETY BOND, PLEASE SUBMIT A COMPLETE DESCRIPTION OF THE CLAIM INCLUDING THE PRINCIPAL ON THE BOND, THE BOND NUMBER, AND YOUR CONTACT INFORMATION TO:

Zurich Surety Claims
1299 Zurich Way
Schaumburg, IL 60196-1056
reportsclaims@zurichna.com
800-626-4577

Authenticity of this bond can be confirmed at bondvalidator.zurichna.com or 410-559-8790



POWER OF ATTORNEY

Certificate No: 8215027-024125

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Betty L. Tolentino, Brian Cooper, Brittany Kavan, Forrest Chamberlain, Harold Foy, Janet C. Rojo, Julia Ortega, K. Zeroumian, Kevin Re, M. Moody, Maria D. Reynoso, Maureen O'Connell, Misty R. Hemje, Robert P. Wrxon, Salina Ko, Shawndrae N. Johnston, Susan Hecker, Thuyduong Le, Tina K. Nierenberg, Virginia L. Black

all of the city of Walnut Creek state of CA each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 13th day of November, 2025.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: Nathan J. Zangerle, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

State of PENNSYLVANIA
County of MONTGOMERY

On this 13th day of November, 2025 before me personally appeared Nathan J. Zangerle, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Commonwealth of Pennsylvania - Notary Seal
Teresa Pastella, Notary Public
Montgomery County
My commission expires March 28, 2029
Commission number 1126544
Member, Pennsylvania Association of Notaries

By: Teresa Pastella, Notary Public

For bond and/or Power of Attorney (POA) verification inquiries, please call 610-832-8240 or email HOSUR@libertymutual.com.

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes Nathan J. Zangerle, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 5th day of March, 2026



By: Renee C. Llewellyn, Assistant Secretary

APPENDIX G

LABOR AND MATERIAL PAYMENT BOND

Under California law, progressive design-build (PDB) projects are subject to specific bonding requirements mandated by California Civil Code Sections 9550-9566 (the "Little Miller Act") and Public Contract Code (PCC) Section 22185.4.

In accordance with the Contract Documents, the Design-Builder shall, no later than ten (10) days after the Phase 2 Amendment Date, provide the City (Owner) with a Labor and Material Payment Bond in the penal amount equal to one hundred percent (100%) of the GMP (contract price).

The Labor and Material Payment Bond shall be provided by a surety (or sureties) authorized by applicable Legal Requirements to do business in the State of California, with an A.M. Best Company Financial Strength Rating of A- or better. Sureties must also be listed in the U.S. Department of Treasury's Circular No. 570, Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies (U.S. Department of the Treasury 2022).

The bond shall be accompanied by a power of attorney from the surety company authorizing the person executing the bond to sign on behalf of the company. The signature of the person executing the bond shall be acknowledged by a notary public as the signature of the person designated in the power of attorney.

If during the continuance of the Contract Documents any of the sureties, in the opinion of the City, are or become non-responsible or otherwise unacceptable to City, City may require other new or additional sureties, which the Contractor shall furnish to the satisfaction of City within ten (10) days after notice, and in default thereof the Agreement may be suspended and the materials may be purchased or the Work completed as provided in the Contract Documents.

No modifications or alterations made in the Work to be performed under the Contract Documents or the time of performance shall operate to release any surety from liability on any bond or bonds required to be given herein. Notice of such events be waived by the surety.

The Contract Documents will not be executed by City nor the Notice to Proceed issued until the said bond(s) have been received and approved by the City. The City's decision as to the acceptability of all sureties and bonds is final. No substitution of the form of the documents will be permitted without the prior written consent of City.

Payment Bond

(Labor and Material)

Bond No.: _____

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS, the City of Redondo Beach, California ("City"), has awarded to

(Name and address of Contractor)

("Principal"), a contract ("Contract") for the work described as follows:

Untitled Project, Job No. TBD

WHEREAS, Principal is required under the terms of the Contract and the California Civil Code secure the payment of claims of laborer, mechanics, materialmen, and other persons as provided by law

NOW, THEREFORE, we, the undersigned Principal, and

(Name and address of Surety)

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto the City in the penal sum of _____ Dollars (\$ _____), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bound Principal, its heirs, executors, administrators, successors or assigns, or subcontractors shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or any amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Principal and subcontractors pursuant to Section 13030 of the Unemployment Insurance Code, with respect to work or labor performed under the Contract, the Surety will pay for the same in an amount not exceeding the penal sum specified in this bond; otherwise, this obligation shall become null and void. This bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon the bond. In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by the City in the suit and reasonable attorneys' fees in an amount fixed by the court.



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

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Principal and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Date: _____

"Principal"

"Surety"

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

(Seal)

(Seal)

CITY OF REDONDO BEACH

**APPROVED AS TO SURETY
AND PRINCIPAL AMOUNT**

APPROVED AS TO FORM

By: _____
Risk Manager

By: _____
City Attorney

Note: This bond must be executed in duplicate and dated. All signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached



APPENDIX H

INSURANCE REQUIREMENTS

Design-Builder Insurance Coverages

Design-Builder shall procure and maintain the following insurance and limits of liability at all times during the period in which the Agreement is in full force and effect, provided, however, that the Builder's Risk Insurance shall be procured and maintained as set forth in paragraph (d) below. The required insurance shall be procured and maintained from insurance companies currently authorized by the Insurance Commissioner to transact business of insurance or on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of AM Best's Key Rating Guide, unless otherwise approved by Owner. Design-Builder, at its own cost and expense, may purchase any additional kinds of insurance which in its own judgment may be necessary to protect its interests.

a. Commercial General Liability Insurance. Design-Builder shall procure and maintain a policy of commercial general liability insurance, with coverage at least as broad as Insurance Services Office ("ISO") form CG 00 01, written on a per occurrence basis for bodily injury, personal injury and property damage. Defense costs must be paid in addition to limits. Coverage for an additional named insured shall not be limited to its vicarious liability. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted. Limits shall be no less than \$5,000,000 per occurrence for all covered losses, and no less than \$10,000,000 general aggregate, for bodily injury, personal injury and property damage, and \$10,000,000 completed operations aggregate. Products/completed operations coverage shall extend a minimum of three (3) years after Project completion. Coverage shall be included on behalf of the insured for covered claims arising out of the actions of independent contractors. If the insured is using subcontractors, the policy must include work performed "by or on behalf" of the insured. Policy shall contain no language that would invalidate or remove the insurer's duty to defend or indemnify for claims or suits expressly excluded from coverage. Policy shall specifically provide for a duty to defend on the part of the insurer. The City, and its officials, officers, agents, and employees, shall be included as additional insureds under the policy.

b. Automobile Liability Insurance. Design-Builder shall procure and maintain a policy of comprehensive automobile liability insurance, at least as broad as ISO form CA 00 01, written on a per occurrence basis covering bodily injury and property damage in an amount not less than \$2,000,000 combined single limit for each accident. Said policy shall include coverage for owned, non-owned, leased, hired cars and any automobile.

c. Workers' Compensation and Employer's Liability Insurance. Design-Builder shall procure and maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000). A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California (statutory limits) as well as a policy of employer's liability insurance (with limits of at least \$1,000,000), which shall each indemnify, insure and provide legal defense for Design-Builder against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by Design-Builder in the course of carrying out the work or services contemplated in the Agreement.

d. Builder's Risk Insurance. For new building and building renovation construction, Design-Builder shall procure and maintain a policy of Builder's Risk Insurance. The coverage shall be written for an amount equal to the initial contract amount plus the value of any subsequent change orders. The policy shall be provided for replacement value on an "all-risk" or special causes of loss basis, including earthquake and flood. The Owner shall be named as Loss Payee on the policy and there shall be no coinsurance penalty provision in any such policy. Policy must include coverage for debris removal, and insure the building(s), structures, machinery, equipment, materials, facilities, fixtures, and all other properties constituting a part of the project. The limits shall be sufficient to ensure the full replacement value of any property or equipment stored either on or off the project site or in

transit. Such insurance shall be on a form acceptable to Owner to ensure adequacy of terms and limits. Design-Builder shall not be required to maintain property insurance for any portion of the project following transfer of control thereof to Owner. The Design-Builder shall be the named insured, and the Owner and subcontractors of any tier shall be named as insureds. The policy shall provide and be endorsed to include a waiver of subrogation in favor of the Owner, its officials, officers, agents, and employees.

e. Contractor's Pollution Liability Insurance. Design-Builder shall procure and maintain Environmental Impairment Liability insurance, written on a Contractor's Pollution Liability form or other form acceptable to Owner providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit shall be no less than \$2,000,000 per claim and in the aggregate. All activities contemplated in the Agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the Project site to the final disposal location, including non-owned disposal sites. The policy shall provide and be endorsed to include the City, its officials, officers, agents, and employees as insureds. The policy shall remain in full force and effect for the period of the Work and a five (5)-year extended reporting period after Final Completion.

f. Professional Liability Insurance. Design-Builder or Lead Engineer shall procure and maintain Professional Liability insurance. This coverage may be written on a "claims made" basis and must include coverage for contractual liability. Any policy inception date, continuity date, or retroactive date must be before the Agreement Date. The policy must be endorsed to be applicable to claims based upon, arising out of, or related to services performed under the Agreement. The insurance must be maintained for at least five (5) consecutive years after Final Completion. During this additional 5-year period, Design-Builder shall annually and upon request of Owner submit written evidence of this continuous coverage. Limits shall be no less than \$2,000,000 per claim and \$4,000,000 general aggregate.

g. Cyber. Design-Builder shall procure and maintain for the duration of the contract insurance against claims for security breaches, system failures, injuries to persons, damages to software, or damages to property (including computer equipment) which may arise from or in connection with the performance of the work hereunder by the Design-Builder, its agents, representatives, or employees. Design-Builder shall procure and maintain for the duration of the contract insurance claims arising out of their services and including, but not limited to loss, damage, theft or other misuse of data, infringement of intellectual property, invasion of privacy and breach of data. Cyber Liability Insurance, shall be maintained with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Design-Builder in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs, regulatory fines and penalties as well as credit monitoring expenses.

h. Umbrella/Excess Liability Insurance. Excess liability insurance and/or umbrella liability insurance may be used to satisfy the above obligations. If excess liability insurance is used then the policy shall meet all the requirements herein and be at least as broad as the primary coverages set forth herein. Such policy shall: (1) include a drop down feature requiring the policy to respond if primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason; (2) be payable on behalf of wording as opposed to reimbursement; (3) have concurrency of effective dates with primary policies; (4) "follow form" to the underlying primary policies; and (5) provide insureds, under primary policies required herein, shall be insureds under the excess liability policy.

Insurance to be Maintained by First-Tier Design Consultants and Subcontractors

General and Limits. Design-Builder will cause all first-tier Design Consultants and Subcontractors to procure and maintain the following minimum insurance coverages or be responsible for maintaining such coverages on behalf of each party. The policies shall satisfy the same requirements as set forth above for Design-Builder, with the exception of the limits which are set forth below. Owner Indemnitees shall be additional named insureds on each such policy on a primary, non-contributory basis for the coverages set forth in paragraphs (a), (b) and (d) below.

- a. Commercial General Liability Insurance. Limits in an amount no less than \$2,000,000 per occurrence and in the aggregate annually.
- b. Automobile Liability Insurance. Limits in an amount not less than \$1,000,000 combined single limit for each accident.
- c. Workers' Compensation and Employer's Liability Insurance. Statutory workers' compensation (Coverage A) limits and employer's liability (Coverage B) limits of \$1,000,000 bodily injury by accident, each accident, and \$1,000,000 bodily injury by disease, each employee.
- d. Umbrella/Excess Liability Insurance. For Subcontracts valued at more than \$1,000,000, umbrella/excess coverage shall be in the amount of \$3,000,000 per occurrence and in the aggregate annually.

CCIP. Should Design-Builder implement a contractor-controlled insurance program ("CCIP") providing compliant insurance for all participants with regard to on-site activities, all first-tier Subcontractors enrolled in the CCIP shall still be responsible for procuring and maintaining automobile liability insurance and the other insurance coverages noted above with regard to off-site work. Owner Indemnitees shall be included as additional named insureds on a primary, non-contributory basis for the applicable insurance coverages set forth in paragraphs (a), (b) and (d) above.

Insurance to be Maintained by Suppliers

Design-Builder shall require Suppliers to purchase and maintain commercial general liability, automobile liability and any other insurance that is appropriate for their participation in the Project.

Subcontractors: Design-Builder must enter into a written and executed contract agreement with each of its subcontractors, subconsultants, and/or any other parties ("subcontractor" or "subcontractors") that provide materials, services, or perform construction or other work on or for the Project. The contract agreement must contain a defense, indemnification, and hold harmless provision in favor of the Owner, its officials, officers, agents, and employees. The contract agreement shall also cause the subcontractor to comply with the insurance requirements required of Design-Builder under this Agreement, except for Builder's Risk Insurance and Professional Liability insurance if subcontractor will not be providing design or engineering services. Design-Builder shall obtain certificates of insurance and required policy endorsements from each of its subcontractors and provide a copy to the Owners upon request.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status: The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Design-Builder including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Design-Builder's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage: For any claims related to this contract, the Design-Builder's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Design-Builder's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Umbrella or Excess Policy: The Design-Builder may use Umbrella or Excess Policies to provide the liability limits as required in this contract. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Design-Builder's primary and excess liability policies are exhausted.

Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

Waiver of Subrogation: Design-Builder hereby grants to City a waiver of any right to subrogation which any insurer of said Design-Builder may acquire against the City by virtue of the payment of any loss under such insurance. Design-Builder agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions: Self-insured retentions must be declared to and approved by the City. The City may require the Design-Builder to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by City. Any and all deductibles and SIRs shall be the sole responsibility of Design-Builder or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City may deduct from any amounts otherwise due Design-Builder to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City reserves the right to obtain a copy of any policies and endorsements for verification.

Claims Made Policies (note: should be applicable only to professional liability, see below): If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Design-Builder must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

Verification of Coverage: Design-Builder shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Exhibit and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declarations & Endorsements pages

are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Design-Builder's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Duration of Coverage: CGL & Excess liability policies for any construction related work, including, but not limited to, maintenance, service, or repair work, shall continue coverage for a minimum of five (5) years for Completed Operations liability coverage. Such Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.



GENERAL LIABILITY ENDORSEMENT

CITY OF REDONDO BEACH

415 DIAMOND STREET

Insurance Company _____ Policy Number _____

Policy Term (From) _____ (To) _____ Endorsement Effective Date _____

Named Insured _____

Address of Named Insured _____

Limit of Liability any One Occurrence/Aggregate \$ _____ / _____

General Liability Aggregate Applies Separately to This Project/Location:

Yes _____ No _____

Deductible or Self-Insured Retention (None unless otherwise specified): _____

Coverage is equivalent to Commercial General Liability occurrence form CG 0001:

Yes _____ No _____

POLICY AMENDMENTS

1. WHO IS AN INSURED (Section II) is amended to include as an insured the City of Redondo Beach, its officers, elected and appointed officials, employees, and volunteers, but only with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
2. This insurance shall be primary as respects the insured shown in the schedule above, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Insured scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.
3. The insurance afforded by this policy shall not be canceled except after thirty days prior written notice by certified mail return receipt requested has been given to the City.

INCIDENT AND CLAIM REPORTING PROCEDURE

Incidents and claims are to be reported to the insurer at:

(Name/Department)

(Company)

(Address)

(City/State/Zip)

(Phone)

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name), warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

Signature - Authorized Representative / Title

Organization

Address/Telephone

Date





AUTOMOBILE LIABILITY ENDORSEMENT

CITY OF REDONDO BEACH

415 DIAMOND STREET

POLICY INFORMATION

Insurance Company _____ Policy Number _____

Policy Term (From) _____ (To) _____ Endorsement Effective Date _____

Named Insured _____

Address of Named Insured _____

Limit of Liability any One Occurrence/Aggregate \$ _____ / _____

Deductible or Self-Insured Retention (None unless otherwise specified): _____

Coverage is equivalent to Commercial Auto form CA 0001, Code 1 ("any auto") on endorsement CA 0025: Yes _____ No _____

POLICY AMENDMENTS

1. **WHO IS AN INSURED** (Section II) is amended to include as an insured the City of Redondo Beach, its officers, elected and appointed officials, employees, and volunteers, but only with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor.
2. This insurance shall be primary as respects the insured shown in the schedule above, or if excess, shall stand in an unbroken chain of coverage excess of the Named Insured's scheduled underlying primary coverage. In either event, any other insurance maintained by the Insured scheduled above shall be in excess of this insurance and shall not be called upon to contribute with it.
3. The insurance afforded by this policy shall not be canceled except after thirty days prior written notice by certified mail return receipt requested has been given to the City.



INCIDENT AND CLAIM REPORTING PROCEDURE

Incidents and claims are to be reported to the insurer at:

(Name/Department)

(Company)

(Address)

(City/State/Zip)

(Phone)

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name), warrant that I have authority to bind the below listed insurance company and by my signature hereon do so bind this company.

Signature - Authorized Representative / Title

Organization

Address/Telephone

Date





WAIVER OF SUBROGATION AND CONTRIBUTION
CITY OF REDONDO BEACH
415 DIAMOND STREET

The contractor and the insurer, jointly and severally, on behalf of themselves, and all parties claiming under or through them, hereby waive all rights of subrogation and contribution against the City of Redondo Beach and its officers, employees, elected officials, attorneys, members of boards and commissions, agents, and volunteers (hereinafter collectively referred to as "City"), while acting within the scope of their duties, from all claims, losses and liabilities arising out of or incident to the perils insured against in connection with the performance of the work under the designated contract by the contractor, its subcontractors, and their respective officers, agents and employees thereof, regardless of any prior, concurrent, or subsequent active or passive negligence by City.

Designated Contract: **Untitled Project, Job No. TBD**

Name of Contractor: _____

Name of Insurer: _____

Policy No(s): _____

CONTRACTOR

INSURER

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____



(Name, Address and Phone No. of Contractor)

Date: _____

City of Redondo Beach
415 Diamond Street
Redondo Beach, CA. 90277

Subject: Untitled Project, Job No. TBD

Dear Sir/Madam:

(Contractor's Name) hereby assumes sole responsibility for any and all deductibles on all its Policies, and shall cover any and all claims that might arise out of working by/for (Contractor's Name) on the above subject project, that said deductibles might not cover.

Authorized Representative

Name: _____

Title: _____





Insurance | Risk Management | Consulting

Arthur J. Gallagher Risk Management Services LLC.
2121 N. California Blvd., Suite 350, Walnut Creek, CA 94596
P.O. Box 7443, San Francisco, CA 94120-7443
CA Lic #0D69293
United States

M 415.546.9300
F 415.536.8499
ajg.com

March 4, 2026

City of Redondo Beach
Public Works Department
415 Diamond Street, Door 2
Redondo Beach, CA 90277

RE: RFQ/P #2526-PW002 Reconstruct Fire Stations 1 & 2

To Whom It May Concern:

Arthur J. Gallagher Risk Management Services LLC. is the insurance broker for Swinerton Incorporated/Swinerton Builders.

This letter confirms that Swinerton currently maintains insurance coverage with carriers, which have the capacity to meet the insurance requirements as outlined in Appendix H Insurance Requirements of the RFQ/P for Progressive Design-Build Services RFQ/P #2526-PW002.

If you have any questions regarding Swinerton insurance program, please contact me directly.

Sincerely,

Mandi K. Ching
Client Service Manager
D (415) 288-1643
www.ajg.com | Mandi_Ching@ajg.com
Arthur J. Gallagher Risk Management Services LLC.
CA License #0D69293

