

**TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES
FOR ON-CALL PROFESSIONAL ENGINEERING SERVICES – PARADISE SEWER PROJECT
(COLLECTION SYSTEM)**

Carollo Engineers, Inc.
Consultant

2026-[001]
Contract Number

January 14, 2026
Contract Date

ARTICLE I INTRODUCTION

This TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES FOR ON-CALL PROFESSIONAL ENGINEERING SERVICES – PARADISE SEWER PROJECT (COLLECTION SYSTEM), dated January 14, 2026 (this “AGREEMENT”) is between TOWN OF PARADISE and the following named, hereinafter referred to as, CONSULTANT:

The name of the “CONSULTANT” is CAROLLO ENGINEERS, INC., incorporated in the State of CALIFORNIA

The Project Manager for the CONSULTANT is DARREN BAUNE

The name of the “LOCAL AGENCY” is as follows: TOWN OF PARADISE

The “Town Contract Administrator” for the TOWN OF PARADISE is Marc Mattox, Public Works Director/Town Engineer.

The Town Project Coordinator for the TOWN OF PARADISE is Colin Nelson, Public Works, Engineering Department.

This AGREEMENT amends, restates and supersedes in its entirety that certain MODIFIED STANDARD FORM OF AGREEMENT BETWEEN DESIGN-BUILDER AND DESIGN CONSULTANT, made as of April 23, 2024, by and between Mountain Cascade, Inc. (the “Design-Builder”) and CONSULTANT, for services in connection with the Town of Paradise Progressive Design-Build Sewer Project (the “Original Agreement”). Pursuant to that certain Assignment Agreement, dated November 4, 2025 (the “Assignment Agreement”), by and between the Design-Builder and the TOWN OF PARADISE, and acknowledged and agreed to by CONSULTANT, effective as of November 4, 2025 (the “Assignment Date”), the Design-Builder assigned all of the Design-Builder’s right, title and interest (including, without limitation, obligations, except as set forth in Section 3 of the Assignment Agreement) arising under the Original Agreement, and the TOWN OF PARADISE accepted such assignment from the Design-Builder and assumed all of the

Design-Builder's right, title and interest (including, without limitation, obligations, except as set forth in Section 3 of the Assignment Agreement) arising under the Original Agreement.

- A. CONSULTANT shall perform the work under this AGREEMENT described in Article III (Statement of Work) and in the Task Orders, which Task Orders are incorporated herein by this reference, at the hourly rates specified in Exhibit B (Rate Schedule) and within the budgets set forth in the Task Orders, subject to an overall budget set forth in paragraph O of Article V (Allowable Costs and Payments). If there is any conflict between this AGREEMENT and any Task Order, this AGREEMENT shall take precedence.

B. INDEMNITY AND DEFENSE

1. Indemnity

To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless TOWN OF PARADISE and any and all of its officials, employees and agents as well as any other entities specified by TOWN OF PARADISE ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT, its officers, agents, employees or subconsultants (or any agency or individual that CONSULTANT shall bear the legal liability thereof) in the performance of services under this AGREEMENT. CONSULTANT's duty to indemnify and hold harmless TOWN OF PARADISE shall not extend beyond the CONSULTANT's percentage of fault.

2. Duty to Defend

In the event the TOWN OF PARADISE, its officers, employees, agents and/or volunteers are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this AGREEMENT, and upon demand by TOWN OF PARADISE, CONSULTANT shall defend the TOWN OF PARADISE at CONSULTANT's cost or at TOWN OF PARADISE's option, to reimburse TOWN OF PARADISE for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by CONSULTANT's negligent acts, errors or omissions, recklessness or willful misconduct. Payment by TOWN OF PARADISE is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and TOWN OF PARADISE, as to whether liability arises from the fault of the TOWN OF PARADISE or its officers, employees, or agents, CONSULTANT will be obligated to pay for TOWN OF PARADISE's defense until such time as a final judgment has been entered adjudicating the TOWN OF PARADISE at fault. CONSULTANT will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

C. [Reserved]

- D. CONSULTANT in the performance of this AGREEMENT, shall act in an independent capacity. It is understood and agreed that CONSULTANT (including CONSULTANT's employees) is an independent contractor and that no relationship of employer-employee exists between the Parties hereto. CONSULTANT's assigned personnel shall not be entitled to any benefits payable to employees of TOWN OF PARADISE.
- E. TOWN OF PARADISE is not required to make any deductions or withholdings from the compensation payable to CONSULTANT under the provisions of the AGREEMENT, and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT's assigned personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the control or direction of the TOWN OF PARADISE as to the designation of tasks to be performed and the results to be accomplished.
- F. Any third party employed by CONSULTANT shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. CONSULTANT hereby indemnifies and holds TOWN OF PARADISE harmless from any and all claims that may be made against the TOWN OF PARADISE based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.
- G. Except as expressly authorized herein, CONSULTANT's obligations under this AGREEMENT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the TOWN OF PARADISE. However, claims for money due or which become due to CONSULTANT from TOWN OF PARADISE under this AGREEMENT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the TOWN OF PARADISE.
- H. CONSULTANT shall be as fully responsible to the TOWN OF PARADISE for the negligence, recklessness or willful misconduct of its contractors and subcontractors or subconsultants, and of persons either directly or indirectly employed by them, in the same manner as persons directly employed by CONSULTANT.
- I. No alteration or variation of the terms of this AGREEMENT shall be valid, unless made in writing and signed by the parties authorized to bind the parties; and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto. No waiver of any term or condition of this AGREEMENT shall be a continuing waiver thereof.
- J. The consideration to be paid to CONSULTANT as provided herein, shall be in compensation for all of CONSULTANT's expenses incurred in the performance hereof, including travel and per diem, and any such costs shall not be separately payable unless otherwise expressly so provided.
- K. CONSULTANT shall comply with the provisions of this AGREEMENT and additional federal provisions in Exhibit E (Additional Funding Contract Requirements) of this AGREEMENT. In

the event of a conflict between any provisions of Exhibit E (Additional Funding Contract Requirements) of this AGREEMENT, the more stringent provisions shall control and prevail.

- L. CONSULTANT shall comply with the requirements of State prevailing wage law to the extent required by law and as set out in this AGREEMENT.
- M. All days set out herein are calendar days unless otherwise specified.
- N. All Exhibits are incorporated into this AGREEMENT as if fully set forth herein.
- O. All references to State set out herein are the State of California.

ARTICLE II CONSULTANT'S REPORTS OR MEETINGS

- A. CONSULTANT shall submit a written progress report on the performance of the work under each specific outstanding Task Order, including a breakdown and detail of work performed by Task and Subtask. These reports shall be submitted at least once a month. These reports shall be sufficiently detailed for the Town Contract Administrator or Town Project Coordinator to determine, if CONSULTANT is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.
- B. CONSULTANT's Project Manager shall meet with the Town Contract Administrator or Town Project Coordinator, as needed, and upon request, to discuss progress on the work under each specific outstanding Task Order, including a breakdown and detail of work performed by Task and Subtask.

ARTICLE III STATEMENT OF WORK

- A. CONSULTANT shall provide On-Call Engineering Services described generally in Exhibit A (Scope of Services) and described in detail in the Task Orders, which Task Orders are incorporated herein by this reference. Such On-Call Engineering Services shall be broken down by Task or Subtask as identified in the related Task Order.
- B. The standard of care for CONSULTANT's services shall be the care and skill ordinarily used by members of CONSULTANT's profession, practicing under the same or similar circumstances.

ARTICLE IV PERFORMANCE PERIOD

- A. This AGREEMENT shall go into effect on January 14, 2026, contingent upon approval by TOWN OF PARADISE, and CONSULTANT shall commence work after a written Notice to Proceed is issued by the Town Contract Administrator. This AGREEMENT shall end on December 31, 2029, unless extended by AGREEMENT amendment or terminated under Article VI (Termination) of this AGREEMENT.

- B. No recommendation for this AGREEMENT award is binding on the TOWN OF PARADISE until this AGREEMENT is fully executed and approved by the TOWN OF PARADISE Town Council and the Town Contract Administrator has issued a written Notice to Proceed.
- C. The period of performance for the work described in each Task Order shall be as set forth in such Task Order, provided that any such period of performance for the work described in a Task Order shall not extend beyond the expiration of this AGREEMENT set forth above.

ARTICLE V ALLOWABLE COSTS AND PAYMENTS

- A. Unless otherwise agreed for a Task Order, CONSULTANT will be compensated for hours worked at the hourly rates specified in Exhibit B (Rate Schedule) and within the budgets set forth in the Task Orders, so long as such compensation complies with the Grants Management System ("GMS") reimbursement procedures. The specified hourly rates shall include all costs, including but not limited to direct salary costs, escalation, employee benefits, prevailing wages, employer payments, and overhead cost, if any. These rates shall be subject to adjustment for the performance period set forth in this AGREEMENT only as set forth in Exhibit B (Rate Schedule). CONSULTANT will be paid within thirty (30) days upon receipt by the Town Contract Administrator of properly itemized invoices in duplicate. If the TOWN OF PARADISE disputes in good faith any invoice, the TOWN OF PARADISE shall pay all undisputed amounts when due but may withhold payment of the disputed amount, and shall provide the CONSULTANT with a written objection indicating the amount being disputed and the reasons then known to the TOWN OF PARADISE for the dispute.
- B. In addition, CONSULTANT will be reimbursed for reasonably incurred (actual), reasonable direct costs other than hourly rates, that are expressly identified in the related Task Order when presented along with documentation of such costs acceptable to the TOWN OF PARADISE, so long as (i) the total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under the related Task Order does not exceed the maximum compensation for the services and reimbursable expenses under such Task Order set forth in such Task Order, (ii) the aggregate total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under this AGREEMENT pursuant to all Task Orders does not exceed the overall budget set forth in paragraph O of Article V (Allowable Costs and Payments) and (iii) such reimbursable expenses comply with the GMS reimbursement procedures.
- C. Specific Tasks or Subtasks under this AGREEMENT will be assigned to CONSULTANT through the issuance of a Task Order by the Town Contract Administrator.
- D. After one or more Tasks or Subtasks to be performed under this AGREEMENT is identified by the TOWN OF PARADISE, the TOWN OF PARADISE will prepare a draft Task Order without the cost estimate. A draft Task Order will identify the scope of services, expected results, deliverables, period of performance, and schedule. The draft Task Order will be delivered to CONSULTANT for review. CONSULTANT shall return the draft Task Order within ten (10) days along with a Cost Estimate, including a written estimate of the number of hours and hourly

rates per staff person (at the hourly rates specified in Exhibit B (Rate Schedule)), any anticipated reimbursable expenses, and total dollar amount. After agreement has been reached on the negotiable items and total cost; the finalized Task Order shall be signed by both the TOWN OF PARADISE and CONSULTANT. So long as the aggregate total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under this AGREEMENT pursuant to all Task Orders does not exceed the overall budget set forth in paragraph O of Article V (Allowable Costs and Payments), each Task Order shall be approved and signed on behalf of the TOWN OF PARADISE by the Town Contract Administrator pursuant to approval authority delegated to the Town Contract Administrator by the Town Council.

- E. Task Orders may be negotiated on an Actual Cost plus Fixed Fee, lump sum (Firm Fixed Price) or other compensation basis, each of which must be based on the labor and other rates set forth in Exhibit B (Rate Schedule). If applicable, CONSULTANT shall be responsible for any future adjustments to prevailing wage rates including, but not limited to, base hourly rates and employer payments as determined by the California Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate rate, including escalations that take place during the term of this AGREEMENT.
- F. Reimbursement for transportation and subsistence costs, if included in a Task Order, shall not exceed applicable federally approved reimbursement rates.
- G. When milestone cost estimates are included in the Task Order, CONSULTANT shall obtain prior written approval in the form of a Task Order amendment for a revised milestone cost estimate from the Town Contract Administrator before exceeding such estimate.
- H. Payments for each Task Order will be made monthly in arrears based on services provided and actual costs incurred.
- I. CONSULTANT shall not commence performance of work or services until this AGREEMENT has been approved by the TOWN OF PARADISE, a fully executed Task Order for such work or services has been delivered, and a written Notice to Proceed for such work or services has been issued by the Town Contract Administrator. No payment will be made prior to approval or for any work or services performed prior to approval of this AGREEMENT and the applicable Task Order.
- J. A Task Order is of no force or effect until returned executed to the TOWN OF PARADISE and signed by an authorized representative of the TOWN OF PARADISE. No expenditures are authorized on any Task or Subtask and work shall not commence until a Task Order for that Task or Subtask has been executed by the TOWN OF PARADISE.
- K. The period of performance for a Task Order shall be in accordance with dates specified in such Task Order. No Task Order shall be written which extends beyond the expiration date of this AGREEMENT.

- L. The total amount payable by the TOWN OF PARADISE for an individual Task Order shall not exceed the amount agreed to in such Task Order, unless authorized by amendment.
- M. If CONSULTANT fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.
- N. Task Orders may not be used to amend the language (or the terms) of this AGREEMENT or to exceed the scope of work under this AGREEMENT.
- O. The total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under this AGREEMENT for all Task Orders resulting from this AGREEMENT shall not exceed \$4,500,000. It is understood and agreed that there is no guarantee, either express or implied that this dollar amount will be authorized under this AGREEMENT through Task Orders.
- P. CONSULTANT will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by the Town Contract Administrator of properly itemized invoices in duplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than thirty (30) days after the performance of work for which CONSULTANT is billing or upon completion of the related Task Order. Invoices shall detail the work performed on each milestone, according to phase, and funding source on each Task or Subtask, as applicable. Invoices shall follow the format stipulated in the related Task Order and shall reference this AGREEMENT number and Task Order number. Credits due to the TOWN OF PARADISE that include any equipment purchased under the provisions of Article XI (Equipment Purchase) must be reimbursed by CONSULTANT prior to the expiration or termination of this AGREEMENT. Invoices shall be mailed to the Town Contract Administrator at the following address:

Marc A. Mattox, Public Works Director/Town Engineer
Town of Paradise
5555 Skyway
Paradise, CA 95969

ARTICLE VI TERMINATION

- A. This AGREEMENT may be terminated by TOWN OF PARADISE with or without cause, provided that TOWN OF PARADISE gives not less than thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. Upon termination, TOWN OF PARADISE shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date by CONSULTANT or any subconsultant, whether completed or not. Such materials may not be withheld until payment is received.

- B. TOWN OF PARADISE may temporarily suspend this AGREEMENT, at no additional cost to TOWN OF PARADISE, provided that CONSULTANT is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If the TOWN OF PARADISE gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this AGREEMENT. A temporary suspension may be issued concurrent with the notice of termination.
- C. Notwithstanding any provisions of this AGREEMENT, CONSULTANT shall not be relieved of liability to TOWN OF PARADISE for damages sustained by TOWN OF PARADISE by virtue of any breach of this AGREEMENT by CONSULTANT, and TOWN OF PARADISE may withhold any payments due to CONSULTANT until such time as the exact amount of damages, if any, due TOWN OF PARADISE from CONSULTANT is determined. Notwithstanding, CONSULTANT shall be liable only to the extent of CONSULTANT's negligent, reckless or willful misconduct.
- D. In the event of a suspension or termination without cause, CONSULTANT shall be compensated as provided for in this AGREEMENT for all correctly completed work, so long as (i) the total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under the related Task Order (including such correctly completed work) does not exceed the maximum compensation for the services and reimbursable expenses under such Task Order set forth in such Task Order, and (ii) the aggregate total amount payable by the TOWN OF PARADISE for all services and reimbursable expenses under this AGREEMENT pursuant to all Task Orders (including such correctly completed work) does not exceed the overall budget set forth in paragraph O of Article V (Allowable Costs and Payments).

ARTICLE VII COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

- A. The CONSULTANT agrees that 48 CFR Part 31, Contract Cost Principles and Procedures, shall be used to determine the allowability of individual terms of cost.
- B. The CONSULTANT also shall comply with Federal procedures in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- C. Any costs for which payment has been made to the CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by the CONSULTANT to TOWN OF PARADISE.
- D. When a CONSULTANT or subconsultant is a 501(c)(3) Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

ARTICLE VIII RETENTION OF RECORD/AUDITS

For the purpose of determining compliance with California Government Code § 8546.7, the CONSULTANT, subconsultants, and TOWN OF PARADISE shall maintain all books, documents,

papers, accounting records, Independent Certified Public Accountant ("CPA") Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of this AGREEMENT including, but not limited to, the costs of administering this AGREEMENT. All parties, including the CONSULTANT's Independent CPA, shall make such workpapers and materials available at their respective offices at all reasonable times during this AGREEMENT period and for three (3) years from the date of final payment under this AGREEMENT. The TOWN OF PARADISE, the California Department of Housing and Community Development ("HCD"), the U.S. Department of Housing and Urban Development ("HUD"), or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of the CONSULTANT, subconsultants, and the CONSULTANT's Independent CPA, that are pertinent to this AGREEMENT for audits, examinations, workpaper review, excerpts, and transactions, and copies thereof shall be furnished if requested without limitation.

ARTICLE IX AUDIT REVIEW PROCEDURES

- A. Any dispute concerning a question of fact arising under an interim or post audit of this AGREEMENT that is not disposed of by this AGREEMENT, shall be reviewed by the TOWN OF PARADISE's Finance Director.
- B. Not later than thirty (30) days after issuance of the final audit report, CONSULTANT may request a review by the TOWN OF PARADISE's Finance Director of unresolved audit issues. The request for review will be submitted in writing.
- C. Neither the pendency of a dispute nor its consideration by the TOWN OF PARADISE will excuse CONSULTANT from full and timely performance, in accordance with the terms of this AGREEMENT.
- D. CONSULTANT and subconsultant agreements, including this AGREEMENT, Task Orders and Indirect Cost Rates ("ICR"), may be subject to audits or reviews such as, but not limited to, this AGREEMENT audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, this AGREEMENT, Task Order and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is CONSULTANT's responsibility to ensure federal, the TOWN OF PARADISE, or local government officials are allowed full access to the CPA's work papers including making copies as necessary. This AGREEMENT, Task Orders, and ICR shall be adjusted by CONSULTANT and approved by the Town Contract Administrator to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into this AGREEMENT by this reference if directed by TOWN OF PARADISE at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the federal, TOWN OF PARADISE or local governments have access to CPA work papers, will be considered a breach of AGREEMENT terms and cause for termination of this AGREEMENT and disallowance of prior reimbursed costs.

ARTICLE X SUBCONTRACTING

- A. Nothing contained in this AGREEMENT or otherwise, shall create any contractual relation between the TOWN OF PARADISE and any subconsultants, and no subconsultant agreement shall relieve the CONSULTANT of its responsibilities and obligations hereunder. The CONSULTANT agrees to be as fully responsible to the TOWN OF PARADISE for the acts and omissions of its subconsultants and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the CONSULTANT. The CONSULTANT's obligation to pay its subconsultants is an independent obligation from the TOWN OF PARADISE's obligation to make payments to the CONSULTANT.
- B. The CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by the Town Contract Administrator, except that which is expressly identified in the Task Orders.
- C. Any subconsultant agreement entered into as a result of this AGREEMENT, shall make all the provisions stipulated in this entire AGREEMENT applicable to subconsultants unless otherwise agreed by the TOWN OF PARADISE.
- D. Any substitution of subconsultants must be approved in writing by the Town Contract Administrator in advance of assigning work to a substitute subconsultant.
- E. Prompt Progress Payment to Subconsultants

CONSULTANT or subconsultant shall pay to any subconsultant, not later than fifteen (15) days after receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed CONSULTANT on account of the work performed by the subconsultants, to the extent of each subconsultant's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from CONSULTANT or subconsultant to a subconsultant, CONSULTANT or subconsultant may withhold no more than 150 percent of the disputed amount. Any violation of this requirement shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subconsultant, of 2 percent of the amount due per month for every month that payment is not made.

In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs. The sanctions authorized under this requirement shall be separate from, and in addition to, all other remedies, either civil, administrative, or criminal. This clause applies to both DBE and non-DBE subconsultants.

- F. Prompt Payment of Withheld Funds to Subconsultants

No retainage will be withheld by the TOWN OF PARADISE from progress payments due the CONSULTANT. Retainage by the CONSULTANT or subconsultants is prohibited, and no

retainage will be held by the CONSULTANT from progress due subconsultants. Any violation of this provision shall subject the violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies specified in Business and Professions Code §7108.5. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the CONSULTANT or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE CONSULTANT and subconsultants.

Any violation of these provisions shall subject the violating CONSULTANT or subconsultant to the penalties, sanctions and other remedies specified therein. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by CONSULTANT, deficient subcontract performance, or noncompliance by a subconsultant.

ARTICLE XI EQUIPMENT PURCHASE AND OTHER CAPITAL EXPENDITURES

- A. Prior authorization in writing by the Town Contract Administrator shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding five thousand dollars (\$5,000) for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.
- B. For purchase of any item, service, or consulting work not covered in the Task Orders and exceeding five thousand dollars (\$5,000), with prior authorization by the Town Contract Administrator, three competitive quotations shall be submitted with the request, or the absence of bidding shall be adequately justified.
- C. Any equipment purchased with funds provided under the terms of this AGREEMENT is subject to the following:
 - 1. CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of five thousand dollars (\$5,000) or more. If the purchased equipment needs replacement and is sold or traded in, TOWN OF PARADISE shall receive a proper refund or credit at the conclusion of the AGREEMENT, or if the AGREEMENT is terminated, CONSULTANT may either keep the equipment and credit TOWN OF PARADISE in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established TOWN OF PARADISE procedures; and credit TOWN OF PARADISE in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT's expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by TOWN OF PARADISE and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be

approved in advance by TOWN OF PARADISE. The Parties shall divide the cost of such appraisal equally.

2. Regulation 2 CFR Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than ten thousand dollars (\$10,000) is credited to the project.

ARTICLE XII STATE PREVAILING WAGE RATES

- A. No CONSULTANT or subconsultant may be awarded an agreement containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to California Labor Code §1725.5. Registration with DIR shall be maintained throughout the entire term of this AGREEMENT, including any subsequent amendments.
- B. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determinations applicable to work under this AGREEMENT are available and on file with the Department of Transportation's Regional/District Labor Compliance Officer (<https://dot.ca.gov/programs/construction/labor-compliance>). These wage rates are made a specific part of this AGREEMENT by reference pursuant to California Labor Code §1773.2 and will be applicable to work performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at TOWN OF PARADISE construction sites, at TOWN OF PARADISE facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve TOWN OF PARADISE projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.
- C. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations Internet site at <http://www.dir.ca.gov>.
- D. Payroll Records
 1. Each CONSULTANT and subconsultant shall keep accurate certified payroll records and supporting documents as mandated by California Labor Code §1776 and as defined in 8 California Code of Regulations §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the CONSULTANT or subconsultant in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
 - a. The information contained in the payroll record is true and correct.

- b. The employer has complied with the requirements of California Labor Code §1771, §1811, and §1815 for any work performed by his or her employees on the public works project.
2. The payroll records enumerated under paragraph (1) above shall be certified as correct by the CONSULTANT under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by TOWN OF PARADISE representatives at all reasonable hours at the principal office of the CONSULTANT. The CONSULTANT shall provide copies of certified payrolls or permit inspection of its records as follows:
 - a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.
 - b. A certified copy of all payroll records enumerated in paragraph (1) above, shall be made available for inspection or furnished upon request to a representative of TOWN OF PARADISE, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations. Certified payrolls submitted to TOWN OF PARADISE, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall not be altered or obliterated by the CONSULTANT.
 - c. The public shall not be given access to certified payroll records by the CONSULTANT. The CONSULTANT is required to forward any requests for certified payrolls to the Town Contract Administrator by both email and regular mail on the business day following receipt of the request.
3. Each CONSULTANT and subconsultant shall submit a certified copy of the records enumerated in paragraph (1) above, to the entity that requested the records within ten (10) calendar days after receipt of a written request.
4. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by TOWN OF PARADISE shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the CONSULTANT or subconsultant performing the work shall not be marked or obliterated.
5. The CONSULTANT shall inform TOWN OF PARADISE of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.
6. The CONSULTANT or subconsultant shall have ten (10) calendar days in which to comply subsequent to receipt of written notice requesting the records enumerated in paragraph (1) above. In the event the CONSULTANT or subconsultant fails to comply within the ten

(10) day period, the CONSULTANT shall, as a penalty to TOWN OF PARADISE, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by TOWN OF PARADISE from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a subconsultant to comply with this section.

- E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the Town Contract Administrator.

F. Penalty

1. The CONSULTANT and any of its subconsultants shall comply with California Labor Code §1774 and §1775. Pursuant to California Labor Code §1775, the CONSULTANT and any subconsultant shall forfeit to the TOWN OF PARADISE a penalty of not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the AGREEMENT by the CONSULTANT or by its subconsultant in violation of the requirements of the California Labor Code and in particular, California Labor Code §§1770 to 1780, inclusive.
2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or subconsultant had knowledge of the obligations under the California Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the AGREEMENT.
3. In addition to the penalty and pursuant to California Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or subconsultant.
4. If a worker employed by a subconsultant on a public works project is not paid the general prevailing per diem wages by the subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that failure of the subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

- a. The AGREEMENT executed between the CONSULTANT and the subconsultant for the performance of work on public works projects shall include a copy of the requirements in California Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.
 - b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the subconsultant to the employees by periodic review of the certified payroll records of the subconsultant.
 - c. Upon becoming aware of the subconsultant's failure to pay the specified prevailing rate of wages to the subconsultant's workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the subconsultant for work performed on the public works project.
 - d. Prior to making final payment to the subconsultant for work performed on the public works project, the CONSULTANT shall obtain a declaration signed under penalty of perjury from the subconsultant that the subconsultant had paid the specified general prevailing rate of per diem wages to the subconsultant's employees on the public works project and any amounts due pursuant to California Labor Code §1813.
5. Pursuant to California Labor Code §1775, TOWN OF PARADISE shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a subconsultant has failed to pay workers the general prevailing rate of per diem wages.
6. If TOWN OF PARADISE determines that employees of a subconsultant were not paid the general prevailing rate of per diem wages and if TOWN OF PARADISE did not retain sufficient money under the AGREEMENT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by TOWN OF PARADISE.

ARTICLE XIII CONFLICT OF INTEREST

- A. During the term of this AGREEMENT, the CONSULTANT shall disclose any financial, business, or other relationship with TOWN OF PARADISE that may have an impact upon the outcome of this AGREEMENT or any ensuing TOWN OF PARADISE construction project. The CONSULTANT shall also list current clients who may have a financial interest in the outcome of this AGREEMENT or any ensuing TOWN OF PARADISE construction project which will follow.
- B. CONSULTANT certifies that it has disclosed to the TOWN OF PARADISE any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this AGREEMENT. CONSULTANT agrees to advise TOWN OF PARADISE of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of

execution of this AGREEMENT. CONSULTANT further agrees to complete any statements of economic interest if required by either TOWN OF PARADISE ordinance or State law.

- C. The CONSULTANT hereby certifies that it does not now have, nor shall it acquire any financial or business interest that would conflict with the performance of services under this AGREEMENT.
- D. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.
- E. Pursuant to 24 CFR 570.489(h), no member, officer, or employee of the CONSULTANT, or its designee or agents, may obtain a financial interest or benefit from a CDBG-DR assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to CDBG-DR assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure, or for 1 year thereafter.

ARTICLE XIV REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

The CONSULTANT warrants that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any TOWN OF PARADISE employee. For breach or violation of this warranty, TOWN OF PARADISE shall have the right, in its discretion, to terminate this AGREEMENT without liability, to pay only for the value of the work actually performed, or to deduct from this AGREEMENT price or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

ARTICLE XV PROHIBITION OF EXPENDING TOWN OF PARADISE, STATE, OR FEDERAL FUNDS FOR LOBBYING

- A. The CONSULTANT certifies, to the best of his, her or its knowledge and belief, that:
 - 1. No State, Federal, or TOWN OF PARADISE appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of any local, State, or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding or making of this AGREEMENT, or with the extension, continuation, renewal, amendment, or modification of this AGREEMENT.
 - 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member

of Congress in connection with this AGREEMENT, the CONSULTANT shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars (\$10,000) and not more than one hundred thousand dollars (\$100,000) for each such failure.
- C. The CONSULTANT also agrees by signing this AGREEMENT that he or she shall require that the language of this certification be included in all lower tier sub agreements, which exceed one hundred thousand dollars (\$100,000), and that all such subconsultants shall certify and disclose accordingly.

ARTICLE XVI NON-DISCRIMINATION CLAUSE AND STATEMENT OF COMPLIANCE

- A. The CONSULTANT's signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the CONSULTANT has, unless exempt, complied with the nondiscrimination program requirements of California Government Code §12990 and 2 California Code of Regulations § 8103.
- B. During the performance of this AGREEMENT, CONSULTANT and its subconsultants shall not deny the AGREEMENT's benefits to any person 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, nor shall they unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because 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. CONSULTANT and subconsultants shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- C. CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and Housing Act (California Government Code §12990 et seq.), the applicable regulations promulgated there under (2 California Code of Regulations §11000 et seq.), the provisions of California Government Code §§11135-11139.5, and the regulations or standards adopted by TOWN OF PARADISE to implement such article. The applicable regulations of the Fair Employment and Housing Commission implementing California Government Code §12990 (a-f), set forth 2 California Code of Regulations §§8100-8504, are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.

- D. CONSULTANT shall permit access by representatives of the Department of Fair Employment and Housing and the TOWN OF PARADISE upon reasonable notice at any time during the normal business hours, but in no case less than twenty-four (24) hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or TOWN OF PARADISE shall require to ascertain compliance with this clause.
- E. CONSULTANT and its subconsultants shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.
- F. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this AGREEMENT.
- G. The CONSULTANT, with regard to the work performed under this AGREEMENT, shall act in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI provides that the recipients of federal assistance will implement and maintain a policy of nondiscrimination in which no person in the United States shall, on the basis of race, color, national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits of or subject to discrimination under any program or activity by the recipients of federal assistance or their assignees and successors in interest.
- H. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment practices and the selection and retention of subconsultants.
- I. CONSULTANT, subrecipient or subconsultant will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR 26 on the basis of race, color, sex or national origin. In administering the TOWN OF PARADISE components of the DBE Program Plan, CONSULTANT, subrecipient or subconsultant will not, directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE Program Plan with respect to individuals of a particular race, color, sex or national origin.

ARTICLE XVII DEBARMENT AND SUSPENSION CERTIFICATION

- A. The CONSULTANT's signature affixed herein shall constitute a certification under penalty of perjury under the laws of the State of California, that the CONSULTANT or any person associated therewith in the capacity of owner, partner, director, officer or manager:
 - 1. Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;

2. Has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years;
 3. Does not have a proposed debarment pending;
 4. Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years; and
 5. Has not been suspended or debarred from participating or receiving federal government contracts, subcontracts, loans, grants, or other assistance programs.
- B. Any exceptions to this certification must be disclosed to TOWN OF PARADISE. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining responsibility. Disclosures must indicate the party to whom the exceptions apply, the initiating agency, and the dates of agency action.
- C. Exceptions to the Federal Government Excluded Parties List System maintained by the U.S. General Services Administration are to be determined by HUD.

ARTICLE XVIII INSURANCE

CONSULTANT shall provide Insurance as described in Exhibit D (Insurance Requirements).

- A. Prior to Agreement execution, CONSULTANT shall furnish the TOWN OF PARADISE with a Certificate of Insurance evidencing the insurance types and requirements set forth in Exhibit D (Insurance Requirements).
- B. The TOWN OF PARADISE will not be responsible for any premiums or assessments on any insurance policy.
- C. The required insurance listed in Exhibit D (Insurance Requirements) shall be in effect at all times during the term of this AGREEMENT. In the event said insurance coverage expires at any time or times during the term of this AGREEMENT, CONSULTANT agrees to provide at least thirty (30) calendar days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the AGREEMENT, or for a period of not less than one (1) year.
- D. New Certificates of Insurance are subject to the approval of the TOWN OF PARADISE. In the event CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, the TOWN OF PARADISE may, in addition to any other remedies it may have, terminate this AGREEMENT upon occurrence of such event.

ARTICLE XIX FUNDING REQUIREMENTS

- A. It is mutually understood between the parties that this AGREEMENT may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the AGREEMENT were executed after that determination was made.
- B. The payment obligations of the TOWN OF PARADISE under this AGREEMENT are valid and enforceable only if sufficient funds are made available to the TOWN OF PARADISE for the purpose for which the payment is to be made. In addition, this AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or TOWN OF PARADISE governing board that may affect the provisions, terms, or funding of this AGREEMENT in any manner.
- C. It is mutually agreed that if sufficient funds are not appropriated, this AGREEMENT may be amended to reflect any reduction in funds.
- D. TOWN OF PARADISE has the option to terminate the AGREEMENT pursuant to Article VI (Termination), or by mutual agreement to amend the AGREEMENT to reflect any reduction of funds.

ARTICLE XX CHANGE IN TERMS

- A. This AGREEMENT may be amended or modified only by mutual written agreement of the parties.
- B. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and a written Notice to Proceed has been provided by the Town Contract Administrator.
- C. There shall be no change in CONSULTANT's Project Manager or members of the project team, as listed in Exhibit C (Project Team), which is a part of this AGREEMENT without prior written approval by the Town Contract Administrator.

ARTICLE XXI CONTINGENT FEE

CONSULTANT warrants, by execution of this AGREEMENT that no person or selling agency has been employed, or retained, to solicit or secure this AGREEMENT upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, TOWN OF PARADISE has the right to annul this AGREEMENT without liability; pay only for the value of the work actually performed, or in its discretion to deduct from the AGREEMENT price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XXII DISPUTES

Prior to either party commencing any legal action under this AGREEMENT, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after forty-five (45) days of good-faith negotiations and as may be otherwise provided herein, then either party may commence legal action against the other in Butte County Superior Court or the U.S. District Court for the Eastern District of California, as applicable. The pendency of a dispute will not excuse CONSULTANT from full and timely performance in accordance with the terms of this AGREEMENT.

ARTICLE XXIII INSPECTION OF WORK

CONSULTANT and any subconsultant shall permit TOWN OF PARADISE, the State, and HUD if federal participating funds are used in this AGREEMENT; to review and inspect the project activities and files at all reasonable times during the performance period of this AGREEMENT.

ARTICLE XXIV SAFETY

- A. CONSULTANT shall comply with OSHA regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. CONSULTANT shall comply with safety instructions issued by TOWN OF PARADISE Safety Officer and other TOWN OF PARADISE representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.
- B. Pursuant to the authority contained in Vehicle Code §591, TOWN OF PARADISE has determined that such areas are within the limits of the project and are open to public traffic. CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.
- C. Any subcontract entered into as a result of this AGREEMENT, shall contain all of the provisions of this Article.
- D. CONSULTANT must have a Division of Occupational Safety and Health (CAL-OSHA) permit(s), as outlined in California Labor Code §6500 and §6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five (5) feet or deeper.

ARTICLE XXV OWNERSHIP OF DATA

- A. It is mutually agreed that all materials prepared by CONSULTANT under this AGREEMENT shall become the property of the TOWN OF PARADISE, and CONSULTANT shall have no property right therein whatsoever. Immediately upon termination, TOWN OF PARADISE shall be entitled to, and CONSULTANT shall deliver to TOWN OF PARADISE, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that

date, whether completed or not, and other such materials as may have been prepared or accumulated to date by CONSULTANT in performing this AGREEMENT which is not CONSULTANT's privileged information, as defined by law, or CONSULTANT's personnel information, along with all other property belonging exclusively to TOWN OF PARADISE which is in CONSULTANT's possession. Publication of the information derived from work performed or data obtained in connection with services rendered under this AGREEMENT must be approved in writing by the TOWN OF PARADISE.

- B. Additionally, it is agreed that the Parties intend this to be an AGREEMENT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of TOWN OF PARADISE without restriction or limitation upon its use or dissemination by TOWN OF PARADISE.
- C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this AGREEMENT. Any reuse by the TOWN OF PARADISE for another project or project location shall be at TOWN OF PARADISE's sole risk.
- D. Applicable patent rights provisions regarding rights to inventions shall be included in the contracts as appropriate (48 CFR 27 Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).
- E. TOWN OF PARADISE may permit copyrighting reports or other agreement products. If copyrights are permitted, HUD shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

ARTICLE XXVI CLAIMS FILED BY TOWN OF PARADISE'S CONSTRUCTION CONTRACTOR

- A. If claims are filed by TOWN OF PARADISE's construction contractor relating to work performed by CONSULTANT's personnel, and additional information or assistance from CONSULTANT's personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with TOWN OF PARADISE'S construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.
- B. CONSULTANT's personnel that TOWN OF PARADISE considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from TOWN OF PARADISE. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT's personnel services under this AGREEMENT.

- C. Services of CONSULTANT's personnel in connection with TOWN OF PARADISE's construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this AGREEMENT in order to resolve the construction claims.

ARTICLE XXVII CONFIDENTIALITY OF DATA

- A. All financial, statistical, personal, technical, or other data and information relative to TOWN OF PARADISE's operations, which are designated confidential by TOWN OF PARADISE and made available to CONSULTANT in order to carry out this AGREEMENT, shall be protected by CONSULTANT from unauthorized use and disclosure.
- B. Permission to disclose information on one occasion, or public hearing held by TOWN OF PARADISE relating to the AGREEMENT, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.
- C. CONSULTANT shall not comment publicly to the press or any other media regarding the AGREEMENT or TOWN OF PARADISE's actions on the same, except to TOWN OF PARADISE's staff, CONSULTANT's own personnel involved in the performance of this AGREEMENT, at public hearings, or in response to questions from a Legislative committee.
- D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this AGREEMENT without prior review of the contents thereof by TOWN OF PARADISE, and receipt of TOWN OF PARADISE'S written permission.
- E. Any subcontract entered into as a result of this AGREEMENT shall contain all of the provisions of this Article.
- F. All information related to the construction estimate is confidential, and shall not be disclosed by CONSULTANT to any entity, other than TOWN OF PARADISE, HCD or HUD. All of the materials prepared or assembled by CONSULTANT pursuant to performance of this AGREEMENT are confidential and CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of TOWN OF PARADISE or except by court order. If CONSULTANT or any of its officers, employees, or subcontractors does voluntarily provide information in violation of this AGREEMENT, TOWN OF PARADISE has the right to reimbursement and indemnity from CONSULTANT for any damages caused by CONSULTANT releasing the information, including, but not limited to, TOWN OF PARADISE's attorney's fees and disbursements, including without limitation experts' fees and disbursements.

ARTICLE XXVIII CONTRACTING WITH SMALL AND MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES AND LABOR SURPLUS AREA FIRMS

To the extent required by the TOWN OF PARADISE's Federal funding sources, when possible, the CONSULTANT should ensure when subcontracting that small businesses, minority businesses, women's business enterprises, veteran-owned businesses and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below.

A. Such consideration means:

1. These business types are included on solicitation lists;
2. These business types are solicited whenever they are deemed eligible as potential sources;
3. Dividing procurement transactions into separate procurements to permit maximum participation by these business types;
4. Establishing delivery schedules (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by these business types;
5. Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring a subconsultant to apply this section to subconsultant agreements.

ARTICLE XXIX NATIONAL LABOR RELATIONS BOARD CERTIFICATION

In accordance with Public Contract Code §10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT's failure to comply with an order of a federal court that orders CONSULTANT to comply with an order of the National Labor Relations Board.

ARTICLE XXX EVALUATION OF CONSULTANT

CONSULTANT's performance will be evaluated by TOWN OF PARADISE. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the AGREEMENT record.

ARTICLE XXXI PROMPT PAYMENT FROM THE TOWN OF PARADISE TO CONSULTANT

A. PROMPT PAYMENT FROM LOCAL AGENCY TO CONSULTANT

The TOWN OF PARADISE shall make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from CONSULTANT on a professional

service contract. If the TOWN OF PARADISE fails to pay promptly, the TOWN OF PARADISE shall pay interest to the contractor, which accrues at the rate of 10 percent per annum on the principal amount of a money judgement remain unsatisfied. Upon receipt of a payment request, the TOWN OF PARADISE shall act in accordance with both of the following:

(1) Each payment request shall be reviewed by the TOWN OF PARADISE as soon as practicable after receipt for the purpose of determining that the payment request is a proper payment request.

(2) Any payment request determined not to be a proper payment request suitable for payment shall be returned to CONSULTANT as soon as practicable, but not later than fifteen (15) days, after receipt. A request returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

ARTICLE XXXII NOTIFICATION

All notices hereunder and communications regarding interpretation of the terms of this AGREEMENT and changes thereto, shall be effected by personal delivery, five calendar days after deposit in the U.S. Mail (first class postage) or by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

CONSULTANT: Carollo Engineers, Inc.
Darren Baune, Project Manager
2795 Mitchell Drive
Walnut Creek, CA 94598
Email: dbaune@carollo.com

TOWN OF PARADISE: Town of Paradise
Marc Mattox, Town Contract Administrator
5555 Skyway
Paradise, CA 95969
Email: mmattox@townofparadise.com

ARTICLE XXXIII CONTRACT

Any headings preceding the text of the Articles, sections and paragraphs of this AGREEMENT shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

Each provision of this AGREEMENT shall be valid and enforceable to the fullest extent permitted by law. If any provision of this AGREEMENT is held to be invalid, unenforceable or illegal to any extent, such provision shall be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this AGREEMENT, unless such continued effectiveness as modified would be contrary to the basic understandings and intentions of the parties as expressed herein. If any provision of this AGREEMENT is held to be invalid, unenforceable or illegal, the parties will promptly endeavor in

good faith to negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this AGREEMENT as nearly as possible to its original intent and effect.

This AGREEMENT may be executed in counterparts which together shall constitute one and the same instrument.

This AGREEMENT shall be governed by and construed in accordance with the applicable laws of the State.

Any party to this AGREEMENT may execute this AGREEMENT using an "electronic signature," as that term is defined in California Civil Code Section 1633.2, or a "digital signature," as defined by California Government Code Section 16.5. An electronic or digital signature will have the same force and effect as original ink signatures.

This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and the acknowledging party hereto and their respective successors and assigns.

All representations, warranties and covenants made herein, including without limitation, the covenants contained in paragraph B (Indemnity and Defense) of Article I (Introduction) hereof shall survive the consummation of the transactions contemplated hereby and the expiration or any earlier termination of this AGREEMENT.

The two parties to this AGREEMENT, who are the before named CONSULTANT and the before named TOWN OF PARADISE, hereby agree that this AGREEMENT constitutes the entire AGREEMENT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this AGREEMENT as evidenced by the signatures below.

[The remainder of this page intentionally left blank.]

ARTICLE XXXIV SIGNATURES

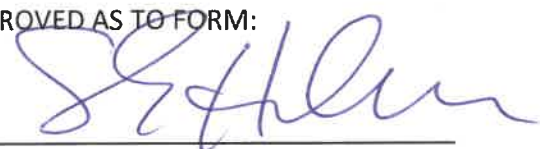
TOWN OF PARADISE
A Municipal Corporation

By: 
Michael O'Brien, Interim Town Manager

ATTEST: January 20, 2026

By: 
Melanie Elvis, Town Clerk

APPROVED AS TO FORM:

By: 
Scott E. Huber, Town Attorney

CAROLLO ENGINEERS, INC.
Consultant

By: 
Name: Anne Prudhel
Title: Executive Vice President
Address: 2795 Mitchell Drive, Walnut
Creek, CA 94598

By: 
Name: Darren Baune
Title: Vice President
Address: 2795 Mitchell Drive, Walnut
Creek, CA 94598

TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT A SCOPE OF SERVICES

Carollo Engineers, Inc.
Consultant

2026-[]
Contract Number

On-Call Professional Engineering Services – Paradise Sewer Project (Collection System)
Project Title

Scope of Work Description:

The TOWN OF PARADISE and the CONSULTANT agree that the services set forth in Exhibit A to the Original Agreement and, except as excluded in Exhibit A to the Original Agreement, all Phase 1a Services identified in Appendix 2 of the Design-Build Contract, dated March 13, 2024, for the Town of Paradise Sewer Project and a First Amendment to the Design-Build Contract for the Town of Paradise Sewer Project, dated February 5, 2025, each between the TOWN OF PARADISE and the Design-Builder, were fully performed as of the Assignment Date.

Upon request by the TOWN OF PARADISE and under TOWN OF PARADISE direction, the CONSULTANT shall provide On-call Professional Engineering Services for the Collection System for the Paradise Sewer Project in accordance with applicable local, state and federal regulations. Tasks assigned for the Collection System for the Paradise Sewer Project could vary and/or include a combination of surveying, geotechnical, design, bidding, construction engineering services and operation services, including start-up related services. As the TOWN OF PARADISE determines from time to time that certain specific tasks are needed to be performed for the Collection System for the Paradise Sewer Project, task specific Task Orders will be issued. Each Task Order will contain a description of the specific scope of services to be performed under such Task Order.

The aggregate scope of On-call Professional Engineering Services for the Collection System for the Paradise Sewer Project to be performed by CONSULTANT under this AGREEMENT means, in the aggregate, all of the services described in Exhibit A to each of the Task Orders.

TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT B RATE SCHEDULE

Carollo Engineers, Inc.
Consultant

2026-[]
Contract Number

On-Call Professional Engineering Services – Paradise Sewer Project (Collection System)
Project Title

**CAROLLO ENGINEERS, INC.
FEE SCHEDULE**

**As of January 1, 2026
California**

	<u>Hourly Rate (Range)</u>
Engineers/Scientists	
Staff Professional	\$210- \$255
Assistant Professional	\$245- \$275
Professional	\$254- \$285
Lead Professional	\$263- \$295
Senior Professional	\$290- \$340
Discipline Lead	\$340- \$365
Service Delivery Lead	\$350- \$385
Senior Service Delivery Lead	\$380- \$399
Project Manager	\$344- \$390
Senior Project Manager	\$385- \$399
Designer/Technicians/Analysts	
CAD Designer I	\$211- \$249
CAD Designer II	\$235- \$253
CAD Designer III	\$252- \$261
Lead CAD Designer	\$267- \$290
Technicians	\$245- \$265
Senior Technicians	\$285- \$318
Analysts	
Staff Analyst	\$235- \$245
Lead Analyst	\$243- \$265
Senior Analyst	\$273- \$293
Support Staff	
Clerical	\$195- \$230
Document Processor I	\$170- \$182

Document Processor II	\$191- \$197
Lead Document Processor	\$216- \$225
Funding Support	\$180- \$245
Operations	
Operations Field Professional	\$265- \$275
Operations Specialist	\$330- \$337
Other Direct Expenses	
Travel and Subsistence	Per Current Federal GSA Standard Per Diem Rates
Mileage at IRS Reimbursement Rate Effective January 1, 2026	\$0.725 per mile
Subconsultant	cost + 5%
Other Direct Cost	At cost
Expert Witness	Rate x 2.0

Hourly billing rates are for calendar year 2026 and are effective through June 30, 2026.* These charge rates are subject to prevailing wage laws and Union contract.

*** Yearly Escalation**

Yearly escalation is capped at 3%. CONSULTANT will be requested to submit an updated rate schedule in April of each calendar year to reflect the escalation from July through June to be aligned with the Town's fiscal year.

CONSULTANT agrees that it shall have no claim against the TOWN OF PARADISE for any all liabilities of the Design-Builder under the Original Agreement incurred prior to the Assignment Date, including, without limitation, payment of all amounts payable in respect of the services set forth in Exhibit A to the Original Agreement as of the Assignment Date, and that the CONSULTANT shall look solely to the Design-Builder for any liabilities arising prior to the Assignment Date.

TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT C PROJECT TEAM

Carollo Engineers, Inc.
Consultant

2026-[]
Contract Number

On-Call Professional Engineering Services – Paradise Sewer Project (Collection System)
Project Title

Role	Name
Project Manager/Engineer of Record	Darren Baune
Project Director/WWTF Project Liaison	Beverly Hann
QA/QC Lead	Tim Taylor
Project Engineer	Jill Shankel
Hydraulics Lead	Ryan Orgill
Structural Lead	Kaushik Punyamurtula
Electrical Lead	Erik Bahneman
Instrumentation and Control Lead	Doug Bloom
SCADA/PLC Programming Lead	Elise Moore
Cost Estimating Lead	Jason Rozgony

TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT D INSURANCE PROVISIONS

Carollo Engineers, Inc.

Consultant

2026-[]

Contract Number

On-Call Professional Engineering Services – Paradise Sewer Project (Collection System)

Project Title

INSURANCE REQUIREMENTS FOR PROFESSIONAL SERVICES

CONSULTANT shall procure and maintain for the duration of this AGREEMENT, insurance against claims for injuries to persons or damages to property that may arise from or be in connection with the performance of the work hereunder by **CONSULTANT**, **CONSULTANT's** agents, representatives, employees and subconsultants. Before the commencement of work, **CONSULTANT** shall submit Certificates of Insurance and Endorsements evidencing that **CONSULTANT** has obtained the following forms of coverage:

A. MINIMUM SCOPE AND LIMITS OF INSURANCE - Coverage shall be at least as broad as:

- 1) Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$10,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
- 2) Excess Liability:** **CONSULTANT** shall maintain excess liability coverage of \$2,000,000.
- 3) Automobile Liability:** ISO's Commercial Automobile Liability coverage form CA 00 01. Commercial Automobile Liability: Covering any auto (Code 1) for corporate/business owned vehicles, or if **CONSULTANT** has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limits no less than **\$4,000,000** per accident for bodily injury and property damage.
- 4) Workers' Compensation Insurance:** As required by the State of California with Statutory Limits and Employer's Liability Insurance with limits of no less than **\$2,000,000** per accident for bodily injury and disease. (Not required if **CONSULTANT** provides written verification, he or she has no employees.)

- 5) Professional Liability (Errors and Omissions):** Insurance appropriate to CONSULTANT's profession, with limits no less than **\$5,000,000** per occurrence or claim, **\$5,000,000** aggregate.

TOWN OF PARADISE reserves the right to request additional coverage for specific Task Orders.

If CONSULTANT maintains broader coverage and/or higher limits than the minimums shown above, the TOWN OF PARADISE requires and shall be entitled to the broader coverage and/or higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the TOWN OF PARADISE.

B. OTHER INSURANCE PROVISIONS - The insurance policies are to contain, or be endorsed to contain, the following provisions:

- 1) Additional Insured Status:** TOWN OF PARADISE, its officers, officials, employees and volunteers as well as the State of California, its officers, agents, and employees and other entities as directed by the TOWN OF PARADISE are to be covered as additional insureds on the CGL and Commercial Auto policies with respect to liability arising out of work or operations performed by or at the direction of the CONSULTANT, 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 CONSULTANT's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later edition is used).
- 2) Primary Coverage:** For any claims related to this AGREEMENT, CONSULTANT's insurance coverage shall be primary and non-contributory and at least as broad as ISO Form CG 20 01 04 13 as respects the TOWN OF PARADISE, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the TOWN OF PARADISE, its officers, officials, employees and volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it. This requirement shall also apply to an Excess or Umbrella liability policies.
- 3) Umbrella or Excess Policy:** The CONSULTANT may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess policies shall provide all of insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions, 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 CONSULTANT's primary and excess liability policies are exhausted.

4) Notice of Cancellation: Each insurance policy required above shall state that coverage shall not be canceled, except with at least a 30-day notice to the TOWN OF PARADISE.

- C. WAIVER OF SUBROGATION:** CONSULTANT hereby grants to TOWN OF PARADISE a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against the TOWN OF PARADISE own by virtue of the payment of any loss under such insurance. CONSULTANT 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 TOWN OF PARADISE has received a waiver of subrogation endorsement from the insurer.
- D. SELF-INSURED RETENTIONS:** Self-insured retentions must be declared to and approved by the TOWN OF PARADISE. The TOWN OF PARADISE may require CONSULTANT 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 (SIR) may be satisfied by either the named insured or TOWN OF PARADISE. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention or deductible that exceeds \$25,000 unless approved in writing by the TOWN OF PARADISE. Any and all deductibles and self-insured retention shall be the sole responsibility of CONSULTANT or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. The TOWN OF PARADISE may deduct from any amounts otherwise due Contract to fund the SIR/deductible. Policies shall NOT contain any 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. Entity reserves the right to obtain a copy of any policies and endorsements for verification.
- E. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the TOWN OF PARADISE.
- F. VERIFICATION OF COVERAGE:** CONSULTANT shall furnish TOWN OF PARADISE with original certificates of insurance including all required amendatory endorsements or copies of the applicable policy language affecting coverage required by this clause and a copy of the Declarations and Endorsement Pages of the CGL and any Excess policies listing all policy endorsements. All certificates and endorsements and copies of the Declaration & Endorsements pages are to be received and approved by the Entity before contract execution. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT's obligation to provide them. The TOWN OF PARADISE reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. The TOWN OF PARADISE reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

- G. SPECIAL RISKS OR CIRCUMSTANCES:** TOWN OF PARADISE reserves the right to modify these requirements including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.
- H. SUBCONSULTANTS:** CONSULTANT shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein, and CONSULTANT shall ensure that the TOWN OF PARADISE is an additional insured on insurance required from subconsultant.
- I. CLAIMS MADE POLICIES:** If any of the required policies provide coverage on a claims-made basis:
- 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 CONSULTANT must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
 - 4) A copy of the claims reporting requirements must be submitted to the TOWN OF PARADISE for review.

TOWN OF PARADISE – AGREEMENT FOR PROFESSIONAL SERVICES

EXHIBIT E ADDITIONAL FUNDING CONTRACT REQUIREMENTS

HUD FUNDED PROJECTS

Carollo Engineers, Inc.

Consultant

2026-[]

Contract Number

On-Call Professional Engineering Services – Paradise Sewer Project (Collection System)

Project Title

Expense Contracts; Regulatory Compliance Requirements

All TOWN OF PARADISE contracting shall comply with 2 CFR, Part 200 and legislation for the regulation of labor, safety and environmental protection, emergency preparedness and advisories, and any other codified criteria including but not limited to the following as relevant to this AGREEMENT, which supersedes any conflicting provisions of this AGREEMENT:

1. Remedies:

A. CONSULTANT Performance and the Breach Thereof

The TOWN OF PARADISE may terminate this AGREEMENT and is relieved of the payment of any consideration to the CONSULTANT should the CONSULTANT fail to perform the covenants herein contained at the time and in the manner herein provided. The CONSULTANT shall be notified in a timely manner of default and provided 30 days in which to remedy the default. If at the end of the 30 days, if remedy is not made or does not satisfy the default, the TOWN OF PARADISE shall notify the CONSULTANT of the breach and thereby the termination of this AGREEMENT. In the event of such termination, the TOWN OF PARADISE may proceed with the work in any manner deemed proper by the TOWN OF PARADISE. The cost to the TOWN OF PARADISE shall be deducted from any sum due the CONSULTANT under this agreement and the balance, if any, shall be retained by the TOWN OF PARADISE.

B. Termination for Cause and Convenience

In the event the CONSULTANT fails to perform in accordance with the terms of this AGREEMENT within the time specified, if any, or a reasonable time after placement of this order, the TOWN OF PARADISE Treasurer may by written notice, cancel this AGREEMENT and may hold the CONSULTANT liable for any damage caused the TOWN OF PARADISE by reason of failure to perform in accordance with these conditions.

It is agreed by the parties to this AGREEMENT that in case all the work called for under the AGREEMENT in all parts and requirements is not finished or completed within the time period as set forth in this AGREEMENT, damage will be sustained by the TOWN OF PARADISE of Paradise, and that it is and will be difficult or impossible to ascertain and determine that actual damage which the TOWN OF PARADISE will sustain in the event of and by reason of such delay; and it is therefore agreed that the CONSULTANT shall pay to the TOWN OF PARADISE the sum of one hundred dollars (\$100) per calendar day for each and every working days' delay in finishing the work in excess of the time period prescribed; and the CONSULTANT agrees to pay said liquidated damages as herein provided, and in case the same is not paid, agrees that the TOWN OF PARADISE may deduct the amount thereof from any money due or that may become due the CONSULTANT under this AGREEMENT or any other agreement between the TOWN OF PARADISE and the CONSULTANT.

2. Compliance with State and Federal Laws and Regulations

The CONSULTANT shall comply with all local, state, and federal laws, statutes, and regulations, as well as policies and procedures established by HUD/HCD for the administration of the DR-Infrastructure programs, as the same may be amended from time to time.

3. CDBG-DR Requirements

CONSULTANT shall be in compliance with CDBG-DR requirements, the 2018 DR-Infrastructure Policies and Procedures.

4. "Anti-Kickback Act of 1986" (41 U.S.C. §§ 51-58)

The "Anti-kickback Act of 1986" provides that the TOWN OF PARADISE and the CONSULTANT shall be prohibited from attempting as well as completing "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The inclusion of kickback amounts in contract prices is prohibited conduct in itself. This act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.

5. Compliance with the Contract Work Hours and Safety Standards Act 40 U.S.C. 3701-3708

As applicable documentation shall be maintained that demonstrates compliance with hour and wage requirements for this section and submitted upon request to the TOWN OF PARADISE.

A. Overtime requirements. Workers must receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

6. Davis-Bacon Act (Title 29 CFR, Subtitle A, Parts 1,3, and 5)

The CONSULTANT must abide by the Davis-Bacon Act as amended (40 U.S.C 3141-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contracts must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contracts must be required to pay wages not less than once a week.

7. Environmental Compliance

A. The CONSULTANT shall comply with the California Environmental Quality Act (CEQA) requirements as applicable.

B. The CONSULTANT agrees to comply with the Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements, specified in said Section 114 and Section 308, and all applicable standards, orders, regulations and guidelines issued thereunder. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

C. The CONSULTANT shall comply with the requirements of the Clean Air Act, 42 U.S.C. 1857, et seq., as amended, and all applicable standards, orders and regulations. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

D. The CONSULTANT shall comply with EPA regulation pursuant to 40 CFR Part 50, as amended.

E. The CONSULTANT shall comply with HUD regulation pursuant to 24 CFR Part 58.

F. The CONSULTANT shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001). The CONSULTANT shall assure that for activities located in an area identified by the Federal Emergency Management Agency ("FEMA") as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

G. The CONSULTANT shall comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement. The CONSULTANT shall also comply with Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer

for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

H. The CONSULTANT and the TOWN OF PARADISE agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q), the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387), the Environmental Protection Agency (EPA) regulation pursuant to 40 CFR Part 50 as amended, the HUD regulation pursuant to 24 CFR Part 58, the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the National Historic Preservation Act of 1966 as amended 16 U.S.C. 470, the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291), and the procedures set form in 36 CFR Part 800 (Advisory Council on Historic Preservation Procedures for Protection of Historic Properties. Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

8. Procurement of Recovered Materials

In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the CONSULTANT shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The CONSULTANT shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the CONSULTANT determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

Pursuant to 30 CFR 247.2, this clause shall apply to items purchased under this AGREEMENT where: (1) CONSULTANT purchases in excess of \$10,000 of the item under this AGREEMENT; (2) during the preceding Federal fiscal year, the CONSULTANT: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

9. Suspension and Debarment

The TOWN OF PARADISE does not employ vendors or contractors or award contracts to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspensions". SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order.

- (1) This AGREEMENT is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the CONSULTANT is required to verify that none of the CONSULTANT, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The CONSULTANT must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by the TOWN OF PARADISE. If it is later determined that the CONSULTANT did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the TOWN OF PARADISE, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.
- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any Contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

See the certification in Article XXVIII (Contracting with Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms) of this AGREEMENT.

10. Byrd Anti-Lobbying Amendment 31 U.S.C. § 1352 (as amended)

Consultants who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. See the certification in Article XV (Prohibition of Expending TOWN OF PARADISE, State, or Federal Funds for Lobbying) of this AGREEMENT.

11. Equal Opportunity Requirements and Responsibilities

Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1065 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal

Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

The obligations undertaken by CONSULTANT include, but are not limited to, the obligation to comply with all federal laws and regulations described in Subpart K of 24 CFR Part 570 and specifically with each of the following, among other things, as the same may be amended from time to time. The CONSULTANT, performing work under this AGREEMENT, shall follow these laws and regulations:

- A. **Title VI of the Civil Rights Act of 1964**: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.
- B. **Title VII of the Civil Rights Act of 1968 (The Fair Housing Act)**: This act prohibits discrimination in housing on the basis of race, color, religion, sex and/or national origin. This law also requires actions which affirmatively promote fair housing.
- C. **Restoration Act of 1987**: This act restores the broad scope of coverage and clarifies the application of the Civil Rights Act of 1964. It also specifies that an institution which receives federal financial assistance is prohibited from discriminating on the basis of race, color, national origin, religion, sex, disability or age in a program or activity which does not directly benefit from such assistance.
- D. **Section 109 of Title 1 of the Housing and Community Development Act of 1974 142 U.S.C. 53091**: This section of Title 1 provides that no person shall be excluded from participation (including employment), denied program benefits, or subject to discrimination on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part under Title 1 of the Act.
- E. **The Fair Housing Amendment Act of 1988**: This act amended the original Fair Housing Act to provide for the protection of families with children and people with disabilities, strengthen punishment for acts of housing discrimination, expand the Justice Department jurisdiction to bring suit on behalf of victims in federal district courts, and create an exemption to the provisions barring discrimination on the basis of familial status for those housing developments that qualify as housing for persons age 55 or older.
- F. **The Age Discrimination Act of 1975**: This act provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination on the basis of age under any program or activity receiving federal funding assistance. Effective January 1987, the age cap of 70 was deleted from the laws. Federal law preempts any State law currently in effect on the same topic.
- G. **Section 504 of the Rehabilitation Act of 1973**: It is unlawful to discriminate based on disability in federally assisted programs. This Section provides that no otherwise qualified individual shall, solely by reason of his or her disability, be excluded from participation (including

employment), denied program benefits, or subjected to discrimination under any program or activity receiving federal funding assistance. Section 504 also contains design and construction accessibility provisions for multi-family dwellings developed or substantially rehabilitated for first occupancy on or after March 13, 1991.

H. **The Americans with Disabilities Act of 1990 (ADA)**: This act modifies and expands the Rehabilitation Act of 1973 to prohibit discrimination against “a qualified individual with a disability” in employment and public accommodations. The ADA requires that an individual with a physical or mental impairment who is otherwise qualified to perform the essential functions of a job, with or without reasonable accommodation, be afforded equal employment opportunity in all phases of employment.

I. **Executive Order 11063**: This executive order provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in housing and related facilities provided with federal assistance and lending practices with respect to residential property when such practices are connected with loans insured or guaranteed by the federal government.

J. **Executive Order 12259**: This executive order provides that the administration of all federal programs and activities relating to housing and urban development be carried out in a manner to further housing opportunities throughout the United States.

K. **The Equal Employment Opportunity Act**: This act empowers the Equal Employment Opportunity Commission (EEOC) to bring civil action in federal court against private sector employers after the EEOC has investigated the charge, found “probable cause” of discrimination, and failed to obtain a conciliation agreement acceptable to the EEOC. It also brings federal, state, and local governments under the Civil Rights Act of 1964.

L. **The Uniform Guidelines on Employee Selection Procedures adopted by the Equal Employment Opportunity Commission in 1978**: This manual applies to employee selection procedures in the areas of hiring, retention, promotion, transfer, demotion, dismissal and referral. It is designed to assist employers, labor organizations, employment agencies, licensing and certification boards in complying with the requirements of federal laws prohibiting discriminatory employment.

M. **The Vietnam Era Veterans’ Readjustment Act of 1974 (revised Jobs for Veterans Act of 2002)**: This act was passed to ensure equal employment opportunity for qualified disabled veterans and veterans of the Vietnam War. Affirmative action is required in the hiring and promotion of veterans.

N. **Executive Order 11246**: This executive order applies to all federally assisted construction contracts and subcontracts. It provides that no person shall be discriminated against on the basis of race.

12. Minority Businesses, Women's Business Enterprises, Veteran-Owned Businesses and Labor Surplus Area Firms

When possible, the CONSULTANT should ensure when subcontracting that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered as set forth below.

Such consideration means:

- A. These business types are included on solicitation lists;
- B. These business types are solicited whenever they are deemed eligible as potential sources;
- C. Dividing procurement transactions into separate procurements to permit maximum participation by these business types;
- D. Establishing delivery schedules (for example, the percentage of an order to be delivered by a given date of each month) that encourage participation by these business types;
- E. Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- F. Requiring a subconsultant to apply this section to subconsultant agreements.

13. Relocation, Displacement, and Acquisition

The CONSULTANT shall comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and regulations adopted to implement the Act in 24 CFR Part 42, 49 CFR Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 as they are applicable.

14. Consultant Agreements:

- A. CONSULTANT shall:
 - 1) Perform the Approved Project activities in accordance with federal, state, and local regulations, as are applicable.
 - 2) Provide security to assure completion of the Approved Project(s) by furnishing the borrower and construction lenders with proof of sufficient insurance and performance and payment bonds, or other security approved in advance in writing by HUD/HCD, as determined by the particulars of each individual Project will be required.

- 3) Compliance with all State and federal requirements described in this AGREEMENT including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and prevailing wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
- 4) Maintenance of at least the minimum State required Workers' Compensation Insurance for those employees who will perform the Approved Project activities.
- 5) Maintenance, as required by law, of unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the Approved Project activities.
- 6) Compliance with the applicable Equal Opportunity Requirements described in, Section 11 of this Exhibit E.

B. CONSULTANT and Subconsultants shall follow the Drug-Free Workplace Act of 1988, which include the items below:

- 1) Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
- 2) Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.
- 3) Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within 5 calendar days, if he or she is convicted of a criminal drug violation in the workplace.
- 4) Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
- 5) Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.

- 6) Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the act.

15. Copeland "Anti-Kickback" Act

The Copeland "Anti-Kickback" Act (40 U.S.C. 3145) provides that the TOWN OF PARADISE and the CONSULTANT shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The TOWN OF PARADISE must report all suspected or reported violations to the Federal awarding agency.

16. Rights to Inventions Made Under a Contract or Agreement

If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the TOWN OF PARADISE or the CONSULTANT wishes to enter into a contract with a small business consultant or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the TOWN OF PARADISE or the CONSULTANT must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Consultants Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

17. State Contract Manual Requirements (Section 3.11, Federally Funded Contracts Rev. 3/03)

- A. This AGREEMENT is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this AGREEMENT in any manner.
- B. The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this AGREEMENT shall be amended to reflect any reduction in funds.
- C. The TOWN OF PARADISE has the option to invalidate the contract under the 30-day cancellation clause or to amend the contract to reflect any reduction in funds.

18. Federal Labor Standards Provisions

Davis-Bacon Act (40 U.S.C. §§ 3141-3148), which requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Federal Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

"Anti-Kickback Act of 1986" (41 U.S.C. §§ 51-58), which prohibits attempted as well as completed "kickbacks," which include any money, fees, commission, credit, gift, gratuity, thing of value, or compensation of any kind. The act also provides that the inclusion of kickback amounts in

contract prices is prohibited conduct in itself. This act requires that the purpose of the kickback was for improperly obtaining or rewarding favorable treatment. It is intended to embrace the full range of government contracting.

Contract Work Hours and Safety Standards Act - CWHSSA (40 U.S.C. § 3702), which requires that workers receive "overtime" compensation at a rate of one and one-half (1-1/2) times their regular hourly wage after they have worked forty (40) hours in one week.

Title 29, Code of Federal Regulations CFR, Subtitle A, Parts 1, 3 and 5, which are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

The CONSULTANT shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the TOWN OF PARADISE for review upon request. CONSULTANT shall be responsible for monitoring all subcontractors, as applicable, for compliance with these provisions.

19. State Prevailing Wages

A. The CONSULTANT shall ensure that the requirements of California Labor Code (LC), Chapter 1, commencing with Section 1720, Part 7 [LC Section 1720-1743] pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations are met.

B. For the purposes of this requirement "construction work" includes, but is not limited to rehabilitation, alteration, demolition, installation, or repair done under contract and paid for, in whole or in part, through this AGREEMENT. All construction work shall be done through the use of a written contract with a properly licensed building contractor incorporating these requirements (the "Construction Contract"). Where the Construction Contract will be between the CONSULTANT and a licensed building contractor, the CONSULTANT shall serve as the "awarding body" as that term is defined in the LC. Where the CONSULTANT will provide funds to a third party that will enter into the Construction Contract with a licensed building contractor, the third party shall serve as the "awarding body." Prior to any disbursement of funds, including but not limited to release of any final retention payment, HCD may require a certification from the awarding body that prevailing wages have been or will be paid.

C. The applicable wage rate determination on construction work will be the more restrictive of the rate prescribed in LC Section 1770-1784 or the Davis-Bacon Wage Determination.

20. Agreements with Contractors

A. The CONSULTANT shall not enter into any agreement, written or oral, with any Contractor or other party without the prior determination that the Contractor or other party is eligible to receive federal funds and is not listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors or similar Federal or state listing of debarred or ineligible parties.

The terms "other party" is defined as public or private nonprofit agencies or organizations and certain (limited) private for-profit entities who receive Grant Funds from CONSULTANT to undertake Approved Projects.

B. An agreement between the CONSULTANT and any Contractor or other party shall require:

1. Compliance with all State and federal requirements described in this AGREEMENT including without limitation those that pertain to labor standards, nondiscrimination, Americans with Disabilities Act, Equal Employment Opportunity and Drug Free Workplace, and prevailing wages. In addition to these requirements, all contractors and subcontractors shall comply with the applicable provisions of the California Labor Code.
2. Maintenance of at least the minimum State required Workers' Compensation Insurance for those employees who will perform the Approved Project activities.
3. Maintenance, as required by law, of unemployment insurance, disability insurance and liability insurance, which is reasonable to compensate any person, firm, or corporation, who may be injured or damaged by the contractor, or any subcontractor in performing the Approved Project activities.
4. Compliance with the applicable Equal Opportunity Requirements described in Exhibit D, Section 11 of this Exhibit E.

C. Contractors shall:

1. The Approved Project activities in accordance with federal, state, and local regulations, as are applicable.
2. Provide security to assure completion of the Approved Project(s) by furnishing the borrower and construction lenders with proof of sufficient insurance and performance and payment bonds, or other security approved in advance in writing by HCD, as determined by the particulars of each individual Project will be required.

D. Contractors and Subcontractors: Drug-Free Workplace Act of 1988

1. Publish and give a policy statement to all covered employees informing them that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
2. Establish a drug-free awareness program to make employees aware of a) the dangers of drug abuse in the workplace; b) the policy of maintaining a drug-free workplace; c) any available drug counseling, rehabilitation, and employee assistance programs; and d) the penalties that may be imposed upon employees for drug abuse violations.

3. Notify employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within 5 calendar days, if he or she is convicted of a criminal drug violation in the workplace.
4. Notify the contracting or granting agency within 10 days after receiving notice that a covered employee has been convicted of a criminal drug violation in the workplace.
5. Impose a penalty on or require satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is convicted of a reportable workplace drug conviction.
6. Make an ongoing, good faith effort to maintain a drug-free workplace by meeting the requirements of the act.