Agreement for Professional Services

(Railroad Crossing Rehabilitation and Improvements)

This Agreement ("Agreement") is made and entered into this ___14th__ day of November, 2018 by and between the Tuolumne County Transportation Council ("TCTC"), a California joint powers authority, and Sierra Northern Railroad ("Contractor").

1. Agreement Documents

1.01 The total agreement between the parties consists of this Agreement and the following additional documents, copies of which are attached hereto and incorporated herein by this reference as Exhibits A-B:

A. Standard Insurance Requirements.

B. Contractor's Proposal No. 082318, Scope of Work, Rate Schedule and Project Schedule, as accepted by the TCTC.

In the event of a conflict or ambiguity arising between such documents or any term therein, the document executed later in time shall prevail over the document executed earlier in time. Notwithstanding the above, in the event of a conflict or ambiguity between the Contractor's Proposal and any other Agreement Document, the other Agreement Document will control.

2. Recitals

2.01 Contractor agrees to supply labor, equipment, material and appurtenant items needed to complete the Project in conformance with applicable standards; and,

2.02 This Agreement is a "Not to Exceed Contract". The TCTC agrees to disperse funds to pay Contractor upon completion of the Project and final approval of the Project by the Executive Director of The TCTC. Contractor shall be paid a lump sum of $121,000. Payment will be made in accordance with Article 19 Compensation.

2.03 All work shall be performed based on professional experience and judgment of Contractor personnel, and shall meet the requirements and standards of the Federal Railroad Administration and the California Public Utilities Commission. All work performed and the material supplied by Contractor shall be of good quality, and in accordance with prudent railroad practices. Contractor shall warrant its workmanship for a period of one year upon completion of the work.

2.04 Contractor excludes from the scope of work any underground relocation, drainage facilities, permits and/or payment, performance, or bid bonds not specified.

3. Scope of Work: Contractor agrees to complete the Project pursuant to the Scope of Work of this Agreement, attached hereto as Exhibit B, and the Agreement Documents. The TCTC agrees to

compensate Contractor as specified herein below and accordance with Article 19 Compensation.

4. **Effective Date/Term:** This Agreement shall be effective from the date of execution. The term of the Agreement shall extend from the date TCTC issues a notice to proceed and shall continue until completion of the tasks as identified within the Scope of Work (Exhibit B). Contractor shall not commence work prior to the date a written Notice to Proceed is issued by the TCTC. Notwithstanding the above, this Agreement will terminate 24 months after date of execution, unless extended by amendment signed by both parties.

5. **Commencement/Completion of Work:** The Contractor agrees to commence work upon execution of this Agreement and receipt of a written notice to proceed from the TCTC Executive Director and perform and complete the project in compliance with the Scope of Work, Exhibit B. Contractor will secure all necessary permits required for work completion.

6. **Suspension, Delay or Interruption of Work:** The TCTC may suspend, delay or interrupt the services of the Contractor for the convenience of the TCTC. In the event of force majeure or such suspension, delay or interruption, an equitable adjustment in the Project's schedule, commitment and cost of Contractor's personnel and sub-contractor, and Contractor's compensation will be made.

7. **Additional Services:** For additional services not outlined in Section 3 above, a separate Scope of Work describing the scope, schedule, fee and work products will be negotiated by the TCTC and the Contractor and approved as written amendments to this Agreement prior to any additional work effort being commenced upon.

8. **Professional Standards:** Contractor warrants and guarantees that the work provided under this Agreement shall be performed and completed in a professional manner. All services shall be performed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Contractor and any sub-contractor are engaged.

9. **Performance:** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory accomplishment of the Contractor's obligations under this Agreement. Performance of services shall comply with the schedule set forth in the Agreement Documents. A time extension may be granted in the event that acts or omissions by the TCTC cause delay. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

10. **Work Standard:** The TCTC has relied upon the professional training and ability of the Contractor to perform the services hereunder as a material inducement to enter into this Agreement. The Contractor shall, therefore, provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by the Contractor under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in the Contractor's field of expertise. The Contractor shall be responsible for ensuring any approved sub-contractor adheres to this same work

standard.

11. **Personnel:** Contractor shall assign only competent personnel to perform services pursuant to this Agreement. Contractor shall provide all staff necessary to completion of services under this Agreement. In the event that the TCTC, at its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement because of their incompetence, Contractor shall remove any such person(s) immediately upon receiving notice from the TCTC of the desire of the TCTC for the removal of such person(s).

12. **Independent Contractor:** In providing the services as set forth in the Agreement Documents, Contractor shall act as an independent contractor and not as an employee of the TCTC. In accordance with that relationship, Contractor shall assume all responsibility for its employees for Federal and State income tax withholding, FICA, SDI and any other deductions from income that Contractor is properly required to make as an independent contractor.

13. **Administration of Agreement:** Contractor's compliance with this Agreement shall be supervised and administered by the TCTC through the office of the Executive Director. This paragraph shall not relieve Contractor of any obligation or liability undertaken by virtue of this Agreement.

14. **Written Notification:** Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and either served personally or sent prepaid, first class United States mail. Any such notice, demand, request, consent, approval or communication shall be addressed to the other party at the address set forth herein below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of depositing in the United States mail box if mailed as provided in this section.

If to TCTC:
Tuolumne County Transportation Council
Darin Grossi, Executive Director
2 South Green Street
Sonora, CA 95370
dgrossi@co.tuolumne.ca.us

If to Contractor:
Sierra Northern Railroad
Kennan H. Beard III, President
341 Industrial Way
Woodland, CA 95776-6012
Tel: 530-666-9646

15. **Consents and Agreements:** Any and all consents and agreements provided for or permitted by this Agreement shall be in writing, and a signed copy thereof shall be filed and kept with the books of this Agreement.

16. **Signature Authority**

16.01 The Executive Director or his designee shall have authority on behalf of the TCTC to sign Agreement amendments and other documents related to this Agreement.

16.02 Contractor certifies that the following person(s) has (have) authority to sign Agreement amendments and other documents related to this Agreement on behalf of Contractor. Written certification of the signatory authority of the following persons shall be provided by the Contractor to the TCTC prior to execution of this Agreement.

Kennan H. Beard III	President
Name	Title

17. Insurance Requirements: Contractor and/or any sub-contractor shall provide a Certificate of Insurance as proof of a policy of insurance satisfactory to the TCTC evidencing that Contractor and/or sub-contractor maintains insurance that meets the requirements included in Exhibit A, "Standard Insurance Requirements," of this Agreement.

18. Workers Compensation

18.01 Contractor shall comply with the provisions of the Workers' Compensation and Insurance Law of the State of California.

18.02 The TCTC shall not be responsible for providing Workers' Compensation insurance or any other protective insurance coverage for the Contractor that is based upon the relationship of employer and employee.

19. Compensation

19.01 Contractor will be reimbursed for actual costs incurred by Contractor in the performance of work directly related to this Agreement pursuant to the Scope of Work, and Rate Schedule (collectively, Exhibit B). Contractor will be reimbursed in a lump sum not to exceed $121,000 upon the completion of the project and at the approval of the TCTC Executive Director. In the event that the TCTC determines that a change to the work from that specified in this Agreement is required, the Agreement term or allowable reimbursable costs shall be adjusted through an amendment to this Agreement to accommodate the changed work. The maximum total cost of $121,000 shall not be exceeded unless authorized through an amendment to this Agreement.

19.02 Contractor will be reimbursed, as promptly as fiscal procedures will permit, upon receipt by the TCTC Executive Director of itemized invoices. Payment of invoices can usually be expected within 30 calendar days of receipt and approval. Invoices shall be submitted no later than 45 calendar days after the performance of work for which Contractor is billing. The invoice should include a summary of the total expenditures, final amount due, and final report on the work completed pursuant to this Agreement. Payment of the final invoice will be processed once the Project has been formally approved by the TCTC.

19.03 No payment will be made prior to approval of any work, nor for any work performed prior to execution of this Agreement and a Notice to Proceed issued by the TCTC.

19.04 If Contractor fails to submit the required deliverables according to the approved schedule and Scope of Work, TCTC shall have the right to delay payment or terminate this Agreement in accordance with the provisions of Article 38, Termination.

20. Reporting Requirements: The Contractor will submit to the TCTC written progress reports at least once a month. The report should be sufficiently detailed for the Executive Director to clearly determine the status of the work schedule and outputs, the percentage of work completed by task and any other relevant factors to completion of the Project in a timely manner. The report should also sufficiently address any potential or existing difficulties or special problems encountered so that remedies can be developed as soon as possible. Contractor shall meet with the Executive Director, as needed, to discuss progress on the Project.

21. Maintenance of Records/Audit Rights: Contractor shall maintain books, records, documents and other evidence directly pertinent to work under this Agreement in accordance with generally accepted accounting principles and practices. Contractor shall also maintain for a period of at least three (3) years from the expiration date of this Agreement the financial information and data used by Contractor to determine charges and costs related to work performed under this Agreement. The TCTC, and any Federal or State authorized representatives, shall have the right to inspect and audit Contractor's accounting books, records and documents during normal business hours. Such records shall be turned over to the TCTC upon request.

22. Covenant Against Contingent Fees: The Contractor warrants that it has not employed or retained any company or person, other than a bona fide employee or sub-contractor working for the Contractor, as provided for in the Contractor's Proposal (as accepted by TCTC), to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person other than a bona fide employee, a fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon, resulting from the award or making this Agreement. For breach or violation of this warranty, the TCTC shall have the right to annul this Agreement without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift or contingent fee.

23. Covenant Against Gratuities: Contractor covenants that it has not offered or given gratuities in the form of entertainment, gifts or otherwise to any member, officer or employee of the TCTC with a view toward securing favorable treatment in the award, modification or performance evaluation of this Agreement. For breach or violation of this covenant, the TCTC shall have the right to cancel this Agreement without any liability to Contractor.

24. Restrictions on Lobbying: Contractor shall not pay any person or organization to influence or attempt to influence an officer or employee of any federal, state or local agency in connection with awarding this Agreement or any other federal award from which funding for this Project is originally derived, consistent with 31 U.S.C. section 1352.

25. Transfer of Agreement: This Agreement is made in reliance by TCTC upon the qualifications and responsibility of Contractor. The performance by Contractor of this Agreement may not be assigned,

sublet, transferred or in any way subcontracted, except upon the prior written approval of the TCTC.

26. **Solicitations for Subcontracts, Including Procurement of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by Contractor for work to be performed under subcontract, including procurement of material or leases of equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor's obligations under this Agreement relative to civil rights requirements. Contractor shall provide the TCTC documentation of such notifications.

27. **Third Party Obligations:** Contractor shall be solely liable to third parties with whom it enters into contracts to effectuate the purpose of this Agreement. Contractor shall pay directly such parties for all amounts due under said arrangement. Contractor shall indemnify, defend and hold the TCTC harmless from any and all claims and liabilities arising from any third party contracts. Contractor shall exert its best efforts to prevent any loss to the TCTC from the failure of proper performance of any third party.

28. **Conflicts of Interest:** Contractor shall not enter into any Agreement, subcontract or arrangement in connection with the Project or any property included or planned to be included in the Project, in which any member, officer or employee of Contractor or the TCTC, during the Project term and for one year thereafter, has any direct or indirect interest. If any such present or former member, officer or employee involuntarily acquires or had acquired prior to the beginning of the Project term any such interest, and if such interest is immediately disclosed to Contractor and such disclosure is entered upon the minutes of Contractor's written report to the TCTC of such interest, Contractor, with the prior written approval of the TCTC, may waive the prohibition contained in this subsection; provided that any such present member, officer or employee shall not participate in any action by Contractor or the TCTC relating to such Agreement, subcontract or arrangement.

29. **Debarment and Suspension Certification**

31.01 Contractor certifies under penalty of perjury under the laws of the State of California, that Contractor has complied with Title 2 CFR, Part 180, "OMB Guidelines to Agencies on Government wide Debarment and Suspension (non-procurement)", which certifies that he/she or any person associated therewith in the capacity of owner, partner, director, officer or manager, is not currently under suspension, debarment, voluntary exclusion or determination of ineligibility by any federal agency; has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three (3) years; does not have a proposed debarment pending; and 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. Any exceptions to this certification must be disclosed to the TCTC.

31.02 Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining Contractor responsibility. Disclosures must indicate to whom exceptions apply, initiating agency and dates of action.

32. Civil Rights Requirements

During the performance of this Agreement, the Contractor, for itself, its assignees and successors in interest (collectively, "Contractor") agree as follows:

A. **Compliance with Regulations:** The Contractor shall comply with regulations relative to nondiscrimination in federally assisted programs of the Department of Energy , Title 10, Code of Federal Regulations, Part 1040, as they may be amended from time to time, (hereinafter referred to as the REGULATIONS), which are herein incorporated by reference and made a part of this Agreement.

B. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the Agreement term shall not discriminate on the grounds of race, color, sex, national origin, religion, age or disability in the selection and retention of sub-contractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the REGULATIONS, including employment practices when the Agreement covers a program set forth in Appendix B of the REGULATIONS.

C. **Solicitations for Sub-agreements, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation by the Contractor for work to be performed under a sub-agreement, including procurements of materials or leases of equipment, each potential subcontractor, sub-contractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Agreement and the REGULATIONS relative to nondiscrimination on the grounds of race, color or national origin. Contractor shall provide the TCTC documentation of such notifications.

D. **Information and Reports:** The Contractor shall provide all information and reports required by the REGULATIONS, or directives issued pursuant thereto, and shall permit access to Contractor's books, records, accounts, other sources of information, and its facilities as may be determined the TCTC, State or the California Energy Commission (CEC) to be pertinent to ascertain compliance with such REGULATIONS or directives. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the TCTC, State or CEC, as appropriate, and shall set forth what efforts Contractor has made to obtain the information.

E. **Sanctions for Noncompliance:** In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Agreement, the TCTC and/or State shall impose such Agreement sanctions as they or the CEC may determine to be appropriate, including, but not limited to:

1) Withholding of payments due to Contractor under this Agreement within a reasonable period of time, not to exceed 90 days; and/or

2) Cancellation, termination or suspension of this Agreement, in whole or in part.

F. **Incorporation of Provisions:** Contractor shall include the provisions of these paragraphs (A) through (F) in every sub-agreement, including procurements of materials and leases of equipment, unless exempt by the REGULATIONS, or directives issued pursuant thereto. Contractor shall take such action with respect to any sub-agreement or procurement as the TCTC, State or the Department of Energy may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, that, in the event Contractor becomes involved in, or is threatened with, litigation with a sub-contractor or supplier as a result of such direction, Contractor may request the TCTC and/or State enter into such litigation to protect the interest of the TCTC and/or State, and, in addition, Contractor may request the United States to enter into such litigation to protect the interests of the United States.

33. Health, Safety, Fire and Environmental Protection

The Contractor and any sub-contractor or agent shall comply with Federal, State and local requirements pertaining to safety, health, fire and environmental protection.

The Contractor shall comply with all applicable provisions of the California Occupational Safety and Health Act of 1973, including any amendments thereto, and the rules, standards, orders and regulations prescribed by the Occupational Safety and Health Standards Board and the Division of Industrial Safety in the California Department of Industrial Relations. Contractor shall further comply with all other applicable safety laws, ordinances and regulations.

In the event standards conflict, the standard providing the highest degree of protection and not in violation of any other applicable standard or law shall prevail.

34. Federal, State and Local Laws: Contractor warrants and covenants that it shall fully and completely comply with all applicable Federal, State and local laws and ordinances, and all lawful orders, rules and regulations issued by any authority with jurisdiction in all aspects of its performance of this Agreement.

35. Governing Law: The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall also govern the interpretation of this Agreement.

36. Indemnification

To the extent permitted by law, Contractor does hereby agree to indemnify, defend, and hold harmless the TCTC, its elected and appointed officials, officers, employees, agents and volunteers (collectively, "TCTC") from any and all demands, losses, claims, costs, suits, liabilities and expenses for any damage, injury or death (collectively, "Liability") arising directly or indirectly from or connected with the services provided hereunder which is caused, or claimed or alleged to be caused, in whole or in part, by the negligence or willful misconduct of Contractor, its officers, employees, agents, sub-contractors, contractors, or any person under its direction or control and will make good to and reimburse TCTC for any expenditures, including reasonable attorney's fees, the TCTC may make by reason of such matters

and, if requested by TCTC, will defend any such suits at the sole cost and expense of Contractor. Contractor's obligations under this section shall exist regardless of concurrent negligence or willful misconduct on the part of the TCTC or any other person; provided, however, that Contractor shall not be required to indemnify TCTC for the proportion of Liability a court determines is attributable to the active negligence or willful misconduct of the TCTC.

If such indemnification becomes necessary, the legal counsel for the TCTC shall have the absolute right and discretion to approve or disapprove of any and all counsel employed to defend the TCTC. This indemnification clause shall survive the termination or expiration of this Agreement.

The parties shall establish procedures to notify the other party where appropriate of any claims, administrative actions or legal actions with respect to any of the matters described in this indemnification provision. The parties shall cooperate in the defense of such actions brought by others with respect to the matters covered in this indemnity. Nothing set forth in this Agreement shall establish a standard of care for, or create any legal rights in, any person not a party to this Agreement.

Indemnification under this section is TCTC's sole and exclusive remedy for actual or alleged infringement of third party rights.

37. Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the provisions of this Agreement, the TCTC shall impose such Agreement sanctions as it may determine to be appropriate, including, but not limited to:

A. Withholding of payments due to the Contractor under this Agreement until the Contractor complies to the TCTC's satisfaction, and/or

B. Cancellation, termination or suspension of this Agreement, in whole or in part.

38. Termination of Agreement

38.01 Acts Constituting Termination: This Agreement shall commence on the date of execution and shall continue until the earlier of expiration or:

A. Completion of the Project pursuant to Scope of Work, Exhibit B, as approved by TCTC;

B. Voluntary or involuntary transfer or assignment by either party hereto without the prior written consent of the other party of any of the rights, titles or obligations set forth in this Agreement;

C. Mutual agreement of the parties hereto to terminate this Agreement;

D. Any default or breach, as specified in Section 39 of this Agreement, by either party hereto which has not been cured within thirty (30) days after notice of such default by the other party, or such later time as is reasonably necessary if the default cannot be reasonably cured within such thirty (30) day period;

E.Termination as provided in this Article.

38.02 TCTC may terminate this Agreement for convenience upon five (5) calendar days' written notice to Contractor.

38.03 Contractor shall be paid for all work performed through the date of termination at the rates set forth in the Rate Schedule in Exhibit B, and subject to the proportion of work completed and approved by the Executive Director.

Upon termination of this Agreement, all affairs undertaken or conducted pursuant to this Agreement shall be wound up and debts paid.

39. Breach

If Contractor materially breaches the terms of this Agreement, the TCTC shall have the following remedies:

A. Immediately terminate the Agreement with Contractor;

B. Complete the unfinished work under this Agreement with a different contractor;

C. Charge Contractor with the difference between the cost of completion of the unfinished work pursuant to this Agreement and the amount that would otherwise be due Contractor, had Contractor completed the work; and/or

D. Allow the Contractor five (5) business days to diligently complete the correction.

40. Waiver: A waiver by the TCTC of a breach or failure to perform hereunder shall not constitute a waiver of any subsequent breach or failure. No failure on the part of the TCTC to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder.

41. Disputes: It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a court of competent jurisdiction in the County of Tuolumne, State of California. The prevailing party, as established by a court of law, shall be entitled to its costs, including reasonable attorneys' fees, in any legal action to enforce the terms of this Agreement.

42. Amendments: This Agreement may be amended or modified in any way by an instrument in writing, stating the amendment or modifications, signed by the parties hereto.

43. Survivorship: Any responsibility of Contractor for warranties, insurance or indemnity with respect to this Agreement shall not be invalidated due to the expiration, termination or cancellation of this Agreement.

44. **Severability:** If any term, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

45. **Successors and Assigns:** This Agreement is binding upon the TCTC and the Contractor and their successors. Except as otherwise provided herein, neither the TCTC nor the Contractor shall assign, sublet or transfer its respective interest in this Agreement or any part thereof without the prior written consent of the other.

46. **Succession:** This Agreement shall be binding on and inure to the benefit of heirs, executors, administrators and assigns of the parties hereto.

47. **Third Party Beneficiary:** Nothing in this Agreement is intended to, nor shall anything in this Agreement be construed to, benefit any third party.

48. **Ambiguities:** The parties have each carefully reviewed this Agreement and have agreed to each term of this Agreement. Both parties have had the opportunity to engage counsel and negotiated the term of the Agreement. No ambiguity shall be presumed to be construed against either party.

49. **Integration:** The Agreement Documents embody the entire agreement of the parties in relation to the scope of services herein described, and no other understanding whether verbal, written or otherwise exists between the parties.

50. **Relationship Between the Parties:** Nothing in these Agreement Documents is intended to create, and nothing herein shall be considered as creating, any partnership, joint venture or agency relationship between the TCTC and Contractor.

51. **Modification:** No waiver, alteration, modification or termination of this Agreement shall be valid unless made in writing and signed by the authorized parties hereof.

52. **Headings and Subtitles**: Headings and subtitles to the Articles of this Agreement have been used for convenience only and do not constitute matter to be considered as interpreting this Agreement.

53. **Sole and Only Agreement**: This instrument contains the sole and only agreement of the parties and correctly sets forth the rights, duties and obligations of each party to the other as of this date. Any prior agreements, policies, negotiations and/or representations are expressly set forth in this Agreement.

54. Acceptance of Agreement: The undersigned, having read the foregoing, accept and agree to the terms set forth therein. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the administrators for the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties thereto.

In witness hereof, the parties have caused their authorized representatives to execute this Agreement as of the date first written above.

For the Contractor:

Sierra Northern Railroad
Legal Name of Firm

341 Industrial Way
Street Address

Woodland, CA 95776-6012
City, State, Zip Code

_____
Signature

Kennan H. Beard III
Name (typed)

President
Title

For the TCTC:

Tuolumne County Transportation Council

_____
Chair of the TCTC

Date: _____

Approval Recommended:

_____
Executive Director

Approved as to Legal Form:
TCTC Legal Counsel

By: _____

Date: _____

Exhibit A

Standard Insurance Requirements

Contractor at its own expense, shall procure, and maintain for the duration of the Agreement, the following insurance policies and endorsements with insurers licensed in the State of California possessing a Best's rating of no less than A:VII:

A. Workers' Compensation Coverage - Worker's Compensation Insurance and Employer's Liability Insurance for employees in accordance with the laws of the State of California (including requiring any authorized sub-contractor to obtain such insurance for its employees).

B. General Liability Coverage - Commercial general liability insurance with a minimum liability limit per occurrence of one million dollars ($1,000,000) for bodily injury and one hundred thousand dollars ($100,000) for property damage. If a commercial general liability insurance form or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Coverage shall be included for premises, operations and broad form contractual.

C. Automobile Liability Coverage - Automobile liability insurance with a minimum liability limit per occurrence of one million dollars ($1,000,000) for bodily injury and one hundred thousand dollars ($100,000) for property damage, and including coverage for owned, hired and non-owned vehicles.

D. Policy Endorsements: Each general liability and automobile liability insurance policy shall be endorsed with the following specific provisions:

1) The TCTC, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insured ("TCTC additional insured").

2) This policy shall be considered, and include a provision it is, primary as respects the TCTC additional insured, and shall not include any special limitations to coverage provided to the TCTC additional insured. Any insurance maintained by the TCTC, including any self-insured retention the TCTC may have, shall be considered excess insurance only and shall not contribute with it.

3) This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

4) The insurer waives all rights of subrogation against the TCTC additional insured.

5) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the TCTC additional insured.

6) The insurance policy and endorsements shall not be suspended, voided, canceled or reduced in coverage or in limits except after thirty (30) days' written notice has been given to the Executive Director by registered mail, return receipt requested, at 2 South Green Street, Sonora, CA, 95370.

E. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the Executive Director. At the TCTC's option, Contractor shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

F. Evidence of Insurance: Contractor shall provide policies and certificates of insurance with original endorsements or other evidence of insurance coverage as required by the Executive Director. Required evidence of insurance shall be filed with the Executive Director on or before commencement of performance of this Agreement. Current evidence of insurance shall be kept on file with the Executive Director at all times during the term of this Agreement.

G. Unsatisfactory Policies: If at any time any of the policies or endorsements be unsatisfactory as to form or substance, or if an issuing company shall be unsatisfactory, to the Executive Director, a new policy or endorsement shall be promptly obtained and evidence submitted to the Executive Director for approval.

H. Failure to Comply: Upon failure to comply with any of these insurance requirements, this Agreement may be forthwith declared suspended or terminated. Failure to obtain and/or maintain any required insurance shall not relieve any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the indemnification obligations.

EXHIBIT B

Contractor's Proposal, Scope of Work, Rate Schedule and Project Schedule, as accepted by the TCTC