

**AGENDA
MEETING OF THE
ANIMAL CARE JPA
THURSDAY, JANUARY 27, 2011, 10:00 A.M.
YUCCA VALLEY COMMUNITY CENTER MESQUITE ROOM**

ROLL CALL: Directors Cronin, Hagerman, Huntington, Chair Derry

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1-2 Approve the minutes of September 30, 2010 as presented

DIRECTORS REPORTS/UPDATES

DISCUSSION ITEMS

1. Acknowledge Appointment of Council Member Isaac Hagerman to JPA Board
- 3-17 2. Accept 2009-10 Annual JPA Audit Report.
3. Approve 2009-10 Audit Expense
- 18-46 4. Approve Insurance Premium Cost Estimates
- 47-71 5. Discuss Architect's Contract – Williams Architects, Inc.
6. Discuss the Appointment of the Project Manager
7. Receive Report from Town Regarding Project Site Considerations.
8. Develop Timeline to Receive Payment Plan from the Town.

FUTURE AGENDA ITEMS

- a. Discussion regarding County Voucher Program
- b. County/Town Fee Schedule.

PUBLIC COMMENTS

ADJOURNMENT

**ANIMAL CARE JPA MINUTES
THURSDAY, SEPTEMBER 30, 2010**

Chair Derry called the meeting to order at 10:02 a.m. with Directors Herbel, Huntington, Cronin and Chair Derry present.

PLEDGE OF ALLEGIANCE

Led by Chair Derry

APPROVAL OF MINUTES

Approve the minutes of August 26, 2010 as presented.

Director Huntington moved and Director Herbel seconded to approve the minutes of August 26, 2010. As there was no objection, the minutes stand approved.

DIRECTORS REPORTS/UPDATES

None

DISCUSSION ITEMS

1. Report from Architect Selection Committee

Member Huntington advised that he and Member Cronin met with the Architect's Project Manager and others and discussed the Town's concerns such as looking at another potential location.

Town Manager Nuaimi requested up to 120 days to work through some of the issues on the present site and mitigating impacts to the neighborhood.

Member Huntington advised the Architect is willing to work with the Town and JPA and noted the committee recommends that the Town be allowed to proceed as desired up to a max of 120 days, and postpone more JPA meetings until the report is ready.

Chair Derry stated he is comfortable with that and appreciates the Town taking time to look at the issue, and the time the selection committee took to meet.

Member Cronin suggested establishing the next meeting date for the JPA and consideration of another sub committee before reconvening to look at finalizing an agreement and bringing back a full proposal.

No objection to motion by Member Herbel to bring the issue back to the selection committee and then the JPA at their January meeting.

2. Discussion of proposed site for facility location.

Discussion held during Item 1 regarding fact that proposed site is preferred site and action will be taken to mitigate the impact on abutting neighborhood.

FUTURE AGENDA ITEMS

- a. Discussion regarding County Voucher Program
- b. County/Town Fee Schedule.

PUBLIC COMMENTS

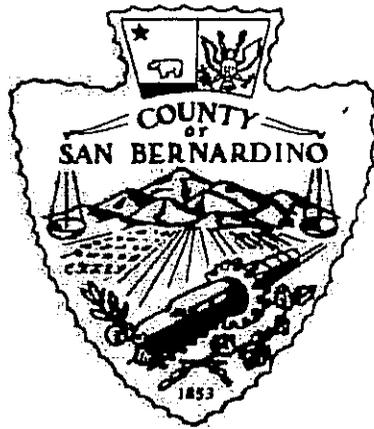
Margo Sturges, Yucca Valley, questioned if there is a website for information on the activity for the JPA. Member Cronin advised the budget is in the County's general budget and the agenda and minutes are kept on the Town's website.

ADJOURNMENT

There being no further business the meeting was adjourned at 10:15 a.m. to January, 2011.

Respectfully submitted

Jamie Anderson
Town Clerk



COUNTY OF SAN BERNARDINO

CALIFORNIA

AUDIT REPORT

CITY-COUNTY ANIMAL SERVICES JOINT POWERS AUTHORITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Office of

**AUDITOR-CONTROLLER/
TREASURER/TAX COLLECTOR**

COUNTY OF SAN BERNARDINO

CALIFORNIA

AUDIT REPORT

CITY-COUNTY ANIMAL SERVICES JOINT POWERS AUTHORITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Prepared by:

**Internal Audits Section
Office of the Auditor-Controller/Treasurer/Tax Collector
January 13, 2011**

**County of San Bernardino
City-County Animal Services Joint Powers Authority**

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AUDITOR-CONTROLLER/ TREASURER/TAX COLLECTOR



COUNTY OF SAN BERNARDINO

LARRY WALKER
Auditor-Controller/
Treasurer/Tax Collector

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San Bernardino, CA 92415-0018 • (909) 387-8322 • Fax (909) 386-8830

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San Bernardino, CA 92415-0360 • (909) 387-8308 • Fax (909) 387-6716

Independent Auditor's Report

January 13, 2011

Brian Cronin, Secretary
City-County Animal Services Joint Powers Authority
351 N Mt. View Avenue, 3rd Floor
San Bernardino, CA 92415

**SUBJECT: AUDIT OF THE CITY-COUNTY ANIMAL SERVICES JOINT POWERS
AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Introductory Remarks

In compliance with Section 6505 of the California Government Code, we have completed an audit of the City-County Animal Services Joint Powers Authority, (Animal Services JPA), for the fiscal year ended June 30, 2010.

Auditor's Report

We have audited the accompanying financial statements of the governmental activities and the major fund of the Animal Services JPA, as of and for the year ended June 30, 2010, which collectively comprise the Animal Services JPA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Animal Services JPA's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the minimum audit requirements and reporting guidelines for California Special Districts required by the Office of the State Controller. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

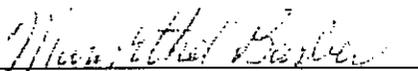
Audrpt/Brian Cronin, Secretary
City-County Animal Services Joint Powers Authority
January 13, 2011
Page 2

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Animal Services JPA, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and the state regulations governing Special Districts.

The Animal Services JPA has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Larry Walker
Auditor-Controller/Treasurer/Tax Collector

By:


Mary Ethel Barber, CPA
Internal Audits Manager

Quarterly copies to:

County Administrative Office
Board of Supervisors
Grand Jury (2)

Audit File (3)

Date Report Distributed: 1-14-11

LDW:HMO:akc:mah

County of San Bernardino
City-County Animal Services Joint Powers Authority
Statement of Net Assets
June 30, 2010

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents (Note 2)	\$ 435,026
Interest receivable	1,271
Prepaid Insurance (Note 4)	2,597
Total assets	\$ 438,894
LIABILITIES	
Total liabilities	\$ -
NET ASSETS	
Unrestricted	438,894
Total net assets	438,894
Total liabilities and net assets	\$ 438,894

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Statement of Activities
June 30, 2010

	Governmental Activities
EXPENSES	
Insurance	\$ 1,856
Total program expenses	1,856
 PROGRAM REVENUES	
Contributions from members (Note 3)	437,500
Total program revenues	437,500
Net program revenue (expense)	435,644
 GENERAL REVENUES	
Investment earnings	3,250
Total general revenues	3,250
Change in net assets	438,894
Net assets - beginning	-
Net assets - ending	\$ 438,894

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Balance Sheet
Governmental Fund
For the Fiscal Year Ended June 30, 2010

	General (MSF)	Total Governmental Funds
ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 435,026	\$ 435,026
Interest receivable	1,271	1,271
Prepaid Insurance (Note 4)	2,597	2,597
Total current assets	438,894	438,894
Total assets	\$ 438,894	\$ 438,894
 LIABILITIES AND FUND BALANCES		
Liabilities	\$ -	\$ -
Fund Balance		
Reserved for construction (Note 5)	438,894	438,894
Total fund balance	438,894	438,894
Total liabilities and fund balance	\$ 438,894	
Amounts to reconcile to net assets reported in the statement of net assets:		-
Net assets of governmental activities		\$ 438,894

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Fiscal Year Ended June 30, 2010

	General (MSF)	Total Governmental Funds
REVENUES		
Contributions from members (Note 3)	\$ 437,500	\$ 437,500
Investment earnings	3,250	3,250
Total revenues	440,750	440,750
EXPENDITURES		
Insurance	1,856	1,856
Total expenditures	1,856	1,856
Excess of revenues over expenditures	438,894	438,894
OTHER FINANCING SOURCES (USES)		
Total other financing sources (uses)	-	-
Change in fund balance	438,894	438,894
Fund balance, July 1, 2009	-	-
Fund balance, June 30, 2010	\$ 438,894	\$ 438,894

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance of Governmental Fund to the Statement of Activities
For the Fiscal Year Ended June 30, 2010

Net change in Fund Balance -- Governmental Fund	\$ 438,894
Amounts to reconcile to governmental activities reported in the Statement of Activities	<u>-</u>
Change in Net Assets of Governmental Activities	<u>\$ 438,894</u>

The notes to the financial statements are an integral part of this statement.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Notes to the Financial Statements
For the Year Fiscal Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City-County Animal Services Joint Powers Authority, (Animal Services JPA), was established under a Joint Powers Agreement between the County of San Bernardino and the Town of Yucca Valley on November 18, 2008. It was established for the construction, design, financing, maintenance and operation of animal shelter(s) in the unincorporated County areas in the Morongo Basin region of the County and Town of Yucca Valley areas. The City-County Animal Services Joint Powers Authority was subsequently renamed the Animal Care Joint Powers Authority on July 13, 2010.

The Animal Services JPA is self-governed by a Board of Directors, which is comprised of four Directors designated as follows:

San Bernardino County shall be represented by its Third District Supervisor and a second Director recommended for appointment by the Third District Supervisor and appointed by action of the San Bernardino County Board of Supervisors who must be an elected or appointed official of San Bernardino County.

The Town of Yucca Valley (Town) shall be represented by one of its Councilpersons and a second Director appointed by action of the Town Council of the Town of Yucca Valley who must be an elected official of the Town of Yucca Valley.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the reporting entity. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the program expenses of a given function or segment are offset by program revenues. *Program expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

County of San Bernardino
City-County Animal Services Joint Powers Authority
Notes to the Financial Statements
For the Year Fiscal Ended June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. However, for revenue derived from voluntary non-exchange transactions, such as federal and state grants, the definition of "available" is expanded to 9 months. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Animal Services JPA reports the following major governmental fund:

The *general fund MSF* accounts for the obligations received in accordance with the JPA agreement and the subsequent use of this revenue to finance the construction of the animal shelter.

**County of San Bernardino
City-County Animal Services Joint Powers Authority
Notes to the Financial Statements
For the Year Fiscal Ended June 30, 2010**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - *Continued*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Deposits and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Net Assets

Net assets comprise the various net earnings from operating and nonoperating revenues, expenses and contribution of capital. Net assets are classified in the following three components:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors, grantors, contributors, or laws or regulations, of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net assets consist of net assets of the Animal Services JPA that are not restricted for any project or other purpose.

Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**County of San Bernardino
City-County Animal Services Joint Powers Authority
Notes to the Financial Statements
For the Year Fiscal Ended June 30, 2010**

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and investments include the cash balances of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to the Animal Services JPA's account based upon the Animal Services JPA's average daily deposit balance during the allocation period. As of June 30, 2010, Cash and Investments are reported in Animal Services JPA's financial statement as cash and cash equivalents in the amount of \$435,026.

See the County of San Bernardino's Comprehensive Annual Financial Report (CAFR) for details of the County's investment policy and disclosures related to the investment credit risk, concentration of credit risk, interest rate risk and custodial credit risk, as required by GASB Statement No. 40.

NOTE 3: CONTRIBUTIONS FROM MEMBERS

The Town and the County have agreed to provide equal, matching contributions of the capital costs of constructing an animal shelter in or near Yucca Valley, California (the facility) in accordance with the minimum standards prescribed by the State of California and the governing Health Department. The total cost of the facility shall not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000). The Town has provided their first payment of funds in the amount of \$437,500.

NOTE 4: PREPAID INSURANCE

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The Animal Services JPA entered into an agreement for the period of February 11, 2010 through February 11, 2011 for annual insurance coverage. General Liability Insurance for the Animal Services JPA was obtained from Penn-Starr Insurance Company. Directors and Officers Insurance was obtained through RSUI Indemnity Company. The prepayment balance for the Animal Services JPA insurance agreements is \$2,597 as of June 30, 2010.

**County of San Bernardino
City-County Animal Services Joint Powers Authority
Notes to the Financial Statements
For the Year Fiscal Ended June 30, 2010**

NOTE 5: RESERVED FUND BALANCE

In the fund financial statements, reserves segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves are established by actions of the Board and management and can be increased, reduced or eliminated by similar actions. Fund balances which are not available for appropriation at June 30, 2010 are reserved for the following purposes:

Reserved for Construction: \$438,894

NOTE 6: RELATED PARTY TRANSACTIONS

The County of San Bernardino and the Town of Yucca Valley are related parties to the Animal Services JPA. Neil Derry, 3rd District County Supervisor, serves on both the County and the JPA's Boards. George Huntington, Yucca Valley Town Councilmember, and Lori Herbel, Yucca Valley Town Councilmember, serve on the Town Council and the JPA Board. For fiscal year 2010, the Town submitted its first member contribution of \$437,000 which was approved by the Town Board. In addition, the County has set aside \$1,750,000 to be contributed to the JPA in the future.

The Willis logo is displayed in white, serif capital letters on a black rectangular background. The background of the entire top section of the page is a dense, grey, textured pattern.

**INSURANCE PROPOSAL
FOR
ANIMAL CARE JOINT POWERS
AUTHORITY**

**FEBRUARY 11, 2011 TO
FEBRUARY 11, 2012**

CONTENTS

Marketing Summary

Financial Summary

Important Notices

Attached Appendices

Appendix A: Recommended Carrier Quotations

Appendix B: Willis Standard Terms and Conditions

MARKETING SUMMARY

Thank you for the opportunity to market your insurance requirements. The results of our negotiations with the carriers we approached are summarized below.

CARRIER	LINES OF BUSINESS	RESPONSE	PREMIUM OR INDICATION
Landmark American Insurance Company	General Liability	Quoted	\$750
James River Insurance Company	General Liability	Quoted	\$750
RSUI Indemnity Company	Directors & Officers	Quoted	\$3,730

Penn Star, your incumbent general liability carrier, was unable to provide a renewal quote. We obtained two alternate quotes and recommend the Landmark American quote as James River was not able to provide competitive terms and excluded completed operations.

Our recommended quotations are attached for your review and outlined in the Financial Summary below. Upon request, we will gladly provide you with copies of any alternative quotes we received.

FINANCIAL SUMMARY

FINANCIAL SUMMARY					
Coverage	Existing Premium	Renewal Premium	Commission	Policy Service Fee	Quote Expiration Date
General Liability	\$700	\$750	10%	N/A	30 days
Directors & Officers	\$3,730	\$3,730	10%	N/A	02/11/11

Please note that the General Liability placement is subject to surplus lines taxes & fees and a policy fee which are in addition to the premium indicated above.

Coverage Summary

Coverage:	General Liability	
Insurer:	Landmark American Insurance Company (Non Admitted)	
Best Rating:	A XII	
Limits:	General Aggregate (Other than Products/Completed Operations)	\$2,000,000
	Products/Completed Operations Aggregate	\$2,000,000
	Each Occurrence	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Damage to Premises Rented to You	\$ 100,000
	Medical Expense (any one person)	\$ 5,000
Deductible:	Per Claim	\$ 0
Major Conditions and/or Exclusions (see quote for complete listing):	Commercial General Liability Coverage Form (Occurrence Version) – CG 00 01 Employment –Related Practices Exclusion Professional Services Exclusion Asbestos Exclusion Silica Exclusion Fungi, Bacteria or Mold Exclusion Total Pollution Exclusion Pollutants Definition Amended, Lead or Lead Hazard Exclusion Violation of Statutes that Govern E-Mails, Fax, Phone Calls, etc. Exclusion Nuclear Energy Liability Exclusion (Broad Form) Exclusion – Real Estate Development Activities Contractual Liability Limitation 100% Minimum & Deposit; 25% Minimum Earned Premium 30 Days Notice of Cancellation except 10 Days for non-payment of premium	
Rate:	\$150.418 per 1,000 Square Feet; \$3.50 per Acre	
Exposure:	500 Square Feet; 5 Acres	
Subjectivities:	Signed Acord applications Completed Vacant Land Supplemental Confirmation of accept/reject of Terrorism coverage. Please note that should you wish to purchase Terrorism coverage, an additional premium of \$30 plus taxes & fees will apply.	
Premium:	\$750 (minimum policy premium) plus \$28.44 Surplus lines taxes & fees and \$125 Policy Fee	

Coverage Summary

Coverage:	Directors & Officers Liability	
Insurer:	RSUI Indemnity Company	
Best Rating:	A XII	
Limits:	Aggregate	\$1,000,000
Retentions:	Insuring Agreement A	\$ 0
	Insuring Agreement B	\$ 10,000
	Insuring Agreement C	\$ 10,000

Major Conditions and/or Exclusions (see quote for complete listing):

Directors and Officers Liability Form (Not for Profit Organization) – RSG 21103
Amended Settlement Clause
Cap on Losses from Certified Acts of Terrorism
Coverage Extension – Public Officials
Defense Expense in Addition to the Limit of Liability
Exclusion – Amended Bodily Injury and Property Damage
Exclusion – Employment Practices Claim
Exclusion – Intellectual Property
Prior and or Pending Litigation Backdated – 02/11/10
Full Severability
Predetermined Allocation
Priority of Payments
Side A Non-Rescindable Coverage
Sublimit – Defense of Non-Monetary Damages - \$25,000 per claim/\$50,000 aggregate/ \$10,000 SIR
Three (3) Year Bilateral Discovery Period – 75%, 125%, 150%

Premium: \$3,730

Order to Bind

Please review this proposal and advise of any changes or questions you may have. To request the binding of coverage, please contact me by phone or e-mail.

We will communicate your request to the carriers. Once we receive confirmation that coverage has been bound by the carriers, we will send you written notification.

IMPORTANT NOTICES

INTERMEDIARY / WHOLESALER

In our search for your insurance coverage we used the following wholesalers:

LINE OF BUSINESS	WHOLESALER
General Liability	Swett & Crawford
General Liability	Crump Insurance Services
Directors & Officers	Crump Insurance Services

SURPLUS LINES

The premium quoted for the General Liability insurance is subject to Surplus Lines Tax which is in addition to the premium charged.

Animal Care Joint Powers Authority

QUOTATION

Conditions:

Mandatory Forms and Endorsement, Including but not limited to:

Commercial General Liability Coverage Form CG 0001

Exclusions and Limitations Amendatory GBA106059 - Employment Related Practices Excl., Professional Services Excl., Deposit Premium and Minimum Premium, Asbestos, Silica Excl., Fungi, Bacteria or Mold Excl., Total Pollution Excl., Pollutants Definition Amended, Lead or Lead Hazard Excl., Violation of Statutes that Govern E-Mails, Fax, Phone Calls, etc. Excl.

Basis of Premium GBA104014, Nuclear Exclusion IL0021

Terrorism Coverage Provided GBA909003

OR

Terrorism Coverage Rejected RSG99018 and Terrorism Exclusion GBA906005

Forms applicable are subject to the terms and conditions of the company's policy, unless otherwise specified:

Optional Forms and Endorsements, Including but not Limited to:

Exclusion - Real Estate Development Activities GBA 106043

California Surplus Lines Disclosure Notice RSG 99019

California Service of Suit GBA 902002

State Fraud Statement GBA 909022

Contractual Liability Limitation CG2139

Additional Insured - None requested

Designated Premises GBA 106022

Forms applicable are subject to the terms and conditions of the company's policy(ies) or certificate(s) to follow, unless otherwise specified:

Policy Cancellation Provisions: 30 Days Notice of Cancellation except 10 Days for non-payment of premium. No Flat cancellations. Absolutely no exceptions.

Subject To: We must have fully completed applications with signatures (The insured's and you the retail broker must sign) within Ten (10) days of effective date. Carrier will send cancellation notice if this is not received.

Subject to currently valued loss runs for the past three (3) years showing No losses within twenty (20) days of binding.

Subject to receipt, review and acceptance of Vacant Land Supplemental attached with quote prior to binding.

Additional Comments:

- If this quotation is subject to a satisfactory inspection, Swett & Crawford will order the inspection at time of binding and the expense will be invoiced at binding or when inspection is completed.
- Please read this quotation carefully as our limits, terms and conditions can vary from your request.
- Additional Insureds are subject to additional premium and are not included, unless specified otherwise. We will need to know the exact interest of each party you are requesting be added prior to binding.
- Quotation is subject to no losses as indicated. If bound, any discrepancies revealed can result in additional premium charges and may jeopardize coverage.
- Must have confirmation at time of binding, if terrorism coverage is desired. We must have your written confirmation to bind coverage in our office on or before the requested effective date. We will be unable to backdate any coverage including future endorsements.



RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326-1125

Phone (404) 231-2366
Fax (404) 231-3755

Policy Number: _____

Insurer: Landmark American Insurance Company

Named Insured: Animal Care Joint Powers Authority

OFFER OF TERRORISM COVERAGE

In accordance with the Terrorism Risk Insurance Act, we are required to offer the insured coverage for losses resulting from an act of terrorism, not otherwise excluded by this policy, and as covered by the Terrorism Risk Insurance Act. All other policy provisions will apply to coverage for such act of terrorism. The insured must choose whether or not to pay the premium described below under **DISCLOSURE OF PREMIUM** for coverage for acts of terrorism that are *certified by the Secretary of the Treasury* as covered acts under the Terrorism Risk Insurance Act, or not to pay the premium, and reject this offer of coverage at the time of binding.

If the premium shown in the DISCLOSURE OF PREMIUM is \$30.00 this policy will be issued covering certified acts of terrorism unless the insured rejects coverage by signing below. The insured need only return this form if coverage is being rejected.

DISCLOSURE OF PREMIUM

If you accept this offer at the time of binding your coverage, the premium covering acts of terrorism *that are certified by the Secretary of the Treasury* under the Terrorism Risk Insurance Act is \$30.00.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable Insurer retention. However, if aggregate Insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

I reject coverage for certified acts of terrorism:

Insured's Signature

Date

RSUI Indemnity Company
Landmark American Insurance Company

A member of Alleghany Insurance Holdings LLC

NOTICE:

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.
5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.
6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____
Insured: _____
By: _____

ACORD

COMMERCIAL INSURANCE APPLICATION

DATE (MM/DD/YY) 01/13/11

APPLICANT INFORMATION SECTION

PRODUCER PHONE (A/C, No, Ext): 562 435-2259
Willis Ins. Svcs. of CA, Inc.
401 E. Ocean Blvd., Suite 920
Long Beach, CA 90802

CARRIER Marketing Submission UNDERWRITER

POLICIES OR PROGRAM REQUESTED
APPCPS5029507

CODE: SUB CODE:
AGENCY CUSTOMER ID
43995

Table with columns: INDICATE SECTIONS ATTACHED, EQUIPMENT FLOATER, GARAGE AND DEALERS, etc.

STATUS OF SUBMISSION
X QUOTE
BOUND (Give Date and/or Attach Copy):
DATE TIME AM PM

PACKAGE POLICY INFORMATION
ENTER THIS INFORMATION WHEN COMMON DATES AND TERMS APPLY TO SEVERAL LINES, OR FOR MONOLINE POLICIES.
PROPOSED EFF DATE PROPOSED EXP DATE BILLING PLAN PAYMENT PLAN AUDIT

APPLICANT INFORMATION
NAME (First Named Insured & Other Named Insureds)
Animal Care Joint Powers Authority

MAILING ADDRESS (of First Named Insured)
351 North Mountain View Avenue Room 302; San Bernardino, CA 92415-0003

INDIVIDUAL CORPORATION SUBCHAPTER "S" CORPORATION NOT FOR PROFIT ORGANIZATION YEARS IN BUSINESS
PARTNERSHIP JOINT VENTURE X Municipality 3

INSPECTION CONTACT PHONE (A/C, No, Ext): 909 387-9152 ACCOUNTING RECORDS CONTACT PHONE (A/C, No, Ext):
Brian M. Cronin

Table with columns: LOC #, BLD #, STREET, CITY, COUNTY, STATE, ZIP CODE, CITY LIMITS, INTEREST, YR BUILT, PART OCCUPIED

NATURE OF BUSINESS/DESCRIPTION OF OPERATIONS BY PREMISE(S)
Joint Powers Authority (JPA) established to oversee the construction and subsequent operation of a new animal control facility

Table with columns: EXPLAIN ALL "YES" RESPONSES, YES, NO, EXPLAIN ALL "YES" RESPONSES, YES, NO

REMARKS

APPLICANT'S SIGNATURE PRODUCER'S SIGNATURE P.30

PRIOR CARRIER INFORMATION

LINE	CATEGORY	YEARS:		YEARS:		YEARS:		YEARS:		YEARS:		
GENERAL COMMERCIAL LIMITS	CARRIER											
	POLICY NUMBER											
	POLICY TYPE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	CLAIMS MADE	OCCURRENCE	
	RETRO DATE											
	GENERAL AGGREGATE											
	PRODUCTS COMP OP AGGREGATE											
	PERSONAL & ADV INJ											
	EACH OCCURRENCE											
	FIRE DAMAGE											
	MEDICAL EXPENSE											
	BODILY INJURY	OCCURRENCE			AGGREGATE							
	PROPERTY DAMAGE	OCCURRENCE			AGGREGATE							
	COMBINED SINGLE LIMIT											
	MODIFICATION FACTOR											
	TOTAL PREMIUM											
AUTOMOBILE	CARRIER											
	POLICY NUMBER											
	POLICY TYPE											
	COMBINED SINGLE LIMIT											
	BODILY INJURY	EA PERSON			EA ACCIDENT							
	PROPERTY DAMAGE											
	MODIFICATION FACTOR											
	TOTAL PREMIUM											
PROPERTY	CARRIER											
	POLICY NUMBER											
	POLICY TYPE	BLD	PERS PROP	AMT								
	MODIFICATION FACTOR											
	TOTAL PREMIUM											
	CARRIER											
	POLICY NUMBER											
	POLICY TYPE											
	LIMIT											
	MODIFICATION FACTOR											
TOTAL PREMIUM												

LOSS HISTORY

ENTER ALL CLAIMS OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE PRIOR 5 YEARS					CHECK HERE IF NONE	SEE ATTACHED LOSS SUMMARY	CLAIM STATUS
DATE OF OCCURRENCE	LINE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED		
							OPEN
							CLOSED
							OPEN
							CLOSED
							OPEN
							CLOSED
							OPEN
							CLOSED

REMARKS NOTE: FIDELITY REQUIRES A FIVE YEAR LOSS HISTORY

CONTRACTORS

EXPLAIN ALL "YES" RESPONSES (For past or present operations)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For past or present operations)		YES	NO
1. DOES APPLICANT DRAW PLANS, DESIGNS, OR SPECIFICATIONS?				4. DO YOUR SUBCONTRACTORS CARRY COVERAGES OR LIMITS LESS THAN YOURS?			
2. DO ANY OPERATIONS INCLUDE BLASTING OR UTILIZE OR STORE EXPLOSIVE MATERIAL?				5. ARE SUBCONTRACTORS ALLOWED TO WORK W/O CERT OF INS?			
3. DO ANY OPERATIONS INCLUDE EXCAVATION, TUNNELING, UNDERGROUND WORK OR EARTH MOVING?				6. DOES APPLICANT LEASE EQUIPMENT TO OTHERS WITH OR WITHOUT OPERATORS?			

REMARKS/DESCRIBE THE TYPE OF WORK SUBCONTRACTED: _____

% OF WORK SUBCONTRACTED: _____ # FULL TIME STAFF: _____ # PART TIME STAFF: _____

PRODUCTS/COMPLETED OPERATIONS

PRODUCTS	ANNUAL GROSS SALES	# OF UNITS	TIME IN MARKET	EXPECTED LIFE	INTENDED USE	PRINCIPAL COMPONENTS

EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For any past or present product or operation)		YES	NO
1. DOES APPLICANT INSTALL, SERVICE OR DEMONSTRATE PRODUCTS?				6. PRODUCTS RECALLED, DISCONTINUED, CHANGED?			
2. FOREIGN PRODUCTS SOLD, DISTRIBUTED, USED AS COMPONENTS?				7. PRODUCTS OF OTHERS SOLD OR RE-PACKAGED UNDER APPLICANT LABEL?			
3. RESEARCH AND DEVELOPMENT CONDUCTED OR NEW PRODUCTS PLANNED?				8. PRODUCTS UNDER LABEL OF OTHERS?			
4. GUARANTEES, WARRANTIES, HOLD HARMLESS AGREEMENTS?				9. VENDORS COVERAGE REQUIRED?			
5. PRODUCTS RELATED TO AIRCRAFT/SPACE INDUSTRY?				10. DOES ANY NAMED INSURED SELL TO OTHER NAMED INSURED?			

PLEASE ATTACH LITERATURE, BROCHURES, LABELS, WARNINGS, ETC

ADDITIONAL INTERESTS/CERTIFICATE RECIPIENTS (Attach ACORD 45 for additional names)

INTEREST	RANK:	NAME AND ADDRESS	REFERENCE #:	CERTIFICATE REQUIRED	INTEREST IN ITEM NUMBER	
ADDITIONAL INSURED					LOCATION:	BUILDING:
LOSS PAYEE					VEHICLE:	BOAT:
MORTGAGEE					SCHEDULED ITEM NUMBER:	
LIENHOLDER					OTHER	
EMPLOYEE AS LESSOR						
ITEM DESCRIPTION:						

GENERAL INFORMATION

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)		YES	NO	EXPLAIN ALL "YES" RESPONSES (For all past or present operations)		YES	NO
1. ANY MEDICAL FACILITIES PROVIDED OR MEDICAL PROFESSIONALS EMPLOYED OR CONTRACTED?			X	9. RECREATION FACILITIES PROVIDED?			X
2. ANY EXPOSURE TO RADIOACTIVE/NUCLEAR MATERIALS?			X	10. IS THERE A SWIMMING POOL ON THE PREMISES?			X
3. DO/HAVE PAST, PRESENT OR DISCONTINUED OPERATIONS INVOLVE(D) STORING, TREATING, DISCHARGING, APPLYING, DISPOSING, OR TRANSPORTING OF HAZARDOUS MATERIAL? (e.g. landfills, wastes, fuel tanks, etc)			X	11. SPORTING OR SOCIAL EVENTS SPONSORED?			X
4. ANY OPERATIONS SOLD, ACQUIRED, OR DISCONTINUED IN LAST 5 YEARS?			X	12. ANY STRUCTURAL ALTERATIONS CONTEMPLATED?			X
5. MACHINERY OR EQUIPMENT LOANED OR RENTED TO OTHERS?			X	13. ANY DEMOLITION EXPOSURE CONTEMPLATED?			X
6. ANY WATERCRAFT, DOCKS, FLOATS OWNED, HIRED OR LEASED?			X	14. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?			X
7. ANY PARKING FACILITIES OWNED/RENTED?			X	15. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?			X
8. IS A FEE CHARGED FOR PARKING?			X	16. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?		X	
				17. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?			X

REMARKS
 16. No employees work for the JPA. All work is currently being performed for the JPA either by the County of San Bernardino or Town of Yucca Valley employees.



LANDOWNER'S SUPPLEMENTAL APPLICATION

1. Named Insured: _____

Land Use and Acreage:

2. Indicate the total acreage applicable to the land in the applicable column and row.

Table with 4 columns: Loc. No., Vacant Land, Real Estate Development Property, Land Leased to Others. Rows 1, 2, 3.

3. What was the prior use of the land? _____

4. Is the land zoned for residential use? [] Yes [] No

5. Was land ever used as a land fill? [] Yes [] No

6. Any underground fuel tanks on the property? [] Yes [] No

7. Any below ground mines or caves on the property? [] Yes [] No

If yes: [] Sealed [] Not Sealed

8. Any dams on the property? [] Yes [] No

9. Any lakes or other water exposures on the property? [] Yes [] No

If yes, please describe including number of acres: _____

10. Any oil or gas wells? [] Yes [] No

11. Are there any buildings or equipment on the property? [] Yes [] No

If yes, describe? _____

Real Estate Development Property:

12. Nature of planned development: _____

[] Residential:

Total number of planned homes and/or home sites? _____

Townhomes or Condominiums? _____

[] Commercial

[] Other: _____

Describe the work to be done: _____

13. Has site preparation work been completed? Yes No
If yes, by whom? _____

14. Expected start date? _____

15. Who is performing the work? Licensed contractor Applicant acting as general contractor
 Other: _____

16. Are certificates of insurance obtained from contractors or subcontractors? Yes No

17. Is a contract containing a hold-harmless clause holding applicant harmless obtained from the contractor?
 Yes No

18. Estimated cost for renovation/construction operations:
During next 12 months \$ _____ For entire project \$ _____
If applicant is acting as general contractor:

19. Does the applicant obtain a written contract from all subcontractors which include a hold-harmless clause in favor of the applicant? Yes No

20. Is the applicant named as an additional insured on the subcontractor's policy? Yes No

21. Minimum limits required for a subcontractor's policy: _____

Land Leased to Others:

22. Tenant's use of the land:
 Farming Grazing Parking Quarry Strip Mining
 Hunting Camping Fishing Hiking Cross Country Skiing
 Logging Land Fill Dirt Biking Snowmobiling Motorized Vehicles or Bikes
 Other (describe): _____

23. Is the tenant insured? Yes No

24. Is applicant named as an additional insured on the tenant's policy? Yes No

25. Does applicant have other business ventures for which coverage is not requested? Yes No
If yes, explain and advise where insured: _____

Applicant's Signature: _____

Date: _____



RSUI Group, Inc.
 945 East Paces Ferry Road
 Suite 1800
 Atlanta, GA 30326-1160
 (404) 231-2366

January 19, 2011

RE: D & O Quote

Submission Number: 202029
 Renewal of: NHP636136
 Company: RSUI Indemnity Company - (Best rating: A XII)
 Insured: Animal Care Joint Powers Authority
 San Bernardino, CA

Policy Dates: February 11, 2011 - February 11, 2012

Form: RSG 211003 0609 Directors and Officers Liability Policy - Not For Profit Organization - 2009

Limit: \$1,000,000

Retention (each loss):

Insuring Agreement A: \$0
 Insuring Agreement B: \$10,000
 Insuring Agreement C: \$10,000
 Employment Practices Claim: N/A

Policy Attachments

- RSG 204091 0204 Amended Settlement Clause
- RSG 203005 0204 California Changes - Nonrenewal
- RSG 204081 0108 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0204 Coverage Extension - Public Officials
- RSG 214039 0204 Defense Expense in Addition to the Limit of Liability
- RSG 204123 0108 Disclosure Pursuant to Terrorism Risk Insurance Act
- RSG 216014 0609 Exclusion - Amended Bodily Injury and Property Damage
- RSG 206057 0808 Exclusion - Employment Practices Claim
- RSG 206063 0204 Exclusion - Intellectual Property
- RSG 206071 0204 Exclusion - Prior and or Pending Litigation Backdated - **02/11/2010**
- RSG 214044 0204 Full Severability
- RSG 204132 0205 Predetermined Allocation
- RSG 204136 0606 Side A Non-Rescindable Coverage
- RSG 204113 0204 Sublimit - Defense of Non-Monetary Damages - **\$25K per Claim/\$50K aggregate; \$10K SIR**
- RSG 207002 0204 Three (3) Year Bilateral Discovery Period - **75%, 125% and 150%**

Premium Amount

Premium: \$3,730.00

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Quote is valid until 02/11/2011.

We greatly appreciate your business.



2009 D&O LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION

FACE PAGE OF POLICY		
NOTICE:	Amended	Now reads sixty (60) days notice of claim, in lieu of thirty (30) days
CLAIM NOTICE	Added	Email notices to: reportclaims@rsui.com (replaces Notice of Claim-Reporting by Email-RSG 204167)
SECTION II. -- COVERAGE EXTENSIONS		
A. Marital Estate	Added	Domestic partner (replaces Domestic Partner Extension-RSG 204141)
B. Outside Board Extension	Amended	Language replaced with that in the Modified Outside Board Extension-RSG 204146
SECTION III. -- DEFINITIONS		
B. Claim	Amended	Last paragraph clarifies that the Definition of Claim does not include internal or external labor grievance proceedings
D. Employee	Added	Definition now includes volunteers
H. Insured Organization	Added	Definition now includes Debtor in Possession
K. Loss - Item 5.	Amended	Clarifies insurance does not pay amounts contractually agreed upon prior to any claim
SECTION IV. - EXCLUSIONS		
2. Fraud Exclusion	Amended	Now reads - Criminal or deliberate fraudulent act in lieu of criminal, malicious, fraudulent, knowingly wrongful, or dishonest act or omission (same language contained in our private company form)
3. B/PPD Exclusion	Amended	Clarifies application of exclusion to all property disputes not involving physical damage
4. FLSA Exclusion	Amended	Clarifies application of exclusion to FLSA & state laws governing wages
7. Insured vs. Insured Exclusion	Added	Carve Backs: d. - past director/officer who has not served for at least 5 years prior to the date the claim; e. - whistleblower under Section 806 of Sarbanes-Oxley
SECTION V. - CONDITIONS		
A. Duty to Defend	Amended	Clarifies Insurer shall have the right to appoint counsel
B. Limit of Liability - Item 5.	Amended	Assures Side A trigger in situations of financial insolvency
C. Notice of Claim or Circumstance	Amended	Notice of claim - now reads sixty (60) days notice, in lieu of thirty (30) days
	Deleted	Notice sent via certified mail at the address shown on the Declarations Page
G. Cancellation; Renewal	Added	Nonrenewal notice of sixty (60) days prior to the expiration date of the policy (replaces Notice of Nonrenewal-RSG 204103)
T. Priority of Payments	Added	Section added in its entirety (replaces Priority of Payments-RSG 214045)

Standard Terms and Conditions for Willis North America Retail Accounts

Please note the following terms and conditions related to your decision to utilize Willis to purchase insurance coverage, products and/or services:

Services and Responsibilities

The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any material changes in your business operations that may affect our services or the insurance coverages we place for you. A factor or circumstance is material if it would influence the judgment of a prudent insurer in determining premium and whether or not they would underwrite the risk. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of cover, must be disclosed. Failure to make full disclosure of material facts might potentially allow insurers to avoid liability for a particular claim or to void the contract. This duty of disclosure applies equally at renewal of your existing coverage and upon placement of new lines of coverage. Willis will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

The final decisions with respect to all matters relating to your insurance coverages, risk management, and loss control needs and activities are yours. We will procure the insurance coverage chosen by you, prepare or forward insurance binders, and review and transmit policies to you.

If your insurance risks are in more than one jurisdiction, we, where required, will liaise between you and insurers to agree how to apportion the premium between applicable jurisdictions, and the amount of insurance premium tax payable in each jurisdiction. In providing such services, Willis is acting in its capacity as an insurance broker. You should seek your own advice in relation to such tax laws where you consider it necessary. We will not be liable to you should the apportionment of premium or amount of tax payable under the policy be challenged by any tax authority. In addition, we will not be liable to you should the insurers fail, or refuse, to collect and pay such insurance premium tax to the relevant authorities.

We will review all binders, policies and endorsements for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all such documents and advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them. Your coverage is defined by the terms and conditions detailed in your insurance policies and endorsements. Your review of these documents, and any review you may seek from outside legal counsel or insurance consultants, is expected and essential.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as insurance brokers, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals.

Confidentiality

We will treat information you provide us in the course of our professional relationship as confidential and will use it only in performing services for you. We may share this information with third parties as may be required to provide services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. Records you provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

Carrier Quotes

The quotes we have provided to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.

A carrier quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to

bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the carrier(s) at issue.

Compensation and Conflicts of Interest

Your Willis Client Bill of Rights includes a promise that we will disclose to you all compensation received by Willis in connection with your insurance placement.

To the extent Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

Prior to its merger with Willis, HRH accepted contingent compensation on certain of its clients' accounts. Many of these contingent arrangements have been eliminated and all contingent arrangements will be eliminated no later than October 1, 2011. No contingents are accepted on any new clients or business generated after Willis' October 1, 2008 acquisition of HRH.

Where permitted by applicable law, Willis may assess a policy service fee. The fee is on a per-policy basis and is calculated on the premium amount, per the schedule below:

<u>Premium Amount</u>	<u>Policy Service Fee</u>
<= \$5,000	\$10
\$5,001 - \$10,000	\$50
\$10,001 - \$25,000	\$100
>= \$25,001	\$250

The policy service fee is compensation to Willis for such value-added services and resources including dedicated industry practices, technical resources, placement support and our strategic outcomes practices. The fee is not required by any insurer or regulator, nor is it included in the premium charged. It will be listed separately on your invoice. It is not necessary to procure a policy to obtain many of these and other services on a consultancy basis for a separate fee.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.

If wholesalers, underwriting managers or managing general agents have a role in providing insurance products and services to you, they will also earn and retain compensation for their role in providing those products and services. If any such parties are corporate parents, subsidiaries or affiliates of ours, any compensation we or our

corporate parents, subsidiaries or affiliates will receive will be included in the total compensation we disclose to you. If such parties are not affiliated with us, and if you desire more information regarding the compensation those parties will receive, please contact us and we will assist you in obtaining this information.

In the ordinary course of business we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you after we receive such funds.

Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is presented to you, but it is possible that compensation arrangements may change over time. We will update you on any changes to our compensation prior to your renewal, and will do so at any time upon your request.

As an insurance intermediary, we normally act for you. However, we or our corporate parents, subsidiaries or affiliates may provide services to insurers for some insurance products. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers.

We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the compensation payable to Willis in connection with the placement of the insurance coverage.

We may also provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. We may be compensated by the insurers for these services in addition to any commissions we may receive for placement of your insurance coverages.

Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. Notwithstanding any possible conflict which might exist, we will act in your best interests at all times in providing services to you. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

Premium Financing

You may choose to use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. Premium finance options are not always available, but where they are, Willis currently works exclusively with three providers of such finance: Imperial Credit Corporation (ICC), AFCO and Premium Funding Associates (PFA). Where permitted by law, we receive a fee from ICC, AFCO and PFA for the administrative services we provide those companies. These services include processing the premium finance applications and marketing and sales support they do not have. If you would like more information about the fee we receive, please let us know.

Premium Payment/Handling of Funds

You agree to provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date.

We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements and restrictions of applicable state and federal insurance laws and regulations and state unclaimed property laws. In some cases we may transfer your funds directly to insurers. In other cases we may be required to transfer your funds to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents for carrying out transactions for you.

Surplus Lines Placements

If a surplus lines, non-admitted and/or non-licensed insurer was used to quote your coverage, their premium rates, coverage terms and policy forms are not regulated by your home state. Their premium is subject to a surplus lines premium tax which is in addition to the premium. In the event of insolvency you will not be indemnified by any state guaranty fund for unpaid claims.

Claims

We will inform you of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information we provide. Failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, you should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases you may need to report claims after termination of a policy.

Ethical Business Practice

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

Sanctions

The sanctions profile of different business(es) may differ on the basis of a number of complex factors. Whether a sanctions program applies to you depends on a number of factors, including your ownership structure, control, location, and the nationality of your employees. In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions (e.g. Cuba), and can sanction companies who conduct such business. We cannot advise on the applicability of sanctions programs either to you or to insurers nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should take legal advice as you deem appropriate in this regard.

We will comply with all applicable sanctions programs and you are advised that, where obliged by law, we may have to take certain actions, including freezing of funds held on behalf of parties and individuals as required by sanctions programs.

Intellectual Property

Willis shall own and retain all right, title, and interest in and to the following (collectively, "Willis Property"): (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. Accordingly, all rights in the Willis Property are hereby expressly reserved.

Electronic Communication

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

Other Agreements

To the extent there is a conflict between these terms and conditions and a separately negotiated and signed agreement between you and Willis, the relevant portions of the signed agreement will control.

Severability

The provisions of this agreement shall be severable and, in the event any provision or portion of any provision shall be construed by any court of competent jurisdiction to be invalid, the same shall not invalidate any other provision of this agreement or the remainder of the enforceable portion of the provision.

Termination

In the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.

Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will process all remaining deposit premium installments on policies in effect at the time of termination. Claims and premium or other adjustments may arise after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment

arises. However, it may be mutually agreed that we will provide services in these areas after the termination of our relationship for mutually agreed additional compensation. The obligations set forth under "Confidentiality" above shall survive any termination of the agreement.

Choice of Law

Our agreement for services shall be governed by and construed in accordance with the laws of the state in which our office is located.

Inquiries and Complaints

Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your account or contact the head of our office. Alternatively, you may call 1-866-704-5115, the toll free number we have set up exclusively for client feedback and complaints.

**ANIMAL CARE JOINT POWERS AUTHORITY
ANIMAL SHELTER ARCHITECT'S CONTRACT**

THIS CONTRACT ("Contract") is entered into in the State of California by and between the Animal Care Joint Powers Authority, hereinafter called the JPA, and

Name	hereinafter
<u>Williams Architects, Inc.</u>	called
Address	<u>Architect</u>
<u>276 N. Second Avenue</u>	Email: <u>maxw@keyway.net</u>
<u>Upland, CA 91786</u>	Fax: <u>909.981.7207</u>
Telephone	Federal ID No. or Social
<u>909.981.5188</u>	Security No.
	<u>33-0219177</u>

IT IS HEREBY AGREED AS FOLLOWS:

ARTICLE 1. THE PROJECT

1.1 Architect's Scope of Work

JPA does hereby engage Architect to perform for the JPA under the terms and conditions in this Contract all services relative to the development, design and construction administration of the proposed new Animal Shelter to be located in the Town of Yucca Valley ("Town") per the JPA's Request for Proposal and Scope of Work dated February 11, 2010 (the "Project"). The Scope of Work shall be incorporated into this Contract in its entirety. (See Attachment A, Scope of Work.) Architect shall not perform any services not specifically provided for in the body of this Contract or in Attachment A, Scope of Work, without prior approval of JPA as set forth in Article 6, Extra Services of Architect. The JPA and Architect both understand that environmental review under the California Environmental Quality Act ("CEQA") for the Project has not been completed and the Project may not be ultimately approved by the JPA, in which case the Architect will be only paid for work completed or in progress that was authorized by the JPA.

1.2 Budget

The Construction Budget as determined by JPA is Two Million Eight Hundred Thousand Dollars (\$2,800,000). The JPA, in its sole discretion, reserves the right to change the Construction Budget.

1.3 Schedule of Services

- a. It is understood and agreed that time is of the essence for this Contract. Within fourteen (14) calendar days after receipt of written authorization by JPA to proceed, Architect shall prepare and submit for approval to JPA a detailed schedule showing the order in which Architect proposes to carry on its work. The schedule shall apply to the completion of all services listed hereunder within the time established by the Contract. The schedule shall be in the form of a progress chart so as to indicate the percentage of work completed at any time. Architect shall, as requested, update the progress schedule and deliver three copies to JPA.

- b. Architect shall complete all work and services under Article 3.2, Pre-Design Services, within forty-five (45) calendar days after receipt of written authorization by JPA to proceed with Pre-Design Services. Since CEQA review is still pending, the time necessary for the Architect to provide all necessary reports, studies, documents and other information required by the JPA to use in the processing of the Project's environmental review will extend the above time to complete the required CEQA review services, but the other services in Article 3.2, Pre-Design Services, shall be completed within the above stated time.
- c. Architect shall complete all work and services required under Article 3.3, Schematic Design Services, within sixty (60) calendar days after receipt of written authorization by JPA to proceed with Schematic Design Services.
- d. Architect shall complete all work and services required under Article 3.4, Design Development Services, within thirty (30) calendar days after receipt of written authorization by JPA to proceed with Design Development Services.
- e. Architect shall complete all work and services required under Article 3.5, Construction Document Services, within forty-five (45) calendar days after receipt of written authorization by JPA to proceed with Construction Document Services.
- f. The time frames outlined in Attachment A, Scope of Work, include the normal and reasonable times for JPA reviews.
- g. The time during which Architect is delayed in the work by acts of the JPA or its employees, or those under contract to JPA, or by act of God, or other cause which Architect could not have foreseen and provided for, and which is not due to any fault or negligence on the part of Architect, shall be added to the time of completion of the work and Architect shall not be liable for any damages as a result of such delay.

1.4 Architect's Fee

- a. JPA agrees to pay Architect a total fixed fee of Two Hundred Fifty-one Thousand Five Hundred Sixty-one Dollars (\$251,561.00) for all services described in this Contract, including but not limited to the services set forth in Article 3, Basic Services of Architect, but not including properly authorized Extra Services described in Article 6, Extra Services of Architect. The compensation payment schedule is specified in Article 4, Compensation.
- b. If the scope of the Project is revised, the fee for Basic Services and the schedule shall be revised by negotiation between the JPA and Architect and approved by the Board.
- c. Except as provided in Paragraph 11.4 of Article 11, Termination or Suspension of Contract, if the JPA fails to authorize Architect to proceed with any portion of this Contract for a period of six months beyond the normal time to proceed with any portion, JPA and Architect shall renegotiate Architect's fees under this Contract. If no Agreement can be reached, this Contract shall be terminated under the provisions of Article 11, Termination or Suspension of Contract.

ARTICLE 2. DEFINITIONS

For all purposes of this Contract, the following definitions shall apply:

- 2.1 Appropriate Authorities - Any private, local, municipal, county, state, regional, or federal authority, public utility or other agency.
- 2.2 Approved Final Construction Cost Estimate - The estimate of construction cost approved by the JPA at the time the completed drawings, details and specifications are approved by the JPA.
- 2.3 Architect - Williams Architects, Inc., the Architect hired by JPA, based on competence and related experience, to perform the work described herein.
- 2.4 Board - Animal Care Joint Powers Authority Board of Directors.
- 2.5 Construction Budget - Funding in place, for the complete construction of the Project, as established by the JPA.
- 2.6 Construction Site Representative (Inspector) - The individual or firm responsible to the JPA Project Manager for the inspection of the construction work, on a part time basis.
- 2.7 Contract Documents - Standard Construction Contract and all Project documents designated in the construction contract as part of the construction contract, including working drawings, addenda, specifications, general conditions, and special conditions of the construction contract.
- 2.8 Construction Documents - All services relative to drawings, specifications, estimates, and other data more fully described in Article 3.5, Construction Document Services, hereof.
- 2.9 Design Development Documents - All services relative to drawings, specifications, estimates, and other data more fully described in Article 3.4, Design Development Services, hereof.
- 2.10 Itemized Categories of Work - Those applicable and specific categories of work necessary for completion of construction of the Project including, but not limited to: demolition, site preparation, earthwork and grading, general construction items, sewer, gas, water, plumbing, storm drains, electrical, on-site improvements, off-site improvements, landscaping and irrigation.
- 2.11 JPA - The Animal Care Joint Powers Authority, and its representatives, as herein stated.
- 2.14 Project Architect - Person, designated by Architect and approved by JPA, responsible for Architect's work.
- 2.15 Project Construction Cost Estimate - The Architect's dated, itemized estimate, including the Itemized Categories of Work, of the entire Project's current cost, escalated to the proposed midpoint of construction.
- 2.16 JPA Project Manager - The individual or firm, designated by the JPA, as its representative responsible for the administration of this Contract and the sole person who is to direct the work of the Architect. Notwithstanding the preceding, Architect understands and agrees that any amendment to this Contract and any changes to the Project, Scope of Work, or authorization to do Extra Services must be formally approved by the Board.
- 2.17 Schematic Documents - All services relative to drawings, specifications, estimates, and other data more fully described in Article 3.3, Schematic Design Services, hereof.

ARTICLE 3. BASIC SERVICES OF ARCHITECT

3.1 General Services

The services to be rendered by the Architect shall consist of all such services as customarily performed by an architect for the design of the Project, specifically in p. 4 919, but not limited to, the following:

- a. Clearly indicate on the plans and in the specifications, the specific contractor license classification required to perform the work in compliance with the State Contractor's License Board.
- b. Process all matters relating to this Project through a single point of contact, the JPA Project Manager.
- c. Consult with authorized employees, agents, and representatives of the JPA and other appropriate authorities having jurisdiction relative to the design and construction of the Project as directed by the JPA Project Manager.
- d. Cooperate with other consultants.
- e. Provide recommendations to the JPA Project Manager regarding proposed locations of soil borings and/or excavation pits/trenches for the purposes of the Project site's geotechnical investigation and soils testing.
- f. Make field trips as required to review existing site conditions, and to properly prepare design and construction documents.
- g. Attend design meetings as scheduled by the JPA Project Manager, prepare minutes of meetings, and distribute within three (3) working days.
- h. Contract for sub-consultants, at Architect's expense, to the extent necessary for design of the Project, including but not limited to, mechanical, electrical, structural and civil engineers, and landscape architects, all licensed or registered as such by the State of California. All plans and specifications shall be prepared under the supervision of an architect or engineer currently licensed by the State of California for their respective profession, and shall be signed and sealed by the architect or respective engineer.
- i. Submit sub-consultant's names for approval by JPA, for each professional element of service of the Project. Nothing in the foregoing procedure shall create any relation between JPA and any sub-consultant employed by the Architect under terms of this Contract.
- j. Designate a principal or member of his staff satisfactory to JPA as the Project Architect who shall, as long as his performance continues to be acceptable to JPA, remain in charge of the Architect's services on the Project from beginning of preliminary design through completion of construction.
- k. Obtain and set forth requirements of Appropriate Authorities, utility companies and other governmental agencies whose jurisdiction affects the design, cost, or construction of the Project.
- l. Prepare plans and specifications in such form as to comply with the latest applicable laws, building codes and ordinances, including but not limited to the: Americans with Disabilities Act (ADA); Standard Specifications for Public Works Construction, (latest edition); Public Contract Code; Division 4 of Title I of the Government Code; CAL-OSHA and the California Building Code, CCR Title 24 (latest edition). All applicable energy requirements shall be met and energy calculations performed.
- m. Advise JPA of deficiencies in construction of the Project which have developed following the acceptance of the work and prior to expiration of the guarantee period of the Project, and suggest satisfactory methods for corrections for such deficiencies.

3.2 Pre-Design Services

Upon written authorization by the JPA Project Manager to proceed with Pre-Design Services, Architect shall:

- a. Finalize Project requirements as described fully in Article 1.1, Architect's Scope of Work. Pre-design services shall include, but not be limited to, the following for JPA acceptance:
 1. Prepare and furnish to the JPA Project Manager a program addressing all civil, landscape, architectural, structural, mechanical, and electrical Project requirements.
 2. Prepare and furnish to the JPA Project Manager all necessary reports, studies, documents and other information required by the JPA to use in the processing of the Project's environmental review in compliance with CEQA.
 3. Prepare and furnish to the JPA Project Manager a future needs assessment.
 4. Prepare and furnish to the JPA Project Manager a written conceptual cost estimate.
- b. Prepare and submit for JPA acceptance, five copies of Project program addressing all Project requirements including future needs assessment.

3.3 Schematic Design Services

Upon written authorization by the JPA Project Manager to proceed with Schematic Design Services, Architect shall:

- a. In consultation with JPA Project Manager, prepare Schematic Documents, consisting of, but not limited to, the following for JPA acceptance: (1) site plan, architectural, structural, mechanical and electrical floor plans, elevations, cross sections and other required drawings; and (2) outline specifications describing the size, character, and quality of the entire Project in its essentials as to kinds and locations of materials, type of structural, mechanical, and electrical systems.
- b. Schematic Documents shall be revised by Architect until an acceptable design concept has been accepted by the JPA Project Manager. Submit five sets of final Schematic Documents to JPA Project Manager for final review and acceptance.
- c. Prepare and submit for JPA acceptance, a written itemized Project Construction Cost Estimate.

3.4 Design Development Services

Upon authorization by the JPA Project Manager to proceed with the Design Development Services, the Architect shall:

- a. Based on the accepted Schematic Documents, prepare plot plans, landscape, irrigation, civil, architectural, structural, mechanical and electrical floor, elevations, cross-sections and other required drawings; and outline specifications describing the size, character, and quality of the entire Project in its essentials as to kinds and locations of materials, and type of structural, mechanical, and electrical system.
- b. Prepare and submit for acceptance a written, Itemized Project Construction Cost Estimate listing material, labor total costs based on the Design Development Documents.
- c. The information in the Design Development Documents shall be sufficiently complete to cover all matters which will materially affect the cost of the Project.
- d. Revise Design Development Documents to the satisfaction of the JPA Project Manager. Submit five sets of final Design Development Documents to JPA Project Manager for final review and acceptance.

3.5 Construction Document Services

After acceptance of Design Development Documents and Project Construction Cost Estimate and upon receipt of written authorization from the JPA Project Manager to proceed with the preparation of Construction Documents, Architect shall:

- a. Prepare from accepted Design Development Documents, Construction Documents consisting of working drawings and specifications and such standard documents and special requirements as may be furnished by JPA that set forth in detail the requirements for construction of the entire Project.
- b. Submit for JPA review and acceptance, five sets of Construction Documents, consisting of working drawings and specifications at the Fifty (50) percent point of completion.
- c. Submit for JPA review and acceptance, five sets of Construction Documents, consisting of working drawings and specifications at the Ninety-five (95) percent point of completion.
- d. Submit for final JPA review and acceptance, after obtaining all regulatory agencies' approval, i.e. building & safety, public health, planning or other required approvals, five sets of Construction Documents consisting of working drawings and specifications at the One Hundred (100) percent point of completion.
- e. Prepare Construction Documents in full compliance with all applicable building codes, ordinances and other regulatory requirements in force at the time of Contract award.
- f. Prepare Construction Documents in such detail as may be required to obtain competitive bidding for the entire Project or any division of work. Furnish the JPA at no additional expense one (1) complete set of the bid drawings and specifications. The bid drawings shall be on reproducible transparent vellum with the architect's/engineer's professional stamp and signature and a recorded copy on a compact disc – recordable (CD-R). File format shall be compatible with MS-DOS and AutoCAD 14 software or newer (dwg. file format). File format to include PDF converted copies of the CAD files onto the CD(s). The specifications shall be submitted as a reproducible hard copy and a recorded copy on CD-R compatible with MS-DOS and Microsoft Word.
- g. Prepare and submit for JPA approval a list of movable furniture, panel systems, accessories and other articles not included in the construction contract.
- h. Prepare and submit for JPA approval a written final Project Construction Cost Estimate upon 100 percent completion of Construction Documents. The Project Construction Cost Estimate shall be itemized including estimates for alternate bid items, in conformance with the form of proposal intended for bidding purposes. In the event that bids are not solicited within 100 calendar days after the date Architect submits 100 percent complete Construction Documents and final Project Construction Cost Estimate to the JPA Project Manager, the Architect shall upon written direction by the JPA Project Manager revise his final Project Construction Cost Estimate so as to reflect any changes in price due to increase or decrease in construction costs.
- i. Upon written approval by JPA Project Manager of a final approved set of drawings, and final draft, of specifications including all corrections required by building and safety, public health and other regulatory agencies, provide to the JPA Project Manager completed reproducible drawings and a complete set of typed specifications as reproducible masters. Reproduction of these documents will be by JPA.

3.6 Bidding Services

Upon solicitation of bids by JPA, Architect shall: P.52

- a. Attend the Pre-Bid Meeting as scheduled by the JPA.
- b. Prepare addenda and clarification documents, interpret Construction Documents and assist JPA as required. The addenda drawings shall be on reproducible transparent vellum with the architect's/engineer's professional stamp and signature and a recorded copy on a CD-R. File format shall be compatible with MS-DOS and AutoCAD 14 software or newer (dwg. file format). File format to include PDF converted copies of the CAD files onto the CD(s). The clarification documents shall be submitted as a reproducible hard copy and a recorded copy on CD-R compatible with MS-DOS and Microsoft Word.
- c. If requested, assist JPA with review, evaluation, and recommendations for awarding construction contracts.
- d. If the approved final Project Construction Cost Estimate for the Construction Document phase exceeds the Construction Budget by more than ten (10) percent, the JPA may, at its discretion (1) give written approval of an increase in the Construction Budget, or (2) authorize the soliciting of bids, reserving their rights under paragraph 3.6e below, or (3) require Architect to revise Construction Documents to reduce construction cost to within the Construction Budget.
- e. If the lowest responsible bid received exceeds the Construction Budget by more than 10 percent, the JPA may, at its discretion, (1) give written approval of an increase in the Construction Budget, or (2) authorize rebidding of the Project within a reasonable time, and require the Architect, at Architect's cost, to revise the scope of the Project or its quality, or both, so as to reduce the Project Construction Cost Estimate and to modify the Project Construction Cost Estimate to within the Construction Budget, or (3) abandon the Project.

3.7 Construction Administration Services

Upon award of construction contract by JPA, Architect shall provide all the construction administration services set forth below:

- a. Interpret the Contract Documents and furnish four (4) copies, one of which in reproducible form, of all clarification drawings and other documentation required. Prepare, for approval by JPA Project Manager, architectural instruction bulletins that are necessary as a result of such interpretations and/or clarifications. Architectural instruction bulletins may be used by the JPA for the solicitation of price quotations from the construction contractor. Analyze price quotations received from the construction contractor for proposed change orders and advise JPA Project Manager as to the acceptability of same.
- b. Make all revisions and changes to the Contract Documents as directed by JPA Project Manager to correct errors, conflicts or omissions.
- c. Make periodic visits (normally bi-weekly) to the Project to review and advise the JPA Project Manager on the progress of the work, the character, scope and detail of construction, the quantity and quality of materials and equipment, and the standard of workmanship conform to the intent of the Architect as expressed in the Contract Documents; attend Project meetings, prepare minutes of such Project meetings and forward to the JPA Project Manager for distribution by the JPA Project Manager. A written report detailing field observations shall be submitted to the JPA Project Manager following each site visit.
- d. Provide technical direction to interpret the Contract Documents and advise the JPA Project Manager of all recommendations as required.

- e. Make prompt recommendations on claims, disputes, and other matters in question between the construction contractor and JPA relating to the execution or progress of the work or the interpretation of the Contract Documents.
- f. Analyze and advise the JPA Project Manager as to acceptability of test reports, methods, materials, equipment and systems.
- g. Review and advise the JPA Project Manager as to the acceptability of substitutions proposed by construction contractor.
- h. Assist the JPA Project Manager in reviewing and approving all construction contractor pay requests.
- i. Review and advise the JPA Project Manager as to the acceptability of schedules, shop drawings, laboratory reports, samples, fabrication, erection, and setting drawings, wiring and control diagrams, schedules, list of materials, and equipment and other descriptive data pertaining to materials, equipment or methods of construction.
- j. Assemble and deliver to JPA Project Manager written guarantees, operating and maintenance instructions books, diagrams and charts required of the construction contractor.
- k. Assemble and deliver to JPA Project Manager three (3) copies of a summary report containing information on all approved submittals arranged by technical specification division. The report shall contain, at a minimum, information of types of equipment and/or material, model numbers, sizes, equipment ratings, and product line and color of interior finishes, etc.
- l. Participate in the final inspection of the Project, write punch list, and advise the JPA Project Manager as to the acceptability of work performed by construction contractor.
- m. Promptly after recording the Notice of Completion by the JPA, furnish the JPA, at no additional expense to the JPA, one (1) complete set of permanent mylar transparent reproductions of the as-built tracings and a recorded copy on a compact disc – recordable (CD-R). File format shall be compatible with MS-DOS and AutoCAD 14 software or newer (dwg. file format). The reproducible transparencies and CD-R will be of the final as-built drawings and specifications including such revisions that may have been made in the course of construction as represented in documentation provided to the Architect or as known by the Architect. Revisions or changes shall be properly annotated on the reproducible transparencies and cross-referenced. Each transparency sheet shall be prominently noted "Record Drawing". Information on reproducible drawings shall not be delegated by the Architect to the construction contractor or any other person.

ARTICLE 4. COMPENSATION

The JPA shall compensate the Architect as follows:

- 4.1 For the Architect's services as described in Article 3, Basic Services of Architect, and Attachment A, Scope of Work, of this Contract, the basis of compensation shall be as follows:
 - a. Upon completion of Pre-Design Services phase and approval thereof by JPA Project Manager, payment in the amount of five percent (5%) which is \$12,582.55 of the Architect's fixed fee.
 - b. Upon completion of Schematic Design Services phase and approval thereof by JPA Project Manager, payment in the amount sufficient to increase the total amounts paid to the Architect to fifteen percent (15%) which is \$25,165.10 (10%) of the Architect's fixed fee.

- c. Upon completion of Design Development Services phase and approval thereof by the JPA Project Manager, payment in the amount sufficient to increase the total amount paid to the Architect to thirty percent (30%) which is \$37,747.65 (15%) of the Architect's fixed fee.
- d. Upon fifty percent (50%) completion of the Construction Document Services phase of their work as determined by the JPA Project Manager, payment in the amount sufficient to increase the total amount paid to the Architect to fifty percent (50%) which is \$50,330.20 (20%) of the Architect's fixed fee.
- e. Upon completion of the Construction Document Services phase of the work, upon documents being filed as required with all jurisdictional agencies for necessary approvals and permits, payment in the amount sufficient to increase the total amount paid to the Architect to seventy percent (70%) which is \$50,330.20 (20%) of the Architect's fixed fee.
- f. Upon completion of corrections to the Construction Documents as required by the appropriate jurisdictional agencies and upon approval by the JPA Project Manager, payment in the amount sufficient to increase the total amount paid to the Architect to eighty percent (80%) which is \$25,165.10 (10%) of the Architect's fixed fee.
- g. For Bid Phase Services and as construction progresses, payment in the amount sufficient to increase the total amount paid to the Architect to ninety-eight percent (98%) which is \$42,780.07 (17%) of the Architect's fixed fee, shall be paid in monthly installments in the proportion of the completed Project to the entire Project.
- h. Upon acceptance by the Board of the completed project construction and approval by the JPA Project Manager of the "Record Drawings", the unpaid balance which is \$5,033.02 (2%) of the Architect's fixed fee shall be paid.
- i. All demands for payment under this Contract shall be submitted in quadruplicate to the JPA Project Manager. The demand for payment shall indicate the amount due and the amounts previously paid.
- j. Payment for Extra Services as described in Article 6, Extra Services of Architect, shall be made only after the Architect provides the JPA with an agreed upon "not-to-exceed" amount, as determined by negotiation with the JPA Project Manager and approved by the Board, including all relative costs, prior to the start of any work.

ARTICLE 5. NO SEPARATELY REIMBURSABLE EXPENSES

Rent, utilities, word processing, in-house courier, local telephone charges, office supplies, support staff, local area travel, meal expenses, time spent to provide necessary information for JPA audits or billing inquiries, and any/all other expense items are included as part of the Architect's total fixed fee and are not separately reimbursable.

ARTICLE 6. EXTRA SERVICES OF ARCHITECT

- 6.1 All services of Architect's personnel or sub-consultants not specifically provided for in this Contract, including but not limited to Article 3, Basic Services of Architect, and Attachment A, Scope of Work, shall be considered Extra Services and shall not be paid without the written prior approval of JPA. Extra Services performed that have not been properly authorized by JPA shall all be non-reimbursable. Such Extra Services shall be a gratuitous effort by Architect.

- 6.2 The following Extra Services, when authorized by a written JPA change authorization, shall be paid for by JPA as provided in Article 4.1j, Compensation.
- a. Revision to previously approved documents to accommodate changes (excluding corrections of errors, conflicts and/or omissions by Architect, or changes initiated by Architect) when so directed by JPA, provided, however, that no compensation for extra services shall be paid for revisions which may be requested by JPA pursuant to Article 3.6d or 3.6e, Bidding Services.
 - b. Preparation of revisions and changes requested by JPA (excluding corrections of errors and omissions by Architect) or as stated in Article 3.7a, after a construction contract has been awarded.
 - c. Additional services necessary to supervise correction of defects in or damage to the Project (excluding corrections of defects or damage arising from the errors or omissions of Architect).
 - d. Additional services caused by the delinquency or insolvency of construction contractor during or after the guarantee period.
 - e. The service of JPA approved consultants other than those employed or retained by Architect pursuant to Article 3.1, General Services. Upon written approval by the JPA, Architect may retain special consultants to investigate the Project and furnish to the Architect a report containing all relevant information. Six (6) copies of said report shall be filed with the JPA Project Manager.
 - f. Preparation of models other than study models made at Architect's option.
 - g. Whenever any documents are changed pursuant to this Article 6, Extra Services of Architect, the Architect shall provide additional copies of the revised documents for review purposes as requested by the JPA Project Manager at JPA expense. The JPA Project Manager reserves the right to select the type of reproduction and the establishment where said reproduction will be done.
 - h. Additional copies of any documents requested by JPA, but not including additional copies of any documents required under Article 6.2a thru g.

ARTICLE 7 - PAYMENT BY ELECTRONIC FUND TRANSFER

Architect shall accept all payments from JPA via electronic funds transfer (EFT) directly deposited into the Architect's designated checking or other bank account. Architect shall promptly comply with directions and accurately complete forms provided by JPA required to process EFT payments.

ARTICLE 8. RECORDS

All records relating to the Architect's personnel, consultants, extra services and reimbursable expenses, pertaining to the Project shall be kept in a generally acceptable accounting format and shall be available to the JPA upon request, and shall be maintained by Architect for not less than three (3) years after the Notice of Completion is filed.

ARTICLE 9. JPA RESPONSIBILITIES

The JPA is responsible to provide the following:

- 9.1 Project Budget and information relating to facility requirements, and project scheduling.

- 9.2 As deemed necessary by JPA, the Architect will provide soils investigation (borings, seismic stability, etc.), topographic survey and present reports, studies and recommendations thereon to the JPA as part of the Architect's total fixed fee.
- 9.3 Reproduction of final drawings and specifications for bidding.
- 9.4 Environmental review as required. (Based upon the reports, studies, documents and other information prepared by the Architect under paragraph 3.2 a. 2., and required by the JPA to use in the processing of the Project's environmental review in compliance with CEQA .)
- 9.5 Site approval.
- 9.6 Building permits, as required.
- 9.7 Any available construction drawings of similar construction, to assist the Architect in economically accomplishing the design of the facility to the satisfaction of the JPA.
- 9.8 Necessary bid package document forms.
- 9.9 Construction Site Representative (Inspector) as the JPA deems necessary.
- 9.10 Notify the Architect in writing of JPA procedures required and name the JPA representative authorized to act in its behalf. JPA shall review documents submitted by the Architect and shall promptly render decisions pertaining thereto to avoid unreasonable delay in the progress of the Project.
- 9.11 Nothing in this Agreement nor any act or failure to act on the part of the JPA shall be construed as a waiver of claim by JPA for any defects or deficiencies in the plans.

ARTICLE 10. DOCUMENTS

All plans and specifications and other documents prepared by Architect shall become and remain the property of JPA. Architect and JPA shall retain reproducible copies of all documents for not less than three (3) years after the Notice of Completion is filed. Subject to Article 12, Indemnification, and Section 32.9, re new releases, etc., Architect may reuse all or portions of the approved plans, specifications, and other documents for other projects, reference or marketing purposes.

ARTICLE 11. TERMINATION OR SUSPENSION OF CONTRACT

- 11.1 JPA reserves and has the right and privilege of canceling, terminating, suspending or abandoning the Contract or the execution of any work in connection with this Contract at any time upon seven (7) days written notice to the Architect. The JPA's JPA Project Manager is authorized to exercise the JPA's rights with respect to any termination of this Contract. The Architect may terminate this Contract upon 30 days written notice to JPA, should the JPA substantially fail to perform in accordance with its responsibilities. Upon receipt or giving of such notice of termination, Architect shall provide no further services to JPA without specific request or authorization of the JPA.
- 11.2 In the event of any termination, all finished and unfinished design and research documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by the Architect shall, at the option of the JPA, become the property of the JPA.
- 11.3 In the event of any termination, JPA shall pay to Architect as full payment for all services performed and all expenses incurred under this Contract the sum dup. 57] payable, as determined by JPA. In ascertaining the

services actually rendered hereunder up to the date of termination of this Contract, consideration shall be given to completed work and work in progress, whether delivered to JPA or in possession of Architect.

- 11.4 It is recognized that JPA may, at its sole discretion defer the solicitation of bids. Architect agrees to remain responsible for completion of all professional services under this Contract for a period of one (1) year commencing on the date of submission of the final approved Construction Documents and completion of all services under Article 3, Sections 3.1 through 3.5, Basic Services of Architect. If, at the end of the one (1) year period the JPA has not proceeded with the solicitation of bids, Architect may, by written notice to the JPA, terminate this Contract. It is specifically agreed that the written notice is essential and the one (1) year period shall automatically be extended until receipt of notice.
- 11.5 If, after payment of the amount required to be paid under Article 11, Termination or Suspension of Contract, following the termination of the Contract, JPA should decide to complete the original Project, (or substantially the same Project), JPA shall have the right of utilization of any original tracings, drawings, calculations, specifications, estimates and other documents and research studies prepared under this Contract by Architect who shall make them available to JPA. JPA agrees to credit Architect with such authorship as may be due him, but is not required to renew the Contract. Should the JPA choose to complete the Project and not renew the Contract, or make future modifications to the Construction Documents, the JPA shall indemnify the Architect to the fullest extent of the law.

ARTICLE 12. INDEMNIFICATION

- 12.1 **Architect shall defend and indemnify JPA for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional.**
- 12.2 **Additionally, to the extent the Architect is not acting as a design professional, the Architect agrees to indemnify, defend (with counsel reasonably approved by JPA) and hold harmless the JPA and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this Contract from any cause whatsoever, including the acts, errors or omissions of any person and for any costs or expenses incurred by the JPA on account of any claim except where such indemnification is prohibited by law. This Indemnification provision shall apply regardless of the existence or degree of fault of indemnitees. The Architect's indemnification obligation applies to the JPA's "active" as well as "passive" negligence but does not apply to the JPA's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.**

ARTICLE 13. INSURANCE

- 13.1 **Insurance:** The Architect agrees to provide insurance set forth in accordance with the requirements herein. If the Architect uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Architect agrees to amend, supplement or endorse the existing coverage to do so. The type(s) of insurance required is determined by the scope of the Contract services.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Architect shall secure and maintain throughout the Contract term the following types of insurance with limits as shown:

- a. **Workers' Compensation/Employers Liability** - A program of Workers' Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Architect and all risks to such persons under this Contract.

If Architect has no employees, it may certify or warrant to the JPA that it does not currently have any employees or individuals who are defined as "employees" under the Labor Code and the requirement for Workers' Compensation coverage will be waived by the JPA.

With respect to Architects that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

- b. **Commercial/General Liability Insurance** – The Architect shall carry General Liability Insurance covering all operations performed by or on behalf of the Architect providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- (a) Premises operations and mobile equipment.
- (b) Products and completed operations.
- (c) Broad form property damage (including completed operations).
- (d) Explosion, collapse and underground hazards.
- (e) Personal injury
- (f) Contractual liability.
- (g) \$2,000,000 general aggregate limit.

- c. **Automobile Liability Insurance** - Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Architect is transporting one or more non-employee passengers in performance of Contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

If the Architect owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

- d. **Professional Liability** – Professional Liability Insurance with limits of not less than one million (\$1,000,000) per claim or occurrence and two million (\$2,000,000) aggregate limits

or

Errors and Omissions Liability Insurance with limits of not less than one million (\$1,000,000) and two million (\$2,000,000) aggregate limits

or

Directors and Officers Insurance coverage with limits of not less than one million (\$1,000,000) shall be required for Contracts with charter labor committees or other not-for-profit organizations advising or acting on behalf of the JPA.

If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the Contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after Contract completion.

- e. **Umbrella Liability Insurance** - An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

- 13.2 Additional Named Insured - All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the JPA and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the JPA to vicarious liability but shall allow coverage for the JPA to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.
- 13.3 Waiver of Subrogation Rights - The Architect shall require the carriers of required coverages to waive all rights of subrogation against the JPA, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Architect and Architect's employees or agents from waiving the right of subrogation prior to a loss or claim. The Architect hereby waives all rights of subrogation against the JPA.
- 13.4 Policies Primary and Non-Contributory - All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the JPA.
- 13.5 Severability of Interests - The Architect agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Architect and the JPA or between the JPA and any other insured or additional insured under the policy.
- 13.6 Proof of Coverage - The Architect shall furnish Certificates of Insurance to the JPA evidencing the insurance coverage, including endorsements, as required, prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the JPA, and Architect shall maintain such insurance from the time Architect commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Architect shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.
- 13.7 Acceptability of Insurance Carrier - Unless otherwise approved by JPA, insurance shall be written by insurers authorized to do business in the State of California and with a minimum "Best" Insurance Guide rating of "A-VII".
- 13.8 Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by JPA.
- 13.9 Failure to Procure Coverage - In the event that any policy of insurance required under this Contract does not comply with the requirements, is not procured, or is canceled and not replaced, the JPA has the right but not the obligation or duty to cancel the Contract or obtain insurance if it deems necessary and any premiums paid by the JPA will be promptly reimbursed by the Architect or JPA payments to the Architect will be reduced to pay for JPA purchased insurance.
- 13.10 Insurance Review - Insurance requirements are subject to periodic review by the JPA. The JPA is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever JPA determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the JPA. In addition, if the JPA determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the JPA or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the JPA, inflation, or any other item reasonably related to the JPA's risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Contract. Architect agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the JPA to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the JPA.

ARTICLE 14. SUCCESSORS AND ASSIGNS

- 14.1 This Contract shall be binding upon JPA and Architect and their respective successors and assigns.
- 14.2 Neither the performance of this Contract, nor any part thereof, nor any monies due or to become due hereunder may be assigned by Architect without the prior written consent and approval of JPA.
- 14.3 **Death or Incapacity:** If the Architect transacts business as an individual, his death or incapacity shall automatically terminate this Contract as of the date of such event, and neither he nor his estate shall have any further right to perform hereunder, and JPA shall pay him or his estate the compensation payable under Article 4, Compensation, for any services rendered prior to such termination not heretofore paid, reduced by the amount of additional costs which will be incurred by JPA be reason of such termination. If there be more than one Architect and any one of them die or become incapacitated and the others continue to render the services covered herein, the JPA will make payment to those continuing as though there had been no such death or incapacity and the JPA will not be obliged to take any account of the person who died or became incapacitated or to make any payments to such person or his estate. The provision shall apply in the event of progressive or simultaneous occasions of death or incapacity among any group of persons named as Architect herein, and if death or incapacity befalls the last one of such group before this Contract is fully performed, then the rights shall be as if there had been only one Architect.

ARTICLE 15. NOTICES

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally, by e-mail or by facsimile, or sent by prepaid, first-class mail. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated two (2) working days from the time of mailing if mailed as provided in this paragraph.

Architect's address: As shown on page one of this Contract.

JPA's address: Brian M. Cronin, Secretary
351 North Mountain View Ave., Third Floor
San Bernardino, CA 92415-0010
(909) 387-9152 - Office
(909) 387-0125 - Fax
bcronin@dph.sbcounty.gov - email

ARTICLE 16. AUDITS AND RECORDS RETENTION

All records pertaining to services provided by Architect under this Contract shall be available for examination and audit by JPA representatives for a period of three years after filing of the Notice of Completion or until all pending JPA audits are completed or until all pending litigation is completed, whichever is later. All records pertaining to services provided by Architect under this Contract shall be retained locally and made available upon the JPA's reasonable advance written notice to Architect or turned over to JPA. In the event a federal or state grant or other federal or state financing participates in the funding of this Project, the Architect shall permit federal and state authorities access to and grant the right to examine its books covering its work under this Contract. Architect shall comply with all applicable federal and/or state requirements as to work hours, overtime compensation, nondiscrimination, and contingent fees.

ARTICLE 17. NONDISCRIMINATION

In connection with the performance of Architect pursuant to this Contract, Architect will not willfully discriminate against any employee or applicant for employment because of race, color, religion, ancestry, gender, marital status, sexual orientation, age, political affiliation, disability or national origin. Architect will take action to ensure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, ancestry, gender, marital status, sexual orientation, age, political affiliation, disability or national origin. Such action shall include, but not be limited to the following: employment upgrading, demotion or transfer; recruitment or recruitment advertisement; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

ARTICLE 18. WAIVER

Architect shall not be relieved of liability to the JPA for damages sustained by the JPA by virtue of any breach of the Contract by Architect, and JPA may withhold any payments to Architect for the purpose of set-off until such time as the exact amount of damages due JPA from Architect is determined. The waiver by either party or any breach to this Contract shall not constitute a waiver as to any succeeding breach.

ARTICLE 19. REPRESENTATIVE OF JPA

The JPA Project Manager shall represent the JPA in all matters pertaining to the services to be rendered under this Contract including termination of this Contract and shall be the final authority in all matters pertaining to the Project. Notwithstanding the preceding, Architect understands and agrees that any amendment to this Contract and any changes to the Project, Scope of Work, or authorization to do Extra Services must be formally approved by the Board.

ARTICLE 20. ERRORS, OMISSIONS AND/OR CONFLICTS

Architect shall be responsible for the integrity of all design and research studies prepared or approved by Architect and should JPA suffer damages due to errors, omissions and/or conflicts within the Contract Documents, the Architect shall be responsible to JPA for costs of all such damages.

ARTICLE 21. RESERVED

ARTICLE 22. INACCURACIES OR MISREPRESENTATIONS

If during the course of the administration of this Contract, the JPA determines that the Architect has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the JPA, this Contract may be immediately terminated. If this Contract is terminated according to this provision, the JPA is entitled to pursue any available legal remedies.

ARTICLE 23. CONFLICT OF INTEREST

Architect shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, employees, or subcontractors and the JPA. Architect shall make a reasonable effort to prevent employees, consultants, or members of governing bodies from using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others such as those with whom they have family business, or other ties. Officers, employees, and agents of cities, counties, districts, and other local agencies are subject to applicable conflict of interest codes and state law. In the event the JPA determines a conflict of interest situation exists, the JPA may disallow any increase in costs associated with the conflict of interest situation, and such conflict may constitute grounds for termination of the Contract. This provision shall not be construed to prohibit employment of persons with whom Architect's officers, employees, or agents have family, business, or other ties so long as the employment of such persons does not result in increased costs over those associated with the employment of any other equally qualified applicant.

ARTICLE 24. IMPROPER CONSIDERATION

Architect shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the JPA in an attempt to secure favorable treatment regarding this Contract. The JPA, by written notice, may immediately terminate this Contract if it determines that any improper consideration, as described in the preceding paragraph, was offered to any officer, employee or agent of the JPA. Architect shall immediately report any attempt by a JPA officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from Architect. The report shall be made to the JPA Project Manager or to the JPA Board Chairman. In the event of a termination under this provision, the JPA is entitled to pursue any available legal remedies.

ARTICLE 25. INDEPENDENT CONTRACTOR

The parties hereto, in the performance of this Contract, will be acting in their individual capacities and not as agents, employees, partners, joint venturers or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever. Neither party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other except as defined in this Contract or as mutually agreed to under the terms of this Contract.

ARTICLE 26. VENUE

The parties acknowledge and agree that this Contract was entered into and intended to be performed in San Bernardino County, California. The parties agree that the venue for any action or claim brought by any party to this Contract will be the Superior Court of California, County of San Bernardino, San Bernardino District. Each party hereby waives any law or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claim concerning this Contract, the parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California^{P. 63} County of San Bernardino, San Bernardino District.

ARTICLE 27. ATTORNEY'S FEES AND COSTS

If any legal action is instituted to enforce or declare any party's rights hereunder, each party, including the prevailing party, must bear its own costs and attorneys' fees. This paragraph shall not apply to those costs and attorneys' fees directly arising from any third party legal action against the JPA, including such costs and attorneys' fees payable under Article 12, INDEMNIFICATION.

ARTICLE 28. JURY TRIAL WAIVER

Architect and JPA hereby waive their respective right to trial by jury and agree to accept trial by judge alone of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding and/or hearing brought by either Architect against JPA or JPA against Architect on any matter whatsoever arising out of, or in any way connected with, this Contract, the relationship of Architect and JPA, or any claim of injury or damage, or the enforcement of any remedy under any law, statute, or regulation, emergency or otherwise, now or hereafter in effect.

ARTICLE 29. LAW

This Contract shall be construed and interpreted in accordance with the laws of the State of California.

ARTICLE 30. American Recovery and Reinvestment Act of 2009

In the event that the JPA notifies the Architect that this Contract is being funded in whole or in part with funds provided by the American Recovery and Reinvestment Act of 2009 ("ARRA"), signed into law on February 17, 2009, Architect will comply with the following

Use of ARRA Funds and Requirements

Section 1605 of ARRA prohibits the use of recovery funds for a project for the construction, alteration, maintenance or repair of a public building or public work (both as defined in 2 CFR 176.140) unless all of the iron, steel and manufactured goods (as defined in 2 CFR 176.140) used in the project are produced in the United States. A waiver is available under three limited circumstances: (i) Iron, steel or relevant manufactured goods are not produced in the United States in sufficient and reasonable quantities and of a satisfactory quality; (ii) Inclusion of iron, steel or manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent; or (iii) Applying the domestic preference would be inconsistent with the public interest. This is referred to as the "Buy American" requirement. Request for a waiver must be made to the JPA for an appropriate determination.

Section 1606 of ARRA requires that laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 31). This is referred to as the "wage rate" requirement.

The above described provisions constitute notice under ARRA of the Buy American and wage rate requirements. Architect must contact the JPA Project Manager if it has any questions regarding the applicability or implementation of the ARRA Buy American and wage rate requirements. Architect will also be required to provide detailed information regarding compliance with the Buy American requirements, expenditure of funds and wages paid to employees so that the JPA may fulfill any reporting requirements it has under ARRA. The information may be required as frequently as monthly or quarterly. Architect agrees to fully cooperate in providing information or documents as requested by the

JPA pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

Architect may also be required to register in the Central Contractor Registration (CCR) database at <http://www.ccr.gov> and may be required to have its subcontractors also register in the same database. Architect must contact the JPA with any questions regarding registration requirements.

Schedule of Expenditure of Federal Awards

In addition to the requirements described in "Use of ARRA Funds and Requirements," proper accounting and reporting of ARRA expenditures in single audits is required. Architect agrees to separately identify the expenditures for each grant award funded under ARRA on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by the Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." This identification on the SEFA and SF-SAC shall include the Federal award number, the Catalog of Federal Domestic Assistance (CFDA) number, and amount such that separate accountability and disclosure is provided for ARRA funds by Federal award number consistent with the recipient reports required by ARRA Section 1512 (c).

In addition, Architect agrees to separately identify to each subcontractor and document at the time of sub-contract and at the time of disbursement of funds, the Federal award number, any special CFDA number assigned for ARRA purposes, and amount of ARRA funds.

Architect may be required to provide detailed information regarding expenditures so that the JPA may fulfill any reporting requirements under ARRA described in this section. The information may be required as frequently as monthly or quarterly. Architect agrees to fully cooperate in providing information or documents as requested by the JPA pursuant to this provision. Failure to do so will be deemed a default and may result in the withholding of payments and termination of this Contract.

Whistleblower Protection

Architect agrees that both it and its subcontractors shall comply with Section 1553 of the ARRA, which prohibits all non-Federal contractors, including the State, and all contractors of the State, from discharging, demoting or otherwise discriminating against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract relating to ARRA funds; (2) a gross waste of ARRA funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of ARRA funds; (4) an abuse of authority related to the implementation or use of recovery funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) awarded or issued relating to ARRA funds.

Architect agrees that it and its subcontractors shall post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA.

ARTICLE 31. PREVAILING WAGE LAWS

By its execution of this Contract, Architect certifies that it is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq. As well as California Code of Regulations, Title 8, Section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the Scope of Work is being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Architect agrees to fully comply with such Prevailing Wage Laws. Architect shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Scope of Work available to interested parties upon request, and shall post copies at the Architect's principal place of business and at the Project site. ArchP.65 will also adhere to any other applicable requirements,

including but not limited to, those regarding the employment of apprentices, travel and subsistence pay, retention and inspection of payroll records, workers compensation and forfeiture of penalties prescribed in the Labor Code for violations. Architect shall defend, indemnify and hold the JPA, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with Prevailing Wage Laws.

ARTICLE 32. ARCHITECT'S GENERAL RESPONSIBILITIES

- 32.1 Architect will designate an individual to serve as the primary point of contact for the Contract. Architect shall notify JPA when the primary contact will be unavailable/out of the office for one (1) or more workdays. Architect shall not change the primary contact without written acknowledgement to the JPA. Architect or designee must respond to the JPA inquiries within two (2) JPA business days.
- 32.2 Architect shall notify the JPA, in writing, of any change in mailing address and/or physical location within ten (10) calendar days of the change, and shall immediately notify JPA of changes in telephone or fax numbers.
- 32.3 Architect agrees not to enter into any subcontracting agreements for work contemplated under the Contract without first obtaining written approval from the JPA Project Manager. Any subcontracting shall be subject to the same contract provisions as Architect. Architect shall be fully responsible for the performance and payments of any subcontractor.
- 32.4 Architect shall notify JPA of any continuing vacancies and any positions that become vacant during the term of this Contract that will result in reduction of services to be provided under this Contract. Upon notice of vacancies, Architect shall apprise JPA of the steps being taken to provide the services and to fill the position as expeditiously as possible. Vacancies and associated problems shall be reported to JPA on each periodically required report for the duration of said vacancies and/or problems.
- 32.5 Any alterations, variations, modifications, or waivers of provisions of the Contract, unless specifically allowed in the Contract, shall be valid only when they have been reduced to writing, duly signed and approved by the duly authorized officers of both parties as an amendment to this Contract. No oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
- 32.6 If any provision of the Contract is held by a court of competent jurisdiction to be unenforceable or contrary to law, it shall be modified where practicable to the extent necessary so as to be enforceable (giving effect to the intention of the Parties) and the remaining provisions of the Contract shall not be affected.
- 32.7 Architect will ensure that it has all necessary licenses and permits required by the laws of the United States, State of California, County of San Bernardino, Town and all other appropriate governmental agencies, and agrees to maintain these licenses and permits in effect for the duration of this Contract. Architect will notify JPA immediately of loss or suspension of any such licenses and permits. Failure to maintain a required license or permit may result in immediate termination of this Contract.
- 32.8 Architect, its agents and employees shall be bound by and comply with all applicable provisions of the Labor Code and such federal, state and local laws which affect the conduct of the work.
- 32.9 No news releases, advertisements, public announcements or photographs arising out of this Contract or Architect's relationship with the JPA may be made or used without prior written approval of the JPA.
- 32.10 In the event of a problem or potential problem that will impact the quality or quantity of work or the level of performance under this Contract, notification will be made within one working day, in writing and by telephone to the JPA.

32.11 Architect agrees to comply with the provisions of Executive Orders, 11246, 11375, 11625, 12138, 12432, 12250, Title VII of the Civil Rights Act of 1964, the California Fair Employment Practice Act, Equal Employment Opportunity, and other applicable Federal, State, County and Town laws, regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

32.12 Architect shall comply with all applicable laws, statutes, ordinances, administrative orders, rules or regulations relating to its duties, obligations and performance under the terms of the Contract.

IN WITNESS WHEREOF, the JPA and the Architect have caused this Contract to be subscribed by their duly authorized officers on their behalf.

ANIMAL CARE JOINT POWERS AUTHORITY

Williams Architects, Inc.

(Print or type name of corporation, company, contractor, etc.)

► _____
Neil Derry, Chairman, Board of Directors

By ►  _____
(Authorized signature - sign in blue ink)

Dated: _____

Name Max E. Williams, AIA, AICP
(Print or type name of person signing contract)

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD

Title Architect/President C8402
(Print or Type)

By _____
Clerk of the Board of Directors of the JPA.

Dated: JANUARY 21, 2011

Approved as to Legal Form.

Jean-René C. Baslé
JPA Counsel

By _____
Rex A. Hinesley, Deputy

ATTACHMENT A
SCOPE OF WORK

[Selected Vendor's Scope of Work as modified will be placed here]

Attachment A
Scope of Work

3.2 General Services scope of work shall consist of all items outlined in Contract Section 3.1 a thru m.

3.2 Pre-Design Services

a. Finalize Project Requirements:

- a.1 Prepare and furnish to the JPA Project Manager a program addressing all civil, landscape, architectural, structural mechanical, and electrical Project requirements.
 - a.1.a Review all existing documents for space program, cost estimates, engineering, environmental and other documents.
 - a.1.b Prepare Topo/Boundary Survey
 - a.1.c Prepare space program and diagram relative to the site to show general configuration for use in preparing environmental (CEQA) documentation
- a.2 Prepare and furnish to the JPA Project Manager all necessary reports, studies, documents and other information required by the JPA to use in processing of the Project's environmental review in compliance with CEQA
 - a.2.a Conduct Arborist investigation and prepare report
 - a.2.b Conduct Biologist investigation and prepare report
 - a.2.c Conduct Soils investigation and prepare report
 - a.2.d Prepare grading/hydrology/drainage study and report
 - a.2.e Prepare landscape study and report
 - a.2.f Prepare initial study of Environmental Impacts
 - a.2.g Prepare mitigated negative declaration
 - a.2.h Furnish all documentation to JPA Project Manager for CEQA Processing
- a.3 Prepare and Furnish to the JPA Project Manager a future needs assessment
 - a.3.a Meet with appropriate parties to assess needs and compare to existing facilities
 - a.3.b Prepare a future needs assessment report
- a.4 Prepare and furnish to the JPA Project Manager a written concept construction cost estimate.

- b. Prepare and submit for JPA acceptance, five copies of Project program addressing all Project requirements including future needs assessment.
 - c. Approximate time to complete documents and submittal to JPA is forty five (45) calendar days followed by fourteen (14) calendar days for JPA review and approval. CEQA public comment period, response and republish is approximately sixty (60) calendar days.
- 3.3 Schematic Design Services scope of work shall consist of all items outlined in Contract Section 3.3.a, b, c as well as the following:
- d. Specific Items of Work
 - d.1 Conduct site visit and document existing conditions
 - d.2 Review and confirm Town and other agency code requirements
 - d.3 Research and assess existing utilities and determine the general adequacy of each for the proposed project.
 - d.4 Produce sketch options for site plans, building floor plans, elevations, sections and roof plan as necessary to describe the proposed project based on space program and other direction provided by client.
 - d.5 Refine and finalize schematic drawings after sketch options are reviewed by client to illustrate the agreed upon project work.
 - e. Approximate time to complete documents for submittal to JPA is sixty (60) calendar days followed by fourteen (14) calendar days for JPA review and approval.
- 3.4 Design Development Services scope of work shall consist all items outlined in Contract Section 3.4a, b, c, and d as well as the following:
- e. Approximate time necessary to complete documents for submittal to JPA is thirty (30) calendar days followed by (14) calendar days for JPA review and approval.
- 3.5 Construction Document Services and plan check scope of services shall consist of all items outlined in Contract Section 3.5 a, b, c, d, e, f, g, h and i as well as the following:
- j. Approximate time necessary to submit 95% complete construction documents to JPA and all approving agencies for plan check is forty five (45) calendar days. Monitor plan check, respond to plan check comments, resubmit as necessary to obtain approval for general building permit. JPA and Agency reviews may require 30 to 60 calendar days.
- 3.6 Bidding Services scope of work shall consist of all items outlined in Contract Section 3.6 a, b, c, d, and e as well as the following:
- f. Approximate time necessary to prepare Project Manual which is to include JPA (County) provided "boiler plate" contract and related documents along with general and special conditions and prevailing wage rates is fourteen (14) calendar days followed by seven (7)

calendar days for JPA review, approval and issue for bidding. Allow twenty eight (28) calendar days for bidding and twenty one (21) calendar days for review and authorization to proceed.

- 3.7 Construction Administration Services scope of work shall consist of all items outlined in Contract Section 3.7 a through m. Construction phase is approximately two hundred eight calendar days (280) and thirty (30) calendar days for closeout and occupancy.