



L.H. WOODS AND SONS, INC.
General Engineering Contractors

SERVICE PROVIDER AGREEMENT

AGREEMENT NO. xxx- [Type text]
Contract Start Date: [Type text]

Owner's Specification No. _____
Project Name _____
Delivery Date (Begin) [Type text]

Service Provider Execution: This Subcontract must be executed by [Type text] and returned to LHWS no later than five (5) business days after receipt by [Type text].

This Service Provider Agreement ("Agreement") is made this _____ day of _____, 2015, by and between the parties, L.H. Woods & Sons, Inc., a California corporation ("Contractor") and [Type text] ("Service Provider").

The parties agree:

SECTION 1. SCOPE

a. Services. Service Provider shall to provide work, services and functions ("Services") set forth in Exhibit A, Scope of Services. All Services provided by the Service Provider to Contractor shall be subject to the terms and conditions of this Agreement.

b. Referenced Contracts. If the Services provided to Contractor relate to any work Contractor performs pursuant to any contract or subcontract with another person or entity, including without limitation, contracts with or involving work on behalf of any federal, state or local public entity, ("Referenced Contract") Contractor shall make all contract documents pertaining to the Referenced Contract available to Service Provider at Service Provider's request. Service Provider shall comply with, and all Services shall conform to, the terms and provisions of the contract documents for the Referenced Contract that apply to the Services. Contract documents for the Referenced Contract are specifically incorporated into and made a part of the Agreement.

c. Subtier Provider. Service Provider may engage consultants, Service Providers, suppliers or vendors ("Subtier Provider") to perform Services on behalf of the Service Provider under this Agreement. Service Provider shall notify Contractor, in writing, prior to engaging any Subtier Provider to perform Services. Service Provider shall not use or enter into any obligation with a Subtier Provider to which Contractor has reasonable objection. Service Provider shall be responsible for Services provided by Subtier Providers and warrants that all Services provided by Subtier Providers will comply with the terms of this Agreement.

d. Time. Time is of the essence of this Agreement. Service Provider shall perform and deliver the Services within the time as specified in Exhibit A, Scope of Services, otherwise, if no time is specified in Exhibit A, Scope of Services, Service Provider shall perform Services within a reasonable time as directed by Contractor. Time for Service Provider's performance shall be extended on account of delays that result from causes beyond the reasonable control of the Service Provider only if Service Provider notifies Contractor, in writing, within 3 days of the event that causes any such delay.



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e. Changes. Contractor may change, modify, add to, or delete, Services at its sole discretion. Any such change or modification shall be given to Service Provider in writing. Service Provider shall be entitled to adjustments in compensation and time for performance actually and necessarily caused by such change or modification. Adjustments shall be as mutually agreed upon; otherwise adjustments shall be as provided under the applicable Reference Contract, or the actual reasonable cost and time incurred for such change or modification, whichever is less.

SECTION 2. COMPLIANCE WITH APPLICABLE LAWS

In the performance of its obligations, Service Provider shall comply with all laws, ordinances, regulations and requirements of Federal, State and local governments, agencies and authorized representatives, including without limitation all requirements for approvals by others of Services pertaining to a Referenced Contract. Service Provider and Subtier Providers will hold and maintain all professional licenses, as necessary and required by law, to perform the Services.

SECTION 3. COMPENSATION AND PAYMENT

a. Compensation. Contractor shall pay Service Provider, for the performance of the Services, the amounts set forth in Exhibit B, Compensation. Payments will be made monthly, within thirty (30) days after receipt by Contractor of Service Provider's invoice properly describing the services rendered and amounts earned during the calendar month preceding the date of the invoice. Invoices shall include supporting documentation as requested by Contractor necessary to establish amounts earned and payable and for lien releases for amounts paid. If authorized pursuant to a Referenced Contract and limits otherwise imposed by law, Contractor may withhold retention in an amount not to exceed Five percent (5%) value of Services performed, less the aggregate of previous payments. In such case, Contractor will pay the amount retained to Service Provider upon complete performance and acceptance of all Services pertaining to a Referenced Contract and within seven (7) days of Contractor's receipt of corresponding retention, if any, under the Referenced Contract. No payment to Service Provider shall operate as approval or acceptance of defective or deficient Services rendered by the Service Provider. Contractor shall have no obligation to pay Subtier Providers.

b. Payments to Others. Service Provider shall pay all Subtier Providers within seven (7) days after receiving payment from Contractor. Service Provider shall deliver to Contractor documentary proofs of such payments and appropriate lien releases promptly upon request of Contractor. Contractor may withhold payments to Service Provider for any amount reasonably necessary to indemnify Contractor from loss and damages arising from non-payment to Subtier Providers, including without limitation, liens and bond claims. Contractor may pay any Subtier Provider directly, at any time, the amount shown for them on any invoice submitted by Service Provider or pay such sum by joint check issued to Service Provider and the Subtier Provider(s), and shall be entitled to receive credit for such payment as if having been made to Service Provider.

c. Disputed Invoices. If Contractor disputes all or any part of an invoice from Service Provider, Contractor shall notify Service Provider of the reasons for the dispute. Contractor shall promptly pay Service Provider the undisputed portion of the invoice. If Contractor has good faith basis for the dispute, Contractor's failure to pay any disputed amount shall not be a default under this Agreement, and Service Provider shall not withhold performance of the Services on account of any disputed invoice or payment. Contractor shall be entitled to recoup any payment made to Service Provider in error or made pursuant to an erroneous invoice at any time.



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SECTION 4. OWNERSHIP AND USE OF DOCUMENTS

Any design documents, construction documents, models, renderings, data, reports and other documentation produced by Service Provider ("Deliverables") pursuant to this Agreement shall be the property of Contractor. In the event of any infringement by a third party of the copyrights related to any Deliverables, Service Provider shall, at the request of Contractor, cooperate with Contractor in the enforcement of such copyrights against the infringer, and Contractor shall bear the expenses of any such enforcement. Service Provider may retain copies, including reproducible copies, of the Deliverables for its records, but shall not use, assign or reproduce any Deliverables produced under this Agreement, in part or in their entirety, without the prior written consent of Contractor, except this restriction shall not apply to any portion of Deliverables that contain elements within the public domain or were adopted from work product developed other than pursuant to this Agreement. Contractor shall have the right to use and assign all rights to the Deliverables, including incomplete Deliverables, in its sole discretion, at no additional compensation to Service Provider.

Service Provider will indemnify, hold harmless and defend the Contractor, the Owner of any Referenced Contract, if applicable, and any other party for whom Contractor is responsible, their sureties and their respective agents, employees and officers, against all damages, claims, lawsuits and losses of any kind, relating to common law, statutory and other intellectual property rights, including copyright, arising out of the incorporation or use of the Services provided by Service Provider and its Subtier Providers. In the event that any equipment, process or procedure employed by Service Provider or its Subtier Providers during the performance of this Agreement is held to constitute an infringement of any claim of any United States or foreign patent, trademark, trade name, copyright or similar right, or its use enjoined, the Service Provider shall, at its option and without compensation: (i) procure for the right to continue using said equipment, processes or procedures; (ii) replace it with a substantially equivalent non-infringing, equipment, process or procedure; or (iii) promptly modify the equipment, process or procedure so that it becomes non-infringing.

SECTION 5. LABOR COMPLIANCE

a. Responsibility for Employer Contributions. Service Provider is an independent contractor and is solely responsible and liable for payment of all federal and state taxes and insurance and contributions for Social Security and unemployment and for trust fund contributions which are measured by wages, salaries or other remunerations paid to Service Provider's employees.

b. Equal Opportunity. Service Provider shall comply with all applicable equal employment opportunity and affirmative action requirements prescribed by any Referenced Contract or promulgated by any governmental authority. Service Provider agrees to be bound by all Federal, State or local labor laws and regulations applicable to the Services, and agrees to pay the scale of minimum wages prescribed in any Referenced Contract or the scale prescribed by law. Service Provider further agrees that it will bind and require each of its Subtier Providers to agree to all of the foregoing promises and undertakings with respect to the part of the Services to be performed by any such Subtier Provider.

c. Minority Participation. If the Service Provider claims status as a minority business enterprise such as DBE/MBE/ WBE/DVBE/ UDBE, the Service Provider shall take all steps necessary and shall make all necessary records available to Contractor to assure that Service Provider is in compliance with any requirements imposed on Contractor. Service Provider shall be responsible for meeting all applicable requirements for a Subtier Provider that is designated as or is required to be a minority business enterprise pursuant to a Referenced Contract.



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d. Wage/Benefit Requirements. Service Provider shall comply with and agrees to be bound by all applicable federal, state and local laws and regulations, including, but not limited to, all provisions of the Fair Labor Standards Act, the Americans With Disabilities Act, the federal Family and Medical Leave Act, the California Labor Code, the California Fair Employment and Housing Act, and the California Family Rights Act. Subcontractor shall submit certified payroll records to Contractor no later than three (3) working days after labor has been paid. The provisions of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 are incorporated into this Service Provider Agreement through Exhibit C when payment of prevailing wages is required by contract or law, and Subcontractor agrees to comply with these provisions and all interpretations thereof by the Director of the Department of Industrial Relations insofar as they are applicable to Service Provider on this project. See, Exhibit C, attached. As used in Exhibit C, the word "contractor" and "contract" shall mean Contractor and this Agreement; the word "Service Provider" and "subcontract" shall mean Service Provider and this Agreement, respectively. Prior to receiving final payment, Service Provider shall execute an affidavit pursuant to Labor Code Section 1775 certifying under oath that Subcontractor has paid the specified general prevailing rate of per diem wages to its employees and any amounts due pursuant to Section 1818 and an affidavit pursuant to Labor Code Section 1777.7 certifying under oath that Subcontractor has employed the required number of apprentices on the Project.

e. Federal Projects. Unless otherwise exempt by the rules, regulations, or order of the Secretary of Labor issued pursuant to Section 3 of Executive Order 13496, or otherwise, federal regulations under Title 29 CFR Part 471, Appendix A to Subpart A and Title 41 CFR Part 60-1 are incorporated and made part of this Agreement. Service Provider agrees to comply with said regulations and shall include similar requirements in all agreements with its Subtier Providers.

f. Labor Agreements Service Provider shall comply with all collective bargaining agreements ("Labor Agreements") to which Service Provider is a party while providing the Services under this Agreement. In addition, Contractor has entered into certain Labor Agreements described in Exhibit D, Contractor's Labor Agreements. To the extent that any of the Services under this Agreement are provided by labor covered under any Labor Agreement to which Contractor is party, Service Provider shall comply with the terms and conditions specified in Exhibit D, Contractor's Labor Agreements, attached. As used in Exhibit D, the word "contractor" and "contract" shall mean Contractor and this Agreement; the word "subcontractor" and "subcontract" shall mean Service Provider and this Agreement, respectively.

SECTION 6. INDEMNITY

To the fullest extent of the law and except as otherwise prohibited or limited by law. Service Provider will indemnify, defend and hold harmless the Contractor, Owner and Contractor's surety and their respective officers, agents, employees, partners, subsidiaries and affiliates (collectively "Indemnitees"), from all alleged or actual claims, liabilities, allegations, actions, damages, penalties, cost, expense and attorneys' fees (collectively "Indemnified Claims") arising from the acts or omissions or the performance of or failure of performance of any obligations of the Service Provider and any person or entity for whom the Service Provider is responsible under this Subcontract regardless of any passive negligence by Contractor or Owner. The indemnity shall apply to any act, omission, negligence, or willful misconduct, on the part of Service Provider, its principals, employees, sub-subcontractors, vendors and suppliers, and to any passive negligence on the part of any of the Indemnitees in connection with Service Provider operations. The Service Provider shall indemnify the Contractor to the same extent that the Contractor is required to indemnify the Owner under the Contract Documents in relation to Service Provider's operations. The provisions for indemnity, this Section 11 apply to all Indemnified Claims described in this Section 11, below, and elsewhere in this Service Provider Agreement, and shall survive



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the termination of the Subcontract or the completion of the Subcontract Work. Restrictions or limitations defined in Cal. Civil Code §2782.05 shall apply to the indemnity provided by the Subcontractor and nothing in this Subcontract waives or modifies the provisions of Cal. Civil Code §2782.05 including, but not limited to, the prohibition against a Service Provider being required to defend and indemnify a contractor, construction manager or other subcontractor from their active negligence or willful misconduct.

SECTION 7. SAFETY, HAZARDOUS MATERIALS

a. Compliance with Laws. Service Provider shall comply fully with all laws, orders, citations, rules, regulations, standards and statutes pertaining to occupational health and safety, the use and storage of hazardous materials, accident prevention, and safety equipment and practices associated with the work under this Agreement. Service Provider shall also comply with any accident prevention and safety program established by Contractor and/or Owner for the project. Before performing any work, Service Provider shall conduct its own investigations to determine and satisfy itself that safe working conditions and equipment exist for its employees, for the adequacy and required use of all safety equipment furnished by Service Provider, and for full compliance with the laws, orders, citations, rules, regulations, standards and statutes. Service Provider shall report to Contractor, immediately in writing, any violation of law or unsafe working conditions that pertains to its work.

b. Use of Hazardous Materials. If Service Provider intends to use or supply any material or mixture which is designated as a hazardous substance under any law, Service Provider shall comply with all requirements of said law, and, in the use of any such substance, shall strictly adhere to all manufacturer's warnings and application instructions. Service Provider shall notify Contractor of any hazardous substance that Service Provider intends to supply to or use on the project and shall furnish, at its own expense, any information which may be requested by Contractor concerning such substance. Service Provider shall take all reasonable precautions to protect itself and its employees, agents, consultants and contractors from exposure to any hazardous condition or hazardous materials of which Service Provider has actual or constructive knowledge while performing its obligations under this Agreement and, as regards Contractor, assumes all risks attendant to any such exposure.

SECTION 8. TERMINATION

Contractor may at any time and for any reason terminate the Agreement in its entirety for cause or for its sole convenience, or, without terminating this Agreement Contractor may cancel and terminate Service Provider's performance of all or part of any specific Services upon three (3) days written notice to Service Provider. In the event of any termination pursuant to this Section, Service Provider shall stop performance, except as further directed by Contractor, or otherwise required by law. Contractor shall pay Service Provider pursuant to provisions of this Agreement for Services rendered up to date Service Provider ceases performance, and shall have no further liability for compensation, expenses or damages, including without limitation, consequential damages to Service Provider. If Contractor terminates this Agreement for cause, Contractor shall be entitled to withhold and retain from further payment sums to compensate Contractor for all damages caused by Service Provider's breach of this Agreement, and Contractor shall retain all other remedies against Service Provider on account of such breach. Contractor shall have no other responsibility for any costs or expenses incurred by Service Provider in the termination of contracts with Subtier Providers.



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SECTION 9. INSURANCE

Service Provider shall provide and maintain, at its own expense, insurance as set forth in Schedule A, Insurance, attached. As used in Schedule A, Insurance, the words "contractor" and "contract" shall mean Contractor and this Agreement; the words "subcontractor" and "subcontract" shall mean Service Provider and this Agreement, respectively.

SECTION 10. MISCELLANEOUS

a. Assignment of this Agreement. Service Provider shall not assign or transfer any or all of its interest in this Agreement or delegate any of its duties under this Agreement, and any such assignment or delegation shall be null and void and of no effect. Contractor, at its sole and exclusive discretion, may assign or otherwise transfer this Agreement and any rights, bonds, claims, or obligations arising under it without prior consent of the Service Provider. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, successors, assigns and legal representatives.

b. Entire Agreement. This Agreement represents the entire agreement between Contractor and Service Provider concerning the subject matter hereof and supersedes all prior and contemporaneous negotiations, representations and agreements, either written or oral, relating to the same. No changes, amendments or modifications of any of the terms or conditions of this Agreement shall be valid unless it is in writing signed by both parties.

c. Confidentiality. Service Provider agrees to keep the terms and conditions of this Agreement strictly confidential, and except for any disclosures thereof to its personnel, attorneys, accountants and Subtier Provider as may be necessary in connection with the performance of Service Provider's services under this Agreement or the normal conduct of Service Provider's business, Service Provider shall not disclose the terms of this Agreement to any third parties. This obligation of Service Provider shall survive the termination of this Agreement and the completion of Service Provider's work on the Project.

d. Survival. The rights, duties and obligations of the parties to this Agreement including all implied obligations, and any and all indemnification provisions, shall survive the termination of this Agreement.

e. Headings. The headings and captions used in this Agreement are for convenience only and shall have no effect upon the proper construction of the substantive terms of this Agreement.

f. Governing Law. This Agreement shall be enforced and construed in accordance with the laws of the State of California without regard to the choice of law principles thereof, and venue for any legal action shall be in the appropriate state or federal court located in Orange County, California.

g. Severability. If any provision of this Agreement is declared to be invalid or unenforceable, it shall not affect the validity or enforceability of the remaining provisions of this Agreement.

h. No Third-Party Beneficiaries. Unless specifically provided otherwise in this Agreement, the parties do not intend any third party to be a beneficiary of all or any part of this Agreement.



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i. Counterparts. This Agreement may be executed in counterparts which when taken together shall constitute one and the same instrument.

Executed by the parties as of the first date written above.

IN WITNESS WHEREOF, the parties hereto have executed this Service Agreement the day and year first above written.

SERVICE PROVIDER

L. H. WOODS & SONS, INC.
CONTRACTOR

By: _____

By: _____

Print Name: _____

Print Name: James D. Woods, Jr.

Title: _____

Title: President

Date: _____

Date: _____

Address: _____

Address: 2115 La Mirada Drive

Vista, CA 92081

Phone _____

Phone: (760) 599-5500

Fax _____

Fax: (760) 599-5510

Contractor's License Number _____

Contractor's License Number: 213353



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EXHIBIT A

SCOPE OF SERVICES

The scope work of this Service Agreement (“Service Provider Work”) is: [Type text]

Special Provisions:

1. [Type text].
2. Service Provider is required to obtain and keep updated all USA/Dig Alert tickets for any excavation work and provide copies of the ticket numbers to Contractor.
3. Service Provider agrees to obtain and pay for a business license for the appropriate project jurisdiction(s).
4. Service Provider shall comply with the State Permit for Storm Water Discharge Associated with Construction Activity during all phases of its construction and complete, implement or maintain the storm water pollution production plan (SWPPP) as provided in Specification or be subject to damages for each calendar day that the Service Provider fails to comply.
5. Service Provider will ensure that in its employment practices persons are employed and employees are treated equally and without regard to or because of race, religion, ancestry, national origin, sex sexual orientation, age, disability, marital status, domestic partner status, or medical condition.
6. Service Provider shall attend the weekly L. H. Woods & Sons, Inc. weekly safety meetings. Service Provider shall prepare and discuss with all appropriate field personnel Job Hazard Analyses (JHA’s) for each non-routine work task performed on the project by the Service Provider and shall submit copies of each JHA to the Contractor. The Job Hazard Analysis is a Step by Step analysis of a non-routine task, process or operation that will answer the following questions; the purpose of the job and what has to be done; what activities are involved; sequence of basic job steps; potential hazards, and most importantly recommendations for hazard elimination or control.
7. Service Provider shall maintain a neat appearance to its work. The affected project streets and any adjacent ingress/egress street affected by the Service Provider’s activities shall be kept clean at all times.



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EXHIBIT C

ADDENDUM FOR CALIFORNIA PUBLIC WORKS PROJECTS

Service Provider agrees to comply with all applicable provisions of California Labor Code, specifically, but not limited to, Sections 1771, 1775, 1776, 1777.5, 1813, and 1815 which are set forth below. In addition to all other conditions required by this subcontract, Service Provider shall provide Contractor with an affidavit, signed under penalty of perjury, as described in Cal. Labor Code § 1775(b)(4) and shall indemnify, defend and hold Contractor and its surety harmless from all claims, losses or liabilities, including attorneys fees, for damages, forfeitures, fines, penalties, assessments and costs on account of Service Provider's failure to comply with the applicable provisions of the California Labor Code.

§1771. Payment of general prevailing rate

Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.

§1775. Penalties for violations

(a)(1) The contractor and any Service Provider under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any Service Provider under the contractor.

(2)(A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or Service Provider to pay the correct rate of per diem wages was a good faith mistake and, if so,

the error was promptly and voluntarily corrected when brought to the attention of the contractor or Service Provider.

(ii) Whether the contractor or Service Provider has a prior record of failing to meet its prevailing wage obligations.

(B)(i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or Service Provider to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or Service Provider.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or Service Provider has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or Service Provider, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or Service Provider shall be satisfied before applying that



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amount to the penalty imposed on that contractor or Service Provider pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or Service Provider, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a Service Provider on a public works project is not paid the general prevailing rate of per diem wages by the Service Provider, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the Service Provider to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the Service Provider for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the Service Provider to the employees, by periodic review of the certified payroll records of the Service Provider.

(3) Upon becoming aware of the failure of the Service Provider to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the Service Provider for work performed on the public works project.

(4) Prior to making final payment to the Service Provider for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the Service Provider that the Service Provider has paid the specified general prevailing rate of per diem

wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a Service Provider on that public works project to pay workers the general prevailing rate of per diem wages.

§1776. Payroll records; retention; inspection; noncompliance penalties; rules and regulations

(a) Each contractor and Service Provider shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

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

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made



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available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, Service Providers, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or Service Provider shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the Service Provider performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number. A joint labor management committee may maintain an action in a court of competent jurisdiction against an employer who fails to comply with Section 1774. The court may award

restitution to an employee for unpaid wages and may award the joint labor management committee reasonable attorney's fees and costs incurred in maintaining the action. An action under this subdivision may not be based on the employer's misclassification of the craft of a worker on its certified payroll records. Nothing in this subdivision limits any other available remedies for a violation of this chapter.

(f)(1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or Service Provider has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or Service Provider fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor



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is not subject to a penalty assessment pursuant to this section due to the failure of a Service Provider to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

§1777.5. Employment of registered apprentices; wages; standards; number; apprenticeable craft or trade; exemptions; contributions

(a) Nothing in this chapter shall prevent the employment of properly registered apprentices upon public works.

(b) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) When the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the

contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any Service Provider under a contractor who performs any public works not excluded by subdivision (o).

(e) Prior to commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and Service Provider shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.



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(f) The apprenticeship program that can supply apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates where the contractor agrees to be bound by those standards, but, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a Service Provider, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section that has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or that has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he

or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) When an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m)(1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area



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of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) At the conclusion of the 2002-03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The funds shall be distributed as follows:

(A) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(B) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and geographic area for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices registered in each program.

(C) All training contributions not distributed under subparagraphs (A) and (B) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship standards and requirements under this code.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section

for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.

§1813. Forfeiture for violations; contract stipulation; report of violations

The contractor or Service Provider shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or Service Provider for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.

§1815. Overtime

Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay.



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EXHIBIT D

CONTRACTOR'S LABOR AGREEMENTS

Contractor has entered or may enter into the following labor agreements covering work at the construction jobsite including but not limited to the following labor unions: Laborers; Operators; Carpenters; and Teamsters.

Service Provider agrees that, as an essential condition to entering into this Subcontract, it shall be bound to and shall comply with all of the terms and conditions of the Master Labor Agreement referenced above, including wages, trust fund contributions, working rules, the grievance/arbitration procedure and any other mechanism for the resolution of dispute contained in the Master Labor Agreement, on all covered work performed in the geographic area of the Master Labor Agreement. Service Provider agrees that it shall be bound to the Master Labor Agreement, commencing with the first hour of work performed by its employees on this Project, and shall be bound to the Master Labor Agreement for all its construction work, whether or not the work is performed for the Contractor, for the duration of the Master Labor Agreement, and until timely terminated pursuant to the terms of the Master Labor Agreement for the duration of successor Master Labor Agreements.

Service Provider further agrees to bind and all its Service Providers performing job site work of the type covered by the Master Labor Agreement referenced above to become bound and comply with all of the terms and conditions of the Master Labor Agreement.

Service Provider acknowledges that the Southern California District Council of Laborers and its affiliated Local Union 89, and the Construction Laborers Trust Funds for Southern California, are the intended third party beneficiaries of this contractual provision and may enforce this provision directly against Service Provider.



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SCHEDULE A

INSURANCE

This Schedule A amends Section 9 of the Service Agreement and supersedes any conflicting terms and conditions of the Service Agreement.

SECTION 9. INSURANCE

a. Policies and Limits. Service Provider shall provide and maintain, at its own expense, insurance policies with responsible carriers approved to do business in the state of California which have a rating of not less than A: VII in the edition of the Best's Key Rating Guide current as of the date the policy is obtained, or otherwise acceptable to Contractor, of the following types and amounts:

(1) Workers' Compensation and Employer's Liability. Workers' Compensation, which shall comply with the statutory requirements of the state in which the work is being performed; and Employer's Liability Insurance with policy limits of: a) \$1,000,000 each accident for bodily injury by accident, b) \$ 1,000,000 policy limit for bodily injury by disease, and c) \$ 1,000,000 each employee for bodily injury by disease. U.S. Longshore and Harborworkers Compensation Act Endorsement and Maritime Coverage Endorsement shall be provided when Service Provider performs any work applicable under such policies.

(2) Commercial General Liability Insurance. Commercial General Liability Insurance (CGL) in the following coverages (including but not limited to (i) personal injury; (ii) products liability; (iii) completed operations for at least ten (10) years after termination of services; (iv) Premises and Operations; (v) broad form property damage including but not limited to damage to property caused by explosion or resulting from collapse of buildings or structures, damage to underground structures and utilities; (vi) liability for slander, false arrest, and invasion of privacy arising out of construction operations; and (vii) blanket contractual liability), subject to policy terms, conditions, exclusions and limits of liability, but excluding Automobile Liability, in limits applicable specifically to the Project of not less than One Million Dollars (\$1,000,000) each occurrence and Two Million Dollars (\$2,000,000) aggregate for each policy year for combined personal injury or death and property damage, subject to an aggregate for products liability and completed operation for each policy year of Two Million Dollars (\$2,000,000). The combined aggregate limits of the Commercial General Liability Policy shall be made fully applicable to the Project by an appropriate endorsement unless issued on a project basis. Service Provider shall not provide general liability insurance under any Claims Made General Liability form without the express written consent of Contractor. CGL shall be written on ISO Occurrence form CG OO 01 10/01 or equivalent.

If Service Provider performs work within 50 feet of any railroad, Service Provider shall provide an endorsement to delete the Contractual Liability exclusion for work performed within 50 feet of a railroad.

(3) Automobile Liability. Automobile Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for combined personal injury or death and property damage. This insurance shall apply to all owned, non-owned or leased automobiles and trucks to be used by Service Provider in the performance of the Subcontract. Automobile liability



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insurance shall include coverage for all damage resultant from discharge or generation of hazardous materials or waste including MCS 90 and CA9948.

(4) **Pollution.** If Service Provider's work involves generating, use, disposition or handling of any hazardous waste or materials, Service Provider shall procure a "Contractor's Pollution Liability" policy with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for Bodily Injury, Personal Injury, and Property Damage,

(5) **Rigger's and Aircraft Liability.** If Service Provider's work involves the moving, lifting, lowering, rigging or hoisting of property or equipment, Service Provider shall provide Rigger's Liability Insurance to insure against physical loss or damage to the property or equipment. If Service Provider uses any owned, leased, borrowed, chartered or hired aircraft of any type in the performance of this subcontract, Service Provider shall procure aircraft liability insurance in an amount of not less than \$10,000,000 per occurrence, including Passenger Liability.

(6) **Professional Liability.** If the Service Provider's work requires participation of a licensed professional, including without limitation, architect, engineer, surveyor, or other person whose qualifications to perform the Service Provider's work, the Service Provider shall procure and maintain professional liability insurance covering all professional duties undertaken by the Service Provider under this Subcontract. Such insurance shall be claims-made insurance and shall have a limit of not less than One Million Dollars (\$1,000,000) for each claim and in the aggregate including but not limited to defense costs for the design firm's negligent acts, errors, or omissions in performing professional services included in the design work. The limit of liability shall be maintained during the duration of the Project (unless it is reduced by the payment of covered claims) and for a period of five (5) years after Substantial Completion of the Project. The insurance shall include a deductible no greater than Fifty Thousand Dollars (\$50,000) for each claim for which the design firm is responsible. The policy shall contain standard industry terms, conditions and exclusions. The policy shall be retroactive to the date Service Provider commenced Work on the Project. The Professional Liability policy shall include an extended notification period, or such insurance shall be maintained, for not less than five years after completion of the Project.

(7) **Excess Liability.** Excess Liability Insurance coverage in the amount of at least Five Million Dollars (\$5,000,000), or Ten Million (\$10,000,000) for tunneling work, covering at a minimum the risks covered by the policies described in Section 16.a. (2) and 16.a. (3).

b. **Subtier Providers.** Service Provider shall require and provide insurance with coverages, limits, terms, and conditions, specified in this Section 9 from all subtier contractors, major vendors, and consultants engaged by Service Provider to perform any of the work under this Subcontract.

c. **Additional Insureds.** Except for Professional Liability and Worker's Compensation Insurance, all policies shall include an endorsement identifying the following Indemnitees, as additional insureds, evidenced by amendatory riders or endorsements (Form Nos. CG 20 10 10 01 or CG 20 33 10 01, and CG 20 37 10 01) or equivalent(s), attached to the policies which shall indicate that, as respects the Indemnitees, there shall be severability of interests under said insurance policies for all coverages. The coverage under these policies shall be primary to any insurance carried independently by the Indemnitees. The duty to provide such additional insured coverage is independent of the defense and indemnity obligations set forth in this Subcontract.



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Indemnitees:

- (1) L.H. WOODS AND SONS, INC, and its Subsidiaries.
- (2) The Directors, Officers, Representatives, Agents, Service Providers and Employees of the above.
- (3) The Owner, and any other party, including their officers, directors, agents (excluding design professionals), and employees, for whom Contractor has responsibility for work provided under this Subcontract.

d. Evidence of Insurance; Other Policy Requirements. Each policy of insurance required to be provided and maintained by Service Provider shall be in form and content satisfactory to Contractor. Service Provider shall furnish to Contractor certificates of the insurance policies required to be maintained by Service Provider within ten (10) days after the execution of this Subcontract and shall furnish or cause each Service Provider's Consultant to furnish to Contractor certificates of the insurance policies required to be maintained by it prior to the commencement of Service Provider's work on the Project. Upon request by Contractor, Service Provider shall provide, promptly, a copy of such insurance policies, which must be in form and content acceptable to Contractor. Such certificates shall provide for the delivery to Contractor of at least thirty (30) days prior written notice of cancellation or non-renewal. If the certificate does not so provide, the policies shall be endorsed (Form IL 12 01 11 85 or equivalent) to provide thirty (30) days notice of cancellation and a copy of the endorsement shall be provided Contractor. If the certificate does not provide for notice of cancellation to Contractor and the policy has not been endorsed to provide notice of cancellation, then the Service Provider shall be responsible for notifying the Contractor of cancellation of any policy within three (3) days from the date Service Provider becomes aware that the policy will be cancelled or not renewed. In addition, Service Provider agrees that for the duration of Service Provider's obligations under this Subcontract, Contractor, at its sole and exclusive election, may inquire directly of the Service Provider's insurer and agents about the status and coverages of insurance required under this Subcontract. By execution of this Subcontract, Service Provider authorizes the Contractor to make such inquires. Except for specified excess coverage, each policy of insurance maintained by Service Provider and Service Provider's Consultants shall, to the extent applicable to the particular coverage (a) provide that such insurance is primary insurance as regards all other policies of insurance providing coverage to such additional insureds; (b) provide that any other insurance maintained by Contractor is excess and non-contributing insurance with that required herein; and (c) contain a "Cross-Liability" or "Severability of Interest" provision.

e. Assistance, Cooperation and Waiver of Subrogation. The parties shall assist and cooperate with each other in every manner possible in connection with the adjustment of all insurance claims arising out of the performance of this Subcontract and shall cooperate with the insurance carrier or carriers in litigated claims and demands, whether resulting in litigation, which the insurance carrier or carriers are called upon to adjust or resist. Contractor and Service Provider hereby waive, and Service Provider shall cause Subtier Providers, as applicable, to waive any and all rights to subrogation against the other, the Owner, their agents, employees and representatives for any loss or damage to such waiving party to the extent: (a) such loss or damage arises from any cause or type of peril covered by any insurance required to be carried by such waiving party pursuant to this Subcontract or any other insurance actually carried by such waiving party; and (b) of the amount the insurer actually pays with respect to such loss or damage under the insurance policy. Contractor and Service Provider shall take reasonable steps to have their respective insurers to issue appropriate waiver of subrogation rights endorsements to all policies of insurance



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carried in connection with this Subcontract.

f. Property Insurance. The Contractor or others may, but are not required by this Subcontract, to provide Property Insurance (Builder's Risk) covering against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, false work, testing and start-up, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, including reasonable compensation for Service Provider's and Contractor's services and expenses required as a result of such insured loss. If such insurance is provided and also applies to any of Service Provider's property or property in the care, custody or control of Service Provider, Service Provider shall be responsible for the insurance policy deductible amount applicable to damage to Service Provider's work and/or damage to other work caused by Service Provider.

The Service Provider and Contractor waive all rights against each other and the and any of their Service Providers, sub-Service Providers, agents and employees, for damages caused by fire or other perils to the extent covered property insurance, if any, obtained pursuant to this Section and they actually receive insurance proceeds to cover such loss. These waivers of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

The Contractor shall have power to adjust and settle a loss with insurers under insurance provided under this Section.

g. Requirements of the Prime Contract. The requirements of the prime contract, applicable to the Service Providers' work shall apply to the extent that they exceed the minimum requirements defined above.