

**DESIGN-BUILD AGREEMENT
FOR DESIGN-BUILD OF SOLAR PV SYSTEM FOR THE
REGIONAL WATER QUALITY CONTROL PLANT**

[RFP No. 2483]

This Agreement for Design and Construction (“Agreement”) is entered into and is effective on this _____ day of _____, _____, by and between the CITY OF RIVERSIDE, a California charter city and a municipal corporation (“City”) and VEREGY PACIFIC, LLC, a California limited liability company, 3090 Bristol Street, Suite 400, Costa Mesa, CA 92626, State Contractor’s License No. 1023083, Department of Industrial Relations Public Works Contractor Registration No. 1000053722 (“Design-Build Entity”) pursuant to Section 1114 of the City’s Charter and Chapter 1.07 of the Riverside Municipal Code. Hereinafter, the City and the Design-Build Entity may be referred to collectively as the “Parties.”

ARTICLE 1 – SCOPE OF WORK AND DESIGN SERVICES

1.1 Definitions. The meanings of all capitalized terms used herein and in the Contract Documents and not otherwise defined in this document shall be the same as those definitions set forth in Chapter 1.07.20 of the Riverside Municipal Code and the Standard Specifications, as supplemented and modified by Special Provisions Section 1-2.

1.2 Scope of Work and Contract Documents.

1.2.1 Scope of Work. Design-Build Entity shall furnish all architecture, engineering, and related design services as required, and furnish the labor, equipment, materials, and other construction services for, and perform the work of Design-Build of Solar PV System for the Regional Water Quality Control Plant (the “Project”), located at 5950 Acorn Street, Riverside, CA 92504, which is covered in Design-Build Entity’s Proposal (the “Work”).

1.2.2 Contract Documents. Design-Build Entity shall perform the Work in accordance with the provisions and requirements of the following Contract Documents:

- (1) Permits from the City’s Building, Fire, Planning, Public Works, and Public Utilities Departments and similar governmental approvals for the Work required by applicable law;
- (2) Change Orders and other Modifications issued after the effective date of the Agreement;
- (3) This Agreement, as signed by the Parties, including the following Exhibits incorporated herein by reference:

Exhibit “A” - Workers’ Compensation Certification
Exhibit “B” - Addendum

(4) Design-Build Entity's Proposal dated September 3, 2025, including all documents submitted by Design-Build Entity.

(5) Request for Proposals No. 2483, including the Scope of Work and the Performance Criteria as modified by Addenda with later Addenda having priority over earlier Addenda issued as follows: N/A

(6) The 2021 Edition of the Standard Specifications for Public Works Construction ("Standard Specifications") written by Public Works Standards, Inc., as supplemented and modified by the Special Provisions ("Special Provisions");

(7) Construction Documents prepared by Design-Build Entity and approved by the City;

(8) All documents, maps, texts and items referred to in the foregoing documents.

These Contract Documents are incorporated herein and are intended to be correlative and constitute Design-Build Entity's performance obligations.

1.3 Licensing and Project Design. City does not intend to contract for, pay for, or receive any design services, which are in violation of any professional licensing laws, and by execution of this Agreement, Design-Build Entity acknowledges that City has no such intent. It is the intent of the Parties that Design-Build Entity is fully responsible for furnishing the design of the Project, although the fully licensed design consultant, identified in the Proposal as Design-Build Entity Members will perform the design services required by the Contract Documents. Nothing in this article shall create a contractual relationship between such Design-Build Entity Members and the City.

1.3.1 Design-Build Entity shall hold a valid license as required by the Special Provisions at the time of award of the Contract and shall maintain the license at all times during performance of the Work. Design-Build Entity's Project representative, as approved by City, shall: (1) be actively involved throughout all phases of design and construction of the Project; (2) maintain oversight of the Project at all times; (3) have full authority to represent and act on behalf of Design-Build Entity for all purposes under this Agreement; (4) supervise and direct the design and construction using best skill and attention; (5) adequately coordinate all portions of the design and construction; and (6) act as the principal contact with City and all contractors, consultants, engineers and inspectors on the Project.

1.3.2 Design-Build Entity's architect's representative shall be licensed and registered in accordance with California law and be in "responsible control" of all Instruments of Service, prepared pursuant to this Agreement as required by Applicable Law, including, without limitation, California Business and Professions Code § 5535.1 et seq.

1.3.3 Design-Build Entity's engineering design consultants shall be licensed and registered in accordance with California law and be in "responsible charge" of all Instruments of Service, prepared pursuant to this Agreement as required by Applicable Law, including, to the extent applicable, California Business and Professions Code § 6730 et seq.

1.3.4 All Subcontractors shall hold the appropriate California Class C-specialty, Class B-general building contractor, or Class A-general engineering contractor and shall maintain the license at all times during performance of the Work.

1.3.5 "Instruments of Service" are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Design-Build Entity, and the design consultants. Instruments of Service include "Construction Documents," which are the drawings and specifications prepared by the Design-Build Entity, consistent with the Project Criteria and applicable law, for construction, setting forth in detail the requirements for permitting and construction of the Work of a Project, approved by the City and incorporated into the Contract after such approval.

1.3.6 The Instruments of Service, including Construction Documents and other Project-related documents created, prepared or issued by Design-Build Entity or its design consultants, and Subcontractors, are work made for hire, and shall become the sole property of City when prepared and shall be delivered to City upon request and upon payment in full for undisputed design services completed to the date of City's request. Such Instruments of Service may be used, reused, and otherwise disposed of by City without permission of Design-Build Entity, for any purpose of the City. Design-Build Entity shall deliver master reproducible Instruments of Service in electronic format when: (i) the design is approximately 50% complete; (ii) at the start of construction; and (iii) at other times as determined by written request from the City. The Design-Build Entity also shall deliver: (a) all originals of the Instruments of Service (whether completed or in process) in electronic and hard-copy format, to the City upon completion or earlier termination of the services required; and (b) a reproducible set of the final Construction Drawings and CAD files (or BIM files) containing all Instruments of Service prepared by the Design-Build Entity, Architect, Design-Build Entity Members and design consultants, and Subcontractors that the City specifically requests. City, in return, hereby grants Design-Build Entity and its design consultants and Subcontractors, a non-exclusive license to reproduce Instruments of Service for purposes relating to Design-Build Entity's performance of the Work for this Project. City agrees to proceed at its own risk and be responsible, to the extent permitted by law, from all liability and costs that may arise from the use of Design-Build Entity's Instruments of Service by another contractor, subcontractor, architect, design consultant, Separate Contractor or City's Project Representative unless the liability or costs arise from the acts, omissions or negligent performance of professional services performed or furnished by or on behalf of Design-Build Entity.

1.3.7 The Parties acknowledge that inherent in the Design-Build project delivery method, the production and review of Construction Documents may be a continuing process with portions thereof completed at different times. The Design-Build Entity will limit the Construction Document packages for construction to a reasonable number. The Project schedule shall indicate the times for the City to review the completion of each such portion of the Construction Documents and a reasonable time for review of same.

(1) Upon receipt of the Notice to Proceed for the Construction Documents phase, the Design-Build Entity shall instruct the design consultants to commence the design of the building systems and the preparation of the Construction Documents. The Construction Documents shall provide information customarily necessary in documents for projects of similar size, complexity, and quality. The Construction Documents shall include all information required by the building trades to complete the construction of the Project, other than such details customarily developed by others during construction. The City's review of the Construction Documents shall be conducted in accordance with the approved Project schedule. Such review shall not relieve the Design-Build Entity from its responsibilities under the Contract. Such review shall not be deemed an approval or waiver by the City of any deviation from, or of the Design-Build Entity's failure to comply with, any provision or requirement of the Contract Documents, unless such deviation or failure has been identified as such in writing in the document submitted by the Design-Build Entity and expressly approved in writing by the City.

(2) The Design-Build Entity shall submit completed packages of the Construction Documents for review by the City at the times indicated on the Project Schedule. Review meetings between the Design-Build Entity and the City to review the Construction Document packages, shall be scheduled and held so as not to delay the Work. After reviewing the Construction Documents package for conformance to the Project Criteria, the City will issue a Construction Notice to Proceed to the Design-Build Entity.

1.4 Standard of Care.

1.4.1 All design services to be performed by Design-Build Entity, Design-Build Entity Members, design consultants, subcontractors, and their employees identified by the Design-Build Entity or other persons approved by the City shall be performed in an expeditious and professional manner using architects, engineers, and other professionals properly licensed and duly qualified in the jurisdiction in which the Project is located. The professional obligations of such persons shall be undertaken and performed in the interest of the Design-Build Entity. All design services performed pursuant to this Agreement shall be performed with the degree of skill and learning ordinarily possessed by architects and engineers in good standing in the community regularly engaged in the design and construction of an improvement such as this Project and must apply that knowledge with the diligence ordinarily exercised by reputable architects and engineers under similar circumstances ("Standard of Care").

1.4.2 The construction Work shall be (a) performed in a good and workmanlike manner; (b) suitable for its intended purpose as established in the Performance Criteria; (c) free from defects; and (d) performed in an expeditious and economical manner in accordance with the Contract Documents. Design-Build Entity agrees to provide a completely finished functioning and operational facility ready for use and occupancy in accordance with the requirements of the Contract Documents, within the Contract Sum and within the Contract Time.

1.5 Interpretation. In the event of any conflict between any of the Contract Documents, the document highest in the order of precedent shall control. The order of precedent shall be the same as that set forth in Section 3-7.2 of the 2021 Edition of the Standard Specifications for Public Works Construction, unless otherwise revised in the Special Provisions. The most current Construction Documents prepared by Design-Build Entity and approved by the City have the lowest order of precedence.

1.6 Entire Agreement. This Agreement together with all other Contract Documents represents the entire and integrated agreement between City and Design-Build Entity and supersedes any prior written or oral agreements between them concerning the subject matter contained in the Contract Documents. There are no representations, agreements, arrangements or understandings, oral or written, between the Parties hereto, relating to the subject matter contained in the Contract Documents, which are not fully expressed herein.

ARTICLE 2 – CONTRACT PRICE AND PAYMENT

2.1 Contract Price. City shall pay Design-Build Entity the Contract Price of Five Million Two Hundred Thousand Dollars (\$5,200,000.00), which includes all California sales or use tax and County and City taxes, in consideration for the Design-Build Entity's full, complete and timely performance of all of the Work required by the Contract Documents. The Contract Price includes any Alternative/Additive Bid Items which were awarded with the Contract.

Design-Build Entity agrees to voluntarily allocate the use tax derived from contracts or subcontracts of \$5 million or more directly to the job site location by obtaining a sub-permit of the Design-Build Entity's seller's permit from the California Department of Tax and Fee Administration for the jobsite and allocating the local tax to the jobsite address. Design-Build Entity shall provide City with proof of such filing prior to City's issuance of the Notice to Proceed.

In accordance with Section 22300 of the California Public Contract Code, Design-Build Entity may substitute securities for any monies withheld by City to ensure performance of the Contract. Such substitution shall be made at the request and expense of Design-Build Entity. Securities equivalent to the amount withheld may be deposited with City or with a state or federally chartered bank as escrow agent. Securities eligible for substitution shall include those listed in Section 16430 of the Government Code, bank or saving and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by Design-Build Entity and City. Alternatively, the Design-Build Entity may request that the City, at the expense of the Design-Build Entity, make payment of retention earned directly to the escrow agent. Notwithstanding the foregoing, such Design-Build Entity shall have thirty (30) Calendar Days following award of the Contract to submit a written request to the City to permit the substitution of securities for retention or payment to an escrow agent; failure to do so shall be deemed a waiver of the right.

2.2 Changes to the Contract Price. Design-Build Entity shall not be compensated for any extra materials used or time expended over and above the Contract Price, unless prior written approval for the same has been granted by the City.

2.3 Payment Procedures.

2.3.1 Progress Payments. Progress payments will be made in accordance with Article 7 of the Standard Specifications, as modified by the City's Special Provisions.

2.3.2 Final Payment. Within sixty (60) calendar days after City accepts final completion of the Work and records the Notice of Completion, excluding Plant Establishment, if applicable, City shall pay Design-Build Entity the amounts City deducted and retained from Design-Build Entity's progress payments, except such sums which are required by applicable law or authorized by the Contract to be further retained. In the event of a dispute between City and Design-Build Entity concerning the amount of final payment due, the City may withhold from final payment, including Liquidated Damages provided forth in the Contract Documents, together with an amount not to exceed one hundred fifty percent (150%) of the value of disputed amounts for incomplete or non-conforming work.

ARTICLE 3 – TIME FOR PERFORMANCE

3.1 Date of Commencement/Notice to Proceed. The date of commencement of the Work shall be established in a written Notice to Proceed issued by the City. The City will not issue a Notice to Proceed to the Design-Build Entity until this Agreement, bonds and insurance documents have been executed and/or approved by the City.

3.2 Contract Time. Design-Build Entity shall perform the Work in a diligent manner and shall complete all of the Work of the Contract, excluding any Plant Establishment, if applicable, within three hundred sixty-five (365) working days, after the date specified to Design-Build Entity in the Notice to Proceed issued by City, with the option to extend for one (1) additional year not to exceed two (2) years.

ARTICLE 4 – LIQUIDATED DAMAGES

4.1 Necessity For Liquidated Damages.

4.1.1 For each consecutive calendar day in excess of the time specified for the completion of Work, as adjusted in accordance with Section 6-4 and/or 6-6 of the Standard Specifications, as modified by the Special Provisions, Design-Build Entity shall pay to City, or have withheld from monies due the Design-Build Entity, the sum of Five Hundred Dollars (\$500.00). Design-Build Entity and City have agreed to City's assessment of Liquidated Damages with respect to Design-Build Entity's failure to achieve Substantial Completion of the Work within the Contract Time and to comply with other Milestones and Triggering Events established below/in the Special Provisions. The Parties intend for the Liquidated Damages described herein in the amounts established below to constitute liquidated damages as such term is used in Government Code Section 53069.85 and Public Contract Code Section 7203 ("Liquidated Damages"). Design-Build Entity acknowledges and agrees that the Liquidated Damages are intended to compensate City solely for Design-Build Entity's failure to meet the deadline for Substantial Completion and any other established Milestones or Triggering Events shall not excuse

Design-Build Entity from liability from any other breach of the Contract Documents. City's assessment of Liquidated Damages is in addition to City's right to suspend the Work or terminate Design-Build Entity's performance of the Work in whole or in part.

Failure of Design-Build Entity to achieve Substantial Completion of the Work within the Contract Time and to comply with other Milestones and Triggering Events established below will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Design-Build Entity acknowledges and agrees that such Liquidated Damages have been set based on an evaluation by City of damages that it will incur. Design-Build Entity and City agree that the amounts of such Liquidated Damages are impossible to ascertain as of the date of execution of this Agreement and the Parties have agreed to such Liquidated Damages to fix Design-Build Entity's costs and to avoid later disputes over which items are properly chargeable to Design-Build Entity. It is understood and agreed by Design-Build Entity that any Liquidated Damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that City shall have the right to deduct Liquidated Damages against progress payments or retainage and that the City may issue a Construction Change Directive, if necessary, to reduce the Contract Sum accordingly. In the event the remaining unpaid balance of Contract Sum is insufficient to cover the full amount of Liquidated Damages, Design-Build Entity shall pay the difference to City upon City's demand.

Additional liquidated damages will also be assessed in the amount of Five Hundred Dollars (\$500.00) per incident than an updated weekly schedule in not submitted as specified in Section 6-1.1.1 of these Special Provisions.

Additional liquidated damages shall be assessed in the amount of Five Hundred Dollars (\$500.00) per incident that the Contractor fails to install the Best Management Practices (BMP's) within twenty-four (24) hours of notification as described in Section 3-12.6.5 of the Special Provisions. These liquidated damages are in addition to the right of the City to suspend work as described in Section 6-6.

Additional liquidated damages shall be assessed in the amount of Five Hundred Dollars (\$500.00) per incident that the Contractor reduces the traveled way width and/or closes a street and/or stores construction equipment within public street and right of way and/or delivers/removes any equipment or material to/from the Construction Yard or work area beyond the hours specified in Section 600 of these Special Provisions.

ARTICLE 5 – CLAIMS AND DISPUTES

5.1 Notice of Claims. Design-Build Entity acknowledges and agrees that its failure to submit any claim arising under this Agreement in accordance with the Special Provisions, including, without limitation, the provisions of Articles 2 and 6 of the Special Provisions shall constitute a waiver of Design-Build Entity's right to additional compensation and/or extension of time.

5.2 Government Code Claims Procedures. Design-Build Entity further acknowledges that notwithstanding Design-Build Entity's compliance with the claims procedures set forth in the Special Provisions, Design-Build Entity must also comply with the claims procedures set forth in Government Code sections 900 *et seq.* prior to filing a lawsuit against the City for any such claim. Failure to submit a Government Code claim or comply with the claims provision contained in the Special Provisions shall bar Design-Build Entity from bringing and maintaining a valid lawsuit against the City.

ARTICLE 6 – LOCAL BUSINESS LICENSE, TAXES AND FEES

6.1 Business Tax Certificate and Governmental Approvals. As a condition of the Contract, Design-Build Entity and all subcontractors shall, during the term of this Agreement, secure and annually renew business tax certificates pursuant to Chapter 5.04 of the Riverside Municipal Code to operate in the City of Riverside, and shall also secure and maintain at all times during performance of the Work, any other licenses, fees, permits or similar governmental approvals required by applicable law.

6.2 Offsets. Design-Build Entity acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which is owed, or which becomes owed, by Design-Build Entity to City, City reserves the right to withhold and offset said amounts from any payments, refunds or reimbursements owed by City to Design-Build Entity under the Agreement. Notice of such withholding and offset shall promptly be given to Design-Build Entity by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

ARTICLE 7 – BONDS

7.1 Performance and Payment Bonds. Prior to City's execution of this Agreement and issuance of the Notice to Proceed, Design-Build Entity shall furnish to the City two (2) duly executed surety bonds using the forms included within the RFP requirements, one (1) as security for the faithful performance of the Agreement and one (1) as security for the payment of all persons performing labor and furnishing materials in connection with the Agreement. Both bonds shall be in the amount of one hundred percent (100%) of the Contract Price and shall be subscribed by an Admitted Surety Insurer which is authorized to transact surety insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or larger. Should any bond or surety become insufficient, Design-Build Entity shall furnish City a new bond within ten (10) days after receiving notice from City. No payments will be due or paid under the Agreement until any and all bond deficiencies have been remedied. Design-Build Entity, by execution of this Agreement acknowledges that the bonds are not Contract Documents but are separate obligations.

ARTICLE 8 – WORKERS’ COMPENSATION INSURANCE

8.1 Workers’ Compensation Insurance Certificate. By executing this Agreement, Design-Build Entity certifies that Design-Build Entity is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers’ compensation or to undertake self-insurance before commencing any of the Work. Design-Build Entity shall comply with Labor Code Section 1861 by signing and filing the workers’ compensation certification attached hereto as Exhibit “A” and incorporated herein by reference.

8.2 Evidence of Coverage. Prior to the City’s execution of this Agreement, Design-Build Entity shall file with the City either: 1) a certificate of insurance or self-insurance evidencing that such insurance is in effect, or that Design-Build Entity is self-insured for such coverage; or 2) a certified statement that Design-Build Entity has no employees, and acknowledging that if Design-Build Entity does employ any person, the necessary certificate of insurance will immediately be filed with City. Any Certificate filed with the City shall provide that City shall be given ten (10) days’ prior written notice before modification or cancellation thereof.

8.3 Carrier Rating. Design-Build Entity’s workers’ compensation insurance carrier shall be authorized to transact insurance business in the State of California with a policy holder’s rating of A or higher and a Financial Class of VII or larger.

8.4 Subcontractor Workers’ Compensation Insurance. Design-Build Entity shall require each of its Subcontractors to obtain and maintain for the duration of this Agreement, complete workers’ compensation insurance, meeting or exceeding the coverages and amounts that California law requires.

ARTICLE 9 – DESIGN-BUILD ENTITY’S LIABILITY INSURANCE

9.1 Minimum Scope. Prior to City’s execution of this Agreement and Design-Build Entity’s commencement of Work, Design-Build Entity shall secure, submit proof of and shall thereafter maintain without interruption, until completion of the Design-Build Entity, such commercial general, automobile liability, professional liability, builders risk and/or installation floater insurance as shall protect Design-Build Entity, its Subcontractors and the Additional Insureds from any and all claims for damages for personal injury, including accidental death, as well as any and all claims for property damage which may arise from or which may concern operations under the Agreement, whether such operations be by or on behalf of Design-Build Entity, any subcontractor or anyone directly or indirectly employed by, connected with or acting for or on behalf of any of them.

9.2 Carrier Ratings. All liability insurance shall be issued by an insurance company or companies authorized to transact liability insurance business in the State of California with a policy holder’s rating of A or higher and a Financial Class of VII or larger.

9.3 Minimum Limits. Design-Build Entity shall maintain minimum limits of insurance as follows:

9.3.1 Commercial General Liability. Design-Build Entity's commercial general liability insurance policy (ISO Form CG 00 01) shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$5,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/ location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

Commercial General Liability. Insurance Services Office Commercial General Liability Coverage (occurrence Form CG 0001). This coverage shall include:

- i. Manufacturers and Contractors liability;
- ii. Broad form property damage in any case where the Design-Build Entity has any property belonging to the City in the Design-Build Entity's care, custody, or control;
- iii. Owners and Contractors' protective liability;
- iv. Blanket contractual liability;
- v. Products and completed operations coverage; and
- vi. Coverage for collapse, explosion, and excavation.

9.3.2 Automobile Liability Insurance. Design-Build Entity's automobile liability policy shall cover both bodily injury and property damage in an amount no less than \$5,000,000 per accident. All of Design-Build Entity's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Design-Build Entity's performance of this Agreement, which vehicles shall include, but are not limited to, Design-Build Entity owned vehicles, Design-Build Entity leased vehicles, Design-Build Entity's employee vehicles, non-Design-Build Entity-owned vehicles and hired vehicles (Code 1).

Automobile Liability. Insurance Services Office Automobile Liability Coverage (Form CA 0001), covering Symbol 1 (any auto). This coverage shall include:

- i. Coverage for owned, non-owned, and hired automobiles.

9.3.3 Installation Floater Insurance. Design-Build Entity shall obtain, at Design-Build Entity's expense, and keep in effect during the term of this Agreement, a Builder's Risk Installation Floater for coverage of Design-Build Entity's labor, materials and equipment to be used for completion of the work performed under this Agreement. The minimum amount of coverage to be carried shall be equal to the full amount of the Design-Build Entity's labor, equipment, materials, or fixtures to be installed, in transit, or stored off-site or on-site during the performance of this Agreement. The policy shall include as loss payee, the City of Riverside, the Design-Build Entity, and its subcontractors as their interest may appear. The City shall not be responsible for the theft of any materials, equipment in the possession and control of Design-Build Entity.

9.3.4 Professional Liability.

9.3.4.1 The Design-Build Entity's professional liability policy must:

1) Include professional malpractice, errors and omissions; and 2) Provide coverage for claims arising from acts, errors or omissions from professional services performed by or on behalf of Design-Build Entity, its Design-Build Entity Members, design consultants, Subcontractors, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, including liability assumed under and arising from the Agreement.

The Design-Build Entity's professional liability policy must provide limits of liability in an amount not less than: one million dollars (\$1,000,000) per claim; and two million dollars (\$2,000,000) in the aggregate. Design-Build Entity shall be responsible for the full amount of all deductibles/self-insured retention per claim for coverage under the Professional Liability Insurance policy. These minimum amounts of coverage shall not constitute any limitation or cap on Design-Build Entity's indemnification obligation.

The Design-Build Entity shall require that each Design-Build Entity Member design consultant maintain professional liability coverage. Each Design-Build Entity Member design consultant's professional liability policy must provide coverage for claims arising from the negligent acts, errors or omissions from professional design services performed by Design-Build Entity Member design consultant, including liability assumed under and arising from the Agreement.

Each Design-Build Entity Member design consultant's professional liability policy must provide limits of liability in an amount not less than: one million dollars (\$1,000,000) per claim; and two million dollars (\$2,000,000) in the aggregate. Design-Build Entity Member design consultant shall be responsible for the full amount of all deductibles/self-insured retention per claim for coverage under the Professional Liability Insurance policy.

9.3.5 No limitation on Indemnification. These minimum amounts of coverage shall not constitute any limitation or cap on Contractor's indemnification obligation.

9.4 Notice of Cancellation and Renewals. The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to City by certified or registered mail (this obligation may be satisfied in the alternative by requiring such notice to be provided by Design-Build Entity's insurance broker and set forth on its Certificate of Insurance provided to City). Design-Build Entity agrees that upon receipt of any notice of cancellation or alteration of the policies, Design-Build Entity shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Design-Build Entity shall furnish to the City copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

9.5 All Coverages. The insurance policy or policies shall also comply with the following provisions:

- a. Policies shall include premises/operations, products completed operations, independent contractors, owners and contractors' protection, explosion, collapse, underground hazard, broad form contractual, personal injury with employment exclusion deleted, and broad form property damage.
- b. Design-Build Entity hereby agrees to waive rights of subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Entity for all work performed by the Contractor, its employees, agents and subcontractors.
- c. If policies are written on a claims-made basis, the certificate should so specify and the policy must continue in force for **five (5) years** after completion of the Project. The retroactive date of the coverage must also be listed. Design-Build entity must include the retroactive date on the Certificate of Insurance (COI) and the date must be the execution date of the agreement or the first day of the contract work.
- d. The policy shall specify that the insurance provided by Design-Build Entity will be considered primary and not contributory to any other insurance available to the City of Riverside. Design-Build Entity shall provide Form No. CG 20 01 04 13 to City as respects to the Entity its officers, officials, employees, and volunteers. .
- e. The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations and automobiles owned, leased, hired, or borrowed by or on behalf of the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
- f. If the Design-Build Entity maintains broader coverage and/or higher limits than the minimums shown above, the City shall then be entitled to broader coverage and/or the higher limits maintained by the Design-Build Entity. The minimum insurance levels required do not limit the Design-Build Entity's claim obligations.

9.6 Certificates of Insurance, Additional Insured Endorsements, and Deductibles.

Prior to execution of the Agreement, and thereafter upon City's request, Design-Build Entity shall furnish City with original certificates of insurance and additional insured endorsements setting forth evidence of all insurance coverage required by this Article, except that original certificates

of Installation Floater Insurance shall be required only prior to construction. Each certificate and endorsement is to be signed by a person authorized by that insurer to bind coverage on its behalf. The City of Riverside, its City Council, and all of its respective officials, officers, directors, employees, managers, commission members, representatives, agents, and council members shall be named as additional insureds under each policy.

9.7 Design-Build Entity's Failure to Provide Required Insurance. Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Design-Build Entity shall immediately notify City and cease all performance under this Agreement until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its discretion and sole option: (a) procure insurance with collection rights for premiums, attorneys' fees, and costs against Design-Build Entity by way of set-off or recoupment from sums due Design-Build Entity; (b) immediately terminate or suspend Design-Build Entity's performance of the Agreement; (c) pay Design-Build Entity's premiums for renewal of Design-Build Entity coverage; or (d) self-insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorneys' fees and costs, being collectible from Design-Build Entity, by way of set-off or recoupment from any sums due Design-Build Entity. Upon demand, Design-Build Entity shall repay City for all sums that City paid to obtain, renew, reinstate, or replace the insurance, or City may offset the cost against any monies that the City may owe Design-Build Entity.

9.8 Verification of Coverage. The Design-Build Entity shall furnish the Entity with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements. City shall have the right to obtain complete and certified copies of Design-Build Entity's and Subcontractors' insurance policies (including, but not limited to, the declarations page, form list and riders), endorsements, or certificates required under the Design-Build Entity Documents, upon request (including, but not limited to, the declarations page, form list and riders). All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Design-Build Entity's obligation to provide them.

9.9 Reassessment of Insurance Requirements. At any time during the duration of this Contract, the City may require that Design-Build Entity obtain, pay for, and maintain more or less insurance depending on the City's assessment of any one or more of the following factors: (1) the City's risk of liability or exposure arising out of, or in any way connected with, Design-Build Entity's services under this Agreement; (2) the nature or number of accidents, claims, or lawsuits arising out of, or in any way connected with, Design-Build Entity's services under this Agreement; or (3) the availability, or affordability, or both, of increased liability insurance coverage.

9.10 Design-Build Entity's Insurance for Other Losses. The Design-Build Entity and its Subcontractors of every tier shall assume full responsibility for all loss or damage from any cause whatsoever to any tools, Design-Build Entity's (or Subcontractors') employee-owned tools, machinery, equipment, or motor vehicles owned or rented by the Design-Build Entity, or the

Design-Build Entity's agents, suppliers, or Subcontractors as well as to any temporary structures, scaffolding, and protective fences.

9.11 No Limitation. Design-Build Entity's maintenance of insurance as required by the Contract Documents shall not be construed to limit the liability of the Design-Build Entity or its Subcontractors of any tier to the coverage provided by such insurance or otherwise limit the City's recourse to any remedy available at law or in equity.

9.12 Subcontractors' Insurance. The Design-Build Entity shall include in all subcontracts a requirement that the Subcontractors of every tier shall obtain and maintain, at a minimum, all insurance required by Articles 9 and 10 of this Agreement, except that the limits of liability and deductibles shall be in amounts determined by the Design-Build Entity, based on the degree of hazardous exposure according to the Work performed by each Subcontractor and the size of each subcontract.

Design-Build Entity shall ensure that any professional engineer retained on its behalf to provide supplemental plans and engineering calculations required in conjunction with the Work, maintains professional liability insurance during the entire term of this Agreement. Such insurance shall be in the minimum amount of \$1,000,000 to protect City from claims resulting from the engineer(s) activities. This minimum amount of coverage shall not constitute any limitation or cap on Design-Build Entity's indemnification obligations set forth herein.

The City reserves the right to request certificates of insurance from the Design-Build Entity for each Subcontractor. The Design-Build Entity acknowledges that regardless of insurance obtained by its Subcontractors, the Design-Build Entity will be responsible to the City for any and all acts of its Subcontractors.

ARTICLE 10 - INDEMNITY/DUTY TO DEFEND

10.1 For Professional Design Services. Regarding Design-Build Entity's professional services, Design-Build Entity agrees to indemnify, hold harmless, protect, and reimburse actual defense costs to the maximum extent permitted by applicable law, the City, its City Council, and all of its respective officials, officers, directors, employees, managers, commission members, representatives, agents, council members, ("Indemnitees"), from and against any and all loss, damage, claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceedings, causes of action, demands, costs, judgments, liens, stop notices, penalties, damages, losses, anticipated losses of revenue, expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), costs, including attorneys' fees, or losses of any kind or nature whatsoever, whether actual, threatened, or alleged, arising out of, resulting from or is in any way (either directly or indirectly) related to, or is in any manner connected with, the performance of Work, the Project, activities, operations or duties of Design-Build Entity, or anyone employed by or working under Design-Build Entity, and from all claims by anyone employed by or working under Design-Build Entity for services rendered to Design-Build Entity in the performance of this Agreement ("Indemnity Claims"), notwithstanding that the City may have benefited from their services. This indemnification obligation shall apply to Indemnity Claims to the extent such Indemnity Claims

arise out of, pertain to, or relate to, any negligence, recklessness, or willful misconduct of the Design-Build Entity, and its design consultants performing landscape architecture, engineering, or land surveying in accordance with Civil Code 2782.8, or the Indemnity Claims arise out of or occur in connection with the performance of professional services under this Agreement including, without limitation, errors, omissions, inconsistencies, inaccuracies, deficiencies, and other defects in Instruments of Services and Construction Documents furnished by Design-Build Entity, regardless of whether or not the such errors, omissions, inconsistencies, inaccuracies, deficiencies, and other defects were included in any documents provided by City including City's Project Criteria. Design-Build Entity agrees that, because the Performance Criteria documents provided by City are preliminary and conceptual in nature and are subject to review and modification by Design-Build Entity: (a) it is appropriate for Design-Build Entity to assume liability for errors, omissions, inconsistencies, and other defects in the completed Project even though they may be related to errors, omissions, inconsistencies, and other defects in City's Performance Criteria and other documents provided by the City; and (b) such Performance Criteria and other documents provided by City shall not be deemed "design furnished" by City or any of the other Indemnified Parties, as the term "design furnished" is used in Civil Code section 2782.

10.2 Other Indemnities. Except as to the sole negligence, active negligence or willful misconduct of the City, and to the fullest extent permitted by law, Design-Build Entity assumes liability for and agrees, at Design-Build Entity's sole cost and expense, to promptly and fully indemnify and hold Indemnitees, harmless from and against any and all loss, damage, claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceedings, causes of action, demands, costs, judgments, liens, stop notices, penalties, damages, losses, anticipated losses of revenue, expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), costs, including attorneys' fees, or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from or is in any way (either directly or indirectly) related to, or is in any manner connected with, the performance of Work, the Project, activities, operations, or duties of Design-Build Entity, or anyone employed by or working under Design-Build Entity, and from all claims by anyone employed by or working under Design-Build Entity for services rendered to Design-Build Entity in the performance of this Agreement ("Indemnity Claims"), notwithstanding that the City may have benefited from their services. This indemnification provision shall apply to any acts or omissions, willful misconduct, or negligent conduct, whether active or passive, on the part of Design-Build Entity or of anyone employed by or working under Design-Build Entity.

The parties expressly agree that any payment, attorneys' fees, costs, or expenses that the City incurs or makes to or on behalf of an injured employee under the City's self-administered workers' compensation is included as a loss, expense, or cost for the purposes of this Section, and that this Section shall survive the expiration or early termination of the Agreement.

10.3 Duty to Defend. Design-Build Entity agrees, at its sole cost and expense, to promptly defend the Indemnitees from all Indemnity Claims, except to the extent such Indemnity Claims arise from any negligence, recklessness, or willful misconduct of the Design-Build Entity, and its design consultants performing landscape architecture, engineering, or land surveying in accordance with Civil Code 2782.8. The duty of the Design-Build Entity to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees,

which duty arises immediately upon receipt by Design-Build Entity of the tender of any Indemnity Claim from an Indemnitee. The Design-Build Entity's obligation to defend the Indemnitees shall be at Design-Build Entity's sole expense and not be excused because of Design-Build Entity's inability to evaluate liability or because the Design-Build Entity evaluates liability and determines that the Design-Build Entity is not liable. This duty to defend shall apply, whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise assert that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. Design-Build Entity agrees to provide this defense immediately upon written notice from the City, and with well-qualified, adequately insured, and experienced legal counsel acceptable to the City. Design-Build Entity will reimburse City for reasonable defense costs for claims arising out of Design-Build Entity's professional negligence based on the percentage of Design-Build's liability.

10.4 Design Consultant and Subcontractor Requirements. In addition to the requirements set forth hereinabove, Design-Build Entity shall ensure, by written agreement, that each of Design-Build Entity's design consultants and Subcontractors of every tier shall protect, defend, indemnify, and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such design consultants' services Subcontractors' Work on the Project in the same manner in which Design-Build Entity is required to protect, defend, indemnify, and hold the Indemnitees harmless. Notwithstanding the foregoing, this provision and any other indemnity provisions contained in the Contract Documents shall not be construed to require indemnification or defense by Design-Build Entity, design consultants, Subcontractors in excess of the indemnification and defense obligations permitted under California law including, without limitation, California Civil Code Sections 2782, 2782.05, and 2782.8. In the event Design-Build Entity fails to obtain such defense and indemnity obligations from others as required herein, Design-Build Entity agrees to be fully responsible to the Indemnitees according to the terms of this Article.

10.5 No Limitation or Waiver of Rights. Design-Build Entity's obligations under this Article are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Design-Build Entity's indemnification and defense obligations set forth in this Article are separate and independent from the insurance provisions set forth in the Agreement and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Design-Build Entity with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Design-Build Entity, any Subcontractor, any supplier of the Design-Build Entity or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the Design-Build Entity or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.6 Withholding to Secure Obligations. In the event an Indemnity Claim arises prior to final payment to Design-Build Entity, the City may, in its sole discretion, reserve, retain, or apply any monies due Design-Build Entity for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Design-Build Entity provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.7 Survival of Indemnity Obligations. Design-Build Entity's obligations under this Article are binding on Design-Build Entity's and its Subcontractors' successors, heirs, and assigns and shall survive the completion of the Work or termination of the Design-Build Entity's performance of the Work.

10.8 Independent Contractor. Design-Build Entity shall at all times during its performance of the Work retain its status as an independent contractor. Design-Build Entity's employees and agents shall under no circumstances be considered or held to be employees or agents of City and City shall have no obligation to pay or withhold state or federal taxes or provide workers' compensation or unemployment insurance for or on behalf of Design-Build Entity or its employees and agents.

ARTICLE 11 – PREVAILING WAGES

11.1 Public Work Project. This Project is a public work as defined in California Labor Code Section 1720. Design-Build Entity and all Subcontractors of any tier are required to pay all workers employed in the execution of the Work not less than the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations ("DIR") under Section 1720 et seq. of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination of prevailing rates is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein. Future effective general prevailing wage rates, which have been predetermined and are on file with the California Department of Industrial Relations are referenced but not printed in the general prevailing wage rates. Pursuant to Labor Code Section 1725., Design-Build Entity and subcontractors shall register with and meet the requirements of the Department of Industrial Relations (DIR) in order to bid and perform public works projects. This Project is subject to compliance monitoring and enforcement by the DIR. Design-Build Entity must post job site notices prescribed by regulation. Design-Build Entity and subcontractors on all public works projects shall submit electronic certified payrolls to the Labor Commissioner and City unless excused from this requirement.

11.2 California Labor Code. Design-Build Entity is aware of and stipulates that Design-Build Entity will also comply with the following sections of the California Labor Code:

- a. Section 1775 prescribing monetary penalties and sanctions for failure to pay prevailing wage rates;

- b. Section 1776 requiring the making, keeping and disclosing of detailed payroll records and prescribing monetary penalties and sanctions for failure to do so;
- c. Section 1777.5 prescribing the terms and conditions for employing registered apprentices;
- d. Section 1810 providing that eight hours of labor shall be a day's work; and
- e. Section 1813 prescribing monetary penalties and sanctions for violations of the provisions concerning eight-hour workdays and forty-hour work weeks.
- f. Sections 1725.5 and 1771.1 requiring all general contractors and subcontractors to be registered with DIR and prescribing monetary penalties and sanctions for failure to do. Registration can be accomplished through the DIR website by using this link: <http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

ARTICLE 12 – MISCELLANEOUS

12.1 Non-Discrimination. Except as provided in Section 12940 of the California Government Code, during Design-Build Entity's performance of the Agreement, Design-Build Entity shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS), or any condition related thereto, marital status, gender, gender identity, genetic information, gender expression, sex or sexual orientation, military, and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment. Design-Build Entity shall also comply with the requirements of the Americans with Disabilities Act in the performance of the Agreement.

12.2 Notice. Except with respect to claims pursuant to Public Contract Code Section 9204, as set forth in Section 2-12.2 of the Special Provisions, whenever any provision of the Contract Documents requires the giving of written notice, including notices, bills, invoices, or other documents required or permitted under this Agreement, service shall be sufficient if sent by one party to the other by overnight courier, or by registered, certified, or United States first-class mail, postage prepaid and addressed as follows:

City

City of Riverside
Attn: Public Works Director
3900 Main Street
Riverside, CA 92522

Design-Build Entity

Veregy Pacific, LLC
Attn: Shea Dibble
3090 Bristol Street, Suite 400
Costa Mesa, CA 92626

12.3 City's Right to Access and Audit Design-Build Entity's Project Documents.

12.3.1 If the Design-Build Entity submits a claim to the City for additional compensation, the City shall have the right, as a condition to considering the claim, and as a basis for evaluation of the claim, and until the claim has been settled, to audit the Design-Build Entity's books to the extent they are relevant. This right shall include the right to examine books, records,

documents, and other evidence and accounting procedures and practices, sufficient to discover and verify all direct and indirect costs of whatever nature claimed to have been incurred or anticipated to be incurred and for which the claim has been submitted. The right to audit shall include the right to inspect the Design-Build Entity's plant, or such parts thereof, as may be or have been engaged in the performance of the Work. The Design-Build Entity further agrees that the right to audit encompasses all subcontracts and is binding upon Subcontractors. The rights to examine and inspect herein provided for shall be exercisable through such representatives as the City deems desirable during the Design-Build Entity's normal business hours at the office of the Design-Build Entity. The Design-Build Entity shall make available to the City for auditing, all relevant accounting records and documents, and other financial data, and upon request, shall submit true copies of requested records to the City.

12.3.2 The City and/or its authorized auditors or representatives, shall have access to and the right to examine, audit, excerpt, transcribe, and reproduce any of the Design-Build Entity's records for a period of at least three (3) years after termination of the Design-Build Entity and/or Final Payment. Such records include without limitation, job cost reports, journals, ledgers, records of accounts payable and receivable, profit and loss statements, bank statements, invoices, receipts, subcontracts, agreements, notes, correspondence, memoranda, and any documents generated and received in Design-Build Entity's performance of this Agreement. Upon written notice by the City, Design-Build Entity shall promptly make all such records available to City and/or its authorized auditors or representatives and cooperate with the City and its authorized auditors or representatives in examining, auditing, excerpting, transcribing, and reproducing the records.

12.4 Venue. The exclusive venue of any action at law or in equity brought by the Design-Build Entity or any Subcontractor, with regard to this Agreement or the Project, shall be the Superior Court in Riverside County, State of California.

12.5 No Estoppel or Waiver by City. No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically provided in this Agreement or as may be otherwise agreed in writing. The waiver by the City of any breach or violation of any term, covenant, or condition of this Agreement or of any provision, ordinance, or law shall not be deemed to be a waiver of any other term, covenant, condition, ordinance, or law or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance, or law. The subsequent payment of any monies or fee by the City which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by Design-Build Entity or any term, covenant, or condition of this Agreement or of any applicable law or ordinance.

12.6 Signature Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of Design-Build Entity each represent and warrant that they have the legal power, right and actual authority to bind Design-Build Entity to the terms and conditions hereof and thereof.

12.7 Severability. Each provision, term, condition, covenant and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant, and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant, and/or restriction of this Agreement and the remainder of the Agreement shall continue in full force and effect.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the day and year first above written.

CITY OF RIVERSIDE, a California and
municipal corporation

VEREGY PACIFIC, LLC, a California
limited liability company

By: _____
City Manager

By: Clayton M Boop, Vice President
Clayton M Boop, Vice President (May 27, 2026 16:24:13 PDT)
Clayton M Boop, Vice President
[Printed Name and Title]

Attest: _____
City Clerk

Certified as to Availability of Funds:

By: 
Patrick Meier CFO
[Printed Name and Title]

By: Julie Nemes
Chief Financial Officer

APPROVED AS TO FORM:

By: Tar A. Torres
Tarren A. Torres
Deputy City Attorney

EXHIBIT “A”

WORKERS’ COMPENSATION CERTIFICATION

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

DATED: 27/05/2026

VEREGY PACIFIC, LLC, a California
limited liability company

By *Clayton M Boop, Vice President*
Clayton M Boop, Vice President (May 27, 2026 16:24:13 PDT)

Clayton M Boop, Vice Pre:
Printed Name and Title

EXHIBIT "B"

ADDENDUM TO DESIGN-BUILD CONTRACT

This Addendum to Design-Build Contract ("Addendum") is entered into between Veregy Pacific, LLC ("Contractor") and City of Riverside, California (the "City") and is effective simultaneous with the execution of that certain Design-Build Contract (the "Contract"). To the extent that there is any conflict between the terms of this Addendum and the Contract or the Contract Documents, the terms of this Addendum shall control.

1. Section 2.3.2. Replace sixty (60) days with forty-five (45) days for progress payments and for final payment.
2. Section 3.2. The Parties agree that the Investment Grade Audit ("IGA") shall be completed within six (6) months of the effective date if the Contract and prior to the issuance of the Notice to Proceed by the City.
3. Section 4.1.1. Modify the Section as follows:

4.1.1 For each consecutive calendar day in excess of the time specified for the completion of Work, as adjusted in accordance with Section 6-4 and/or 6-6 of the Standard Specifications, as modified by the Special Provisions, Design-Build Entity shall pay to City, or have withheld from monies due the Design-Build Entity, the sum of Five Hundred Dollars (\$500.00). Design-Build Entity and City have agreed to City's assessment of Liquidated Damages with respect to Design-Build Entity's failure to achieve Substantial Completion of the Work within the Contract Time ~~and to comply with other Milestones and Triggering Events established below/in the Special Provisions~~. The Parties intend for the Liquidated Damages described herein in the amounts established below to constitute liquidated damages as such term is used in Government Code Section 53069.85 and Public Contract Code Section 7203 ("Liquidated Damages"). Design-Build Entity acknowledges and agrees that the Liquidated Damages are intended to compensate City solely for Design-Build Entity's failure to meet the deadline for Substantial Completion ~~and any other established Milestones or Triggering Events~~ shall not excuse Design-Build Entity from liability from any other breach of the Contract Documents. City's assessment of Liquidated Damages is in addition to City's right to suspend the Work or terminate Design-Build Entity's performance of the Work in whole or in part. Failure of Design-Build Entity to achieve Substantial Completion of the Work within the Contract Time ~~and to comply with other Milestones and Triggering Events established below~~ will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Design-Build Entity acknowledges and agrees that such Liquidated Damages have been set based on an evaluation by City of damages that it will incur. Design-Build Entity and City agree that the amounts of such Liquidated Damages are impossible to ascertain as of the date of execution of this Agreement and the Parties have agreed to such Liquidated Damages to fix Design-Build Entity's costs and to avoid later disputes over which items are properly chargeable to Design-Build Entity. It is understood and agreed by Design-Build Entity that any Liquidated Damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement. It is further mutually agreed that City shall have the right to deduct Liquidated Damages against progress payments or retainage and that the City may issue a Construction Change Directive, if necessary, to reduce the

Contract Sum accordingly. In the event the remaining unpaid balance of Contract Sum is insufficient to cover the full amount of Liquidated Damages, Design-Build Entity shall pay the difference to City upon City's demand. ~~Additional liquidated damages will also be assessed in the amount of Five Hundred Dollars (\$500.00) per incident than an updated weekly schedule in not submitted as specified in Section 6-1.1.1 of these Special Provisions. Additional liquidated damages shall be assessed in the amount of Five Hundred Dollars (\$500.00) per incident that the Contractor fails to install the Best Management Practices (BMP's) within twenty-four (24) hours of notification as described in Section 3-12.6.5 of the Special Provisions. These liquidated damages are in addition to the right of the City to suspend work as described in Section 6-6. Additional liquidated damages shall be assessed in the amount of Five Hundred Dollars (\$500.00) per incident that the Contractor reduces the traveled way width and/or closes a street and/or stores construction equipment within public street and right of way and/or delivers/removes any equipment or material to/from the Construction Yard or work area beyond the hours specified in Section 600 of these Special Provisions.~~

4. Section 10.3. Modify Section 10.3 as follows:

10.3 Duty to Defend. Design-Build Entity agrees, at its sole cost and expense, to promptly defend the Indemnitees from all Indemnity Claims, except to the extent such Indemnity Claims arise from any negligence, recklessness, or willful misconduct of the ~~Indemnitees Design-Build Entity, and its design consultants performing landscape architecture, engineering, or land surveying~~ in accordance with Civil Code 2782.8. The duty of the Design-Build Entity to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Design-Build Entity of the tender of any Indemnity Claim from an Indemnatee. The Design-Build Entity's obligation to defend the Indemnitees shall be at Design-Build Entity's sole expense and not be excused because of Design-Build Entity's inability to evaluate liability or because the Design-Build Entity evaluates liability and determines that the Design-Build Entity is not liable. This duty to defend shall apply, whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise assert that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. Design-Build Entity agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured, and experienced legal counsel acceptable to the City. Design-Build Entity will reimburse City for reasonable defense costs for claims arising out of Design-Build Entity's professional negligence based on the percentage of Design-Build's liability.

5. Add the following Section to the Contract, "In no event shall either party be liable for any special, incidental, indirect, speculative, remote, or consequential damages arising from, relating to, or connected with the work, equipment, materials, or any goods or services provided hereunder. Each Party waives claims against the other party for consequential damages arising out of or relating to this Contract. This waiver includes damages incurred by each party for rental expenses, for losses of use, income, profit, financing, business, and reputation, and for loss of management or employee productivity or of the services of such persons."

Additional Item for Addendum to Design-Build Contract (Exhibit “B”)

1. Sections 2.1 and 2.2 - Modify the Sections as follows:

2.1 Presumptive and Final Contract Price. Based on the preliminary information available, including preliminary drawings, Contractor has submitted a price of Five Million Two Hundred Thousand Dollars (\$5,200,000.00) for its design-build services, which is the Presumptive Contract Price. In preparation of providing the Solar PV System that is the subject of the Design-Build Contract, Contractor will perform an Investment Grade Audit (“IGA”) which will include a detailed assessment and analysis of the energy consumption characteristics of the Plant. Based on the results of the IGA, Contractor will determine the Final Contract Price, which may or may not be the same as the Presumptive Contract Price. City shall pay Design-Build Entity the Final Contract Price, which includes all California sales or use tax and County and City taxes, in consideration for the Design-Build Entity’s full, complete and timely performance of all of the Work required by the Contract Documents. The Final Contract Price includes any Alternative/Additive Bid Items which were awarded with the Contract. The Final Contract Price shall not exceed the Presumptive Contract Price unless Contractor obtains prior written agreement from City.

Design-Build Entity agrees to voluntarily allocate the use tax derived from contracts or subcontracts of \$5 million or more directly to the job site location by obtaining a sub-permit of the Design-Build Entity’s seller’s permit from the California Department of Tax and Fee Administration for the jobsite and allocating the local tax to the jobsite address. Design-Build Entity shall provide City with proof of such filing prior to City’s issuance of the Notice to Proceed.

In accordance with Section 22300 of the California Public Contract Code, Design-Build Entity may substitute securities for any monies withheld by City to ensure performance of the Contract. Such substitution shall be made at the request and expense of Design-Build Entity. Securities equivalent to the amount withheld may be deposited with City or with a state or federally chartered bank as escrow agent. Securities eligible for substitution shall include those listed in Section 16430 of the Government Code, bank or saving and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by Design-Build Entity and City. Alternatively, the Design-Build Entity may request that the City, at the expense of the Design-Build Entity, make payment of retention earned directly to the escrow agent. Notwithstanding the foregoing, such Design-Build Entity shall have thirty (30) Calendar Days following award of the Contract to submit a written request to the City to permit the substitution of securities

for retention or payment to an escrow agent; failure to do so shall be deemed a waiver of the right.

2.2 Changes to the Final Contract Price. Design-Build Entity shall not be compensated for any extra materials used or time expended over and above the Final Contract Price, unless prior written approval for the same has been granted by the City.

**FOURTH AMENDED AND RESTATED
OPERATING AGREEMENT
OF
ENPOWERED SOLUTIONS, LLC
A California Limited Liability Company**

This FOURTH AMENDED AND RESTATED OPERATING AGREEMENT (the “Agreement”) effective as of April 30, 2021 (the “Effective Date”) is entered into by CTS Holdco, LLC, a Delaware limited liability company (the “Member”).

WHEREAS, on January 28, 2013, Enpowered Solutions, LLC, a California limited liability company (the “Company”) was formed pursuant to the California Revised Uniform Limited Liability Company Act (the “Act”) when its Articles of Organization (“Articles”) were filed with the office of the Secretary of State of the State of California;

WHEREAS, pursuant to that certain Unit Purchase and Contribution Agreement, dated April 30, 2021 (the “Purchase Agreement”), by and among the Company, the Member, Veregy Parent, LLC, Sellers (as defined therein), and the Seller Representative (as defined therein), the Member, through a series of transactions described in the Purchase Agreement, acquired all 778,599 Membership Units (as set forth in the Previous Agreement), representing 100% of the membership interests in the Company (the “Membership Interests”) held by Sellers;

WHEREAS, the Company was previously operated pursuant to the Third Amended Operating Agreement, dated February 5, 2018, as amended from time to time (the “Previous Agreement”); and

WHEREAS, pursuant to the Act, the Member desires to enter into and execute this Agreement to set forth certain rights and obligations with respect to the Company and to supersede the Previous Agreement in its entirety.

NOW, THEREFORE, in consideration of the promises made herein, the Member hereby agrees as follows:

**ARTICLE 1
Formation of Company**

1.1 Name. The name of the limited liability company (the “Company”) is Enpowered Solutions, LLC.

1.2 Principal Place of Business. The Company’s principal place of business is 24 Executive Park, Suite 230, Irvine, CA 92614.

1.3 Registered Agent. The Company’s registered agent in California is CT Corporation System; whose address is 818 West Seventh Street, Suite 930, Los Angeles, CA 90017. The registered agent may be changed by the Member as provided in the Act.

1.4 Name and Address of Member. The Member’s name and address is CTS Holdco, LLC and 23325 North 23rd Avenue, Suite 120, Phoenix, AZ 85027.

1.5 Membership Interests. Pursuant to Section 17705.02 of the Act, the Membership Interests shall not be evidenced by a physical certificate of interest issued by the Company. Any physical certificates previously issued by the Company representing Membership Interests shall be cancelled. The Member holds 100% of the Membership Interests of the Company.

1.6 Defects as to Formalities. A failure to observe any formalities or requirements of this Agreement, the Articles or the Act shall not be grounds for imposing personal liability on the Member for the liabilities of the Company.

ARTICLE 2

Business of Company

2.1 The business of the Company shall be to carry on any lawful business or activity which may be conducted by a limited liability company organized under the Act.

ARTICLE 3

Contributions

3.1 Contribution. The Member may make capital contributions to the Company as determined by the Member from time to time. The Member may, at the Member's sole discretion, make additional contributions, but, notwithstanding anything to the contrary in this Agreement, the Member shall have no obligation to do so.

ARTICLE 4

Management

4.1 Management. The Company shall be managed by the Member, who may unilaterally act on behalf of the Company with or without a meeting and regardless of any financial interest the Member may have in such action. All decisions concerning the business affairs of the Company shall be made by the Member, and the affirmative consent (regardless of whether it is written, oral, or by course of conduct) of the Member shall constitute the consent of all of the members of the Company for purposes of the Act, the Articles and this Agreement. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or the management of its business or affairs under this Agreement or the Act shall not be grounds for imparting personal liability on the Member for liabilities of the Company.

4.2 Management Rights. Subject to the Act, the Articles and this Agreement, the Member shall have authority to do every act consistent with the law. Actions by the Member shall bind the Company regardless of whether such action is for the purpose of apparently carrying on the usual business or affairs of the Company, including the exercise of the authority indicated in this Section. No person shall have any duty or obligation to inquire into the authority or power of the Member regarding the Member's actions on behalf of the Company.

4.3 Officers. The Member shall have the power to appoint and remove from time to time such executive and subordinate officers of the Company as the Member may determine appropriate or desirable to the conduct by the Company of its business and affairs. The initial officers of the Company are set forth below, and each such person shall have the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies:

<u>Name</u>	<u>Title</u>
Shiva Subramanya	Vice President
Staffan Akerstrom	Vice President
Patrick Meier	Chief Financial Officer, Secretary and Treasurer
Clayton Boop	Chief Operating Officer

4.4 Liability of the Member. The Member shall not have any liability for the obligations or liabilities of the Company except to the extent expressly provided in the Act.

4.5 Indemnification. The Company shall indemnify, defend and hold the Member harmless from and against any loss, liability, damage, fine, judgment, penalty, settlement, attachment, cost or expense, including reasonable attorneys' fees, arising from any third party demands, claims or lawsuits against the Member in connection with the business of the Company to the fullest extent provided or allowed by the laws of the State of California. In addition, the Company may indemnify any officer, other employee or other agent of the Company. The reasonable expenses of the Member incurred in connection with any action, suit or proceeding (whether civil, criminal, administrative or investigative) shall be paid by the Company as they are incurred and in advance of the final disposition of the action, suit or proceeding, upon receipt of an undertaking by or on behalf of the Member to repay the amount if it is ultimately determined by a court of competent jurisdiction that he, she or it is not entitled to be indemnified by the Company.

4.6 Compensation. The Member shall be reimbursed for all reasonable expenses incurred on behalf of the Company and shall be entitled to reasonable compensation for time spent managing the Company, in an amount to be determined from time to time by the Member.

4.7 Duty of Loyalty. The Member may have and engage in business and investment interests and activities other than the Company, and need not account to the Company for profits or remuneration gained thereby. The Member may enter into transactions considered to be competitive with or similar to those of the Company, or a business opportunity beneficial to the Company, and the Company waives any right or claim to participate therein. The Member has no duty to account to the Company or to hold as trustee for the Company any property, profit or benefit derived by the Member in the formation, conduct or winding up of the Company or from the use or appropriation of any Company property.

4.8 Other Self Interest. The Member does not violate a duty or obligation to the Company merely because the Member's conduct furthers the Member's own interests. The Member may lend money to and transact other business with the Company, and the rights and obligations of the Member in such transactions shall be the same as those of a person who is not a member. No transactions with the Company shall be voidable solely because the Member has a direct or indirect interest in the transaction.

ARTICLE 5 TAXES

5.1 Tax Matters. The Company shall be disregarded as an entity separate from the Member, pursuant to Treasury Regulation Section 301.7701-3(b)(1)(ii), for federal tax purposes or any state or other jurisdiction following such federal treatment.

ARTICLE 6 DISTRIBUTIONS

6.1 The Company may make distributions at such times and in such amounts as determined by the Member. No distribution shall be declared and paid unless, after the distribution is made, the assets of the Company are in excess of all liabilities of the Company.

ARTICLE 7 DISPOSITION OF MEMBERSHIP INTEREST AND ADMISSION OF ASSIGNEES AND ADDITIONAL MEMBERS

7.1 Disposition. The Member's membership interest is transferable either voluntarily or by operation of law. The Member may dispose of all or a portion of the Member's membership interest. Upon the disposition of a portion of the Member's membership interest, the transferee shall be admitted as a substitute member as to the transferred interest upon the completion of the transfer without further action. Upon the transfer of the Member's entire membership interest (other than a temporary transfer or transfer as a pledge or security interest), the Member shall cease to be a Member of the Company and shall have no further rights or obligations under this Agreement, except that the Member shall have the right to such information as may be necessary for the computation of the Member's tax liability.

7.2 Admission of Additional Members. The Member may, in the Member's sole discretion, admit additional members and determine the capital contributions of such additional members.

ARTICLE 8 Dissolution and Winding Up

8.1 Dissolution. The Company shall be dissolved and its affairs wound up, upon the will of the Member, or at such time as the Company has no members. Notwithstanding any provision of the Act to the contrary, and except as otherwise provided in the immediately preceding sentence, the Company shall continue and not dissolve as a result of the death, retirement, resignation, expulsion, bankruptcy, or dissolution of any Member or any other event that terminates the continued membership of the Member.

8.2 Effect of Dissolution. Upon dissolution, the Company shall cease carrying on as distinguished from the winding up of the Company business, but the Company is not terminated, but continues until the winding up of the affairs of the Company is completed and a Certificate of Dissolution has been filed with the Secretary of State of the State of California.

8.3 Distribution of Assets on Dissolution. Upon the winding up of the Company, the company's assets shall be distributed as follows:

(a) to creditors, including the Member if it is a creditor, to the extent permitted by law, in satisfaction of Company liabilities; and

(b) to the Member.

Such distributions shall be in cash, property other than cash, or partly in both, as determined by the Member.

8.4 Winding Up and Certificate of Dissolution. The winding up of a Company shall be completed when all debts, liabilities, and obligations of the Company have been paid and discharged or reasonably adequate provision therefore has been made, and all of the remaining property and assets of the Company have been distributed to the Member. Upon the completion of winding up of the Company, the Member or other person designated by the Member shall deliver a Certificate of Cancellation, setting forth the information required by the Act, to the Secretary of State of the State of California for filing.

ARTICLE 9

Miscellaneous Provisions

9.1 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California and the Act.

9.2 Amendments. This Agreement may be amended or modified from time to time only by a written instrument adopted and executed by the Member.

9.3 Rights of Creditors and Third Parties Under Operating Agreement. This Agreement is entered into between the Company and the Member for the exclusive benefit of the Company, its Member, and their successors and assignees. This Agreement is expressly not intended for the benefit of any creditor of the Company or any other person. Except and only to the extent provided by applicable statute, no such creditor or third party shall have any rights under this Agreement or any agreement between the Company and the Member with respect to any capital contribution or otherwise.

IN WITNESS WHEREOF, the undersigned has duly executed this Agreement effective as of the Effective Date.

MEMBER:

CTS Holdco, LLC,
a Delaware limited liability company

DocuSigned by:
Patrick Meier
By: DOCE829851564AZ.....
Name: Patrick Meier
Title: Chief Financial Officer