NORTH YUBA WATER DISTRICT PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (The "Agreement") is made and entered into this 01 day of December, 2017, (the "Effective Date") by and between North Yuba Water District, a local government District ("District"), and MAP Associates Inc. dba: NorthStar, a design professional services contractor ("Contractor"). District and Contractor may herein be referred to individually as a "Party" and collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

- A. The District has determined that professional services are required to create plans and specifications related to the Forbestown Ditch project.
- B. Contractor represents that it is qualified, willing and able to provide the services required for the Forbestown Ditch project as specified herein.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Scope of Work. Contractor shall perform the work and render the services described in the attached Exhibit A (the "Work"). Contractor shall provide all labor, services, equipment, tools, material and supplies required or necessary to properly, competently and completely perform the Work. Contractor shall determine the method, details and means of doing the Work. For the purposes of Exhibit A, "Recipient" refers to District.

2. Payment

a. District shall pay to Contractor a fee based on Contractor's time and expenses necessarily and actually expended or incurred on the Work. Contractor shall bill its time and expenses against the following Work subtasks:

Subtask	Budget
Design Basis Memorandum	\$6,000
Pre-Design Geotechnical & Surveying Report	\$77,000
Updated Engineering Report	\$38,500
CEQA/NEPA	\$65,760
Final Plans and Specifications	\$264,500

TOTAL	\$500,000
Project Management	\$48,240

If approved by the District and the Project Manager ("SWRCB Program Manager") designated by the State Water Resources Control Board to administer the planning grant for the Work, the total amounts for these subtasks may be shifted between subtasks.

The total fee for the Work shall not exceed \$500,000. There shall be no compensation for extra or additional work or services by Contractor unless approved in advance in writing by District. Contractor's fee includes all of Contractor's costs and expenses related to the Work.

b. At the end of each month, Contractor shall submit to District an invoice for the Work performed during the preceding month. The invoice shall include a brief description of the Work performed, the dates of Work, number of hours worked for each of the Work subtasks listed above and by whom (if payment is based on time), payment due, the total amount billed against each Work subtask as of the invoice date, and an itemization of any reimbursable expenditures. If the Work is satisfactorily completed and the invoice is accurately computed, District shall pay the invoice within 30 days of its receipt. If District disputes any portion of any invoice, District shall pay the undisputed portion within the time stated above, and at the same time advise Contractor in writing of the disputed portion.

3. Term

- a. This Agreement shall take effect on the Effective Date and continue in effect until completion of the Work, unless sooner terminated as provided below. Time is of the essence in this Agreement. Exhibit A includes a Work schedule and deadlines, and Contractor must complete the Work in accordance with the specified schedule and deadlines, which may be extended by District for good cause shown by Contractor, subject to approval by the SWRCB Program Manager.
- b. This Agreement may be terminated at any time by District upon 10 days advance written notice to Contractor. In the event of such termination, Contractor shall be fairly compensated for all work performed to the date of termination as calculated by District based on the above fee and payment provisions. Compensation under this subsection shall not include any termination-related expenses, cancellation or demobilization charges, or lost profits associated with the expected completion of the Work or other such similar payments relating to Contractor's claimed benefit of the bargain.
- 4. Professional Ability of Contractor. Contractor represents that it is specially trained and experienced, and possesses the skill, ability, knowledge and certification, to competently perform the Work provided by this Agreement. District has relied upon Contractor's training, experience, skill, ability, knowledge and certification as a material inducement to enter into this Agreement. All Work performed by Contractor shall be in accordance with applicable legal requirements and meet the standard of care and quality ordinarily to be expected of competent professionals in Contractor's field.

{CW049788.2}

-2-

5. Conflict of Interest. Contractor (including principals, associates and professional employees) represents and acknowledges that: (a) it does not now have and shall not acquire any direct or indirect investment, interest in real property or source of income that would be affected in any manner or degree by the performance of Contractor's services under this agreement, and (b) no person having any such interest shall perform any portion of the Work. The parties agree that Contractor is not a designated employee within the meaning of the Political Reform Act and District's conflict of interest code because Contractor will perform the Work independent of the control and direction of the District or of any District official, other than normal contract monitoring, and Contractor possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel.

6. Contractor Records

- a. Contractor shall keep and maintain all ledgers, books of account, invoices, vouchers, canceled checks, and other records and documents evidencing or relating to the Work and invoice preparation and support for a minimum period of three years (and for any longer period required by law) from the date of final payment to Contractor under this Agreement. District may inspect and audit such books and records, including source documents, to verify all charges, payments and reimbursable costs under this Agreement.
- b. In accordance with California Government Code section 8546.7, the parties acknowledge that this Agreement, and performance and payments under it, are subject to examination and audit by the California State Auditor for three years following final payment under the Agreement.
- 7. Ownership of Documents. All works of authorship and every report, study, spreadsheet, worksheet, plan, design, blueprint, specification, drawing, map, photograph, computer model, computer disk, magnetic tape, CAD data file, computer software and any other document or thing prepared, developed or created by Contractor under this Agreement and provided to District ("Work Product") shall be the property of District, and District shall have the rights to use, modify, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product without further compensation to Contractor or any other party. Contractor may retain a copy of any Work Product and use, reproduce, publish, display, broadcast and distribute any Work Product and prepare derivative and additional documents or works based on any Work Product; provided, however, that Contractor shall not provide any Work Product to any third party without District's prior written approval, unless compelled to do so by legal process. If any Work Product is copyrightable, Contractor may copyright the same, except that, as to any Work Product that is copyrighted by Contractor, District reserves a royalty-free, nonexclusive and irrevocable license to use, reuse, reproduce, publish, display, broadcast and distribute the Work Product and to prepare derivative and additional documents or works based on the Work Product. If District reuses or modifies any Work Product for a use or purpose other than that intended by the scope of work under this Agreement, then District shall hold Contractor harmless against all claims, damages, losses and expenses arising from such reuse or modification. For any Work Product provided to District in paper format, upon request by District at any time (including, but not limited to, at expiration or termination of this Agreement), Contractor agrees to provide the Work Product to District in a readable, transferable and

usable electronic format generally acknowledged as being an industry-standard format for information exchange between computers (e.g., Word file, Excel spreadsheet file, AutoCAD file).

8. Compliance with Laws

a. General. Contractor shall perform the Work in compliance with all applicable federal, state and local laws and regulations, and all requirements specified in the Special Conditions attached to this Agreement as Exhibit 1. Contractor shall possess, maintain and comply with all federal, state and local permits, licenses and certificates that may be required for it to perform the Work. Contractor shall comply with all federal, state and local air pollution control laws and regulations applicable to the Contractor and its Work (as required by California Code of Regulations title 13, section 2022.1). Contractor shall be responsible for the safety of its workers and Contractor shall comply with applicable federal and state worker safety-related laws and regulations.

b. Pre- and Post-Construction Related Work

- (1) Applicability. This subsection b. applies if the Work includes labor performed during the design and pre-construction phases of construction, including, but not limited to, inspection and land surveying work, and labor performed during the post-construction phases of construction, including, but not limited to, cleanup work at the jobsite. (See California Labor Code section 1720(a).) If the Work includes some labor as described in the preceding sentence and other labor that is not, then this subsection b. applies only to workers performing the pre-construction and post-construction work.
- (2) Contractor shall comply with the California Labor Code provisions concerning payment of prevailing wage rates, penalties, employment of apprentices, hours of work and overtime, keeping and retention of payroll records, and other requirements applicable to public works as may be required by the Labor Code and applicable state regulations. (See California Labor Code division 2, part 7, chapter 1 (sections 1720-1861), which is incorporated in this Agreement by this reference.) The state-approved prevailing rates of per diem wages are available at http://www.dir.ca.gov/oprl/DPreWageDetermination.htm. Contractor also shall comply with Labor Code sections 1775 and 1813, including provisions that require Contractor to: (a) forfeit as a penalty to District up to \$200 for each calendar day or portion thereof for each worker (whether employed by Contractor or any subcontractor) paid less than the applicable prevailing wage rates for any labor done under this Agreement in violation of the Labor Code, (b) pay to each worker the difference between the prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which the worker was paid less than the prevailing wage, and (c) forfeit as a penalty to District the sum of \$25 for each worker (whether employed by Contractor or any subcontractor) for each calendar day during which the worker is required or permitted to work more than 8 hours in any one day and 40 hours in any one calendar week in violation of Labor Code sections 1810 through 1815.

9. Indemnification.

(1) Contractor shall indemnify, defend, protect, and hold harmless District, and its officers, employees and agents from and against any and all claims, liability, losses,

{CW049788.2} -4-

damages and expenses (including attorney, expert witness and Contractor fees, and litigation costs) that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Contractor or its employees, agents or subcontractors. The duty to indemnify, including the duty and the cost to defend, is limited as provided in this section. However, this indemnity provision will not apply to any claims, liability, losses, damages and expenses arising from the sole negligence or willful misconduct of District or its employees or agents. Contractor's obligations under this indemnification provision shall survive the termination of, or completion of Work under, this Agreement.

(2) This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under Workers' Compensation acts, disability benefits acts or other employee benefit acts. Submission of insurance certificates or other proof of compliance with the insurance requirements in this Agreement does not relieve Consultant from liability under this indemnification section. The obligation of this indemnity article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

10. Insurance

a. Types & Limits. Contractor at its sole cost and expense shall procure and maintain for the duration of this Agreement the following types and limits of insurance:

Type	Limits	Scope
Commercial general liability	\$1,000,000 per occurrence & \$2,000,000 aggregate	at least as broad as ISO CO
Automobile liability	\$1,000,000 per accident	at least as broad as ISO CA 0001, code 1 (any auto)
Workers' compensation	statutory limits	
Employers' liability	\$1,000,000 per accident	
Professional liability*	\$1,000,000 per claim	

^{*}Required only if Contractor is a licensed engineer, land surveyor, geologist, architect, doctor or attorney.

b. Other Requirements. The general and automobile liability policy(ies) shall be endorsed to name District, its officers, employees, volunteers and agents as additional insureds regarding liability arising out of the Work. Contractor's coverage shall be primary and apply separately to each insurer against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. District's insurance or self-insurance, if any, shall be excess and shall not contribute with Contractor's insurance. Each insurance policy shall be endorsed to state that coverage shall not be canceled, except after 30 days (10 days for non-payment of premium) prior written notice to District. Insurance is to be placed with admitted insurers with a current A.M. Best's rating of A-:VII or better unless otherwise acceptable to District. Workers' compensation insurance issued by the State Compensation Insurance Fund is acceptable. Contractor agrees to waive subrogation that any insurer may acquire from Contractor by virtue of the payment of any loss relating to the Work. Contractor agrees to obtain any endorsement that may be necessary to implement this subrogation waiver. The workers' compensation policy must be endorsed to contain a subrogation waiver in favor of District for the Work performed by Contractor.

- c. Proof of Insurance. Upon request, Contractor shall provide to District the following proof of insurance: (a) certificate(s) of insurance evidencing this insurance; and (b) endorsement or endorsements on ISO Form CG 2010 (or insurer's equivalent), signed by a person authorized to bind coverage on behalf of the insurer or insurers, and certifying the additional insured coverage.
- 11. Entire Agreement; Amendment. The parties intend this writing, including the attached Special Conditions, to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the Work. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the Work, except those other documents (if any) that are expressly referenced in this Agreement. This Agreement may be amended only by a subsequent written contract approved and signed by both parties.
- 12. Independent Contractor. Contractor's relationship to District is that of an independent contractor. All persons hired by Contractor and performing the Work shall be Contractor's employees or agents. Contractor and its officers, employees and agents are not District employees, and they are not entitled to District employment salary, wages or benefits. Contractor shall pay, and District shall not be responsible in any way for, the salary, wages, workers' compensation, unemployment insurance, disability insurance, tax withholding, and benefits to and on behalf of Contractor's employees. Contractor shall, to the fullest extent permitted by law, indemnify District, and its officers, employees, volunteers and agents from and against any and all liability, penalties, expenses and costs resulting from any adverse determination by the federal Internal Revenue Service, California Franchise Tax Board, other federal or state District, or court concerning Contractor's independent contractor status or employment-related liability.
- 13. Assignment. This Agreement and all rights and obligations under it are personal to the parties. The Agreement may not be transferred, assigned, delegated or subcontracted in whole or in part, whether by assignment, subcontract, merger, operation of law or otherwise, by either party without the prior written consent of the other party. Any transfer, assignment, delegation, or subcontract in violation of this provision is null and void and grounds for the other party to terminate the Agreement. District consents to Contractor's use of a subcontractor if that use is described in Exhibit A.
- 14. No Waiver of Rights. Any waiver at any time by either party of its rights as to a breach or default of this Agreement shall not be deemed to be a waiver as to any other breach or default. No payment by District to Contractor shall be considered or construed to be an approval or acceptance of any Work or a waiver of any breach or default.
- 15. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, provided that each party still receives the benefits of this Agreement.
- 16. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of California. The county and federal district court where District's office is located shall be venue for any state or federal court litigation concerning the enforcement or construction of this Agreement.

{CW049788.2} -6-

- 17. **Drafting and Ambiguities.** Each Party acknowledges that it has reviewed, or has been provided the opportunity to review, this Agreement with its own legal counsel, and has freely entered into this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting party does not apply in interpreting this Agreement.
- 18. **Headings**. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.
- 19. Necessary Acts and Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.
- 20. Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.
- 21. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered: (a) in person, (b) by prepaid, first class U.S. mail, or (c) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt. Such notices, etc. shall be addressed as follows:

District:

Jeff Maupin, General Manager North Yuba Water District 8691 La Porte Road Brownsville, CA 95919

And to: Churchwell White LLP 1414 K Street, 3rd Floor Sacramento, California 95814 Attn: Barbara A. Brenner, Esq. Contractor:

Neil Graber, Managing Engineer NorthStar 111 Mission Ranch Blvd.

Suite 100 Chico, CA 95926

Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, or (c) on the date of delivery as shown on the overnight courier service receipt. Any party may change its contact information by notifying the other party of the change in the manner provided above.

[Signatures on Following Page]

DISTRICT

Dated: 13/4/2017

By: Jeffrey Maupin

General Manager

CONSULTANT

Dated: 12-4-17

NEIL GRABER [name]

SENIOR ENGINEER [title]

By:

Kamie Loeser [name]
Principal Planner [title]

Exhibit 1 Special Conditions

1.1 DISCLOSURE AND REPORTING

- 1.1.1 Contractor shall comply with the disclosure requirement in Section A-5 of Exhibit A of the District's grant agreement with the State Water Resources Control Board ("State Water Board"), Agreement No. D17-02033.
- 1.1.2 Contractor shall provide the reports required in Section A-6 of Exhibit A of the District's grant agreement with the State Water Board, Agreement No. D17-02033.

1.2 ACCOUNTING, INSPECTIONS AND REPORTS

- 1.2.1 The Contractor shall maintain books, records and other documents pertinent to its work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by the District or any entity which has funded the Project at any and all reasonable times. The Contractor acknowledges that, except for a subset of information regarding archaeological records, project records and locations are public records.
- 1.2.2 The Contractor shall make such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Resources Control Board ("State Water Board"), the Bureau of State Audits, the United States Environmental Protection Agency ("USEPA"), the Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Contractor shall allow interviews during normal business hours of any employees who might reasonably have information related to such records.

1.3 RIGHTS IN DATA.

- 1.3.1 Contractor agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Contract are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so.
- 1.3.2 If any such work is copyrightable, the Contractor may copyright the same, except that, as to any work which is copyrighted by the Contractor, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Contractor upon request.

1.4 COMPLIANCE WITH LAWS AND REGULATIONS.

1.4.1 The Contractor agrees that it will, at all times, comply with and require its subcontractors to comply with all applicable federal, state and local laws, rules, guidelines, regulations, and requirements.

- 1.4.2 Without limitation of the foregoing, the Contractor agrees that, to the extent applicable, the Contractor will:
- 1.4.2.1 Comply with the provisions of the adopted environmental mitigation plan, if any;
- 1.4.2.2 Comply with the State Water Board's Policy for Implementing the Drinking Water State Revolving Fund;
- 1.4.2.3 Not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at http://www.waterboards.ca.gov/water-issues/programs/enforcement/fwa/dbp.shtml.
- 1.4.2.4 Not purchase, or allow a subcontractor to purchase, "iron and steel products" produced outside of the United States on this Project. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. "Steel" means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.
- 1.4.2.5 Comply with and require its subcontractors to comply with the Davis-Bacon Act, including the requirements set forth on Exhibit B Davis-Bacon Requirements.
- 1.4.2.6 Not engage in severe forms of trafficking in persons during the term of this Agreement, procure a commercial sex act during the term of this Agreement, or use forced labor in the performance of this Agreement. The Contractor must include this provision in its subcontracts under this Agreement. The Contractor must inform the District immediately of any information regarding a violation of the foregoing. The Contractor understands that failure to comply with this provision may subject the District to loss of federal funds. The Contractor agrees to compensate the District for any such funds lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The District may unilaterally terminate this Agreement if the Contractor that is a private entity is determined to have violated the foregoing. Trafficking Victims Protection Act of 2000. Civil Rights Obligations.
- $1.4.2.7 \hspace{0.5cm} \hbox{Comply} \hspace{0.5cm} \hbox{with} \hspace{0.5cm} \hbox{the} \hspace{0.5cm} \hbox{following} \hspace{0.5cm} \hbox{federal} \hspace{0.5cm} \hbox{non-discrimination requirements:}$
 - Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP). (EPA XC HB);

- Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities. (EPA XC HB);
- The Age Discrimination Act of 1975, which prohibits age discrimination. (EPA XC HB); and,
- 40 CFR Part 7, as it relates to the foregoing (EPA XC HB).

1.4.2.8 Comply with Subpart C of 2 CFR Part 180 and shall ensure that its contracts include compliance. The Contractor shall not subcontract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension". The Contractor shall not subcontract with any individual or organization on USEPA's List of Violating Facilities. The Contractor shall certify that it and its principals, and shall obtain certifications from its contractors that they and their principals:

- Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or District;
- Have not within a three (3) year period preceding this Agreement been convicted
 of or had a civil judgment rendered against them for commission of fraud or a
 criminal offense in connection with obtaining, attempting to obtain, or
 performing a public (federal, state or local) transaction or contract under a public
 transaction; violation of federal or state antitrust statutes or commission of
 embezzlement, theft, forgery, bribery, falsification or destruction of records,
 making false statements, or receiving stolen property;
- Are not presently indicted for or otherwise criminally or civilly charged by a
 governmental entity (federal, state or local) with commission of any of the
 offenses enumerated in paragraph (b) of this certification; and;
- Have not within a three (3) year period preceding this application/proposal had
 one or more public transactions (federal, state or local) terminated for cause or
 default.
- Suspension and debarment information can be accessed at http://www.sam.gov.
 The Contractor represents and warrants that it has or will include a term or
 conditions requiring compliance with this provision in all of its contracts and
 subcontracts under this Agreement. The Contractor acknowledges that failing to
 disclose the information as required at 2 CFR 180.335 may result in the
 termination, delay or negation of this Agreement, or pursuance of legal remedies,
 including suspension and debarment.

1.4.2.9 Comply with the requirements of USEPA's Program for Utilization of Small, Minority and Women's Business Enterprises. The DBE rule can be accessed at www.epa.gov/osbp. The Contractor shall comply with 40 CFR Section 33.301, and retain all records documenting compliance with the six good faith efforts. (IUP).

1.4.2.10 Comply with the Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Contractor may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: http://www.sam.gov/.

1.4.2.11 Comply with the Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Contractor must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.

1.4.2.12 Comply with Debarment and Suspension Executive Order No. 12549 (1986). The Contractor certifies that it will not knowingly enter into a contract with anyone who is ineligible under the 40 CFR Part 32 to participate in the Project. Subcontractors on the project must provide the general contractor with the certification prior to the award of any subcontract.

1.4.2.13 Agree that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure.

1.4.3 During the performance of this contract, the Contractor agrees as follows:

1.4.3.1 The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

1.4.3.2 The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

1.4.3.3 The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

-13-

- 1.4.3.4 The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 1.4.3.5 The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 1.4.3.6 In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 1.4.3.7 The contractor will include the provisions of Paragraphs 1.4.3.1 through 1.4.3.6 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

1.5 NON-DISCRIMINATION CLAUSE

- 1.5.1 During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.
- 1.5.2 The Contractor and its subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
- 1.5.3 The Contractor and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.;Cal. Code Regs.,tit. 2, §

{CW049788.2} -14-

7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

- 1.5.4 The Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- 1.5.5 The Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.