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PUBLIC MEETING OF THE
BOARD OF DIRECTORS
6:30 PM, Thursday, July 23, 2026
PHCD Classroom, 1819 Trousdale, Burlingame, 94010

A G E N D A

1. **Call to Order and Roll Call**

2. **Public Comment on Non-Agenda Items**
   At this time, any person in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the District. Speakers are customarily limited to three minutes. If you cannot attend the meeting, but would like to offer comments, please email your comments to info@peninsulahealthcaredistrict.org or visit our website https://www.peninsulahealthcaredistrict.org/public-comment-form , and your comments will be read into the record. Public comments will be taken for each agenda item prior to the Board's consideration on that item.

3. **Report Out from Closed Session: 7/23/26: Chair Cappel**

4. **Consent Calendar: ACTION**
   - **a.** Board Meeting Minutes – June 25, 2026 — Pg. 1-7
   - **b.** Checking Account Transactions – June 2026 — Pg. 8-11
   - **c.** Treasurer's Report – June 2026 — Pg. 12
   - **d.** Q4 FY 2025-2026 Investment Report — Pg. 13-15
   - **e.** Government Code Section 53065.5, Annual Disclosure of Reimbursements over $100 — Pg. 16

5. **Business**
   - **a. Sutter's Quarterly Report:** Darian Harris, Chief Executive Officer, Mills Peninsula Medical Center
   - **b. Report on Baby Bonus Program:** Mai Le, Community Health Planner, First 5 San Mateo County
   - **c. San Mateo Health Budget Update** Colleen Chawla, Chief, San Mateo County Health

d. **Community Grant Program Funding:** Dr. Henry Sanchez, Board Secretary and Dr. Rick Navarro, Board Director — Pg. 17-19

e. **Approve Proposal for Replacement of Trousdale Prodema Panels:** Mark Hudak, Legal Counsel — Pg. 20-85

f. **Strategic Plan Update:** Ana M. Pulido, Chief Executive Officer — Pg. 86

6. **Reports**

   a. **Board Chair and Director Reports**

7. **Adjourn**

Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District office, 1819 Trousdale, Burlingame during normal business hours. Please call 650-697-6900 to arrange an appointment.

If you are an individual with a disability and need an accommodation to participate in this meeting, please contact Peninsula Health Care District at least 48-hrs in advance at 650-697-6900.

Peninsula HEALTH CARE DISTRICT
Building a Healthier Community

BOARD OF DIRECTORS MEETING MINUTES Thursday, June 25, 2026 1819 Trousdale Dr. Burlingame, CA 94010 (Classroom)		
Directors Present Chairman Cappel Vice Chairman Pagliaro Secretary Sanchez Director Zell Director Navarro	**Directors Absent**	**Also, Present** Members of the Public, PHCD Legal

1. Call to Order: Chairman Cappel called the meeting to order at 6:30pm. Roll call attendance was taken. A quorum was present.

2. Public Comment on Non-Agenda Items:

3. Report Out from Closed Session: 6/25/26

4. Consent Calendar:

a. Board Meeting Minutes – May 28, 2026

b. Checking Account Transactions – May 2026

c. Treasurer's Report – April 2026

d. Parent Venture Contract Renewal

e. Care Solace Contract Renewal

f. Sonrisas Budget Adjustment

g. Annual Pay Schedule 2026

h. Audit Engagement Letter

Motion to Approve the Consent Calendar as Presented, with Item 4F Pulled for Consideration at the July Closed Session Meeting

Motion: By Director Navarro; Director Sanchez

Vote: Ayes - Cappel, Pagliaro, Sanchez, Zell, Navarro

5. Business:

a. Sonrisas Contract Renewal: Tiffany Turner, Chief Executive Officer, Sonrisas Dental

Tiffany Turner presented Sonrisas Dental Health performance and proposed expanded funding for fiscal year 27 to increase access and outreach.

- Sonrisas has exceeded previous grant deliverables significantly over three years with 179 more residents served and over 5,000 additional clinic visits than targeted, showing strong community engagement.
- They have screened nearly 4,000 more youth and served 100+ additional seniors than initially planned with the patient base often returning 2-3 times a year, explaining the large visit increase.
- The fiscal year 27 proposal requests $690,710 to support 4,070 access to care visits, 840 youth screenings including special needs children, and 150 seniors in oral health programs.
- The outreach program provides school-based screenings and community health worker navigation to dental homes, while the special needs initiative (launched in 2025) supports children with dental care anxiety and has earned national recognition with a presentation planned for fall 2026. Services also extend to older adults through a senior program that offers education, screenings, and onsite dental care for immobile individuals.
- Strategic shift from maintaining status quo to operational optimization and growth is planned for fiscal year 27 with an expected jump in visits and screenings.
- Sonrisas plans to launch a mobile RV clinic in Pescadero this fall to expand rural access to care. The organization anticipates stabilizing in years 28 and 29 as capacity is reached, with a continued focus on sustainability through operational improvements and staffing.
- The geographical service details and outreach plans showed about 1,000-1,100 patients served in Half Moon Bay with growth expected to 4,800 visits next year.
- The Pescadero mobile RV clinic will rotate between community locations with contract negotiations underway with local churches and schools to secure parking and strengthen community presence.

Q & A with Tiffany Turner

Vice Chair Pagliaro asked how many residents are being served in the Half Moon Bay location.

Ms. Turner responded that Sonrisas Dental in Half Moon Bay clinic serves approximately 1,000 – 1,100.

Vice Chair Pagliaro asked if the Pescadero RV unit will be temporary or permanent.

Ms. Turner shared the trailer will be stationed in Pescadero but will be at different locations in the town. Turner mentioned contract negotiations are underway with a local church, high school, elementary school, and other community sites to allow the mobile RV clinic to rotate throughout Pescadero and maximize community access.

Motion to Approve Sonrisas Contract Renewal with the Proposal of Funding $690,710

Motion: By Director Sanchez; Director Navarro

Vote: Ayes - Cappel, Pagliaro, Sanchez, Zell, Navarro

b. SF Hep B Free Bay Area Contract Renewal: Richard So, Executive Director, SF Hep B Free

Richard So presented the hepatitis B campaign highlighting the wide-reaching impact and outlined plans to enhance media outreach and screening effectiveness.

- The PSA Media Campaign reached approximately one million people via eight diverse media outlets including radio, TV, podcasts, and ethnic newspapers targeting Asian and Pacific Islander communities. The program is intended to support older adults in remaining healthy and independent by reducing transportation barriers through a community-based service model.
- This campaign leveraged major local Asian media outlets, including KTSF Channel 26, Sing Tao Radio, and Filipino Post, in collaboration with community champions to maximize outreach. Community feedback indicated strong recognition of the campaign.
- Community education and screening reached 700 individuals but faced challenges with blood draw compliance limiting screening uptake.
- Follow-up efforts are currently limited by HIPAA constraints for mailing easy-to-understand result letters and conducting phone outreach for unvaccinated individuals.
- Plans include strengthening partnerships with medical institutions such as Seton, Mills Peninsula, and NEMS to expand screenings at health fairs and clinical events, while increasing pre-registration to reduce wait times and improve attendance.

- For fiscal years 27-28, budget remains stable with goals to increase media outlets to 10, screen at least 660 individuals, and educate 200 directly.
- The proposal includes developing an online Hepatitis B CME physician education initiative, expanding outreach to Filipino and Pacific Islander communities, and allocating 10% of total funding to community initiatives for fiscal and operational support.

Q & A with Richard So

Director Navarro shared his gratitude for Hep B Free's efforts and commented that it would be helpful to see how the area is affected. He mentioned how Hepatitis A is easily detected as it's found in sewer water as opposed to Hepatitis B, which is bloodborne.

Director Sanchez shared that 8.9% of Asian Pacific Islanders in the Bay Area are chronic with Hepatitis B and the highest rate of Hepatitis B is San Francisco in the entire country.

Chair Cappel emphasized the need for increased campaign funding and measurement of impact on liver cancer incidence to better address the high hepatitis B prevalence, especially in Asian Pacific Islanders. He also suggested reassessing funding after one year for potential scale-up based on results.

Mr. So shared recent challenges with misinformation around birth dose vaccination and federal policy changes.

Director Zell echoed Chair Cappel's suggestion and asked what outreach efforts Hep B Free has made in schools.

Mr. So mentioned they haven't done any outreach in school in a while due to the infant birth dose vaccine becoming a standard in 1993. However, one year they sent an email across Millbrae schools due to a PTA President connecting with them at an outreach event.

Director Sanchez and Director Navarro shared they were one of the people to get the vaccine for Hepatitis B when they were medical students.

Motion to Approve Hep B Free's Proposal of Funding $89,980 for 2026 - 2028

Motion: By Director Sanchez; Vice Chair Pagliaro

Vote: Ayes - Cappel, Pagliaro, Sanchez, Zell, Navarro

c. Mills Peninsula Medical Center Medical Office Building Update: Matthew Gray, Counsel, Perkins Coie

Matthew Gray shared updates on the partnership with Sutter Health toward developing a medical office building to expand healthcare services on district land.

- The District and Sutter reached a non-binding term sheet for a ground lease on a two-acre site adjacent to Sutter Mills Peninsula Medical Center.
- The agreement establishes the framework for lease negotiations, with Sutter responsible for the medical office building's design, city entitlements, and CEQA review, followed by final lease approval by the District Board after city approvals.
- The proposed medical building plan includes specialty medical offices, diagnostic testing, ambulatory surgery, wellness programs, and educational services to broaden available healthcare options locally.
- The project advances the original goal of expanding medical access by complementing existing hospital services and reflects a strong, collaborative partnership between the District and Sutter, with negotiations completed in approximately 4.5 months, significantly faster than previous development efforts.
- Next steps involve receiving design plans, advancing city permitting, and continuing lease negotiations to enable construction commencement.

Q & A with Matthew Gray

Chair Cappel expressed his gratitude to PHCD's Board, CEO, legal team, and Sutter Health's team for their collaboration and support in moving the project forward within a short timeframe. He also noted that the original development proposal envisioned providing residents with greater access to healthcare services, and that the current project fulfills that objective.

d. Senior Affordable Housing Project Update: Matthew Gray, Counsel, Perkins Coie

Matthew Gray shared updates on the District’s Senior Affordable Housing Project with developer Novin, focusing on feasibility and deep affordability.

- The housing project confirmed as a deed-restricted senior housing development with approximately 150 units in two phases of 75 units each to optimize tax credit financing.
- A phased approach will be used to pursue multiple competitive funding sources and improve feasibility while providing below-market-rate housing for seniors aged 62+ in alignment with the District's original goals.
- Performance milestones include city entitlement applications, due diligence, financing securing, and construction commencement, all tracked to ensure timely progress.
- The developer and District agreed to move directly to an option to ground lease, providing Novin with early site control to pursue critical annual public financing opportunities while keeping the Board and community informed through regular updates.

Senior Affordable Housing Project Updates Public Comments

- **Diana Reddy** shared her experience working as a housing advocate. She expressed gratitude towards this project but emphasized the affordability should be deeper to benefit the community.
- **Karyl Elridge** expressed her gratitude for PHCD participating at Our Home San Mateo's Community Resource Fair on May 31. She also expressed her concern regarding rising costs and its impact on the affordable housing project. She encouraged the Board to consider donating the land to the developer to ensure the success of the project, but to also protect the deep affordability of the units.
- **Lucy Philosy** echoed Ms. Reddy's comment in ensuring the housing protects lowest incomes of the affordability scale.
- **Ken Chan** encouraged the Board to donate the land to the developer. He explained how this approach would maximize the number of deeply affordable units while strengthening the project's financial feasibility and use of the District's public assets.
- **Laura Hinz** expressed her concern about the high cost of construction and AI data centers being built. She also echoed Ms. Reddy's comment that public land should be used for public good.

e. Propose to Reschedule August 27 Board Meeting Due to CSDA Conference: Ana M. Pulido, Chief Executive Officer

CEO Pulido shared that the August 27, 2026, Board meeting falls on the same day as the CSDA Conference and proposed either rescheduling or canceling the meeting. She added that while the July meeting already has a full agenda, there are currently no items scheduled for the August meeting agenda.

Director Zell suggested cancelling the August meeting for now and revisiting the idea at the July board meeting. If there is a delay in approving contracts in July, then the Board can convene a special board meeting in August.

Director Navarro suggested keeping Thursday, August 20th ope.

Motion to Approve Cancelling the August 27 Board Meeting Due to CSDA Conference and Revisiting Scheduling the Meeting to August 20 at the Next Board Meeting

Motion: By Director Zell; Chair Cappel

Vote: Ayes - Cappel, Pagliaro, Zell, Navarro

Noes: Sanchez

6. Reports:

a. Board Chair and Director Reports

- **CEO Pulido** shared the PHCD Health and Fitness Center won Best of the Bay's "The Best Gym in the Bay Area" second year in a row.
- **Director Sanchez** shared that him and Director Navarro have been in conversations about changing positions within the Community Health Investment Committee (CHIC) and will report updates to the Board in the summer.

7. Adjourn: 7:30 PM

Peninsula Health Care District
Checking Transactions
June-26

Date	Description	Deposit	Withdraw
Admin			
6/1/2026	FSA Payment		20.00
6/1/2026	CalPERS Pension		7,385.03
6/2/2026	Heritage Bank Credit Card Payment		229.86
6/2/2026	Heritage Bank Credit Card Payment		3,057.34
6/2/2026	FSA Payment		0.81
6/3/2026	The Hartford		362.43
6/3/2026	FSA Payment		256.00
6/3/2026	CalPERS Pension		853.60
6/4/2026	Daily Journal		800.00
6/4/2026	Fast Signs		2,032.83
6/4/2026	Via Heart Project		20,000.00
6/4/2026	Amazon Capital Services, Inc.		111.38
6/4/2026	Parent Venture		16,250.00
6/4/2026	Peninsula Volunteers, Inc		11,500.00
6/10/2026	Paychex		491.72
6/11/2026	California Public Employees Retirement		14,975.06
6/11/2026	Payroll Taxes 6/15/26		17,639.72
6/11/2026	Amazon Capital Services, Inc.		250.26
6/11/2026	Via Heart Project		3,700.00
6/11/2026	Allied Administrators for Delta Dental		1,050.22
6/11/2026	Bay Alarm 4363226		323.34
6/11/2026	Amazon Capital Services, Inc.		357.43
6/11/2026	Bart A. Charlow		225.00
6/11/2026	Voler Strategic Advisors Inc.		8,000.00
6/11/2026	Comcast		522.58
6/11/2026	Henry Sanchez		500.00
6/11/2026	Streamline		852.80
6/11/2026	Premysis Technologies		97.35
6/11/2026	PURCOR Pest Solutions		107.88
6/11/2026	Iron Mountain		1,482.88
6/11/2026	KBA Document Solutions, LLC		466.07
6/11/2026	County of San Mateo	3,787.29	
6/11/2026	Paychex Payroll 6/15/26		32,062.06
6/11/2026	Daily Journal		851.88
6/12/2026	Paychex		85.00
6/15/2026	Workers Compensation Insurance Payroll		160.38
6/15/2026	CalPERS Pension		7,889.76
6/16/2026	FSA Payment		58.20
6/17/2026	Heritage Bank Monthly Fees		75.74
6/17/2026	FSA Payment		5.00
6/18/2026	Interest	200.20	
6/18/2026	Catholic Charities		14,467.32
6/18/2026	123 Awards		4,268.64
6/18/2026	City of Burlingame		175.00
6/18/2026	J & E Pro Cleaning and Handy Services		1,485.00
6/18/2026	Recology		106.25
6/18/2026	Mark D. Hudak		3,645.00
6/18/2026	JPC Holdings, LLC		11,100.00
6/18/2026	AT&T		824.61
6/18/2026	Amazon Capital Services, Inc.		687.70
6/18/2026	Best Best & Krieger, LLP		2,138.00
6/18/2026	Association of CA Healthcare Districts		15,821.00
6/18/2026	U. S. Bank Equipment Finance		272.09
6/18/2026	Precision Digital Networks		3,003.60

Date	Description	Deposit	Withdraw
6/18/2026	PG&E		605.76
6/22/2026	CalPERS Pension		846.88
6/22/2026	Paychex		129.00
6/22/2026	BHRS - County of San Mateo	41,666.67	
6/23/2026	FSA Payment		261.00
6/25/2026	Interest	34.20	
6/25/2026	Amazon Capital Services, Inc.		8.76
6/25/2026	Oropeza's Landscaping & Maintenance		900.00
6/25/2026	Voler Strategic Advisors Inc.		1,191.85
6/25/2026	Matthew Ordona		33.21
6/25/2026	Primo Brands		77.82
6/26/2026	Payroll Taxes 6/30/26		17,654.64
6/26/2026	County of San Mateo	10,820.22	
6/26/2026	Paychex Payroll 6/30/26		32,012.41
6/30/2026	Workers Compensation Insurance Payroll		153.33
6/30/2026	Interest	67.59	
6/30/2026	City of San Bruno:San Bruno Public Library deposit refund	250.00	
		56,826.17	**266,958.48**
allcove			
6/2/2026	Heritage Bank Credit Card Payment		3,534.75
6/2/2026	SC Property Management		34,007.00
6/4/2026	AT&T		228.30
6/4/2026	Amazon Capital Services, Inc.		205.71
6/4/2026	Pro-Found Social Impact Group LLC		8,160.00
6/4/2026	Susana V Ramirez		77.43
6/4/2026	Bomic, Inc.		3,200.00
6/4/2026	U. S. Bank Equipment Finance		329.00
6/4/2026	Bay Alarm		1,255.56
6/4/2026	First Citizens Bank & Trust Co		277.35
6/4/2026	One Life Counseling Center		23,397.00
6/4/2026	Premysis Technologies		49.37
6/5/2026	Health Plan of San Mateo Claim	558.60	
6/11/2026	Lucile Packard Children's Hospital at Stanford		31,020.00
6/11/2026	Lamar Companies		3,910.00
6/11/2026	Amazon Capital Services, Inc.		106.98
6/11/2026	Precision Digital Networks		664.00
6/12/2026	Health Plan of San Mateo Claim	1,815.45	
6/18/2026	Interest	26.15	
6/18/2026	Mark D. Hudak		1,845.00
6/18/2026	Well Connected Office		202.50
6/18/2026	Amazon Capital Services, Inc.		65.36
6/23/2026	Athenahealth, Inc.		940.80
6/24/2026	Lucile Packard Children's Hospital - Lease	706.33	
6/24/2026	Lucile Packard Children's Hospital - Lease	1,950.00	
6/24/2026	Thrive Alliance:Thrive RISE COAD Steering Committee	5,000.00	
6/25/2026	Interest	4.20	
6/25/2026	Amazon Capital Services, Inc.		109.06
6/25/2026	Primo Brands		16.42
6/25/2026	Isabella Tablante		191.04
6/26/2026	Health Plan of San Mateo Claim	1,796.50	
6/30/2026	Interest	7.50	
		11,864.73	**113,792.63**
Health Fitness			
6/2/2026	Heritage Bank Credit Card Payment		663.45
6/4/2026	Streamline		100.00
6/4/2026	Izabela Rapacz		2,500.79
6/4/2026	Bay Alarm		250.00
6/4/2026	Vestis		266.30
6/4/2026	Jacqueline Sanchez		385.00

Date	Description	Deposit	Withdraw
6/4/2026	Carolyn Kelly		220.00
6/4/2026	Tiffany Ngo Arroyave		640.00
6/4/2026	Via Heart Project		700.00
6/4/2026	U. S. Bank Equipment Finance		88.16
6/4/2026	Amazon Capital Services, Inc.		30.03
6/11/2026	J & E Pro Cleaning and Handy Services		2,300.00
6/11/2026	Elliotte Mao		80.00
6/11/2026	Amazon Capital Services, Inc.		394.93
6/11/2026	Vestis		266.30
6/11/2026	Valentina Linsangan		80.00
6/11/2026	AT&T		684.05
6/11/2026	PG&E		1,259.26
6/11/2026	Recology		114.65
6/11/2026	Precision Digital Networks		239.50
6/11/2026	KBA Document Solutions, LLC		20.00
6/18/2026	Interest	26.69	
6/18/2026	Vestis		266.30
6/18/2026	Amazon Capital Services, Inc.		61.92
6/18/2026	KBA Document Solutions, LLC		308.47
6/25/2026	Gym Doctors		360.00
6/25/2026	Interest	4.66	
6/25/2026	Philadelphia Insurance Companies		4,046.00
6/25/2026	Vestis		270.42
6/30/2026	Interest	9.36	
6/30/2026	Health and Fitness Member Payment	20,681.29	
		20,722.00	**16,595.53**
Leasing			
6/4/2026	Ralph Barsi		2,400.00
6/4/2026	Rinkor Technology Solutions		1,662.00
6/4/2026	Bleyle Elevator, Inc		95.00
6/4/2026	PURCOR Pest Solutions		572.29
6/4/2026	Bay Alarm		689.04
6/11/2026	J & E Pro Cleaning and Handy Services		3,837.06
6/11/2026	PG&E		2,231.95
6/11/2026	Recology		458.62
6/11/2026	Recology		733.45
6/18/2026	Interest	113.93	
6/24/2026	Eugene Kita July 2026	1,609.89	
6/24/2026	April Lee, DDS	2,870.73	
6/24/2026	Sonrisas Dental Health, Inc.	500.00	
6/24/2026	Applied Orthotics & Prosthetics	2,968.00	
6/24/2026	Carol Tanzi & Associates	500.00	
6/24/2026	Ross Williams, DDS	2,083.19	
6/24/2026	Bay Area Foot Care	3,253.31	
6/24/2026	Patricia Dugoni, CPA	2,400.00	
6/24/2026	Houn Young Kim, DDS	2,138.47	
6/24/2026	One Life Counseling Service	1,472.90	
6/24/2026	Burlingame Therapeutic Associates	2,896.15	
6/24/2026	Ability Path	6,832.18	
6/24/2026	Ability Path	10,000.00	
6/24/2026	Eugene Kita, DDS	1,609.89	
6/24/2026	Eugene Kita August 2026	1,609.89	
6/25/2026	Interest	20.16	
6/25/2026	High Reach Professional Window Cleaning		850.00
6/30/2026	Interest	41.55	
		42,920.24	**13,529.41**
PWC			
6/4/2026	Economic & Planning Systems, Inc.		1,762.50
6/4/2026	Streamline		100.00

Date	Description	Deposit	Withdraw
6/18/2026	Mark D. Hudak		1,800.00
6/18/2026	Interest	1.45	
6/25/2026	Interest	0.23	
6/30/2026	Interest	0.39	
		2.07	**3,662.50**
Trousdale			
6/4/2026	Eskaton Properties Inc		47,288.29
6/11/2026	Eskaton Properties Inc		107,122.46
6/12/2026	Trousdale Tenant Deposit	281,465.70	
6/12/2026	Trousdale Tenant Deposit	10,000.00	
6/18/2026	Interest	376.72	
6/18/2026	Trousdale Tenant Deposit	848,478.81	
6/18/2026	Trousdale Tenant Deposit	5,000.00	
6/18/2026	Trousdale Tenant Deposit	158,269.73	
6/25/2026	Interest	77.70	
6/25/2026	Eskaton Properties Inc		930,826.26
6/25/2026	Mark D. Hudak		765.00
6/26/2026	Trousdale Tenant Deposit	15,675.10	
6/26/2026	Trousdale Tenant Deposit	10,000.00	
6/29/2026	Trousdale Tenant Deposit	45,016.70	
6/30/2026	Interest	154.27	
6/30/2026	Trousdale Tenant Deposit	10,000.00	
		1,384,514.73	**1,086,002.01**

Peninsula Health Care District
Treasurer's Report
June 30, 2026

Preliminary - subject to change

STATUS OF CURRENT YEAR TAX REVENUES

Total As Of 6/30/26	Estimated FY 25-26 Tax Revenue
$ 10,823,154	**$ 9,300,000**

Board Designated Invested Funds

	Rate Last QTR	Fees Paid Fiscal YTD	Cost Basis 5/31/26	Cost Basis 6/30/26	Market Value 6/30/26
Bridge Bank - 6mos CD (mature 7/23/26)	3.480%		3,395,593	3,425,034	3,425,034
Fiduciary Trust	3.490% *	6,519	1,893,980	1,899,865	1,900,453
City National Bank	4.090% *	30,270	31,264,001	31,391,993	31,269,324
Local Agency Investment Fund	3.812%		6,623,234	6,623,234	6,623,234
San Mateo County Pool Investment	3.979%		4,010,947	4,010,947	4,010,947
			47,187,755	**47,351,073**	**47,228,992**

* Yield to maturity

Peninsula
HEALTH CARE DISTRICT
Building a Healthier Community

DATE: July 23, 2026
TO: PHCD Board of Directors
FROM: Vickie Yee, CFO
SUBJECT: Investment Quarterly Report – 6/30/26

To comply with our Statement of Investment Policy and Government Code 53646, included in this report are our investment holdings as of 6/30/26 and two bank statements: Local Agency Investment Fund and San Mateo County Fund (May statement attached, June not available until late July due to year-end close).

Fiduciary Trust Holdings as of 6/30/26					
Asset Category	**Asset Name**	**Quantity**	**Mkt Price**	**Mkt Value**	**Cost Basis**
INTEREST BEARING ACCOUNT	US Dollar	275	100.000	275	275
INTEREST BEARING ACCOUNT	US Dollar	100,000	100.000	100,000	100,000
U.S. TREASURY BILLS	STIP 1 US TREASURY ONLY	1,502,339	100.000	1,502,339	1,502,339
U.S. TREASURY BILLS	TREASURY BILL 17 September 2026	200,000	99.210	198,420	198,160
U.S. TREASURY BILLS	TREASURY BILL 28 May 2026	100,000	99.419	99,419	99,091
				1,900,453	1,899,865

City National Bank Holdings as of 6/30/26					
Asset Type	**Asset Name**	**Quantity**	**Mkt Price**	**Mkt Value**	**Cost Basis**
FOREIGN BONDS	TORONTO DOM BK CONV 4.568% 12/17/26	500,000	100.174	500,870	499,690
MONEY MARKET SWEEP FUNDS	CITY NATL ROCHDALE GOV MM-SV	679,886	100.000	679,886	679,886
MONEY MARKET SWEEP FUNDS	CNB DEPOSIT SWEEP	250,000	100.000	250,000	250,000
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.625% 2/15/29	1,725,000	96.195	1,659,364	1,679,456
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.625% 11/30/26	75,000	99.078	74,309	74,264
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.625% 7/31/26	925,000	99.747	922,660	922,944
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.000% 7/31/28	1,545,000	93.750	1,448,438	1,466,038
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.750% 8/31/26	1,200,000	99.502	1,194,024	1,193,536
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 2.625% 5/31/27	1,000,000	98.677	986,770	987,946
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 0.625% 12/31/27	1,000,000	94.906	949,060	953,544
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.000% 2/29/28	1,445,000	99.734	1,441,156	1,451,139
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.500% 7/15/26	900,000	100.029	900,261	900,042
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.375% 8/31/28	1,520,000	100.422	1,526,414	1,540,977
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.625% 9/30/28	1,800,000	100.969	1,817,442	1,817,747
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 1.250% 4/30/28	1,000,000	94.906	949,060	954,191
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.375% 12/15/26	800,000	100.232	801,856	800,624
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.000% 1/31/29	900,000	99.570	896,130	898,592
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.125% 3/31/29	2,000,000	99.883	1,997,660	2,026,388
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.500% 4/15/27	1,800,000	100.362	1,806,516	1,806,034
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.500% 5/31/29	2,000,000	100.906	2,018,120	2,018,461
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.250% 6/30/29	750,000	100.227	751,703	753,025
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 3.875% 10/15/27	1,525,000	99.641	1,519,525	1,523,762
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 4.125% 11/15/27	1,900,000	99.938	1,898,822	1,891,688
U.S. GOVT BONDS & NOTES	U.S. TREASURY BONDS 4.250% 1/15/28	1,000,000	100.109	1,001,090	1,004,431
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 3.875% 7/15/28	1,201,000	99.426	1,194,106	1,199,311
U.S. GOVT BONDS & NOTES	U.S. TREASURY NOTES 3.875% 4/15/29	2,100,000	99.242	2,084,082	2,098,277
				31,269,324	31,391,993

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

July 09, 2026

LAIF Home
PMIA Average Monthly Yields

PENINSULA HEALTH CARE DISTRICT

CEO
1819 TROUSDALE DRIVE
BURLINGAME, CA 94010

Tran Type Definitions

Account Number: 20-41-002

June 2026 Statement

Account Summary

Total Deposit:	0.00	Beginning Balance:	6,623,234.07
Total Withdrawal:	0.00	Ending Balance:	6,623,234.07

San Mateo County Treasurer
555 County Center
Redwood City, 94063
(650) 599-1251 or (650) 599-7206

Statement Ending Date: 5/31/2026
Account: 03407

STATEMENT OF ACCOUNT

Peninsula Health Care District - 03407

DATE	DESCRIPTION	DEBITS	CREDITS	ACCOUNT BALANCE
4/30/2026	Balance brought forward			**$4,010,946.77**
5/31/2026	Ending Balance			**$4,010,946.77**

Peninsula
HEALTH CARE DISTRICT
Building a Healthier Community

DATE: July 23, 2026

TO: PHCD Board of Directors

FROM: Vickie Yee, CFO

SUBJECT: **Compliance with Government Code Section 53065.5**

In compliance with Government Code Section 53065.5, annual disclosure of reimbursements over $100 per single charge paid to any employees or members of the governing body must be published in a document and made available for public inspection.

Below are the reimbursements for the Fiscal Year 25-26 paid by the District.

	Payee	Description	Amount
1	Ana Pulido	Samaritan House 2026 Gala: Fund A Need	1,000.00
2	Masami Felipe	American Red Cross - CPR/AED/First Aid Course	120.00
3	Masami Felipe	ACE - Senior Fitness Specialist Program	297.00
4	Masami Felipe	American Red Cross - CPR/AED/First Aid Certification	294.00
5	Richard Bergstrom	Urban MoMo - Staff Lunch	170.91
6	Richard Bergstrom	Benihana - Holiday Team Lunch	249.37
7	Frank Pagliaro	ACHD Annual Meeting - Expense Reimbursement	773.78
8	Frank Pagliaro	Director Stipend for January 2026	500.00
9	Henry Sanchez	Director Stipend for July 2025	300.00
10	Henry Sanchez	Director Stipend for August 2025	500.00
11	Henry Sanchez	Director Stipend for September 2025	500.00
12	Henry Sanchez	Director Stipend for October 2025	400.00
13	Henry Sanchez	Director Stipend for November 2025	400.00
14	Henry Sanchez	Director Stipend for December 2025	400.00
15	Henry Sanchez	Director Stipend for January 2026	400.00
16	Henry Sanchez	Director Stipend for February 2026	500.00
17	Henry Sanchez	Director Stipend for March 2026	500.00
18	Henry Sanchez	Director Stipend for April 2026	500.00
19	Henry Sanchez	Director Stipend for May 2026	500.00
20	Lawrence Cappel	Director Stipend for May 2025 - August 2025	1,300.00
21	Lawrence Cappel	ACHD Annual Meeting - Expense Reimbursement	405.11
22	Lawrence Cappel	Director Stipend for September 2025 - April 2026	3,300.00
23	Ricardo Navarro	ACHD Annual Meeting - Flight	393.59
24	Ricardo Navarro	ACHD Annual Meeting - Expense Reimbursement	970.19

Peninsula HEALTH CARE DISTRICT
Building a Healthier Community

DATE: July 23, 2026

TO: PHCD Board of Directors

FROM: Dr. Henry Sanchez & Dr. Rick Navarro, CHIC Board Chair and Vice-Chair

SUBJECT: **Recommendation to Increase Community Health Investment Funding to Strengthen the Local Safety Net**

BACKGROUND

The Peninsula Health Care District (PHCD) faces a pivotal moment. Federal policy changes and the State's 2026–27 budget are increasing financial pressure on California's healthcare safety net, particularly for Medi-Cal providers. Hospitals, community health centers, reproductive health providers, behavioral health organizations, and other safety-net providers are expected to experience reduced reimbursement and increased uncompensated care.

Although several proposed reductions were delayed by one year, significant uncertainty remains beyond FY 2026–27. Federal changes are also expected to affect nutrition assistance and other social service programs, increasing fiscal pressure on counties and local governments. Together, these changes create an opportunity for PHCD to strategically deploy its financial resources and community assets to help stabilize essential health services during a period of transition.

ASSESSMENT OF NEED

Approximately 155,000 San Mateo County residents—about 21 percent of the population—are enrolled in Medi-Cal. Within the Peninsula Health Care District, roughly 45,000 residents were eligible for Medi-Cal as of May 2026. County analyses estimate that federal and state policy changes could ultimately affect between 36,200 and 53,700 county residents through coverage losses or eligibility changes.

The enacted California budget moderated several proposed reductions. Planned Medi-Cal dental benefit changes were delayed until July 1, 2027, preserving current reimbursement rates and dental benefits for affected populations through FY 2026–27. Likewise, proposed reductions to the In-Home Supportive Services (IHSS) program were not adopted. However, the January 2026 enrollment freeze for certain adults based on immigration status remains in effect, and additional eligibility and delivery system changes are scheduled over the next year. Individuals transitioning from Medi-Cal managed care to fee-for-service coverage may experience reduced access to care coordination and supplemental services, including housing supports and medically tailored meals.

At the same time, San Mateo County continues to face substantial fiscal uncertainty related to withheld Vehicle License Fee replacement funding and increased demand for health and human services. The County has a current shortfall of $80 million and projects that Medi-Cal enrollment declines and reimbursement changes alone could create nearly $25 million in financial losses for San Mateo Medical Center in FY 2026–27 if current service levels are maintained.

CORE PLANNING ASSUMPTIONS

- **Greater demand for safety-net care.** Coverage losses and reduced access to preventive services are likely to increase demand for emergency departments, community clinics, public hospitals, and non-profit providers.
- **Growing financial pressure on nonprofit providers.** Community-based healthcare organizations are expected to experience funding gaps resulting from reduced reimbursement, delayed contracts, and increased uncompensated care, increasing demand for PHCD grant funding.
- **Shift from prevention to crisis response.** Local governments and nonprofit providers may redirect limited resources toward immediate healthcare needs, placing preventive health initiatives—including nutrition programs, primary care access, community outreach, and workforce development—at greater risk of reduction or delay.

PROPOSED STRATEGY AND RATIONALE

PHCD should adopt a targeted timely response that aligns with its strategic priorities in preventive health, behavioral health, dental health, and integrated community-based care. Given the uncertainty surrounding future federal, state, and local funding, the District can play a critical role in preserving access to essential services while helping local providers adapt to changing reimbursement and coverage policies.

1. **Pivot the Community Grants Portfolio Toward High-Impact Safety-Net Services**

Action: Prioritize grant funding for organizations that provide:

- Oral health and dental services;
- Medi-Cal enrollment, renewal, and benefits navigation;
- Food security and food-as-medicine programs;
- Community health workers, care coordination, and preventive health services.

Where appropriate, provide grants at the maximum allowable funding level, consider multi-year awards for organizations delivering essential safety-net services, and allow organizations to apply for funding for multiple eligible programs or service lines when each addresses a distinct high-need identified in the District's community health assessment or strategic priorities.

Rationale: As Medi-Cal eligibility rules change and safety-net funding becomes less predictable, community-based organizations will play an increasingly important role in maintaining access to care. Strategic grant investments can help providers expand enrollment assistance, reduce coverage losses caused by administrative barriers, preserve access to preventive medical and dental care, and strengthen food security for vulnerable residents. Multi-year funding commitments also provide greater financial stability during a period of budget uncertainty, allowing organizations to retain qualified staff, sustain outreach and screening programs, and avoid disruptions in services that could ultimately lead to higher downstream healthcare costs.

2. **Increase the Community Grants Portfolio for FY 2026–27**

Action: Increase the FY 2026–27 Grants Program by $2 million, in addition to the existing $3 million budget, to provide targeted support to organizations experiencing funding shortfalls as a result of federal and state policy changes.

Rationale: Local nonprofit providers are expected to experience simultaneous increases in demand for services and reductions in public reimbursement. Without additional bridge funding, many organizations may reduce program capacity, freeze hiring, eliminate preventive services, or establish longer waiting lists for care. An increase to PHCD's grants portfolio would help stabilize the local safety net during this transition period, preserving critical services while providers adapt to evolving funding models.

The proposed investment represents a strategic use of PHCD's financial resources by leveraging existing community infrastructure rather than creating new programs. Supporting established nonprofit providers allows the District to respond quickly to emerging community needs, sustain preventive and community-based care, and reduce the likelihood that unmet health needs escalate into higher-cost emergency or inpatient care. This approach is also consistent with PHCD's mission to improve community health through partnerships, prevention, and equitable access to care.

MEMORANDUM

ATTORNEY CLIENT PRIVILEGED COMMUNICATION

TO:	Board of Directors
FROM:	Mark D. Hudak
DATE:	July 15, 2026
SUBJECT:	Replacement of Prodema Panels on The Trousdale

The Trousdale has been experiencing ongoing problems with the decorative exterior panels manufactured by Prodema, including warping, peeling, and delamination. It is unclear whether the issues arise from manufacturing defects, installation mistakes, or a combination. Prodema was included in the lawsuit filed by the District against the original general contractor and a settlement was reached.

Under the terms of the settlement, Prodema is to provide 80 replacement panels and installation hardware to the District at no cost and will provide an on-site consultation with District staff and the contractor. The consultation will generate site-specific installation recommendations.

The replacement panels and hardware have been delivered and are being stored in the garage at The Trousdale. The cost of the installation work should be covered by the financial payments obtained in the settlements negotiated by the District's attorneys from the general contractor, the original installer, and others.

Due to the uncertainties surrounding installation procedures and the need for further consultation with Prodema's representatives, we were unable to provide definitive specifications that would allow reliable public bidding. It was decided to proceed on a solicited proposal basis. Ralph Barsi and Ador Decano met with several contractors and obtained proposals from them.

The three bids are:

- Zone 4 Construction $133,577.59
- GM Construction $180,680.00
- Go Pro Construction $207,000.00

Staff has a high level of confidence in all three proposers. Zone 4 Construction made the tenant improvements to the San Mateo allcove Center and recently completed the repairs to the parapet roof at The Trousdale, so they are familiar with the site and the requirements for protecting the residents. Accordingly, staff recommends that the Board accept the low proposal and authorize staff to execute the necessary contracts and make arrangements for the consultation with Prodema. The installation work should begin during the summer and be concluded before the onset of the winter rains.

cc: Ana Pulido
Matthew Ordona
Ralph Barsi
Ador Descano

Plot Date: 3/21/2016 6:09:36 PM Author

1 WEST ELEVATION
SCALE: 1/8" = 1'-0"

2 NORTH ELEVATION
SCALE: 1/8" = 1'-0"

EXTERIOR FINISH LEGEND

	EXTERIOR FINISH CODE	DESCRIPTION	COLOR	FINISH
	EX-1	EIFS	GETTYSBURG GREY	LYMESTONE FINISH
	EX-2	EIFS	COASTAL FOG	LYMESTONE FINISH
	SB-1	PORCELAIN TILE VENEER BASE 12 x 24	COLONNADE	TEXTURED
	WP-1	WOOD PANEL SYSTEM WITH INTEGRAL RAINSCREEN - 8MM THK	RUSTIK	
	MC-1	METAL COATING	BRANDON BEIGE	
	MC-2	METAL COATING	GREENFIELD PUMPKIN HC-40	
	MC-3	METAL COATING	HAZE	
	MC-4	METAL COATING	MEDIUM BRONZE	
		Exterior Paint Match to Prodema (WP-1)	Brown Eyes DE5265	
		Exterior Paint Match to Stone Base (SB-1)	Sage Mountain 1488	
		Exterior Paint Match to Lighter Stucco (EX-2)	Grant Beige HC 83	
		Exterior Paint Match to Darker Stucco (EX-1)	Squirrel Tail 1476	

RFI 493 Exterior Flashing Finshes

RFI 494 Exterior Reveal/Joint Locations

PENINSULA HEALTH CARE DISTRICT

THE TROUSDALE RESIDENTIAL CARE FACILITY FOR THE ELDERLY

1600 TROUSDALE DRIVE
BURLINGAME, CA 94010

APN: 025-121-032

RFI 354 Flashing Color and Finish at Window and Storefront

SMITHGROUPJJR

301 BATTERY STREET
7TH FLOOR
SAN FRANCISCO, CA 94111
415.227.0100
www.smithgroupjjr.com

PENINSULA HEALTH CARE DISTRICT

1819 TROUSDALE DRIVE
BURLINGAME, CA 94010
650.697.6900

ESKATON

5105 MANZANITA AVENUE
CARMICHAEL, CA 95608
916.334.810

ISSUED FOR	REV	DATE
BID ADDENDUM 01	3	2016.01.12
PERMIT SUBMITTAL	2	2016.01.12
PLANNING	1	2015.12.18

SEALS AND SIGNATURES

LICENSED ARCHITECT JOYCE POLHAMUS C15488 Ren. 5-31-17 STATE OF CALIFORNIA

DRAWING TITLE

EXTERIOR ELEVATIONS

1/8" = 1'-0"

SCALE

38596.000

PROJECT NUMBER

A4.1.2

DRAWING NUMBER

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Admitted Pro Hac Vice

Attorneys for Defendant
PRODEMA USA INC.

IN THE SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN MATEO

PENINSULA HEALTH CARE DISTRICT, a California Public Entity, Plaintiff, vs. S.J. AMOROSO CONSTRUCTION CO., LLC, a California limited liability company formerly known as S.J. Amoroso Construction Co., Inc.; ALCAL SPECIALTY CONTRACTING, INC., a Nevada corporation; OTIS ELEVATOR COMPANY, a New Jersey corporation; QUALITY ERECTORS & CONSTRUCTION CO. INC., a California corporation; PARKLEX PRODEMA USA, INC., a Georgia corporation; PRODEMA USA INC., a Florida corporation; and DOES 1-50, inclusive, Defendants. AND RELATED CROSS-COMPLAINTS	CASE NO. 23-CIV-00568 (Unlimited Jurisdiction) Complex Civil Litigation Assigned for All Purposes to Hon. Marie S. Weiner, Dept. 2 **PRODEMA USA INC.'S MEDIATION BRIEF** Action Filed: February 3, 2023 Trial Date: None Set

Defendant PRODEMA USA INC. ("Prodema") submits this Mediation Brief pursuant to the August 14, 2023 Notice from the Case Manager for Mr. Kurland, in connection with the mediation scheduled for October 10, 2023.

Background

Prodema's Role in Trousdale Project

Prodema is (or was) a Florida corporation. Prodema filed a voluntary dissolution in March, 2023. Prodema is a wholly owned subsidiary of Maderas Mejoradas Industrial, S.A. ("MMI"), a Spanish company that manufactures interior and exterior wood panels. Prodema was a U.S. based sales entity for MMI.

Prodema sold a total of 632 exterior wood panels to defendant Quality Erectors and Construction, Inc. ("QEC"), for use at The Trousdale. The first order was placed in February 2017 for 582 panels. An additional 10 panels were ordered in January, 2018 and 40 more in November, 2018. Prodema issued a Guarantee Certificate in connection with the panels on August, 2017 wherein Plaintiff is explicitly noted as the beneficiary of the Guarantee. A copy of the Guarantee Certificate is attached as Ex. A.

QEC installed the panels. Based on the invoices, it appears that QEC did <u>not</u> purchase hardware for installation of the panels from Prodema. In approximately fall of 2019, Plaintiff and/or QEC noticed certain issues with the panels on one elevation (facing southwest). Specifically, Ador Decano, Maintenance Supervisor for Plaintiff, stated in an October 4, 2019 email that they had noticed some issues with Prodema's panels. A copy of Decano's email is attached as Ex. B. In August 2020, QEC ordered 50 additional panels, along with associated hardware, to replace panels that had either warped or cracked on the Southwest elevation.

Site Visits

Two Prodema representatives were invited to attend a site inspection in October 2020 for the purpose of observing the replacement of some of the damaged panels. Although the representatives were able to see some areas, they were not able to visually inspect the entire elevation; notably, they were not able to view the top of the panels where they met the parapet cap, to ensure that there was proper ventilation around and behind the panels. One of the same Prodema representatives attended a second site inspection in August 2021 and this time did observe the upper part of the installation and noted that there indeed lacked a proper air gap at the top of the panels. The lack of a proper air gap was acknowledged by Ethan Law of QEC in an email to Walter Garcia of Prodema on November 21, 2019.

On June 8, 2023, the parties (Plaintiff, QEC and Prodema) again visited the site. Prodema had two representatives present, the current Technical Manager – North America, and an installation expert who regularly works with Prodema. These technical representatives noted multiple installation-related issues that are likely causing the issues with the panels.

Understanding Proper Installation

The Prodema panels are a high-pressure laminate with a real wood veneer and a dense bakelite core. Because the surface is real wood, there is a certain amount of contraction and expansion expected and so proper installation is critical. Among other things, proper screw placement, sizing of holes and ensuring of proper ventilation are all critical to proper performance. Following the site inspection on June 8, Prodema's Technical Manager prepared a Report. Her observations are accompanied by pictures showing the conditions being discussed. The Report is attached as Ex. C. The Report shows that there were many locations where screws were not aligned and/or were overtightened. These conditions can restrict movement of the panels and cause both warping and cracking in the corners as is happening on this elevation. Screws were also inserted in a diagonal – not parallel to the surface, which can also create "fix points" which restrict necessary movement and can cause warping and cracking. The Report also notes the lack of proper ventilation at the top of the façade, which prevents proper air flow and will cause uneven heating of the panels and lead to warping. Other installation problems were noted as well.

Analysis

Peninsula asserts 4 claims against Prodema: Negligence (Claim 4); Strict Product Liability—Failure to Warn (Claim 5); Breach of Express Warranty (Claim 6); and Negligent

Misrepresentation (Claim 7). There are fatal legal deficiencies with regard to each claim, in addition to a fundamental problem on the merits – Plaintiff cannot identify a defect with the panels.

I. The Economic Loss Doctrine Bars Plaintiff's Tort Claims (Claims 4 and 5)

California courts have held that "in actions arising from the sale or purchase of a defective product, a plaintiff seeking to recover in tort rather than in contract must be able to demonstrate that its economic losses were accompanied by either (1) physical damage to property other than the defective product itself ("other property"), or (2) bodily injury." *Robinson Helicopter Co., Inc. v. Dana Corp*., 34 Cal. 4th 979, 988 (Cal. 2004). If such evidence is not present, then the plaintiff is precluded from any tort recovery in either strict liability or negligence. *Id.; Sacramento Regional Transit Dist. v. Grumman Flxible*, 158 Cal.App.3d 289, 294 (Cal. Ct. App. 1984).

In Claim 4, Plaintiff alleges negligence. Plaintiff includes the allegation that "[t]he deficiencies in the Prodema Panels caused damage to other, adjoining building components and assemblies." However, Plaintiff has not and cannot support this conclusory allegation. The fact that some panels have cracks in the corners or are warping is damage to the product itself. There is absolutely no evidence that these "deficiencies" somehow caused damage to any other part of the building or to any other property.

Plaintiff does not even plead, much less attempt to prove, damage to other property with respect to Claim 5 (Strict Liability). Instead, it only alleges damages of "the costs incurred to investigate the warping and cracking of the Prodema Panels, determine an appropriate replacement, remove the defective Prodema Panels, and install replacement panels" and "other costs, such as dedicating significant staff time to oversee the investigation, testing, removal, and replacement." None of this constitutes "damage to other property."

Undoubtedly, all of Plaintiff's alleged and unproved damages are purely economic damages that are barred under the economic loss doctrine. Prodema has previously raised this issue with Plaintiff, and it has responded with general statements suggesting that it believes there is a “special relationship” between it and Prodema under *Biakanja v. Irving*, 320 P.2d 16 (Cal. 1958) excepting its claims from the economic loss doctrine. Ignoring that Plaintiff has never specified *what* this alleged special relationship is, the argument is misplaced.

Initially, any alleged special relationship would only be relevant to Plaintiff’s negligence claim (claim 4). *Aas v. Superior Court*, 12 P.3d 1125, 1132 (Cal. 2000) (noting that “the law governing tort remedies for construction defects diverged into two distinct theories: (1) strict products liability; and (2) the theory of negligence outlined in *Biakanja* . . . further developed in [*J'Aire Corp. v. Gregory*, P.2d 60 (Cal. 1970)]), superseded by statute on other grounds as stated in *Rosen v. State Farm General Ins. Co*., 70 P.3d 351 (Cal. 2003).

Plaintiff’s argument ignores that “[m]ore fundamentally, purely economic losses flowing from a financial transaction gone awry — which were at issue in *Biakanja*, *J'Aire*, [*Bily v. Arthur Young & Co*., 834 P.2d 745 (Cal. 1992)], and our other negligence cases to date about purely economic losses — ‘are primarily the domain of contract and warranty law or the law of fraud, rather than of negligence.’” *S. California Gas Leak Cases*, 441 P.3d 881, 888 (Cal. 2019). (quoting *Aas*, 12 P.3d at 1130).

This same principle applies to strict liability claims, wherein “the economic loss rule allows a plaintiff to recover in strict products liability in tort when a product defect causes damage to other property . . . [and] [t]he aw of contractual warranty governs damage to the product itself.” *Jimenez v. Superior Court*, 58 P.3d 450, 456 (Cal. 2002); *see also Aas*, 12 P.3d at 1133 (noting that “[w]hatever the product . . . strict liability affords a remedy only when the defective product causes property damage or personal injury”); *Seely v. White Motor Co*., 403 P.2d 145, 150-51 (Cal. 1965) (finding that the rules of warranty prevent manufacturers from purely economic losses that would otherwise be unknown and unlimited in scope); *San Francisco Unified School Dist. v. W.R. Grace & Co*., 37 Cal.App.4th 1318, 1327–1330 (Cal. 1995) (“Until physical injury occurs—until damage rises above the level of mere economic loss—a plaintiff cannot state a cause of action for strict liability or negligence.”).

As described above, Plaintiff is the beneficiary of the Guarantee Certificate which provides in relevant part that "[t]he guarantee covers the costs of replacing the damaged product . . . or repair." Ex. A at 3.

Accordingly, because "the difference between price paid and value received, and deviations from standards of quality that have not resulted in property damage or personal injury, are primarily the domain of contract and warranty law or the law of fraud, rather than of negligence," and "tort does not support recovery of damages representing the lost benefit of a bargain, such as the cost of repairing a defective product or compensation for its diminished value," Claims 4 and 5 are barred by the economic loss doctrine. *Mesa Vista S. Townhome Ass'n v. California Portland Cement Co*., 12 Cal.Rptr.3d 863, 880–81 (Cal. Ct. App. 2004).

II. Statute of Limitations

A. Claims 4 and 5

Plaintiff's claims are also fatally flawed and untimely under the applicable statute of limitations.

In California, there is a three-year statute of limitations for "'injury to real property' or `personal property.'" California Code of Civil Procedure section 338, subd. (b)-(c).

A recent unpublished case from the California Court of Appeals is a good analogy for our current case. In *Bee Sweet Citrus, Inc. v. Kingspan Insulated Panels, Inc.,* No. F081905, 2022 WL 17421115, (Cal. Ct. App. Dec. 6, 2022)[1], a contractor issued a bid to construct a storage facility and agreed to use certain insulated panels from Kingspan who supplied both the roof panel and installation instructions. After the contractor completed the installation, the plaintiff noticed that the roof of the storage building began to leak.

On appeal, the court affirmed the district court's grant of summary judgment based on a statute of limitations defense after concluding that "the problems with the leaky roof were 'sufficiently appreciable' to [plaintiff] by late 2010. By that time, [plaintiff] knew that the roof

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[1] Prodema acknowledges that California Rules of Court, Rule 8.1115(a) provides that opinions that are "not certified for publication or ordered published must not be cited or relied on by a court or a party in any other action." However, Rule 8.1115(a) only applies to "actions," and "mediations," as defined under California Rules of Court, Rule 3.852(1), do not appear to fit within the definition of "action" provide in California Rules of Court, Rule 1.6(1).

was leaking, and that [the contractor's] multiple efforts to repair the roof had been unsuccessful." *Bee Sweet Citrus, Inc.*, 2022 WL 17421115, at *10. The court further recounted that, at that time, "[plaintiff] also knew that Kingspan had provided the panels and information on how to install the panels." *Id.*

Here, any alleged issues were "sufficiently appreciable" to Plaintiff by at least October 4, 2019 when its Maintenance Supervisor first raised the issue of the condition of the Prodema panels. Despite its knowledge, Plaintiff did not initiate this case until February 3, 2023. Accordingly, Plaintiff's negligence and strict liability claims are plainly untimely.

B. Claim 7 (Negligent Misrepresentation)

In addition to Claims 4 and 5, Plaintiff's claim for Negligent Misrepresentation (Claim 7) is untimely.

Under California law, a plaintiff must bring a claim sounding in fraud within three years. Cal. Civ. Proc. Code § 338(d); *see Vera v. REL-BC, LLC*, 66 Cal. App. 5th 57, 69 (Cal. Ct. App. 2021) (applying a three-year statute of limitations period to a claim for negligent misrepresentation after noting that such claims "state in essence that [the defendant] harmed [the plaintiff] by failing to disclose material facts" and "that fraud is the gravamen of this claim.").

Although the statute of limitations begins to run when the plaintiff has information which would put a reasonable person on inquiry, a "plaintiff must affirmatively excuse his failure to discover the fraud within three years after it took place, by establishing facts showing that he was not negligent in failing to make the discovery sooner and that he had no actual or presumptive knowledge of facts sufficient to put him on inquiry." *Hobart v. Hobart Estate Co*., 26 Cal.2d 412, 437, (Cal. 1945).

Here, Plaintiff's complaint states that Prodema "represented that its product was suitable for its intended use."[2] Plaintiff had the information it now claims as a basis for this claim by at least October 4, 2019, and therefore the limitations period began to run as soon as it allegedly knew that this was untrue. Accordingly, the three-year period would have lapsed before this

[2] This is an obvious attempt to turn a basic contract/warranty claim into a fraud claim.

action was initiated and Claim 7 is untimely.

III. Claim 6—Breach of Express Warranty

To prevail on a breach of express warranty claim, a plaintiff must prove that the seller: "(1) made an affirmation of fact or promise or provided a description of its goods; (2) the promise or description formed part of the basis of the bargain; (3) the express warranty was breached; and (4) the breach caused injury to the plaintiff." *Rodarte v. Philip Morris,* No. 03-0353FMC, 2003 WL 23341208, *7 (C.D. Cal. June 23, 2003).

The express warranty from Prodema is attached as Ex. A. The warranty specifically states that as Prodema does not install the product, the guarantee only covers defects directly relating to the manufacture and not from the installation.

Here, Plaintiff cannot show any defect in manufacture of the panels. Moreover, the Guarantee contains various representations that the panels met specific guidelines for structural integrity and dimensional stability and Plaintiff has no evidence that these statements are not true.

Moreover, there are important limitations in the Guarantee, including an upper limit on the amount of the guarantee of 2.5 times the value of the damaged product (new product plus the cost of dismantling and assembly) or repair, with the limit reduced by 7%. During the site inspection in June 8, the undersigned and Prodema's experts noted that with the exception of 2 panels in other areas of the building, the only "damaged" panels appear to be on the Southwest elevation. Plaintiff's counsel has yet to confirm how many panels it is claiming are "damaged." Plaintiff's proposed Cost Estimate relating to the panels greatly exceeds the limitations in the Guarantee.

IV. Claim 7—Negligent Misrepresentation

"The elements of negligent misrepresentation are (1) the defendant made a false representation as to a past or existing material fact; (2) the defendant made the representation without reasonable ground for believing it to be true; (3) in making the representation, the defendant intended to deceive the plaintiff; (4) the plaintiff justifiably relied on the representation; and (5) the plaintiff suffered resulting damages." *Majd v. Bank of Am., N.A*. 243 Cal. App. 4th 1293, 1307, (Cal. 2015).

"[C]laims for negligent misrepresentation must adhere to the same heightened pleading standards as claims for fraud." *EBS Concrete, Inc. v. Target Fin. & Ins. Servs.* No. D053150, 2009 WL 1153288, at *4 (Cal. Ct. App. Apr. 29, 2009) (citing *Small v. Fritz Companies, Inc.* 30 Cal. 4th 167, 184 (2003)). Meeting this standard "necessitates pleading facts which show how, when, where, to whom, and by what means the representations were tendered." *Stansfield v. Starkey,* 220 Cal. App.3d 59, 73 (Cal. Ct. App. 1990). And in the case of a corporate defendant, the plaintiff must allege the names of the persons who made the representations, their authority to speak on behalf of the corporation, to whom they spoke, what they said or wrote, and when the representation was made. *Lazar* 12 Cal.4th at 645.

Here, Plaintiff has not met this burden. Plaintiff has failed to identify what statements were supposedly false or who made the representation(s). *See* SI *59 LLC v. Variel Warner Ventures, LLC*, 29 Cal. App. 5th 146, 148 (Cal. Ct. App. 2018) (affirming the district court's demurrer because, like here, the plaintiff did not allege who made the alleged misrepresentation (citing *Charnay v. Cobert* 145 Cal.App.4th 170, 185, n. 14 (Cal. Ct. App. 2006)). Similarly, Plaintiff has yet to allege where, to whom, and by what means Prodema purportedly made it representation(s).

Plaintiff has also not alleged facts as to why Prodema should have known that the representations were false. The court in *Variel Warner Ventures* was also confronted with a plaintiff's failure to make such allegations and affirmed the district court's demurrer on that basis.

Lastly, "[b]esides actual reliance, [a] plaintiff must also show `justifiable' reliance, i.e., circumstances were such to make it reasonable for [the] plaintiff to accept [the] defendant's statements without an independent inquiry or investigation. The reasonableness of the plaintiff's reliance is judged by reference to the plaintiff's knowledge and experience." *Public Employees'*

Retirement System v. Moody's Investors Service, Inc., 226 Cal.App.4th at p. 672.

While Plaintiff has pled facts regarding its actual reliance, it has alleged no facts as to the justification for its reliance. It is even more difficult to determine whether Plaintiff's reliance was justified when it has provided no facts regarding the representation in the first place.

Conclusion

In sum, Prodema believes that Plaintiff cannot state a valid claim against it and that any issues with the panels are more appropriately addressed to QEC – the company that installed them. Nevertheless, Prodema is willing to discuss a potential resolution of the panels on the one elevation but that will require the agreement and participation of Plaintiff and QEC.

Dated: September 29, 2023

FREDRIKSON & BYRON, P.A.

*/s/ Todd Wind*________________
TODD WIND
ZAC MCFARLAND
ATTORNEYS FOR DEFENDANT
PRODEMA USA INC.

GORDON & REES LLP
STUART M. GORDON
JAMES K. HOLDER
ATTORNEY FOR DEFENDANT
PRODEMA USA INC.

Prodema

USA, INC.

2332 Galiano Street
FL 33134 Coral Gables, USA
http://www.prodema.com
E-mail: prodema@prodema.com

PRODEX PRODUCT GUARANTEE CERTIFICATE

Certificate number:	**PR17-0203**
Client:	**QUALITY ERECTORS**
Guarantee beneficiary:	**PENINSULA HEALTH CARE DISTRICT** **1819 Trousdale Drive, BURLINGAME, CA 94010**
Project:	**THE TROUSDALE RESIDENTIAL CARE FACILITY FOR THE ELDERLY** **1600 Trousdale Drive, BURLINGAME, CA 94010**
Date of issue:	**2nd August 2017**
Invoice number:	**IN17-0203**

PRODEMA USA, INC, by means of this Certificate, hereby guarantees the following characteristics of the PRODEX product for applications on vertical ventilated façades (hereinafter, the "Product"), for a period of ten (10) years, as from the date the material is issued. Insofar as PRODEMA USA, INC does not directly install the Product, the scope of this guarantee shall only cover any defects directly deriving from its manufacture (according to the details explained below) and not derived from its installation:

1. PRODEMA USA, INC., by means of this Certificate, hereby guarantees the structural integrity of the layers of the PRODEX product, as well as their adhesion, for a period of ten (10) years, as from the date the material is issued.
2. Colour fastness. PRODEX meets the requirements of the EN-438:2 standard, chapter 29 (weather resistance) obtaining class 3 according to the EN-20105-A02 standard.
3. Cleaning. Dirt stuck to the panels may be removed by following PRODEMA's cleaning instructions.
4. Impact resistance. PRODEX meets the requirements of the EN-438:6 standard, according to which a steel ball weighing 324 grams and with a diameter of 48.8 mm thrown from 1800 mm will not cause any apparent damage.
5. Dimensional stability. PRODEX meets the requirements of the EN-438:6 standard, such that the accumulated dimensional variation at room temperature is less than or equal to 0.3% in a longitudinal direction and less than or equal to 0.6% in a transversal direction.

Prodema USA, INC. 2332 GALIANO STREET FL 33134 Coral Gables USA

EXHIBIT A

In all cases, the provisions of the Guarantee Regulation shall prevail should any discrepancies arise between its content and the contractual and/or delivery conditions that may eventually be agreed between Supplier and Client.
Damages shall only be awarded compensation when the client can prove that the damaged products have been supplied by the manufacturer.

Under no circumstances shall PRODEMA USA, INC be obliged to pay compensation to the client for damages that the client may suffer as a result of the defect, whether direct or indirect, consequential damages or loss of profit.

According to the stipulations of article 1 of the Guarantee Regulations, and with the limits described, the costs of dismantling and assembly shall also be covered.

The clauses and conditions of the guarantee overleaf are applicable to this Certificate, especially in the reference to the exclusions of this Guarantee and the limits of PRODEMA's scope of responsibility as a result of the same.

On signing this Certificate, the client declares his/her agreement with its content.

Date: 12th January 2018

Prodema
USA, INC.
2332 GALIANO STREET
FL 33134 Coral Gables
USA

The Supplier
PRODEMA USA, INC.

The Client

GUARANTEE REGULATION

The terms used in these stipulations are defined below:

- Supplier: PRODEMA USA, INC., Spanish trading company, with address in Legorreta (Guipuzcoa - Spain)
- Client: The physical or legal person to whom the Supplier has provided the product in question and to whom the invoice has been issued.
- Guarantee beneficiary: the physical or legal person for whom the Guarantee Certificate has been issued on the guaranteed product.

1. The guarantee covers the costs of replacing the damaged product (new product plus the costs of dismantling and assembly), or repair, with the upper limit set at 2.5 times the value of the damaged product, which is established by the price for which it was originally invoiced by the supplier. The limit of the costs of replacement or repair shall annually be reduced 7% of 2.5 times the value of the damaged product. (e.g. the limit of the costs of replacement after two years from the invoice date shall be 86% of 2.5 times the value of the damaged product).

2. Not considered as deviations from standard quality requirements are any minimal differences that may normally be classified as habitual, and/or damages through wear and tear or deterioration, such as corrosion or erosion, as a natural consequence of the normal action and use of things.

3. Not considered as deviations from standard quality requirements are those characteristics that are inherent in wood, such as variations in tone and/or grain between panels and knots.

4. It is possible (although not common) for lightening of the edge along panel perimeter to appear (max. width - 10mm from the panel edge). Also, a darkening of the wood grain from the edge of the panel may exhibit. None of these conditions are valid causes for a claim on the product.

5. The quality standards used are the existing standards at the time of the product's manufacture, and the guarantee shall only apply when the Client can prove that he/she has strictly followed the Supplier's assembly and/or maintenance instructions.

6. When the Supplier replaces items according to the obligations derived from this guarantee, the replaced items shall then become his/her property.

7. The guarantee period shall not be extended or renewed because of replacement or repair.

8. The guarantee shall expire when the Client carries out, or orders to be carried out, repairs to the supplied goods, without the Supplier's express consent.

9. The Supplier's responsibility for damages, whatever their nature, is limited to his/her compliance with his/her contractual obligations. The Supplier's contract conditions may be observed on the web page: www.prodema.com.

10. No claims may be filed under this Guarantee Regulation when the damages in the product are a consequence of:

a.- the product not being used in a vertical ventilated façade application.
the action or lack of action, whether intentional or negligent, on the guarantee beneficiary's part, or by a third party with or without the beneficiary's consent.
b.- the client or third party's failure to observe, through action or omission, the Supplier's technical instructions and/or quality standards, except where the Supplier him/herself has expressly approved the said deviations.
c.- the failure to carry out maintenance work according to the supplier's specifications.
d.- storage that is not as indicated in the Supplier's technical instructions.
e.- the mechanisation of the material without following the Supplier's technical instructions.
f.- installation that is not as indicated in the Supplier's technical instructions.
g.- the use of the products for purposes other than those for which they were designed.
h.- acts of war and terrorism, wind or sand storms, or other natural disasters, as well as any chemical/physical condition beyond normal environmental conditions, and any other force majeure.

Prodema
USA INC.
2332 GALIANO STREET
FL 33134 Coral Gables
USA

11. The Client must immediately inform the Supplier about the defects for which the Client is filing this guarantee claim. Notification in writing must always include:
    - The Client's name, address and domicile.
    - The property's address and location, or at least the place where the goods which have been reported to have defects are located.
    - A description of the type of defect, along with photos.
12. The client must allow the supplier the chance to inspect the product and to investigate the cause of the defect.
13. The Supplier shall not be under obligation to correct the defect if the Client has not complied with one or more of his/her obligations with regard to the Supplier, such as not having paid invoices, for example.
14. Under no circumstances shall PRODEMA USA, INC be obliged to pay compensation to the client for damages that the client may suffer as a result of the defect, whether direct or indirect, consequential damages or loss of profit.
15. PRODEMA's obligation, expressed in this Guarantee Regulation, is merely an obligation to the client; no third party may derive any rights whatsoever from the Guarantee Regulation. This Guarantee Regulation may not be transferred to third parties under any circumstances. The rights and obligations resulting from this Guarantee Regulation are also non-transferable, they do not confer any right to compensation, and they may not be awarded to third parties or executed in any way by third parties.
16. The Spanish version of this Guarantee Regulation is the only authentic version. Spanish material law is exclusively applied to this Regulation and its enforcement, without prejudice to the international law that may apply in this matter.
17. To solve any differences that may arise between the parties regarding the interpretation or enforcement of the Regulation, the parties shall abide by the Courts and Tribunals of the city of San Sebastian (Spain), expressly waiving any other jurisdiction that may correspond to them.

Prodema
USA, INC.
2332 GALIANO STREET
FL 33134 Coral Gables
USA

Thank you.

Jennifer Erskine
Project Manager

S.J. Amoroso Construction Co., Inc.
C: 650-421-5796

Email: jerskine@sjamoroso.com

Jobsite Email: job770@sjamoroso.com
NASA Ames Biosciences Reserch Center

Building N288, Moffett Field, CA 94035
www.sjamoroso.com

From: Ador Decano <Ador.Decano@eskaton.org>
Sent: Friday, October 04, 2019 1:17 PM
To: Jennifer Erskine <jerskine@sjamoroso.com>; 'David Marks' <david@novapartners.com>
Subject: TT_Prodema panel peeling off

Hello Jenifer,

I noticed on the West side wall of the building that some of the prodema panels are starting to peel off. I am not sure who is the responsible contractor for this. Appreciate much if you could give me the contractor contact or if possibly you can contact them?

Attached are the pictures of the panels. Please zoom it in so you can clearly see the damage (with arrows)

Thanks,

Ador Decano
Maintenance Supervisor

The Trousdale

EXHIBIT
B

1600 Trousdale Drive
Burlingame, CA 94010
650-443-3700
ador.decano@eskaton.org

thetrousdale.org

eskaton.org

Got feedback? Click here to find ways to connect.

REPORT FOR TROUSDALE

The aim of this document is to summarize the site inspection at the Trousdale project in San Francisco on the 8th of June of 2023. During the visit we observed multiple mistakes in installation as described below. Most of these installation mistakes contribute to overstressing the panels, preventing free movement, which can cause warping and cracking.

1. **There were many locations in which the screws were not aligned**. This elevation has a totally different look compared to the rest of the building. The rest of the façade does not show the same issues. It seems like the elevation was made in a different phase or by a different team.

EXHIBIT
C

2. **<u>There are overtightened screws on the panels.</u>** This is visible since the panels have marks of the screw heads. Our technical catalogue explains that the overtightened screws create fixed points in the panel, preventing them from expansion and contraction movements. The below screenshot from the technical catalogue, and image taken at the site.

Torque Recommendations:

• Aluminum channel with 3/32" (2.5mm) thickness:

5 Nm to perforate the channel and fasten the panel.

• Galvanized steel channel with 1/16 (1.5mm) thickness:

5 Nm to perforate the channel and fasten the panel.

Image 2a

Image 2b.

3. **<u>Some of the screw heads are not parallel to the panel</u>**. Our technical catalogue explains that when the screw head is not parallel to the panel, this might create fixed points preventing expansion and contraction movements on the panel. The below screenshot is from the technical catalogue, and an image taken at the site.

Position of screw / rivet when installing the panel

It is critical to insert the screw / rivet at the center of the hole and ensure that the fastener head is completely level to the panel surface.

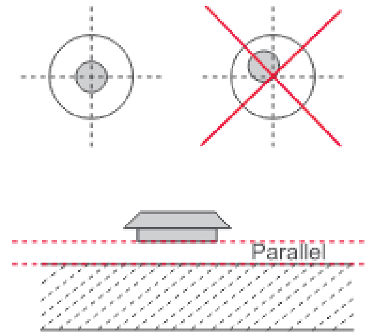


Image 3a

Image 3b1

Image 3b2

Image 3b3

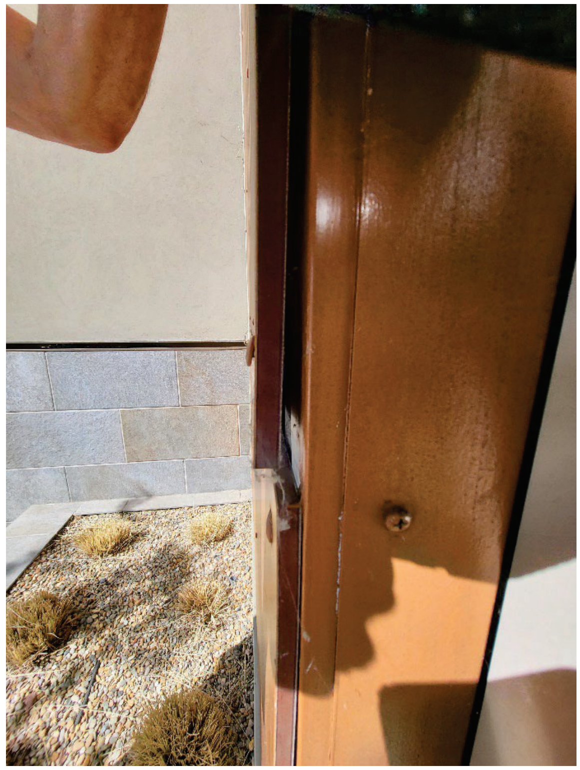
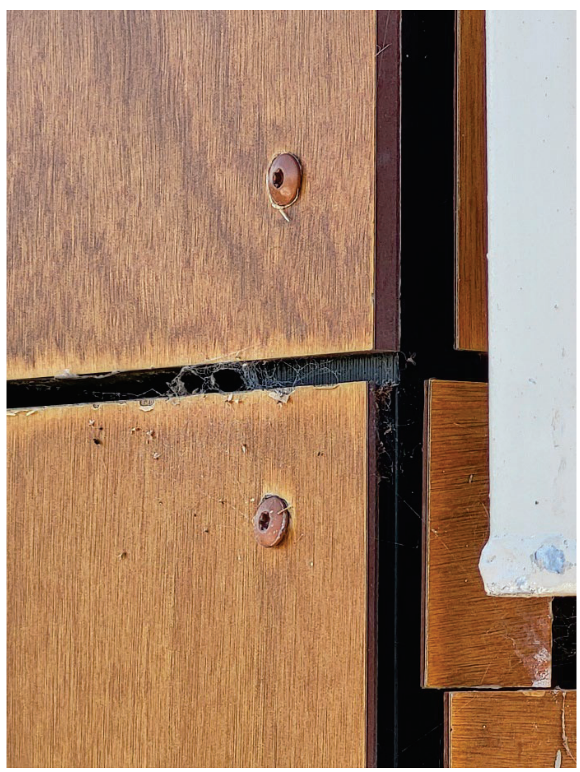


Image 3b4

Image 3b5



4. **Lack of ventilation at the top of the façade.** Our technical catalogue explains that the panel needs a non-interrupted air flow behind the panel of at least ¾". This occurs by means of convection, and it is only achievable by creating a gap at the top, in the air chamber behind the panel and at the bottom of the façade. In this case there is no ventilation gap at the top of the façade. Below screenshot from the technical catalogue, and image taken at the site.

• The air flow cavity behind the panel must be a minimum of 1" (25mm).

• Leave a minimum opening of 3/4" (20mm) at the top and bottom part of the façade, as well as at door and window openings. This is critical to ensure required air flow .

• The subframing used to create the air flow cavity must be installed in a vertical direction. If conditions require horizontal channels, the percentage of openess is directly related to the channel depth. Perforations must allow 3/4" (20mm) minimum air flow.

EXAMPLES:

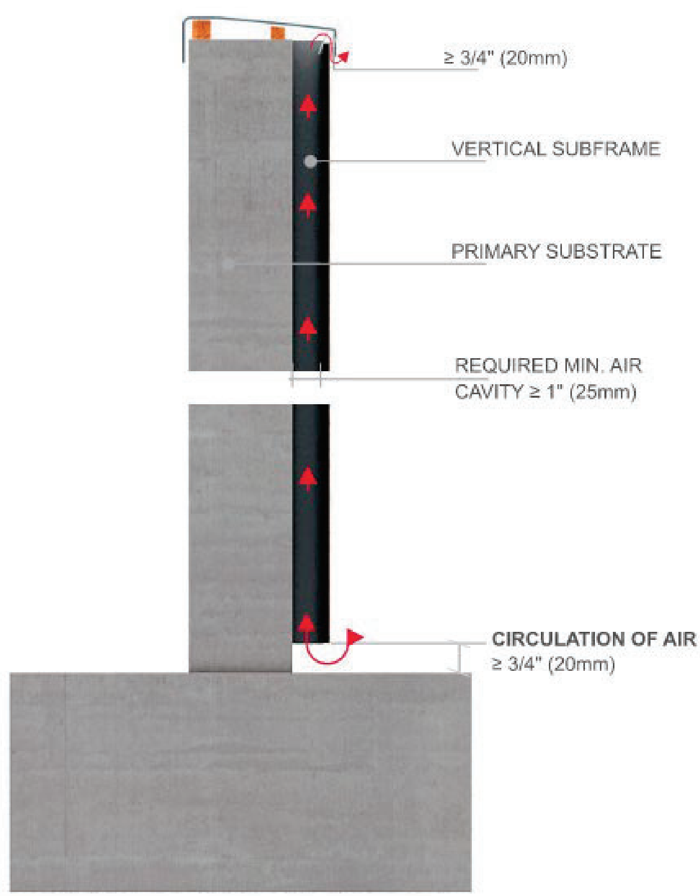


Image 4a

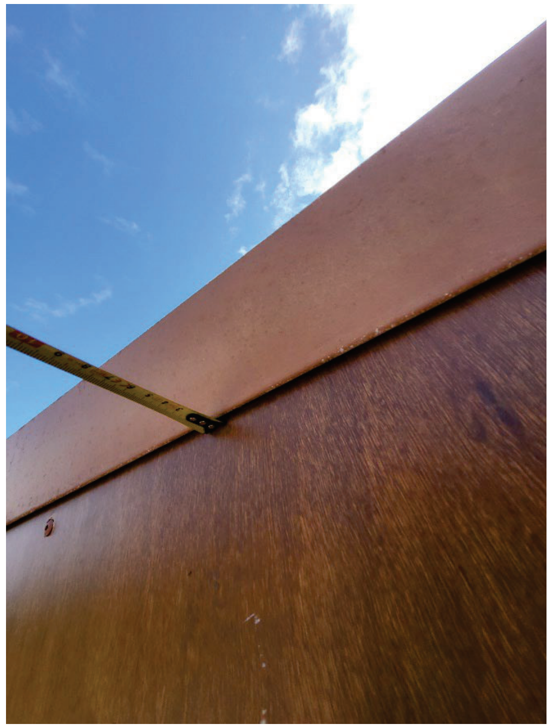


Image 4b1

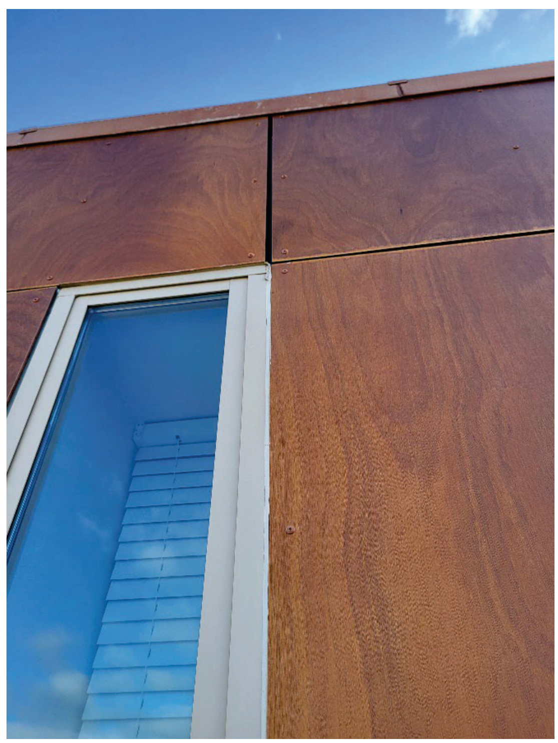


Image 4b2

5. **<u>Lack of a gap between the panel and the fixed element as windows</u>**. Our technical catalogue explains that we need to leave a gap of 5/16”- ¼” between the panel and any fixed element for expansion and contraction movements. In this case, panels have been installed with no gap. Below screenshot from the technical catalogue, and image taken at the site.

3.1.2 EXPANSION JOINTS

A 1/4" - 5/16" (6 - 8mm) expansion joint between panels is required. The joint allows the **PRODEX** panels to expand and contract as the material reacts to fluctuating temperature and humidity conditions.

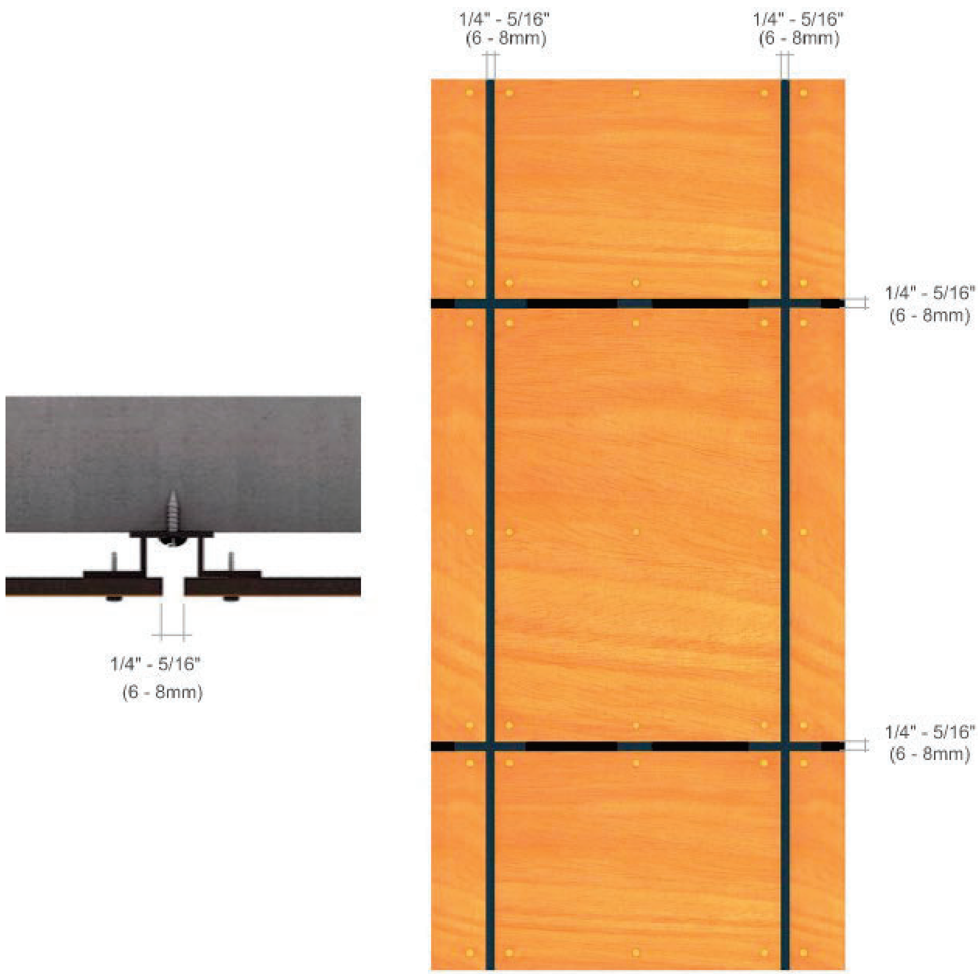


Image 5a

Image 5b1

Image 5b2

<u>CONCLUSION</u>

PARKLEX PRODEMA finds the warping and cracks in panels are a result of the described mistakes in installation.

Technical department.

Maialen Irastorza

Peninsula
HEALTH CARE DISTRICT
Building a Healthier Community

NOTICE INVITING BIDS FOR GENERAL CONTRACTOR
FOR THE PANEL REPLACEMENT PROJECT AT THE TROUSDALE RESIDENTIAL CARE FACILITY, 1600 TROUSDALE DRIVE, BURLINGAME CALIFORNIA

Please take notice that Peninsula Health Care District (PHCD) is soliciting sealed bids for the selection of a general contractor by competitive bid for the following project:

Panel Replacement Project
The Trousdale Residential Care Facility
1600 Trousdale Drive, Burlingame, California

This solicitation is subject to conditions prescribed by PHCD as set forth in PHCD's bid documents. PHCD has determined that bidders who submit proposals on this project must meet the minimum level of qualifications. Bidders will be required to have a **Class B - General Building Contractor** California contractor's license. The basis of award for this project will be based on the lowest responsive and responsible bidder.

General Description of Work
This project involves the removal of 80 Prodema panels on the west and north elevations as designated by PHCD~~certain repairs at awning architectural metal panels in the area over Units 603-603~~ at The Trousdale Residential Care Facility for the Elderly, ~~located at~~ 1600 Trousdale Drive~~, in~~ Burlingame, California (the "Project Site") and installation of 80 replacement Prodema panels in accordance with the manufacturer's installation specifications. The replacement panels and specialty installation hardware will be supplied by PHCD.

Schedule for Bidding

- On ________________, **2026**, after 9:00 a.m., a set of Bidding Documents will be available at the below link:
- On June ___, 2026, at 10:00 a.m., at the Project Site, a mandatory bidders meeting and site inspection will be held. Any bidder that does not attend the bidders meeting shall be disqualified from bidding. ~~https://www.peninsulahealthcaredistrict.org/files/c3a7122d2/PHCD+Bid+Package+for+the+Trousdale.pdf~~
- On **June ______** ~~**May 18**~~, **2026,** no later than 2:00 p.m., sealed bids and qualification statements are due and will be opened publicly immediately thereafter at PHCD's offices at the following address. Bids must be sent to:

Peninsula Health Care District
1819 Trousdale Drive

Commented [MH1]: We will need a link to a site on the PHCD website

Formatted: Not Expanded by / Condensed by

Burlingame, CA 94010
Attn: Ana Pulido, CEO

- On **June 25~~May 28~~, 2026**, the bid award will be announced at the PHCD Board Meeting.

Questions and Instructions
Bidders can arrange to visit the site by contacting:

Ador Decano, Maintenance Supervisor
Peninsula Health Care District
Phone: (650) 438-6609
Email: ador.decano@eskaton.org

All Bid questions shall be submitted in writing or by email to:

Ador Decano, Maintenance Supervisor
Peninsula Health Care District
Phone: (650) 438-6609
Email: ador.decano@eskaton.org
~~Jack Haller~~
~~Avelar~~
~~590 Ygnacio Valley Road, Suite 200~~
~~Walnut Creek, CA 94596~~
~~jhaller@ravelar.com~~

Commented [MH2]: Do we use this email for Ador or his email @thetrousdale.org?

PHCD reserves the right to reject any or all bids and to waive non-material irregularities in any response or proposal received.

The successful Bidder and its Subcontractors will be required to follow the nondiscrimination requirements set forth in the Contract Documents and to pay prevailing wage rates at the location of the work.

BIDDING DOCUMENT 0100

INSTRUCTIONS TO BIDDERS

1.0 WORK TO BE DONE

It is the intention of Peninsula Health Care District ("PHCD") to construct improvements and remove and replace ~~approximately~~ 80 exterior Prodema panels at The Trousdale Residential Care Facility, located at 1600 Trousdale Drive, Burlingame, CA (the "Panel Replacement Project"). The work includes furnishing all labor, equipment and materials (other than the Prodema panels and installation hardware, which will be supplied by PHCD) and performing all work necessary and incidental for completing the work in accordance with the manufacturer's installation specifications~~according to the specifications and scope of work prepared by Avelar as referenced in Appendix A (the "Scope of Work")~~. ~~The work must conform to the requirements set forth in the specifications package at Appendix B.~~

2.0 WORK SCHEDULE

Bidders are instructed to submit, as part of their bids, a proposed schedule of the work indicating the number of days required to achieve substantial completion as defined in the Contract Documents. Bidders will be evaluated based on the price and time to complete the Panel Replacement Project.

4.0 PRICE

Bidders are instructed to submit, under seal, a lump-sum fixed price for completing the Scope of Work in accordance with the Contract Documents.

5.0 WORK SCHEDULE

Bidders are instructed to submit, as part of their bids, a proposed schedule of the work indicating the number of days required to achieve substantial completion as defined in the Contract Documents.

6.0 EXAMINATION OF CONTRACT DOCUMENTS

Each bidder shall thoroughly examine and be familiar with those Contract Documents contained in the bidding documents. The submission of a bid shall constitute as acknowledgment upon which PHCD may rely that the bidder has thoroughly examined and is familiar with the Contract Documents. The failure or neglect of a bidder to receive or examine any of the Contract Documents shall in no way relieve it from any obligation with respect to its proposal or to the Contract. No claim for additional compensation will be allowed which is based upon a lack of knowledge of any Contract Documents.

7.0 INSPECTION OF SITE

Bidders are required to attend a mandatory site meeting, to be held on June ______, 2026. In addition, bidders are encouraged to inspect the site of the work to satisfy themselves by personal examination, or by such other means as they may prefer, of the location of the proposed work and of the actual conditions. If, during the course of its examination, a bidder finds facts or conditions which appear to be in conflict with the letter or spirit of the bidding documents, the Bidder may apply to PHCD, in writing, for additional information and explanation before submitting its bid.

8.0 INTERPRETATION OF CONTRACT DOCUMENTS

No oral representations or interpretations will be made to any bidder as to the meaning of the Contract Documents. Requests for an interpretation shall be made in writing or via email and delivered to:

Ador Descano~~Jack Haller~~
~~Avelar~~
~~590 Ygnacio Valley Road, Suite 200~~
~~Walnut Creek, CA 94596~~
~~jhaller@ravelar.com~~
1600 Trousdale Drive
Burlingame, CA 94010
Ador.descano@thetrousdale.org

9.0 OPENING OF BIDS

All bids, irrespective of any irregularities or informalities, if received on time, will be opened and publicly read aloud at the time and place set forth in the Notice Inviting Bids. Bidders, their representatives, and other interested persons may be present at the opening and reading of bids.

Any bids received after the time for receiving and opening bids set forth in the Notice of Invitation to Bid or as postponed by addenda will be considered non-responsive and will not be opened. Any such bids will be returned unopened to the Bidder.

The public reading of each bid will include at least the following:

A. Name and address of bidders.

B. The total amount of bid.

10.0 PREPARATION OF BID FORMS

Bids shall be made on Bidding Document 0200, “Bid,” and must be submitted at the time and place stated in the Notice of Invitation to Bid. All blanks in the bid forms must be appropriately filled in, either in ink or typed, and all prices must be stated in figures. All bids must be submitted in sealed envelopes bearing on the outside the name of the bidder, its address, and the name of the project for which the bid is submitted. It is the sole responsibility of the bidder to see that its bid is received in proper time. Any bid received after the scheduled closing time for receipt of bids will be returned to the bidder unopened. PHCD shall not be responsible for errors or omissions in the bid. Bidders shall write their names on each bid form at the space provided. **No clarifications or exclusions will be allowed on the bid form.**

11.0 BIDDER'S SIGNATURE AND AUTHORITY

If the bid is made by an individual, his/her name, signature, and post office address must be shown; if made by a firm or partnership, the name and post office address of the firm or partnership, a list of the partners, and the signature of at least one of the general partners must be shown; if made by a corporation, the bid shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation, and the title of the person who signs on behalf of the corporation. If the corporation makes the bid, a certified copy of the bylaws or resolution of the Board of Directors of the corporation shall be furnished showing the authority of the officer signing the bid to execute Contracts on behalf of the corporation. If the bid is made by a joint venture, a representative of one of the joint venture firms shall sign the bid. Additionally, the bid shall include a copy of the resolution or agreement empowering the representative to execute the bid and bind the joint venture.

12.0 ERASURES AND CORRECTIONS

The bid submitted must not contain any erasure, interlineation, or other corrections unless each such correction is suitably authenticated by affixing in the margin immediately opposite the correction the signature or signatures of the person or persons submitting the bid.

13.0 BID IRREGULARITIES

Changes in or additions to the bid form, recapitulations of the work bid upon, alternative bids, or any other modifications of the bid form which are not specifically called for in the Contract Documents **may** result in rejection of the bid by PHCD as not being responsive to the bidding documents. No oral or telephonic modification of any bid submitted will be considered.

14.0 MODIFICATION OF BID

On written request filed with PHCD, a bid already received may be modified or withdrawn at any time prior to the time established for receiving bids. The request must be executed by the bidder or its authorized representative as described above in Paragraph 11.0. Modifications shall be made in writing, executed, and submitted in the same form and manner as the original bid. Withdrawal of a bid does not prejudice a bidder's right to submit a new bid within the time designated for the submission of bids. No bid may be withdrawn after the time established for receiving bids except as provided in Paragraph 15.0.

15.0 WITHDRAWAL OF BIDS

In accordance with Public Contract Code 5103, within five days after the opening of bids, a bidder may withdraw its bid providing the bidder can establish to PHCD's satisfaction that a mistake was made in preparing the bid. A bidder desiring to withdraw shall give written notice to PHCD, specifying, in detail, how the mistake occurred and how the mistake made the bid materially different than it was intended to be. Withdrawal will not be permitted for mistakes resulting from errors in judgment or carelessness in inspecting the site of the work or in reading the Contract Documents.

16.0 ADDENDA

Addenda issued during the time of bidding shall become a part of the documents furnished bidders for the preparation of bids, shall be covered in the bids, and shall be made a part of the Contract. Each bid shall include specific acknowledgement in the space provided of receipt of all Addenda issued during the bidding period. Failure to so acknowledge may result in the bid being rejected as not responsive. Failure of any bidder to receive such Addenda shall not be grounds for non-compliance with the terms of the instructions.

17.0 BID PRICES

Bid prices shall include everything necessary for the completion of the work, including but not limited to providing the materials, equipment, tools, management, superintendence, labor, and services. Bid prices shall include allowance for all federal, state and local taxes.

In the event of a difference between a price quoted in words and a price quoted in figures for the same quotation, the words shall be the amount bid. In the event that the product of a unit price and an estimated quantity does not equal the extended amount quoted, the unit price shall govern, and the correct product of the unit price and the estimated quantity shall be deemed to be the amount bid. If the sum of two or more items in a bidding schedule does not equal the total amount quoted, the individual item amounts shall govern and the correct total shall be deemed to be the amount bid.

18.0 QUALIFICATION OF BIDDER

Each bidder shall meet the minimum level of qualifications specified in Bidding Document 0400, "Certification of Bidder's Experience and Qualifications," and shall complete and submit said certification with their bid. Failure to submit a signed copy of Bidding Document 0400 with submission of the bid will result in the bid being deemed non-responsive.

19.0 SUBCONTRACTORS

In accordance with California Public Contracting Code Section 4100, et. seq., each bid shall have listed in Bidding Document 0500, "Proposed Subcontractors," the name, portion of work to be performed, and location of the place of business of each subcontractor who will perform work or labor or render service to the bidder in or about the construction of the work or improvement, or of any subcontractor licensed by the State of California who, under subcontract to the bidder, will specially fabricate and install a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of one percent of the bidder's total bid, or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half of one percent of the bidder's total bid or Ten Thousand Dollars ($10,000.00), whichever is greater.

Failure to list subcontractors may render the bid non-responsive and may be grounds for rejection of the bid. Failure to comply with the provisions of the California "Subletting and Subcontracting Fair Practices Act" shall make the Contractor subject to the sanctions as set forth in the Act.

20.0 SUBSTITUTIONS DURING BIDDING

Manufacturers or suppliers of materials and equipment may offer an alternative product to the Contractor and request that alternatives to specified products be considered equal. Inclusion of such alternatives in the bid is the responsibility of the Contractor. Inclusion should only be considered if the Contractor believes the offered alternative is equal in quality and performance to the specified product. No substitutions will be allowed after award of the Contract.

21.0 NON-COLLUSION AFFIDAVIT

Pursuant to Public Contract Code Section 7106, bidders shall execute and furnish with their bids Bidding Document 0600, "Non-Collusion Affidavit." Reasonable grounds to believe that any individual, partnership, company, association, organization, business entity, corporation, or business combination is interested in more than one bid for the proposed work may cause rejection of all bids in which that individual, partnership, company, association, organization, business entity, corporation, or business combination is interested.

22.0 [Omitted]

23.0 WAGE RATES

Pursuant to provisions of the Labor Code Section 1770, et. seq., of the State of California, the Director of the Department of Industrial Relations has ascertained the prevailing rate of per diem wages of the locality in which the Work is to be performed and applicable to the work to be done. Copies of these wage determinations can be obtained at: www.dir.ca.gov

Bidders shall promptly notify PHCD, in writing, about all the classifications of labor not listed in the prevailing wage determinations but necessary for the performance of the Work, before bids are submitted.

24.0 REJECTION OF BIDS

PHCD reserves the right to reject any and all bids and further reserves the right to reject any bids which are nonresponsive, incomplete, obscure, or irregular; any bids which omit a bid on any one or more items on which the bids are required; any bids in which unit prices are unbalanced in the opinion of PHCD; any bids from bidders who have previously failed to perform properly or to complete on time Contracts of any nature; and any bidder who fails to provide satisfactory documentation of its qualifications. PHCD reserves the right to waive irregularities.

25.0 CONTRACT AND INSURANCE CERTIFICATES

The successful bidder, simultaneously with the execution of the Agreement, will be required to furnish evidence of insurance required under Article 11 of Bidding Document 0700, Form of Construction Agreement.

The bidder shall carefully examine Bidding Document 0700, “Form of Construction Agreement,” which the successful bidder as Contractor will be required to execute.

26.0 AWARD OF CONTRACT

Within sixty (60) days after the time of opening of the bids, PHCD will act either to accept a bid, to reject all bids or with the consent of the bidders extend the time in which PHCD may act. The acceptance of a bid will be evidenced by a Notice of Award of Contract in writing, delivered in person or by certified mail to the bidder whose bid is accepted. No other act of PHCD will constitute acceptance of a bid. The Award of Contract shall obligate the bidder whose bid is accepted to furnish evidence of insurance and to execute the Agreement in the form set forth in the Contract Documents. The Contract will require the completion of the work according to the Contract Documents.

If award is made, it will be based on the lowest responsive, responsible base bid, including all bid Alternates as depicted on the bid form unless otherwise noted by PHCD.

27.0 EXECUTION OF CONTRACT

The Form of Construction Agreement, Bidding Document 0700, shall be executed by the successful bidder and returned, together with the Contract bonds and evidences of insurance, within ten (10) days after receiving written Notice of Award of the Contract. Time is of the essence in this regard. After execution by PHCD, one copy of the Agreement shall be returned to Contractor.

The failure to execute the Contract Documents or to furnish evidence of the insurance required by these instructions within ten (10) days after receiving written notice of the Award of the Contract constitutes a default. In the event of a default, PHCD may award the Contract to the next lowest bidder or may readvertise for bids. PHCD may charge against the defaulting bidder the greater of (1) the amount of the bid bond, or (2) the difference between the amount of the bid and the amount for which a Contract for the work is subsequently executed, irrespective of whether the amount thus due exceeds the amount of the bid bond. If a more favorable bid is received by readvertising, the defaulting bidder shall have no claim against PHCD for a refund.

*****END OF SECTION*****

BIDDING DOCUMENT 0200

BID

PROPOSAL FOR THE CONSTRUCTION OF **THE PANEL REPLACEMENT PROJECT AT THE TROUSDALE RESIDENTIAL CARE FACILITY.**

Pursuant to Bidding Document 0100, **INSTRUCTIONS TO BIDDERS**, the undersigned hereby proposes and agrees that on award by the **Peninsula Health Care District** under this Bid, and in accordance with the provisions therein stated, to execute a contract to furnish and install any and all labor, materials (other than the 80 Prodema panels and installation hardware), transportation, and services for the removal of 80 existing Prodema panels and replacement with 80 new Prodema panels in accordance with the manufacturer's specifications ~~,~~at The Trousdale Residential Care Facility for the Elderly, 1600 Trousdale Drive, Burlingame, CA 94010 in accordance with the specifications and scope of work therefor adopted and on file with the **Peninsula Health Care District** within the time hereinafter set forth and at the prices named in this Bid as follows:

Item No.	Description	Lump Sum Total
1	Lump Sum Bid – Construction	$
2	Days to Achieve Substantial Completion	
	TOTAL COST: (Basis of Award)	$
	TOTAL IN WORDS:	

Bid amount of each of the above bid items must be filled in and completed. Work shown on the plans or included in the specifications, but not specifically mentioned in the above items of work shall be included in the bid and spread uniformly throughout the above items.

Name of Bidder

*****END OF SECTION*****

BIDDING DOCUMENT 0700

FORM OF CONSTRUCTION AGREEMENT
(LUMP SUM PRICE)

This construction agreement ("**Agreement**") is made as of _____________, 2025 (the "**Effective Date**"), among and between:

"**Owner"**: Peninsula Health Care District
1819 Trousdale Drive
Burlingame, CA 94010

and

"**Contractor**": ____
____
____
a [state and form of entity]

Contractor's License No.: ________________________

For the Project: Panel Replacement Project at The Trousdale – Residential Care Facility, 1600 Trousdale Drive, Burlingame, California

Lum Sum Price: $____

THEREFORE, in consideration of the mutual covenants contained in this Agreement, the Owner and the Contractor agree as follows:

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ARTICLE 1
THE WORK OF THIS AGREEMENT

1.1 Definition of Work. Owner hereby engages Contractor, and Contractor hereby agrees to perform and supply all work required to complete construction of the Project in accordance with the Contract Documents as defined below in Section 2.1 (the "**Work**"). In addition to the foregoing, Contractor shall be solely responsible for determining the means, methods, techniques, and sequences of construction and for finishing the Work in compliance with the Contract Documents and all applicable laws, codes, permits, and regulations, whether federal, state or local, and whether governmental or public administrative.

1.2 Non-Approved Work. All work not included in the original Scope of Work performed without the written approval of the Owner as evidenced by a Change Order or a Construction Change Directive pursuant to Article 9 shall be at the sole cost and expense of Contractor with no increase in the Contract Sum, as defined in Section 3.1, or the Contract Time, as defined in Section 4.2.

ARTICLE 2
THE CONTRACT DOCUMENTS

2.1 The Contract Documents. The "**Contract Documents**" consist of: (i) this Agreement with Exhibits and any addenda thereto; (ii) the scope of work and specification package issued prior to the execution of the Agreement and included in **Exhibit "A"** (the "**Scope of Work**")~~ and **Exhibit "B"** (the "**Specification Package**"),~~ together~~along~~ with all amendments or modifications thereto; and (iii) all amendments or modifications to this Agreement, including any Change Orders and Construction Change Directives issued after execution of this Agreement. Contractor shall be entitled to rely upon the adequacy, accuracy, and completeness of the Contract Documents, including but not limited to the Scope of Work.

2.2 Includes All Necessary Items. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor, except for the Prodema panels and specialty installation hardware, which will be supplied by Owner.

2.3 Order of Precedence. Conflicts or discrepancies among the Contract Documents shall be resolved in the following order of priority: (i) amendments and executed Change Orders and Construction Change Directives in reverse chronological order; (ii) the Agreement; (iii) the Drawings and Specifications, where Drawings govern Specifications for quantity and location and Specifications govern Drawings for quality and performance; and (iv) as to Exhibits, any addenda thereto shall govern over the respective Exhibit, and the higher numbered addendum shall govern over all lower numbered addenda with respect to any item addressed therein. Approved revisions and addenda of later date take precedence over those of earlier date or original documents.

2.4 Review of Contract Documents by Contractor. Execution of the Agreement by the Contractor is a representation that the Contractor :(i) has reviewed and is familiar with the Contract Documents, including but not limited to the Drawings and Specifications; (ii) is familiar with and has had substantial prior experience with the construction of facilities similar to the Project; and (iii) has made all determinations and inquiries that the Contractor deems necessary or appropriate as a basis for entering into this Agreement and performing the Work required under the Contract Documents. Contractor's review of the Contract Documents is made in Contractor's capacity as a contractor and not as a licensed design professional.

2.5 Errors and Omissions in Documents. If the Contractor, either before commencing or in the course of the Work, finds that the Contract Documents are at variance with one another, or finds that the Work has not been sufficiently detailed or explained in the Contract Documents, or finds any discrepancy between the Contract Documents and the physical conditions on the site, or finds any error or omission in any of the Contract Documents, or a misunderstanding arises regarding the intended meaning of the Contract Documents, the Contractor shall promptly notify the Owner in writing of the discrepancy, error, omission, or misunderstanding. On receipt of notice, the Owner shall promptly investigate the circumstances and give appropriate written instructions to the Contractor. Until instructions are given by the Owner to the Contractor, any affected work done by the Contractor either directly or indirectly, after the Contractor's discovery of error, discrepancy, or conflict, will be at the Contractor's own risk. Contractor shall not be responsible for errors or omissions in the Contract Documents unless Contractor had actual knowledge of such error or omission and failed to promptly notify the Owner as set forth above. Furthermore, Contractor's obligations to comply with Applicable Laws shall pertain to those laws bearing on the performance of the Work.

ARTICLE 3
CONTRACT SUM

3.1 Stipulated Sum. The Owner shall pay the Contractor a stipulated sum of $_____________ in current funds for the Contractor's performance of the Work (the "**Contract Sum**").

3.2 Schedule of Values. The Contractor shall submit to the Owner, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Owner or the Architect may require (the "**Schedule of Values**"). This Schedule of Values, unless objected to by the Owner, shall be used as a basis for reviewing the Contractor's Applications for Payment. The initial Schedule of Values and any supplements or amendments thereto shall be subject to the approval of the Owner.

3.3 Increases to the Contract Sum. Any increase to the Contract Sum, which may only achieved by way of an executed Change Order or Construction Change Directive, shall be priced as agreed upon by the Parties but in no event shall that price exceed the sum of the following cost items: (i) the actual labor cost reasonably and necessarily incurred by Contractor to perform the Change Order or Change Directive, including insurance and taxes; (ii) the actual cost of materials, supplies, products, and equipment reasonably and necessarily incurred by Contractor to perform the Change Order or Change Directive, including sales taxes; (iii) the actual cost of Subcontractors reasonably and necessarily incurred by Contractor to perform the Change Order or Change Directive, including insurance and taxes; and (iv) Contractor's fee for overhead and profit not to exceed ten percent (10%) on items (i) through (iii), above. Where the increase to the Contract Sum is based on any pricing mechanism other than a stipulated sum, the Contractor shall be required to maintain accounting records for the increased costs and the Owner shall have a right to audit those costs.

3.4 Inferable Work. Contractor agrees that the scope of the Contract Sum includes Work not expressly indicated in the Contract Documents, but which is reasonably inferable from such Contract Documents, or consistent therewith, and such Work shall be performed by Contractor without any increase in the Contract Sum. The parties agree that such reasonably inferable Work does not include revisions to the Contract Documents that materially change the scope, quality or quantity of the Work. Contractor acknowledges that it bears responsibility for consequences resulting from its construction processes and acknowledges its responsibility to manage and coordinate all of the construction processes for the Work.

ARTICLE 4
CONTRACT TIME

4.1 Commencement of Work. The commencement of the Work, with the exception of the Preconstruction Services which may have commenced pursuant to a separate agreement between Owner and Contractor prior to the Effective Date of this Agreement, shall be established by Owner delivering to the Contractor a written notice to proceed ("**Notice to Proceed**").

4.2 Contract Time. The "**Contract Time**" is the time beginning on the Effective Date of this Agreement and ending on the date of projected date of Substantial Completion as set forth in the Work Schedule as defined in Section 4.4. The Contract Time may only be extended by an executed Change Order or Construction Change Directive.

4.3 Time of the Essence. Time is of the essence in the performance of the Work. Contractor shall commence performance of the Work upon receipt of a written Notice to Proceed from Owner and shall diligently proceed with performance to Final Completion.

4.4 Work Schedule. Contractor has provided with its bid a detailed schedule of the Work (the "**Work Schedule**"), which is attached hereto as **Exhibit "C**" and incorporated herein by reference. Contractor shall, throughout the Contract Time, update the Work Schedule and provide such updates to Owner; provided, however, Contractor shall not change the date for Substantial Completion other than pursuant to a Change Order signed by Owner.

4.5 Extensions of Time. If the critical path of the Work is delayed at any time by any Compensable Delay Event as defined in Section 4.6 below or any Excusable Delay Event as defined in Section 4.7 below, and if such delay adversely impacts the Contractor's ability to achieve Substantial Completion of the Work within the Contract Time, then the Contract Time shall be extended by Change Order for such time as may be reasonably attributed to such delay.

4.6 Compensable Delay. For purposes of this Article 4, the term "**Compensable Delay Event**" means any delay of one day or more, where the delay is caused by one of the following: (i) an act or omission of the Owner or any person directly or indirectly employed by the Owner other than Contractor; (ii) changes ordered in the Work pursuant to Article 9 below; (iii) concealed or unknown Site conditions as set forth in Article 8 below; (iv) delays in obtaining the necessary permits and approvals required by governmental authorities with jurisdiction over the Project before the Work or a portion of the Work can occur, or (v) any changes in applicable laws enacted after the Effective Date of the Agreement. Contractor's sole and exclusive remedy for a Compensable Delay Event shall be to request, by means of a Proposed Change Order in accordance with Article 9 below, an extension of the Contract Time and an increase in the Contract Sum, except that Contractor shall not be entitled to indirect damages, such as extended overhead, idle labor and equipment costs, and acceleration costs, where the Compensable Delay Event is concurrent with a delay caused by or attributable to the Contractor.

4.7 Excusable Delay. (i) an industry-wide labor dispute affecting the geographical area in which the Project is located and not limited to the Project; (ii) fire; and (iii) any other unavoidable casualties or other causes which, based on Contractor's extensive experience in constructing projects of similar scope and complexity in the same location and Contractor's representations contained in the Contract Documents, are unforeseeable and beyond Contractor's reasonable control. Contractor's sole remedy for an Excusable Delay shall be to request, by means of a Proposed Change Order in accordance with Article 9 below, an extension of the Contract Time. Contractor shall not be entitled to any additional compensation (including, without limitation, any increase in the Contract Sum) by reason of an Excusable Delay Event.

ARTICLE 5
PAYMENT OF CONTRACTOR

5.1 Applications for Payment. Each month during the performance of the Work, Contractor shall submit to Owner for approval and payment no more than one application for payment (each an "**Application for Payment**") for all Work performed. Each Application for Payment shall be based upon the most recent Schedule of Values submitted by the Contractor in accordance with the Contract Documents and shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. Unless Owner directs otherwise in writing, each Application for Payment shall be submitted on AIA Documents G702 – "Application and Certificate for Payment," and G703 – "Continuation Sheet." An Application for Payment may only request payment for Work actually performed and shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or material supplier. Contractor covenants and agrees that it shall, within ten (10) days of receipt of any payment made by Owner under this Article 5, pay to its Subcontractors and Vendors all amounts due for Work that is the subject of such Application for Payment. For an Application for Payment to be deemed "complete" for the purposes of Section 5.3 below, it must separately identify, itemize, and include the following:

5.1.1 a description of all Work performed and the amount allocated to such Work in the Schedule of Values;

5.1.2 the amount due for Work satisfactorily completed prior to the date of the Application for Payment, as measured by the amount allocated to such Work on the Schedule of Values based on the percentage of the Work complete;

5.1.3 for each category and portion of the Work as shown on the Schedule of Values: (i) the amount requested on all previous Applications for Payments; (ii) the amount requested on the current Application for Payment; and (iii) the amount allocated to the Work yet to be completed;

5.1.4 all amounts allocated to the Retention (defined in Section 5.6 below) for Work performed that is the subject of the Application for payment and the aggregate of all amounts allocated to the Retention since the Commencement Date;

5.1.5 duly executed waivers as required in Section 5.2 below in connection with such Work to the extent that payment is made by Owner to Contractor; and

5.1.6 such additional information and documentation regarding the progress of the Work as Owner may reasonably require.

5.2 Conditional and Unconditional Waivers. As a condition precedent to receiving a Progress Payment, Contractor shall submit with each Application for Payment a duly executed ***conditional*** waiver and release on progress payment in the form required under California law on behalf of Contractor and on behalf of each Subcontractor, Sub-Subcontractor, and Vendor for which Contractor is seeking payment in the Application for Payment. Contractor shall, within ten (10) calendar days of receiving a Progress Payment, deliver to Owner an ***unconditional*** waiver on progress payment in the form required under California law on behalf of Contractor and on behalf of each Subcontractor, Sub-Subcontractor, and Vendor for which Contractor was paid.

5.3 Progress Payments. Provided that Owner receives Contractor's complete Month End Payment Application on or before the 25th day of the calendar month, the Owner shall make a progress payment ("**Progress Payment**") to Contractor not later than 30 calendar days following Owner's receipt of the complete Month End Payment Application. Subject to other provisions of the Contract Documents including but not limited to Owner's right to withhold pursuant to Section 5.4 below, the amount of each Progress Payment shall be computed as follows:

5.3.1 take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the Schedule of Values, less Retention as defined in Section 5.6 below;

5.3.2 add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less Retention as defined in Section 5.6 below; and

5.3.3 subtract the aggregate of previous payments made by the Owner.

5.4 Owner's Right to Withhold. In addition to the Retention as defined in Section 5.6 below, Owner may withhold from any payment to be made to Contractor an amount reasonably necessary to protect the Owner from loss for which the Contractor is responsible because of: (i) defective Work not remedied; (ii) third-party claims filed or reasonable evidence indicating probable filing of such claims; (iii) failure of the Contractor to make payments properly to Subcontractors or Vendors or for labor, materials, or equipment; or (iv) damage to the Owner or to a separate contractor.

5.5 Procedure for Owner's Withholding. If Owner intends to withhold any amount pursuant to Section 5.4, then the Owner must deliver to Contractor, on or before the date that payment is due, a written notice ("**Notice of Withholding**"), signed by an authorized agent of Owner and including: (i) the amount that will be withheld from Contractor; and (ii) a reasonably detailed explanation of the reason for Owner withholding that amount. Upon Contractor correcting any condition described in the Notice of Withholding as the reason for withholding payment due to Contractor, Contractor shall deliver written notice ("**Notice of Correction**") to Owner identifying the scope and manner of the corrective measures undertaken by Contractor. Upon Owner's receipt of a Notice of Correction, Owner shall (a) pay to Contractor the amount withheld on or before the date that the next payment is due to Contractor, if the conditions for withholding payment have been corrected to Owner's reasonable satisfaction, or (b) deliver to Contractor, on or before the date that the next payment is due to Contractor hereunder, a written notice objecting to the scope and manner of the corrective measures taken by Contractor and including a detailed explanation for such objection.

5.6 Retention. From each Progress Payment, Owner shall be entitled to withhold from Contractor an amount equal to ten percent (10%) of the total Cost of Work claimed thereunder (collectively, the "**Retention**"). Once the Work is fifty percent (50%) complete as measured by the most recent Schedule of Values, the Owner may at the Owner's sole discretion cease withholding Retention on the remainder of the Work.

5.7 Release of Retention. Subject to Owner's right to withhold pursuant to Section 5.4 above, within thirty (30) days following Substantial Completion of the Work as defined in Section 5.8 below, Owner shall release the balance of the Retention then being held by Owner, except that Owner may withhold sums equal to the amount of (i) any Work that has not been performed (including, without limitation, all items set forth on the Punch List), (ii) the costs and expenses reasonably necessary to correct or repair any Work that is not in compliance with the Contract Documents, and (iii) any other amounts permissible under applicable laws.

5.8 Substantial Completion. "**Substantial Completion**" shall have occurred at the stage in the progress of the Work when all of the following are achieved: (i) the Work is sufficiently complete in accordance with the Contract Documents to enable Owner to fully occupy and utilize the same for all of its intended purposes; (ii) the Work is generally satisfactory to Owner in accordance with the Contract Documents; and (iii) the only Work that remains to be performed is limited to minor punchlist items.

5.9 Final Completion and Final Payment. "**Final Completion**" shall have occurred when: (i) the Contractor has fully performed the Work in accordance with the Contract Documents, including without limitation completion of all items on the punchlist to Owner's satisfaction; (ii) the Contractor has submitted to Owner a final Application for Payment clearly identified as the final billing; and (iii) the Contractor has provided to Owner Final Waivers as required in the following Section 5.10. The Owner shall make final payment to the Contractor of the entire unpaid balance of the Contract Sum including all Retention withheld pursuant to Section 5.6 above ("**Final Payment**") no later than thirty (30) days after receipt by Owner of all of the items required for Final Completion in this Section 5.9.

5.10 Final Conditional and Unconditional Waivers. As a condition precedent to achieving Final Completion and receiving Final Payment, Contractor shall submit with its final Application for Payment a duly executed ***conditional*** waiver and release on ***final payment*** in the form required under California law on behalf of Contractor and on behalf of each Subcontractor, Sub-Subcontractor, and Vendor. Contractor shall, within ten (10) calendar days of receiving Final Payment, deliver to Owner an ***unconditional*** waiver on ***final payment*** in the form required under California law on behalf of Contractor and on behalf of each Subcontractor, Sub-Subcontractor, and Vendor.

5.11 Effect of Final Payment. The making of any payment to Contractor under this Article 5, including Final Payment pursuant to Section 5.9 above, shall not constitute acceptance by the Owner of the quality of the Work that is the subject of such payment, nor shall it be deemed a waiver of any claims that Owner may have with respect to such work. Acceptance of Final Payment by the Contractor shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of the final Application for Payment.

ARTICLE 6
CONTRACTOR COVENANTS

6.1 Standard of Care. Contractor covenants to furnish its best skill and judgment and to cooperate with Owner in furthering the best interests of Owner, the Work, and the Project.

6.2 Contractor's License. Contractor warrants that it holds, and that each Subcontractor engaged by Contractor, holds all the licenses required to perform the Work.

6.3 Contractor's General Warranties. The Contractor expressly warrants to the Owner that: (i) materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or specifically permit otherwise; (ii) the Work will conform to the requirements of the Contract Documents; and (iii) the Work will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective ("**Nonconforming Work**"). The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

6.4 Permits, Fees, Notice, and Compliance with Laws. Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Agreement. The Contractor shall furnish to the Owner copies of all permits, certificates, licenses, and approvals obtained during the course of the Work and shall deliver original certificates of inspection, use, occupancy, and completion to Owner upon completion of the Work in sufficient time for occupancy of the Project in accordance with the approved Work Schedule.

6.5 Cutting and Patching. The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting and patching shall be restored to the condition existing prior to the cutting, fitting and patching, unless otherwise required by the Contract Documents. The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a Separate Contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold from the Owner or a Separate Contractor the Contractor's consent to cutting or otherwise altering the Work.

6.6 Work Area. Contractor shall perform the Work in accordance with a logistics plan prepared by Contractor and approved by Owner and shall confine operations on the Site to areas outlined in the Contract Documents and shall not encumber the Work area with materials or equipment.

6.7 Minimize Inconvenience. Contractor shall schedule the Work such that Owner's facilities and ongoing operations are not interrupted. Contractor shall perform the Work in a quiet and courteous fashion with respect to all Owner's guests, invitees, and employees.

6.8 Avoid Damage to Other Property. Contractor shall take reasonable precautions for safety of, and shall provide all reasonable protection to prevent damage, injury, or loss to other property at the site or adjacent thereto, such as trees, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction. Where necessary and appropriate, Contractor shall coordinate with the owners of adjacent properties and/or their professional consultants to help minimize the impact of the Work on the adjacent properties.

6.9 Coordination with Owner and Others. Contractor acknowledges that Owner reserves the right to engage other contractors, engineers, inspectors, consultants (collectively, "**Other Contractors**") and/or its own personnel to provide work or services relating to the Project which may be carried out concurrently with Contractor's Work. Contractor agrees to cooperate with Owner and the Other Contractors during Contractor's performance of the Work. Such obligation to cooperate shall include, without limitation, entering into joint purchase arrangements with respect to the purchases of materials, supplies and equipment, where such cooperation and joint purchases may lead to a savings in purchase costs relating to such items as determined by Owner. Contractor shall fully cooperate by coordinating the Work with any work or services being performed by Owner and/or any Other Contractors.

6.10 Payment of Prevailing Wages. Contractor and all Subcontractors shall pay all workers on Work performed pursuant to this Agreement not less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work as determined by the Director of the Department of Industrial Relations, State of California, for the type of work performed and the locality in which the work is to be performed, pursuant to sections 1770 et seq. of the California Labor Code. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Agreement, as determined by Director of the State of California Department of Industrial Relations, are on file at the Judicial Council's principal office. Prevailing wage rates are also available from on the internet at http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm.

6.10.1 Contractor shall comply with the registration and compliance monitoring provisions of Labor Code section 1771.4, including furnishing its certified payroll records to the Labor Commissioner of California and complying with any applicable enforcement by the Department of Industrial Relations. Labor Code section 1771.1 (a) states the following:

> "A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of section 4104 of the Public Contract Code. or engage in the perfo1mance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by section 7029.1 of the Business and Professions Code or by section 101164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to section 1725.5 at the time the contract is awarded."

6.10.2 Contractor shall comply, and shall ensure that all "subcontractors" (as defined by Labor Code section 1722.1) comply, with Labor Code section 1725.5, including without limitation the registration requirements with the Department of industrial Relations that are set forth in Labor Code section 1725.5. CMR represents to Owner that all "subcontractors" (as defined by Labor Code section 1722.1) are registered pursuant to Labor Code section 1725.5.

6.11 Nondiscrimination. During the performance of this Contract, Contractor and its Subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color. national origin, ancestry, physical or mental disability, medical condition, Acquired Immune Deficiency Syndrome or HIV status (AIDS/HJV status), marital status, age (over 40), sex, or sexual orientation. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

ARTICLE 7
SUBCONTRACTS

7.1 Subcontractors and Vendors Defined. For the purposes of this Agreement, (i) "**Subcontractor**" means any person or entity who has a contract with or is engaged by Contractor to construct or perform a portion of the Work and/or provide construction services at the Site, (ii) "**Sub-Subcontractor**" means any person or entity who has a contract with or is engaged by any Subcontractor, at any tier, to construct or perform a portion of the Work and/or provide construction services at the Site, (iii) "**Vendor**" means any person or entity which has an agreement to provide materials, supplies, equipment and/or related services for the Project and/or provide installation services at the Site, through a contract, purchase order or other arrangement with Contractor, Subcontractor, or Sub-Subcontractor, and (iv) "**Subcontract**" means an agreement relating to any portion of the Work and entered into by and between Contractor or any Subcontractor or Sub-Subcontractor with another Subcontractor, Sub-Subcontractor, or Vendor.

7.2 Subcontractors. The Subcontractors have been listed in Contractor's bid, and any substitutions shall be in accordance with the provisions of the Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4100, et seq.) ("Subcontractor Listing Law"), including, specifically sections 4109 and 4110.

7.3 Subcontracts to Incorporate Terms of this Agreement. Contractor shall provide each Subcontractor copies of the Contract Documents to which the Subcontractor will be bound. Contractor shall ensure that all Subcontracts shall require each Subcontractor to be bound to Contractor by the terms of the Contract Documents and to assume toward Contractor all the obligations and responsibilities that Contractor, by the Contract Documents, assumes toward Owner.

7.4 Assignment of Warranties. Contractor shall assign to Owner in form and substance satisfactory to Owner, all warranties, service life policies, indemnities and guarantees with respect to any and all materials, appliances, mechanical devices, supplies, and equipment incorporated into the Work and given by the manufacturer, retailer, or other supplier, which shall be supplied and assigned to Owner promptly after such is received by or becomes available to Contractor and as a condition to Final Payment. Contractor shall, at Owner's request, assist the Owner in enforcing all such warranties, guarantees, policies, and indemnities.

ARTICLE 8
SITE CONDITIONS

8.1 Owner Provided Site Information. To the extent that Owner has already obtained, or is required to obtain elsewhere in the Contract Documents, any tests, inspections, investigations, or evaluations relating to the conditions existing at the Site ("**Site Information**"), the Owner shall provide such Site Information to the Contractor. The Contractor shall be entitled to rely on the accuracy of any Site Information provided by the Owner but shall exercise proper precautions relating to the safe performance of the Work based on Contractor's experience and knowledge of construction as a General Contractor in the area in which the Project is located.

8.2 Review of Field Conditions by Contractor. The Contractor is familiar with and has visited the Site, including any existing improvements, and all conditions therein and thereon, and has made all investigations, tests, and inquiries that Contractor deems necessary for performing the Work required under the Contract Documents.

8.3 Concealed or Unknown Site Conditions. If the Contractor encounters conditions at the Site that are (i) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (ii) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 20 calendar days after first observance of the conditions. The Owner will promptly investigate such conditions and, if the Owner determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, will make an equitable adjustment in the Contract Sum or Contract Time, or both. If the Owner determines that the conditions at the site are not materially different from those indicated in the Contract Documents, or are not of an unusual nature differing materially from those ordinarily found to exist and generally recognized as inherent in the Work, and that no change in the Contract Sum or Contract Time is justified, the Owner shall promptly notify the Contractor in writing, stating the reasons. If Contractor disputes a determination made by Owner regarding concealed or unknown conditions, Contractor party may proceed as provided in Article 15.

8.4 Hazardous Materials Discovered at the Site. Contractor shall have no responsibility for the handling, removal, or disposal of Hazardous Materials (as defined below in Section 8.5) discovered at the Site, and the Scope of Work shall not include the handling, removal, or disposal of any Hazardous Materials, other than to the extent of Contractor's negligence, gross negligence, willful misconduct, or other legal fault of Contractor or anyone acting under Contractor's direction or control, including without limitation Contractor's failure to comply with applicable laws, causes, contributes to, or exacerbates a Release of Hazardous Materials. "Release" shall have the same meaning as given to that term in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq*.) and the regulations promulgated thereunder. If Contractor discovers the presence, or conditions indicating a potential presence, of any Hazardous Materials at the Site, Contractor shall promptly report the presence, or conditions indicating a potential presence, and precise location of such actual or suspected Hazardous Materials to Owner and immediately stop Work in the affected area. If Contractor incurs additional costs and/or is delayed due to the presence or remediation of Hazardous Material, and such costs and/or delay are not a result of Contractor's negligence, gross negligence, willful misconduct, or other legal fault of Contractor or anyone acting under Contractor's direction or control, including without limitation Contractor's failure to comply with applicable laws, Contractor shall be entitled to an equitable adjustment of the Contract Sum and the Contract Time made in accordance with Article 9 below. Owner shall defend, indemnify, and hold harmless Contractor from and against any and all claims to the extent caused by or arising from such Hazardous Materials that are discovered at the Site. This Section 8.4 in its entirety shall not apply to Hazardous Materials brought to the Site by Contractor or anyone acting under Contractor's direction or control, which shall be governed by Section 8.6 below.

8.5 Hazardous Materials Defined. As used in this Agreement, the term "**Hazardous Materials**" means any flammable explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyl's, petroleum and petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. § 9601, *et seq*.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801, *et seq*.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901, *et seq*.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601, *et seq.*), California Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health & Safety Code § 25300, *et seq.*), Hazardous Materials Release Response Plans and Inventory Act (California Health & Safety Code § 25500, *et seq.*), Underground Storage of Hazardous Substances provisions (California Health & Safety Code § 25280, *et seq.*), California Hazardous Waste Control Law (California Health & Safety Code § 25100, *et seq*., or any other applicable Environmental Law and the regulations promulgated thereunder.

8.6 Hazardous Materials Brought to the Site by Contractor. Notwithstanding anything to the contrary in this Agreement, Contractor shall: (a) obtain all permits, licenses, approvals, authorizations, consents or registrations required by any applicable law in connection with the ownership, use and/or operation of the Site for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Materials brought onto the Site by Contractor or any of its Subcontractors or Vendors or anyone acting under Contractor's direction or control; and (b) indemnify, protect, defend, and hold harmless the Owner from and against any and all claims or actions relating to, arising out of, or resulting from either (i) the release of such Hazardous Materials prior to Substantial Completion of the Work or (ii) the negligence of Contractor or its Subcontractors or Vendors. In addition to the foregoing indemnity obligation, Contractor shall, upon receipt of written request from Owner, do the following at Contractor's sole cost and expense: (i) promptly remove from the Site any Hazardous Materials brought onto the Site by Contractor; and (ii) repair any damage to the Site, the Project, and any completed Work resulting from such Hazardous Materials from the Site, including without limitation remediation of the Site to the satisfaction of government authorities and Owner should such Hazardous Materials be Released.

ARTICLE 9
CHANGES IN THE WORK

9.1 Change Orders. Owner may order changes in the scope or character of the Work, including but not limited to: (i) additions to or deletions from the Work; (ii) changes to the materials or quantities specified in the Contract Documents; (iii) corrections or other modifications to the specifications or drawings plans; (iv) changes to the Construction Schedule; and (v) changes resulting from construction conditions. Except for minor changes in the Work not resulting in an adjustment to the Contract Sum or the Contract Time, such changes in the Work shall only be authorized and accomplished by: (a) written Change Order signed by Owner and Contractor; or (b) a written Construction Change Directive signed by Owner. For the purposes of this Agreement, a "**Change Order**" means a written instrument prepared by Contractor and signed by both Owner and Contractor, stating their agreement on all of the following: (a) a change in the Work including a full description of such change; (b) the amount of the adjustment, if any, in the Contract Sum; and (c) the extent of the adjustment, if any, in the Contract Time.

9.2 Change Order Request. If the Owner intends to order a change in the Work, the Owner either acting by itself or through the Architect shall prepare and issue to the Contractor a written change order request ("**Change Order Request**") describing in reasonable detail the change or changes in the Work being requested by Owner and requesting that Contractor prepare a Proposed Change Order as set forth below in Section 9.3. When time does not permit the processing of a Change Order in advance of commencing the change in the Work, upon receipt of a Change Order Request and written authorization to commence work from the Owner, the Contractor shall proceed with the change in the Work as if pursuant to a Construction Change Directive while concurrently proceeding with the preparation of a Proposed Change Order.

9.3 Proposed Change Order. Within 20 business days of receiving a Change Order Request, the Contractor shall submit a proposed Change Order to the Owner ("**Proposed Change Order**"). The Proposed Changer Order shall be sequentially numbered and shall include, at a minimum, an estimate of any change in the Contract Sum or the Contract Time associated with the change described in the Change Order Request together with an itemization of all costs and substantiation of any extension of the Contract Time. If the Contractor is unable to submit the above information within the time limit, it shall notify the Owner in writing, setting forth for the Owner's approval a date by which the Contractor will submit the information as well as a schedule for the performance of the Work for which the Proposed Change Order will be forthcoming. If the Owner approves in writing a Proposed Change Order submitted by the Contractor, the approved Proposed Change Order shall constitute a Change Order and shall be effective immediately.

9.4 Procedure Where Owner Has Not Issued a Change Order Request. If the Owner has not issued a Change Order Request, but the Contractor nevertheless reasonably believes that the Owner has otherwise directed a change in the Work, then the Contractor may submit a Proposed Change Order no later than 30 calendar days after the Contractor becomes aware of that the Owner has directed such change in the Work. If the Contractor submits a Proposed Change Order that was not prompted by or that differs substantially from a Change Order Request issued by the Owner, and if the Owner does not agree that the work described in that Proposed Change Order constitutes a change in the Work but nevertheless requires that the Contractor perform the work addressed therein, the Contractor shall proceed with the Work, including the work described in the Proposed Change Order, while recording all associated costs, and any additional compensation or extension of time claimed by the Contractor on account of such work shall be determined as provided in Section 3.3.

9.5 Construction Change Directive. If the Owner issues a Change Order Request that does not result in an executed Change Order and the Owner nevertheless desires to move forward with the change that is the subject of the Change Order Request, the Owner may issue a written order prepared by the Owner or the Architect ("**Construction Change Directive**") directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. If the Owner anticipates that the change being directed in a Construction Change Directive will increase the Contract Sum, then the Construction Change Directive will include an estimated cost of the changed work, which amount shall not be exceeded without another Constructive Change Directive or a Change Order. Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Owner of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time, while recording all associated costs. Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment, and the Owner shall pay the amount that the Owner determines to be reasonably justified pursuant to the terms of the Agreement and the Contract Documents. Any additional compensation or extension of time claimed by the Contractor on account of the Construction Change Directive shall be determined as provided in Section 3.3.

ARTICLE 10
PROTECTION OF PERSONS AND PROPERTY

10.1 Compliance with Law. Contractor's performance of the Work shall strictly comply with all applicable federal, state, and local laws, including, but not limited to, rules, regulations, statutes, ordinances, directives, and common law ("**Law(s)**") now in force or hereafter in effect. All work, labor, services, or materials necessary to comply with such Laws will be furnished by Contractor as part of this Agreement without any additional time for performance or compensation.

10.2 Contractor's Site Safety Responsibilities. Contractor shall be responsible for maintaining all safety precautions and programs in connection with the performance of the Work. Owner shall not approve or have any control over Contractor's safety program.

10.3 Accidents. In the event that an accident involving the property, equipment, or personnel of Contractor (or any of its Subcontractors, Vendors, agents, or business invitees), occurs on or off the Site, or while travelling to or from the Site, which arises out of, results from, or is any way connected with the Work, Contractor shall immediately notify the Owner of such accident. Contractor shall provide Owner with a copy of every report of such accident which Contractor is required to submit, or submits, to any entity, including without limitation, any governmental agency or body. Contractor agrees to cooperate fully with Owner in investigating any such accident.

ARTICLE 11
INSURANCE REQUIREMENTS

11.1 Contractor's Insurance Requirements. Contractor shall at its own cost procure and maintain the following types of insurance at all times during the term of this Agreement and during the performance of the Work ("**Contractor Required Insurance**"). In the case of the insurance coverages specified in Section 11.1.2 (workers compensation and employer's liability), and Section 11.1.3 (automobile liability), Contractor shall ensure that its Subcontractors procure and maintain the required insurance at all times during their performance of Work on the Project ("**Subcontractor Required Insurance**"). All Contractor Required Insurance and Subcontractor Required Insurance shall be placed with insurance companies who are authorized to conduct business in the state of California and who are rated, at a minimum, “A VII” by Best’s Key Rating Guide. Contractor shall give written notice to Owner as soon as practicable in the event of cancellation, or non-renewal, of any policies.

11.1.1 Commercial General Liability Coverage. Contractor shall at its own expense procure and maintain commercial general liability insurance covering claims for personal injury, bodily injury, and property damage arising out of the Work and in a form providing coverage no less broad than that of the current ISO Commercial General Liability Insurance policy (Occurrence Form, number CG 00 01). Such insurance shall provide for all operations and include independent contractors, products liability, contractual liability, personal and advertising injury. The limits of such insurance shall not be less than $1,000,000 per each occurrence and $2,000,000 general aggregate. The policy shall not contain any exclusions directed toward any types of projects, materials, or processes involved in the Work. Contractor shall require each Subcontractor to procure and maintain commercial general liability insurance consistent with this Section 11.1.1. Contractor shall cause Owner to be named as an additional insured on all commercial general liability insurance required under this Section 11.1.1.

11.1.2 Workers’ Compensation and Employer’s Liability Insurance. Contractor and all Subcontractors shall procure and maintain: (i) workers’ compensation insurance in an amount equal to any amounts and scope required by statute or other governing law; and (ii) employer’s liability insurance in the amount of not less than $1,000,000 per occurrence and for each of the following: bodily injury by accident – $1,000,000 each accident; bodily injury by disease – $1,000,000 policy limit; bodily injury by disease – $1,000,000 each employee.

11.1.3 Automobile Liability. With regard to automobiles that are used in the performance of Work under this Agreement, Contractor and any relevant Subcontractors, Vendors, and Sub-Subcontractors shall maintain business automobile liability insurance covering all owned, non-owned, and hired vehicles on and off-site. Such insurance shall provide coverage not less than the standard ISO Comprehensive Automobile Liability policy (CA 00 01, CA 00 05, CA 00 12, CA 00 20), with limits not less than $2,000,000 each accident, and $2,000,000 each occurrence for claims subject to The Motor Carrier Act of 1980. If the Work involves transportation of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor shall provide pollution auto coverage equivalent to that provided under the ISO pollution liability-broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act endorsement (MCS 90) shall be attached. Any statutorily required “No-Fault” benefits and uninsured/underinsured motorists coverage should be included.

11.1.4 Contractor’s Equipment. Contractor is not required to procure and maintain insurance covering risk of physical damage to equipment provided for use at the Project site by the Contractor. However, Contractor agrees to waive and does hereby waive its rights of recovery against Owner and each of its officers, employees, consultants and agents, as to any damage or loss which may occur to its equipment to the extent covered by such insurance, and Contractor will have the insurance company specifically agree to this waiver. If uninsured, Contractor will hold harmless Owner and each of its officers, employees, consultants and agents, for loss or damage to its tools and equipment.

11.1.5 Umbrella/Excess Liability. Contractor shall procure and maintain insurance on an occurrence basis in excess of the underlying insurance identified in Sections 11.1.1 (commercial general liability), 11.1.2(ii) (employer’s liability), and 11.1.3 (automobile liability), and which is at least as broad as each and every one of the underlying policies. The umbrella/excess liability policies shall be written on a “drop-down-following form” basis, with only such exceptions as Owner shall expressly approve in writing. The amounts of insurance required in subparagraphs Sections 11.1.1, 11.1.2(ii), 11.1.3, and this Section 11.1.5 may be satisfied by Contractor purchasing coverage for the limits specified or by any combination of underlying and umbrella limits, so long as the total amount of insurance is not less than the limits specified below for these types when added to the limit for this Section 11.1.5. The umbrella/excess liability insurance limits shall have limits not less than $4,000,000 for any one occurrence and annually reinstating general aggregate.

11.2 Certificates of Insurance. Contractor shall furnish Owner with certificates of insurance completed by a duly authorized representative evidencing coverage required under Article 11 of this Agreement. Such certificates shall be delivered to Owner before any Work hereunder is commenced by Contractor and annually thereafter on or before the policy effective dates of Contractor's general liability insurance policy. For the coverages are required to remain in force after Substantial Completion, Contractor shall submit an additional certificate evidencing continuation of such coverage with its final billing and at each subsequent renewal of Contractor's insurance.

11.3 Waivers of Subrogation. The Owner and Contractor waive all rights against each other and any of their Subcontractors, Sub-Subcontractors, Vendors, agents and employees, each of the other, for damages caused by fire or other causes of loss to the extent covered by property insurance or other insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

11.4 Owner's Right to Settle with Insurer. The Owner as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five business days after occurrence of loss to the Owner's exercise of this power; if such objection is made, the dispute shall be resolved pursuant to Article 15 below, in which case the Owner as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the court.

ARTICLE 12
CONTRACTOR DEFAULT

12.1 Notice of Default. Contractor shall promptly cure any default of Contractor, or any Subcontractor or Vendor, under the Contract Documents, to Owner's reasonable satisfaction, within 10 calendar days following Contractor's receipt of written notice of such default ("**Notice of Default**"). If it is not possible to cure such a default within 10 calendar days, Contractor shall within said 10 calendar days, provide Owner with written notice setting forth a proposed reasonable course of action for curing such default together with a reasonable estimate of the time required to cure such default ("**Cure Plan**"). Owner may, in its discretion, approve the Cure Plan, in which case Contractor shall immediately commence and diligently continue effective action to cure such default in accordance with such Cure Plan, subject to such changes as Owner may reasonably request. If Owner elects not to approve Contractor's Cure Plan, Owner may hold Contractor in default and exercise its remedies as set forth in this Agreement.

12.2 Owner's Remedies Upon Default by Contractor. If Contractor (or any Subcontractor or Vendor) fails to perform any of its material obligations under the Contract Documents (including, without limitation, failure to perform the Work in a diligent, expeditious, workmanlike and careful manner strictly in accordance with this Agreement), or otherwise breaches any of its obligations under the Contract Documents, then Owner may, following the expiration of any applicable cure period afforded Contractor under Section 12.1, do any or all of the following: (i) hold in abeyance any further payments due Contractor hereunder until Contractor cures all breaches of its obligations under the Contract Documents to the satisfaction of Owner; (ii) terminate this Agreement in its entirety, or only with respect to certain portion(s) of the Work in accordance with Section 13.1 below; and/or (iii) pursue all other remedies available to Owner under any Laws including, without limitation, claims damages.

12.3 Non-Curable Defaults. Notwithstanding the foregoing provisions of this Article 12, in the event any of the events listed below in this Section 12.3 shall occur during the Contract Time, Owner may hold Contractor in default and exercise its remedies as set forth in this Agreement, including but not limited to termination pursuant to Section 13.1 below, without first providing Contractor with an opportunity to cure:

12.3.1 the commencement of an action or petition by or against Contractor under any applicable bankruptcy laws; any general assignment by Contractor for the benefit of creditors, or the appointment of a receiver, trustee or manager to take charge of the assets of Contractor; or Contractor becomes insolvent, goes into liquidation, has a receiving or administrative order made against it, or compounds with its creditors; or

12.4 Stop Work Orders. In the event of any material breach or default of this Agreement by Contractor (including, without limitation, any of the events set forth in Section 12.3 above), and in lieu of declaring termination of this Agreement for default pursuant to Section 13.1 below (but not in lieu of any other remedies available to Owner under this Agreement or any Laws), Owner may elect to stop, delay, reduce or interrupt any operations of Contractor or any affected Subcontractors or Vendors until such default or failure is remedied to Owner's satisfaction.

12.5 Remedies Not Exclusive. All the rights and remedies of Owner under this Article 12 and the following Article 13 shall be non-exclusive, and shall be in addition to all other rights and remedies available to Owner under the Contract Documents, any Laws, or otherwise.

ARTICLE 13
TERMINATION AND SUSPENSION

13.1 Termination by Owner for Cause. The Owner may at its sole discretion elect to terminate this Agreement, in whole or in part, should Contractor be in default of any of its obligations under this Agreement and fail to cure such default within 10 calendar days following receipt of written notice of such default (or commence and diligently pursue a cure such default, if the default is of a nature that it cannot reasonably be cured within 10 days). In the event of an Owner termination for cause pursuant to this Section 13.1, Contractor shall not be entitled to receive any further payments under the Agreement until either (i) Final Completion of the Work has been achieved by others; or (ii) Owner elects to forego or suspend completion of the Work. Thereafter, Contractor shall be entitled to reimbursement only of such amount (if any) by which the Contract Sum for those portions of the Work actually and properly performed by Contractor (as determined by the Schedule of Values and the percentage of Work complete) in accordance with the Contract Documents up to the date of such termination ("**Completed Work**") exceeds the total of (a) all payments made by Owner to Contractor for the Completed Work, and (b) all damages and other costs incurred by Owner, directly or indirectly, arising out of or as a result of Contractor's breach or default, including without limitation the additional cost required to complete the Work less the unpaid balance of the Contract Sum. If such damages and other costs exceed the unpaid balance of the Completed Work, then Contractor shall pay the difference to Owner. This obligation for payment shall survive termination of the Agreement.

13.2 Termination by Owner Without Cause. The Owner may at its sole discretion elect to terminate this Agreement, in whole or in part, for Owner's convenience and without cause upon 7 calendar days' prior written notice to Contractor. Contractor shall cause all of its agreements with Subcontractors to include a similar right to terminate for convenience and without cause.

13.2.1 In case of such termination for the Owner's convenience, the Contractor shall be entitled to receive payment for Work actually and properly performed by Contractor (determined by the percentage of Work complete compared against the Schedule of Values) in accordance with the Contract Documents, plus reasonable and necessary demobilization costs, cancellation costs, and cost of items properly and timely fabricated off the Project Site, delivered and stored in accordance with the Owner's instructions. Notwithstanding the foregoing, the Contractor shall be required to take all reasonable efforts to reduce the demobilization costs and cancellation costs and to expedite the demobilization. The Contractor shall, as a condition to receiving the payments referred to in this Section 13.2.1, execute and deliver all such papers and take all such steps, including the legal assignment of its contractual rights, as Owner may require for the purpose of fully vesting in it the rights and benefits of the Contractor under such obligations or commitments and for assuring that no basis exists for mechanics' liens arising out of Contractor's Work. If the Owner wrongly terminates the Contractor for Cause under Section 13.1, that wrongful termination shall be deemed a termination for the Owner's convenience under this Section 13.2.

13.2.2 Notwithstanding anything in the Contract Documents to the contrary, in no event shall the Contractor be entitled to recover anticipated profits on work not yet performed as of the time of the termination.

13.3 Procedure Following Termination. If this Agreement is terminated in its entirety or with respect to any portion of the Work, then the following Sections 13.3.1 through 13.3.5 shall apply to such terminated portions of the Work and/or this Agreement:

13.3.1 Contractor shall immediately discontinue the terminated Work and remove its personnel, construction equipment, and any debris and waste material generated by Contractor from the Site to the extent required by such termination, and Owner shall be entitled to take exclusive possession of such portions of the terminated Project, as well as all or any part of the equipment and materials delivered or en route with respect to such portions of the terminated Project. Contractor shall immediately take such steps as are reasonably necessary to preserve and protect all Work completed and in progress and to protect materials, equipment, and supplies at the Site, stored off-Site, or in transit to the Site.

13.3.2 Contractor shall, prior to the effective date of the termination, do all of the following with respect to the Project: (i) assign to Owner (or, at Owner's election, cancel) all contracts with Subcontractors, Vendors, and equipment rental companies upon terms satisfactory to Owner; (ii) execute all documents and take all other reasonable steps requested by Owner that may be reasonably required to vest in Owner all rights and benefits vested in Contractor prior to such termination; (iii) deliver and assign to Owner, pursuant to a document reasonably acceptable to Owner, all warranties as required under Section 7.4; and (iv) deliver to Owner all originals and copies of all drawings, documents relating to Permits, orders placed, bills and invoices relating to the terminated Work; and (v) provide to Owner any other documentary support that is required under this Agreement as a condition to Final Completion.

13.3.3 Owner and Contractor shall use all reasonable efforts to mitigate costs incidental to the termination of such Work following such termination of this Agreement (or part thereof).

13.3.4 A termination of this Agreement (or part hereof) shall not, except as otherwise expressly provided in this Agreement, limit the liability of either party hereto, relieve either party hereto of any obligations or liabilities for loss or damage to the other party hereto arising out of or caused by acts or omissions of such party prior to the effectiveness of such termination, or arising out of such termination, and shall not relieve Contractor of its obligations as to portions of the Work or other services hereunder already performed.

13.3.5 The provisions of this Section 13.3 shall survive the termination of this Agreement.

ARTICLE 14
INDEMNIFICATION

14.1 Indemnity. To the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the Owner and Owner's agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (including, but not limited to, the Work itself), but only to the extent alleged to have been caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

14.2 Indemnity for Improper Liens or Attachments. Contractor shall defend, indemnify, and hold harmless the Owner and Owner's agents and employees from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of or resulting from any liens, attachments, or claims asserted by any Subcontractor, Sub-Subcontractor, or Vendor for which Contractor has been fully paid by Owner.

ARTICLE 15
CLAIMS AND DISPUTE RESOLUTION

15.1 Contractor Disputes. As used in this Article 15, a "**Dispute**" is a demand or assertion by Contractor seeking an adjustment of the Contract Sum, the Contract Time, or other relief with respect to the terms of the Agreement, whether arising due to an error or omission, breach of the Agreement, or otherwise. Disputes must be made within twenty-one (21) days after occurrence of the event giving rise to such Dispute, or within twenty-one (21) days after Contractor first recognizes the condition giving rise to the Dispute, whichever is later. Every Dispute shall be stated with specificity in writing and signed by Contractor under penalty of perjury. The Owner shall review the Dispute and issue a written decision to Contractor within 30 calendar days from the date the Dispute is received.

15.2 Contractor Claims. If the Contractor disagrees with the Owner's written decision in response to a Dispute, the Claimant Contractor may submit a certified claim ("**Contractor Claim**") within 30 calendar days for the Owner's consideration. Owner will review the Contractor Claim and will render a written decision to Contactor.

15.3 Mediation. Within thirty (30) days after the Owner renders its written decision on a Contractor Claim, the Contractor may request that the parties submit the underlying Dispute to mediation. Absent a request for mediation, the Owner's written decision is final and binding on the parties.

15.4 Litigation. If, after a mediation as indicated above, the parties have not resolved the underlying Dispute the Owner's written decision will be conclusive and binding unless the Contractor commences an action in a court of competent jurisdiction to contest such decision within ninety (90) days following the conclusion of such mediation or one year following the accrual of the cause of action, whichever is later.

15.5 Exceptions from Dispute and Claims Process. The procedures and provisions for Disputes and Claims as set forth in Sections 15.1 through 15.4 shall not apply to: (i) any claim for personal injury or property damage; (ii) any claim for defective work or breach of warranty; and (iii) stop payment notices.

15.6 Work Continuance and Payment. Unless otherwise agreed in writing, Contractor shall continue to perform its obligations under this Agreement and pursue Final Completion of the Work during any dispute resolution proceedings initiated pursuant to this Article 15. If Contractor continues to perform its full and complete obligations hereunder, Owner shall continue to make payments of all undisputed amounts in accordance with this Agreement.

15.7 Waiver of Consequential Damages. The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes: (i) damages incurred by the Owner for losses of income, profits, financing, business opportunities, and reputation; and (ii) damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business opportunities, and reputation, and for loss of profit except earned profit arising directly from the Work actually performed. This mutual waiver does not include: (A) damages incurred by Owner due to Contractor's willful and deliberate misconduct; (B) indemnity obligations arising under this Agreement or by operation of law; and (C) any fines or additional fees imposed by governmental entities with control or jurisdiction over the Project or Owner as a direct result of actions or inactions of the Contractor. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 13.

15.8 Legal Fees. In the event of litigation pursuant to this Article 15 or any other action or proceeding at law or in equity between Owner and Contractor to enforce or interpret any provision of the Contract Documents, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including without limitation reasonable attorneys' fees and expenses (to include fees, costs and expenses of experts and consultants), reasonably incurred in connection with such action or proceeding. In any claim for monetary damages, the Party seeking monetary damages shall be deemed the non-prevailing party unless it is awarded seventy-five percent (75%) or more of the original amount claimed.

ARTICLE 16
OTHER CONDITIONS

16.1 Entire Agreement. This Agreement and the Contract Documents constitute the entire agreement of the Parties relating to the subject matter hereof and supersedes all prior and contemporaneous agreements, undertakings or negotiations, whether oral or written. No provisions of this Agreement shall be changed or modified, nor shall this Agreement be discharged, in whole or in part, except by an agreement in writing signed by the Party against whom the change, modification or discharge is claimed or sought to be enforced. No waiver of any of Owner's or Contractor's rights under this Agreement shall be effective or binding unless such waiver shall be in writing and signed by the Party claimed to have given, consented to or suffered the waiver.

16.2 Notices. All notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed validly given if sent by United States Certified Mail (return receipt requested), Overnight Delivery Service, or fax, addressed to the parties as follows or such other address as either party may notify the other in writing:

OWNER:	Peninsula Health Care District 1819 Trousdale Drive Burlingame, CA 94010 Att: Ana Pulido, CEO
CONTRACTOR:	__________________________ __________________________ __________________________ Attn.: ____________________

16.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

16.4 Severability. If any provision in this Agreement is determined to be invalid, void, or unenforceable, in whole or in part, that determination will not affect any other provision of the Agreement, and the provision in question shall be modified so as to render it enforceable.

16.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16.6 Exhibits. The following Exhibits have been annexed to this Agreement and are made a part hereof:

- Exhibit “A” – Scope of Work
- Exhibit “B” – Specification Package
- Exhibit “C” – Work Schedule

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have duly authorized and caused this Agreement to be executed as follows:

"OWNER"

Peninsula Health Care District
1819 Trousdale Drive
Burlingame, CA 94010

By: ____

Its: ____

"CONTRACTOR"

[INSERT NAME]
[State and Business Entity]
[Address Line 1]
[Address Line 2]

By: ____

Its: ____

License No.: ____________________________________

EXHIBIT A

SCOPE OF WORK

The Scope of Work shall include all equipment, labor and materials (other than 80 new Prodema panels and specialty installation hardware to be supplied by Owner) to remove 80 existing Prodema panels on the west and north elevations, as designated by Owner, and install 80 new Prodema panels in accordance with the manufacturer's installation specifications. The Scope of Work shall include protection of driveways and grounds at the site.

BIDDING DOCUMENT 0300

BID SCHEDULE

DATE:____________________

The undersigned, as bidder, declares that we have received and examined the Contract Documents for the Panel Replacement Project at The Trousdale – Residential Care Facility, including the form of Agreement provided herewith, and agree to do everything required to complete the work described therein at the prices and on the terms and conditions herein contained.

We agree that the following shall form a part of this bid and are submitted herewith:

Bid Document No.	Title	Item Included (Initial)
0100	Instructions to Bidders	______________
0200	Bid	______________
0300	Bid Schedule	______________
0400	Certification of Bidders Experience & Qualifications	______________
0500	Proposed Subcontractors	______________
0600	Non-Collusion Affidavit	______________
0700	Form of Construction Agreement, including Exhibits A - C	______________

We acknowledge that the following addenda numbers have been received and have been examined as part of the Contract Documents.

Addendum No.	Date Received	Initials

If our bid is accepted, we agree to sign the Agreement without qualifications and to furnish the required evidence of insurance within 10 calendar days after receiving written Notice of Award of the Contract.

We further agree, if our bid is accepted and a contract for performance of the work is entered into with Peninsula Health Care District, to so plan work and to prosecute it with such diligence that the work shall be completed within the time stipulated.

Name of Bidder

Contractor’s License No.

License Expiration Date

Signature of Bidder

Title of Signatory

Witness

Address of Bidder

Title of Witness

State of Incorporation

*****END OF SECTION*****