

AGREEMENT FOR TREE TRIMMING AND REMOVAL PROGRAM

THIS AGREEMENT is made and entered into this ____ day of February, 2013, by and between the Los Altos Hills County Fire District, ("District") and SP McClenahan, a California Corporation ("Consultant").

RECITALS

A. The District desires to retain the professional consulting services of Consultant as an independent contractor to provide tree trimming and removal services to the District, as described in more detail in Exhibit A.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW, THEREFORE, in consideration of performance by the parties of the promises, covenants and conditions contained herein, the parties hereby agree as follows:

1. SCOPE AND LEVEL OF SERVICES. The nature, scope and level of the specific services to be performed by Consultant are as set forth in detail in Exhibit A attached hereto. The portion of the District are Areas 2 through 6 on the District's map which shows Areas 1 through 6.

2. TIME OF PERFORMANCE. The services shall be performed on a timely, regular basis in accordance with any Notice to Proceed issued in the form attached as Exhibit B. The District's consultant, Stu Farwell or his designee, has sole discretion whether or not to issue one or more Notice to Proceed.

3. STANDARD OF PERFORMANCE. As a material inducement to the District to enter into this Agreement, Consultant hereby represents and warrants that it has the qualifications and experience necessary to undertake the services to be provided pursuant to this Agreement. Consultant agrees to use that degree of care and skill ordinarily exercised under similar circumstances by members of Consultant's profession and in a manner reasonably satisfactory to the District. Consultant hereby covenants that it shall follow professional standards in performing all services required hereunder and will perform the services to a standard of reasonable professional care.

4. COMPLIANCE WITH LAW. All services rendered hereunder by Consultant shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the District, and any federal, state or local governmental agency having jurisdiction in effect at the time the service is rendered. Such compliance with

the law shall include, but not be limited to, compliance with any and all applicable prevailing wage regulations.

5. TERM. This Agreement is effective on the date set forth in the initial paragraph of this Agreement and shall remain in effect until terminated pursuant to Section 17, below.

6. COMPENSATION. The District agrees to compensate Consultant for its services up to the maximum amount set forth in any Notice to Proceed. Each Notice to Proceed will set forth the maximum compensation for each phase. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the total sum of two million dollars (\$2,000,000), between the date of the Agreement and June 30, 2014.

7. METHOD OF PAYMENT. Consultant shall invoice the District for work performed after each task is completed as set forth in Exhibit B. Payments to Consultant by District shall be made within thirty (30) days after receipt by District of Consultant's itemized invoices.

8. REPRESENTATIVE. Joshua McClenahan is hereby designated as the representative of Consultant authorized to act on its behalf with respect to the services specified herein. It is expressly understood that the experience, knowledge, capability and reputation of Joshua McClenahan were a substantial inducement for District to enter into this Agreement. Therefore, Joshua McClenahan shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. The representative may not be changed by Consultant without the express written approval of the District.

9. INDEPENDENT CONTRACTOR. Consultant is, and shall at all times remain as to the District, a wholly independent contractor and not an agent or employee of District. Consultant shall receive no premium or enhanced pay for work normally understood as overtime, nor shall Consultant receive holiday pay, sick leave, administrative leave, or pay for any other time not actually worked. The intention of the parties is that Consultant shall not be eligible for benefits and shall receive no compensation from the District except as expressly set forth in this Agreement. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the District or otherwise act on behalf of the District as an agent. Neither the District, nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall at no time, or in any manner, represent that it or any of its agents or employees are in any manner employees of the District. Consultant agrees to pay all required taxes on amounts paid to Consultant under this Agreement, and to indemnify and hold the District harmless from any and all taxes, assessments, penalties, and interest asserted against the District by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the worker's compensation law regarding Consultant and Consultant's employees. Consultant further agrees to indemnify and

hold the District harmless from any failure of Consultant to comply with applicable worker's compensation laws. The District shall not have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to District from Consultant as a result of Consultant's failure to promptly pay the District any reimbursement or indemnification arising under this Section.

10. CONFIDENTIALITY. Consultant, in the course of its duties, may have access to financial, accounting, statistical and personal data of private individuals and employees of the District. Consultant covenants that all data, documents, discussion, or other information developed and received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by the District. The District shall grant such authorization if disclosure is required by law. Upon request, all District data shall be returned to the District upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

11. OWNERSHIP OF MATERIAL. All reports, documents, or other written materials developed or discovered by Consultant or any other person engaged directly or indirectly by Consultant in the performance of this Agreement shall be and remain the property of the District without restriction or limitation upon its use or dissemination by the District.

12. CONFLICT OF INTEREST. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. Consultant further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Consultant shall avoid the appearance of having any interest which would conflict in any manner with the performance of its services pursuant to this Agreement. Consultant agrees not to accept any employment or representation during the term of this Agreement which is or may make Consultant "financially interested" (as provided in California Government Code Sections 1090 and 87100) in any decision made by the District on any matter in connection with which Consultant has been retained pursuant to this Agreement. Nothing in this section shall, however, preclude Consultant from accepting other engagements with the District.

13. ASSIGNABILITY; SUBCONTRACTING. The parties agree that the expertise and experience of Consultant are material considerations for this Agreement. Consultant shall not assign, transfer, or subcontract any interest in this Agreement, nor the performance of any of Consultant's obligations hereunder, without the prior written consent of the District Council, and any attempt by Consultant to do so shall be void and of no effect and a breach of this Agreement.

14. INDEMNIFICATION.

14.1. To the fullest extent permitted by law, Consultant shall indemnify, defend (with independent counsel approved by the District) and hold harmless the District, and its elective or appointive boards, officers, employees agents and volunteers against any claims, losses, or liability that may arise out of or result from damages to property or personal injury received by reason of, or in the course of work performed under this Agreement due to the acts or omissions of Consultant or Consultant's officers, employees, agents or subcontractors. The provisions of this Section survive completion of the services or the termination of this Agreement. The acceptance of such services shall not operate as a waiver of such right of indemnification.

14.2 With regard to Consultant's professional services, Consultant agrees to use that degree of care and skill ordinarily exercised under similar circumstances by members of Consultant's profession, including without limitation adherence to all applicable safety standards. To the fullest extent permitted by law, Consultant shall indemnify, defend (with independent counsel approved by the District) and hold harmless the District, and its elective or appointive boards, officers, and employees agents and volunteers from and against all liabilities, including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including, but not limited to, reasonable attorneys' fees, court costs and costs of alternative dispute resolution regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of Consultant or Consultant's officers, employees, agents or subcontractors. The provisions of this Section survive completion of the services or the termination of this Agreement. The acceptance of said services and duties by District shall not operate as a waiver of such right of indemnification.

14.3 The District does not and shall not waive any rights that they may possess against Consultant because of the acceptance by the District or the deposit with the District of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15. INSURANCE REQUIREMENTS. Consultant agrees to have and maintain the policies set forth in Exhibit C entitled "INSURANCE REQUIREMENTS," which is attached hereto and incorporated herein. All policies, endorsements, certificates, and/or binders shall be subject to approval by the District's Attorney as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by the District's Attorney. Consultant agrees to provide District with a copy of said policies, certificates, and/or endorsements before work commences under this Agreement. A lapse in any required amount or type of insurance coverage during this Agreement shall be a breach of this Agreement.

16. SUSPENSION. The District may, in writing, order Consultant to suspend all or any part of Consultant's services under this Agreement for the convenience of the District, or for work stoppages beyond the control of the District or the Consultant. Subject to the provisions of this Agreement relating to termination, a suspension of work does not void this Agreement.

17. TERMINATION.

17.1 This Agreement may be terminated by either the District or Consultant following five (5) days written notice of intention to terminate. In the event the Agreement is terminated, Consultant shall be paid for any services properly performed and authorized to the last working day the Agreement is in effect and Consultant shall not be entitled to any other compensation. Consultant shall substantiate the final cost of services by an itemized, written statement submitted to the District. The District's right of termination shall be in addition to all other remedies available under law to the District.

17.2 In the event of termination, Consultant shall deliver to the District copies of all reports, documents, computer disks, and other work prepared by Consultant under this Agreement, if any. If Consultant's written work is contained on a hard computer disk, Consultant shall, in addition to providing a written copy of the information on the hard disk, immediately transfer all written work from the hard computer disk to a soft computer disk and deliver said soft computer disk to District. District shall not pay Consultant for services performed by Consultant through the last working day the Agreement is in effect unless and until Consultant has delivered the above described items to the District.

18. CONSULTANT'S BOOKS AND RECORDS. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, supplies, materials, or equipment provided to District for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement.

19. NON-WAIVER OF TERMS, RIGHTS AND REMEDIES. Waiver by either party of any breach or violation of any one or more terms or conditions of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. Acceptance by the District of the performance of any work or services by Consultant shall not be deemed to be a waiver of any term or condition of this Agreement. In no event shall the District's making of any payment to Consultant constitute or be construed as a waiver by the District of any breach of this Agreement, or any default which may then exist on the part of Consultant, and the making of any such payment by the District shall in no way impair or prejudice any right or remedy available to the District with regard to such breach or default.

20. NOTICES. Any notices, bills, invoices, reports or other communications required or permitted to be given under this Agreement shall be given in writing by personal delivery, by facsimile transmission with verification of receipt or by U.S. mail, postage prepaid, and return receipt requested, addressed to the respective parties as follows:

To District:

District Consultant
Los Altos Hills County Fire District
P.O. Box 1766
Los Altos, CA 94023-1766

To Consultant:

Joshua McClenahan
S.P. McClenahan Co., Inc.
1 Arastradero Road
Portola Valley, CA 94028
Fax: (650) 854-1267

Notice shall be deemed communicated on the earlier of actual receipt or forty-eight (48) hours after deposit in the U.S. mail, the date of delivery shown on deliverer's receipt, or by acknowledgment of facsimile transmission.

21. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition. Consultant will take affirmative action to ensure that employees are treated without regard to race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition.

22. ATTORNEYS' FEES; VENUE. In the event that any party to this Agreement commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled. The venue for any litigation shall be Santa Clara County.

23. COOPERATION. In the event any claim or action is brought against the District relating to Consultant's performance or services under this Agreement, Consultant shall render any reasonable assistance and cooperation which District might require.

24. EXHIBITS, PRECEDENCE. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement.

25. PRIOR AGREEMENTS AND AMENDMENTS; ENTIRE AGREEMENT. This Agreement, and any other documents incorporated herein by specific reference, represent the entire and integrated agreement between the District and Consultant regarding tree trimming and removal. This Agreement supersedes all prior oral and written negotiations, representations or agreements, with the exception of the

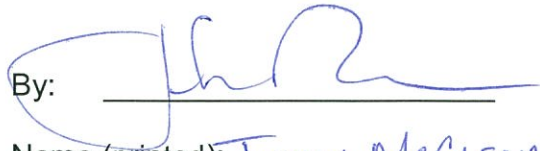
Agreement dated November 20, 2012 which remains in full force and effect for Phase 1. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment duly executed by the parties to this Agreement. Any amendment relating to compensation for Consultant shall be for only a not-to-exceed sum.

IN WITNESS WHEREOF, the District and Consultant have executed this Agreement effective as of the date written above.

DISTRICT:

By: _____
President of the Commission

CONSULTANT:

By: 
Name (printed): JOSHUA MCCLENAHAN
Title: CHIEF OPERATING OFFICER
EIN 94-1443516

ATTEST:

District Secretary

EXHIBIT A

(SCOPE AND LEVEL OF SERVICES)

Consultant. Shall provide or furnish the following services and/or materials:

- a. Consultant shall provide consulting arborist services and tree removal services. Consulting arborist services shall include evaluating the physiological health and structural integrity of pine trees belonging to District residents that have requested assistance making recommendations for the removal of dead or dying pine trees that pose fire risks, and then removing the trees if the District resident agrees to the Terms and Conditions. Tree removal services shall include the cutting and removing of trees deemed to be dead or dying that pose fire risks, not including stump removal. Consultant shall perform clean-up of brush and clippings and raking of the entire area affected by the tree removal. Additionally, if a District resident requests, Consultant shall remove all cut wood.
- b. Consultant shall furnish all supervision, labor, equipment, materials and incidentals that are necessary to faithfully execute the work of this Agreement. Consultant's workmanship shall meet or exceed industry standards relating to its work, and shall comply with all applicable laws and regulations that pertain to its work, including performing all work in a safe and prudent manner. Consultant shall follow the latest version of the ANSI Z133.1 industry safety standards.

Necessary Equipment

The equipment listed shall be owned by the contractor, not rented.

1. Chipping Machine: Towed or truck mounted. Must meet all applicable Federal, State and manufacturer's standards.
2. Chip Box Truck: Two-ton minimum 10 cubic yard box with hydraulic dump.
3. Aerial lift truck: Must meet all applicable Federal, State and manufacturer's standards.
4. Must have cell phone or radio service that works in all areas of Los Altos Hills.
5. Must have a local 650 or 800 office phone number.
6. Must have at least one full time office employee to answer District resident's calls. The use of an answer machine is acceptable only after normal working hours and weekends. Answer of District resident's calls by cell phone in the "field" is not acceptable.
7. Must commit at least one supervisory person full time to service the needs of District residents both over the phone and in person in the field.
8. Office technology must be well equipped to handle work orders, billing, sorting and tracking of District resident information, preparation of reports and taking of photographs.

9. Billing to include details for each jobsite listing including: resident's name, address, type of work, date completed, disposition of debris, photographs and cost.
10. Provide progress report every two weeks to District's consultant showing the information noted in item #9 above.

Standard tree trimming equipment shall be used and maintained in a satisfactory condition at all times complying with State and Federal/OSHA regulations. Equipment not suitable for tree removal shall not be permitted. All tools shall be clean, sharp, and in a proper working order. They shall be checked for safety before each job. All trucks, chippers and aerial lift devices, and other equipment shall be in good operating condition, well maintained and in compliance with applicable laws and regulations.

Safety and Traffic Control

Special care and preparation shall be taken in all work areas to avoid conditions that will create hazards. The Consultant shall conduct work so as to cause the least possible obstruction and inconvenience to traffic and the general public. Lane closures and traffic control shall be done in accordance with the manual of Traffic controls, State of California and U.S. Department of Transportation FHWA, the Town of Los Altos Hills and Santa Clara County. The Consultant is responsible for providing all approved traffic control devices, including advance warning signs, arrow boards and traffic cones of an adequate number to safely redirect traffic. Traffic control plan must be approved by the Town of Los Altos Hills and / or Santa Clara County.

Consultant shall provide and maintain fire extinguishing equipment at all times and as directed by the District.

Tree Pruning

Branches and limbs to be pruned up to at least 15 feet from ground level unless otherwise specified in the arborist report.

All exfoliating, shedding or sloughing bark on the full length of the tree trunk to be removed.

All debris, dead or broken branches are to be removed within the drip line (and further if necessary) of the tree to soil level.

All dead or broken branches on the tree are to be removed.

Tree Removal

Tree(s) to be cut leaving no more than a 6-inch stump. Stump removal is the property owner's responsibility. The District will not pay for stump removal.

Removal of Brush and Wood

All tree waste and debris resulting from tree removals shall be promptly removed from the work site at the completion of each work day.

Coordination of Work

The Consultant shall be responsible for coordinating all tree work activity with the District representative.

The Consultant shall establish a uniform time schedule for performance of tree work, which shall conform to Town and County work hours.

Scheduled tree work shall be performed during normal work hours, 8:00 a.m. to 5:00 p.m., Monday through Friday and Saturday if necessary.

The Consultant is required to enter into a short agreement with each property owner to enter the property to perform the work. The agreement will be prepared by the Consultants and reviewed by the District. The agreement can be the same for all property owners, with the only modification being the address of the property.

Final Site Cleaning

Upon completion of tree removal the area shall be cleaned to a condition that is at least equal to that which existed prior to the start of the work. District, County, or private property including road ways, sidewalks, undergrowth, adjacent shrubbery or tree, and irrigation system sustaining damage or other injury resulting from tree removal operation shall receive corrective treatment or replacement at Consultant's cost.

Quality Specifications

The Consultant shall ensure that work performed be continually monitored to maintain work consistent with high industry standards and provide regular and systematic inspections by its own supervisory personnel of all work sites. The Service Provider is expected to have a system approach that decreases the number of complaints and insures ongoing customer satisfaction.

Response Specification

The Consultant will respond to notice of problems received from the District staff regarding the quality of services within 24 hours. The District reserves the right to monitor and evaluate the progress and performances of the service provider to ensure the terms of the agreement are being met.

The Consultant shall provide labor, equipment, tools, supplies, (unless otherwise noted), supervision, management and other resources and services needed to perform the duties required.

Employees of the Consultant will be required to adhere to District, County and Town of Los Altos Hills Safety regulations and policies. The Consultant agrees that it will, upon notice, immediately remove any supervisor or employee who is unsatisfactory to the District.

The Consultant shall not represent that it and its employees are agents or employees of the District.

Personnel shall be thoroughly trained and qualified in the work assigned to them.

All of the Consultants employees shall display identification cards at all times that include their name and company.

Time of Completion

Time of Completion: As set forth in each Notice to Proceed.

Designated legal holidays are: January 1st, the third Monday in January, the third Monday in February, the last Monday in May, July 4th, the first Monday in September, November 11th, Thanksgiving Day, the Friday following Thanksgiving Day, and December 25th. When a designated legal holiday falls on a Sunday, the following Monday shall be the designated legal holiday. When November 11th falls on a Saturday, the preceding Friday shall be a designated legal holiday.

Consultant is not authorized to perform any work until he has received a Notice to Proceed from the District. Within five (5) working days after the effective date of such Notice to Proceed, the Consultant shall commence work and shall diligently prosecute the same to completion within the time limit provided in the contract.

The Consultant shall notify the District, in writing, of his intent to begin work at least seventy-two (72) hours before work is begun and shall specify the date the Consultant intends to start.

Should the Consultant begin work in advance of receiving the Notice to Proceed and providing notice to the District, any work performed by him in advance of such notice shall be considered as having been done by him at his own risk and as a volunteer without compensation.

Other Requirements

The Consultant shall record all work, showing date of performance, area where work is performed, and percentage of work performed. Records will be made available to the District upon request.

The Consultant shall report to the District as soon as possible after any accident resulting in death or injury to persons or damage to property.

If the problem is critical in nature and requires immediate action, the District shall be notified immediately.

The Consultant shall immediately call the Town of Los Altos Hills or Santa Clara County and report any circumstances that will create hazardous or unhealthful conditions involving public facilities, roads, pathways and etc.

The property owner shall be responsible for obtaining all required tree removal permits.

EXHIBIT B

(NOTICE TO PROCEED)

NOTICE TO PROCEED

On or before _____ Consultant shall perform the work set forth in the attached for Area_____.

Compensation shall not exceed _____
(\$ _____) for Area _____.

District Consultant

Date: _____

EXHIBIT C

((INSURANCE REQUIREMENTS))

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to or interference with property which may arise from, or in connection with, the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or subcontractors.

1. **MINIMUM SCOPE OF INSURANCE.** Coverage shall be at least as broad as:

1.1 Insurance Services Office (ISO) Form No. CG 0001 covering Commercial General Liability on an "occurrence" basis, including products-completed operations, personal injury and advertising injury.

1.2 Insurance Services Office Form (ISO) No. CA 0001 covering Automobile Liability, Code 1 (any auto), or if Consultant has no owned autos Code 8 (hired autos) and Code 9 (non-owned autos).

1.3 Workers' Compensation Insurance as required by the Labor Code of the State of California and Employer's Liability Insurance.

1.4 Errors and Omissions Liability Insurance appropriate to the Consultant's profession. Architects' and Consultants' coverage is to be endorsed to include contractual liability.

2. **MINIMUM LIMITS OF INSURANCE.** Consultant shall maintain limits no less than:

2.1 **Commercial General Liability.** (Including products-completed operations, personal & advertising injury) One Million Dollars (\$1,000,000) per occurrence. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2.2 **Automobile Liability.** One Million Dollars (\$1,000,000) combined single limit per accident for bodily injury and property damage.

2.3 **Workers' Compensation and Employer's Liability.** Workers' compensation insurance with Statutory Limits as required by the Labor Code of the State of California, and Employer's Liability Insurance with One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

2.4 Errors and Omissions Liability. One Million Dollars (\$1,000,000) per occurrence or claim, Two Million Dollars (\$2,000,000) aggregate.

3. DEDUCTIBLES AND SELF-INSURED RETENTIONS. Any deductibles or self-insured retentions must be declared to, and approved by, the District. At the option of the District, either: the Consultant shall purchase insurance to reduce or eliminate such deductibles or self-insured retentions as respects the District, its officials, employees, agents and contractors; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the District. The District may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

4. OTHER INSURANCE PROVISIONS.

4.1 General Liability and Automobile Liability Coverages. The General Liability and Automobile Liability insurance policies required pursuant to Sections 1.1 and 1.2 shall contain or be endorsed contain the following provisions:

4.1.1 The District, its officials, employees, agents, contractors and volunteers are covered as additional insureds with respect to liability arising out of work or operations performed by, or on behalf of, the Consultant including materials, parts or equipment furnished in connection with such work or operations, and products and completed operations of the Consultant on premises owned, leased or used by the Consultant. The coverage shall be at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 23 37 if later versions used.

4.1.2 The Consultant's insurance coverage is the primary insurance as respects the District, its officials, employees, agents, contractors, and volunteers. Any insurance or self-insurance maintained by the District, its officials, employees, agents, contractors, and volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

4.1.3 The Insurance Company agrees to waive all rights of subrogation against the District, its elected or appointed officers, officials, agents, and employees for losses paid under the terms of any policy which arise from work performed by the District's insurer.

4.1.4 Coverage shall not be canceled by either party, except after thirty (30) days prior written notice (10 days for non-payment) by regular mail has been given to the District.

4.1.5 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the District, its officials, employees, agents or contractors.

4.1.6 Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

4.2 Worker's Compensation Insurance. The Worker's Compensation Policy required pursuant to Section 1.3 shall contain or be endorsed to contain the provisions set forth in subsections 4.1.3 and 4.1.4 above.

4.3 Acceptability of Insurers. All required insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

4.3 Claims Made Policies. If any of the required policies provide claims-made coverage, the District requires that coverage with a Retroactive Date prior to the contract effective date, or extended reporting period, be maintained by Consultant for a period of 5 years after completion of the contract.

5. VERIFICATION OF COVERAGE. Consultant shall furnish the District with original certificates and amendatory endorsements affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Consultant's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.

Proof of insurance shall be mailed to the following address:

P.O. Box 1766
Los Altos, CA 94023-1766

6. SUBCONTRACTORS. Consultant shall include all subcontractors as insured under its policies or shall require and verify that all subcontractors maintain insurance meeting all the requirements of this contract.