SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 9.1a

Meeting Date: May 21, 2015

Subject: **Approval of Grants, Entitlements, and Other Income Agreements**
Ratification of Other Agreements
Approval of Bid Awards
Approval of Declared Surplus Materials and Equipment
Change Notices
Notices of Completion

- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

Division: Business Services

Recommendation: Recommend approval of items submitted.

Background/Rationale:

Financial Considerations: See attached.

LCAP Goal(s):

CONSTRUCTION MANAGEMENT CONTRACT

This Contract is made on the 21st day of May, 2015 between the Sacramento City Unified School District, a California public entity existing under the laws of the State of California, referred to as ³ ' L V W U L F W ´ and Premier Management Group, Inc. U H I H U U H G W R D V ³ & R Q V X O W D Q W 0 D Q D J H U ´

Proposition 47, and of any other governmental agency with authority pertaining to reimbursement of such funds to the District, all of which shall be deemed incorporated herein by this reference and the Consultant shall be obligated to comply with the same.

No action or failure to act by the District or any District representative shall constitute a waiver of a right or duty afforded them under this Agreement, nor shall any such action or failure to act constitute approval of, or acquiescence in, a breach thereunder, except as may be specifically agreed in writing.

2. NATURE OF THE WORK:

Consultant has fully familiarized itself with all aspects of the Project and understands and agrees that Consultant shall further the interests of District by furnishing skill and judgment as a provider of Construction Project Management Services, in cooperation with District representatives and, where appropriate, in reliance upon the services of the Project Architect. Consultant agrees to furnish business administration and management services and to perform in an expeditious and economical manner consistent with the interests of District. Consultant shall be responsible, to the extent described in this Agreement

prepare and distribute Project cost reports that shall indicate actual or estimated costs compared to the Project and construction budget.

b. Provide construction feasibility review.
c. Provide conceptual estimating assistance to Project Manager.
d. Provide constructability analysis consistent with its experience and qualifications.
e. Provide scheduling information, including providing and distributing periodic reports that compare actual progress with scheduled progress for this phase of the Project.
f. Provide cost evaluations of alternative materials and systems.

BIDDING PHASE

a. Conduct a pre-bid walk with potential bidders, if required by the bidding documents.
b. Conduct post-bid interview with successful bidder prior to start of work

CONSTRUCTION PHASE:

The Construction Phase of the Project will commence with the award of the construction contract and will end sixty (60) days after acceptance of the Project by the District, as indicated by recording the Notice of Completion with the Sacramento County Recorder; provided that the Project Manager shall continue to be subject to certain construction phase services of the Consultant, as set forth in this Agreement, which extend beyond the expiration of the set sixty (60) day period.

a. Provide general project management, including administrative, management, and related services as required to coordinate work of the contractor with any other contractor and with the activities and responsibilities of the Consultant, the District, and the Architect to complete the Project in accordance with the Project's plans and specifications, as well as the District's cost, time, and quality objectives. The Consultant shall be the party to whom all information shall be submitted.
b. Require and review Master CPM construction schedule. Compare Contractor schedule with the schedule of any other contractor to determine if they result in a coordinated construction schedule. Require updates of schedule monthly. Prepare and distribute periodic reports that compare actual progress with scheduled progress. This evaluation shall serve as data for revision of the construction schedule report that shall be prepared and distributed to the Contractor, the District and the Architect by the Consultant. The construction schedule report shall be periodically updated to show current conditions as the work progresses. The report shall indicate actual progress compared to scheduled progress, and shall serve as the basis for progress payments to the Contractor.
c. Material procurement consultation and advice, including recommending a schedule for WKH 'LVWULFW¶V SXUFKDVH RI PDWHULDOV DQG HTXL

may arise; however, the Architect shall have primary responsibility for the interpretation of Project plans and specifications.

aa. Maintain on a current basis: a record copy of all contracts, drawings, specifications, addenda, change orders and other modifications, in good order and marked to record GRFXPHQWV DQG UHYLVLRQV ZKLFK DULVH RXW RI &RQ product data; samples; submittals; purchases; materials; equipment; applicable handbooks; maintenance and operating manuals and instructions; other related documents and revisions which arise out of the contract or work. Make all records available to the District. At the FRPSOHWLRQ RI WKH 3URMHFW GHOLYHU DOO VXFK U

ab. Construction progress photos/videos.

ac. Consultant shall assist the District in obtaining approvals and permits from all authorities having jurisdiction over the Project. The Consultant shall also verify that all required permits, bonds, and insurance have been obtained from the Contractor.

ad. Consultant shall prepare and distribute Project cost reports that shall indicate actual or estimated costs compared to the construction budget.

ae.

,Q WKH SHUIRUPDQFH RI &RQVXOWDQW¶V VHUYLFHV WK
ZRUN RQ DQ\ JLYHQ GD\ ZLOO EH ZLWKLQ WKH GLVFUHWLRQ RI &RQVXOWDQW
Consultant to put in such number of hours as is reasonably necessary to fulfill the spirit and purpose of this Agreement. Generally, the Parties anticipate Consultant will provide services between 7:30 a.m. and 4:30 p.m., unless otherwise coordinated with the Project Manager, 5 days per week until the project is completed. It is understood and agreed that the estimated total number of hours required by Consultant to complete the required services, shall be approximately 160 hours per month, excluding travel time. If additional hours are required in order to complete the Project, such hours may be authorized but only upon prior written agreement of the Parties.

8. PAYMENT:
District shall pay Consultant the total not to exceed Two Hundred Four Thousand, Eight Hundred Seventeen and 04/100 Dollars ($204,817.04), payable in monthly installments based on the number of hours worked provided Consultant shall have submitted a prior monthly report of time spent on the Project to the District. It is understood and agreed that &RQVXOWDQW¶V KRXUV PD\ YDU\ IURP PRQWK WR PRQWK 160 hours per month, except upon prior written agreement by the Parties.

District shall pay Consultant in accordance with its usual and customary accounts payable practices and payment cycles. In addition, Consultant shall be reimbursed for all pre-approved, in writing, travel and out-of-pocket expenses incurred on behalf of District while DZD\ IURP &RQVXOWDQW¶V SULQFLSDO 6WDWH RI &DOLIRUQLD EXVLQ

'LVWULFW ZLOO UHLPEXUVH &RQVXOWDQW IRU DOO UHDV
otherwise anticipated under this Agreement that are necessarily incurred by Consultant in the proper performance of its services under this Agreement. Any Reimbursable Costs shall be VXEMHFW WR WKH 'LVWULFW¶V SULRU ZULWWHQ DSSURY
VKDOO EH PDGH ZLWKLQ WKLUW\ GD\V XSRQ UHFHLS

9. TRANSPORTATION:
For transportation by automobile out of the Sacramento area, Consultant shall be reimbursed at the rate of $.55 per mile.

10. TERM:
The initial term of this Agreement shall commence on March 1, 2015 and shall continue until the Project is completed. It is understood services as provided herein will generally begin one month prior to the start of construction and end, except as otherwise stated herein, 60 days after acceptance by the District of the Project as reflected in the recording of the Notice of Completion. This Agreement may be extended upon mutual agreement of the Parties.

11. TERMINATION:
District may unilaterally terminate this Agreement for any reason, in its absolute discretion, by giving Consultant seven (7) days written notice of termination. This Agreement may also be terminated by either party upon seven (7) days written notice should the other party fail substantially to perform their duties under this Agreement. In the event of termination, the Consultant shall be compensated for all services satisfactorily performed to the termination date and any services-authorized by District in writing to wind up &RQVXOWDQW¶V VHUYLFHV SURYLGHG EH\RQG WKH WHUPLQDWLRQ GDWH VKDOO EH SDLG IRU RQ D SURUDWHG EDVLV LI WKH WRWDO LV WUL

amount of the Agreement. Upon receipt of a notice of termination, Consultant shall promptly discontinue all services affected, unless the notice directs otherwise.

Upon termination of this Agreement as provided herein, Consultant shall promptly provide DQG GHOLYHU WR 'LVWULFW DOO ILOHV QRWHV ZULWL SRVVHVVLRQ RU XQGHU &RQVXOWDQW¶V FRQWURO UHOD behalf of the District regarding the Project.

12. RELATIONSHIP BETWEEN THE PARTIES:
The Parties agree and intend that the relationship between them, created by this Agreement, is that of independent contractor. Consultant is not an employee of District, Architect, and is not entitled to the benefits provided by the District to its employees including, but not limited to, group insurance and pensions plans.

In providing the services contemplated by this Agreement, the Consultant shall, on behalf of the District, maintain a professional working relationship with the District, Contractor, and the Architect. The Consultant shall furnish all services in accordance with the standards of the industry for similar public works projects in the State of California and in accordance with all applicable Federal, State and local laws. Nothing contained in this Agreement shall be deemed to create any contractual relationship between the Consultant and the Architect or the Contractor or subcontractors or material suppliers for the Project, nor shall anything contained in this Agreement be deemed to give any third party any claim or right of action against the District, the Architect or the Consultant. Consultant will be liable and solely responsible for paying all required taxes and workers' compensation and other obligations, including, but not limited to, federal and state income taxes and social security taxes. Consultant agrees to indemnify, defend and hold the District harmless from any liability which Consultant may incur to the Federal or State governments as a consequence of this Agreement. All payments to the Consultant shall be reported to the Internal Revenue Service.

13. INDEMNIFICATION:
Consultant shall defend, indemnify and hold the District, its board members, officers and employees harmless from any and all claims, costs and liability for any damages, sickness, death, or injury to person(s) or property, including without limitation all consequential GDPDJHV DQG DWWRUQH\¶V IHHV DQG FRVWV QRW LPP from or connected with the operations or services of Consultant or its agents, employees or subcontractors under this Agreement. Consultant shall reimburse the District for any expenditure the District may make by reason of the matters that are subject of this indemnification, and if requested by the District, will defend any claims or litigation to which this indemnification provision applies, at the sole cost and expense of Consultant. It is understood and agreed that such indemnification will survive the termination of this Agreement.

14. INSURANCE:
Prior to commencement of and during all times that Consultant is providing services pursuant to this Agreement, Consultant shall, at its sole expense, maintain in full force and effect:

1. Commercial general liability insurance coverage for bodily injury, property damage, and personal injury, with policy limits of not less than $1,000,000 per occurrence and a general aggregate limit of not less than $2,000,000. Consultant will also provide a

endorsement to such policy naming District and its officers, employees, and agents as an D G G L W L R Q D O L Q V X U H G D Q G V X F K H Q G R U V H P H Q W V K D

school site until Contractor provides certification of fingerprinting clearance by the DOJ for employees providing services. These requirements apply to employed contractors.

17. WORK STANDARDS:
The conduct and control of the work to be performed by Consultant, under the Agreement, shall lie solely with the Consultant. Consultant shall perform services for the District in

32. ENTIRE AGREEMENT . This Agreement constitutes the entire Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instruction signed by both the District and Consultant.

SACRAMENTO CITY
UNIFIED SCHOOL DISTRICT

EXHIBIT A

CONSTRUCTION MANAGEMENT CONTRACT

This Contract is made on the 21st day of May, 2015 between the Sacramento City Unified School District, a California public entity existing under the laws of the State of California, referred to as ³ ' L V W U L F W ´ D Q G Premier Management Group, Inc. U H I H U U H G W R D V ³ & R Q V X O W D Q W 0 D Q D J H U ´

RECITALS

WHEREAS, District is in the process of replacing the roof at its premises located at Hiram Johnson High School, 6879 14th Avenue, Sacramento, California; and

WHEREAS, District is in need of Construction Project Management Services in relation to contract bidding, design coordination, construction coordination, expenditures, project completion, interagency coordination, internal communications and other matters set forth herein; and

WHEREAS, Consultant possesses the necessary skills, experience, knowledge, including knowledge of State and School District requirements such as the Leroy F. Greene Act of 1998 and the Education Facilities Bond, Proposition 47, and that required by Government Code section 4529.5 and technical and financial resources to undertake the performance and obligations of the Construction Project Management Services required herein; and

WHEREAS, Consultant is licensed and/or registered as defined in the State of California Government Code section 4525(e); and

WHEREAS, District may contract with any persons for the furnishing to the District of special services and advice as described above pursuant to California Education Code 35160 and 35160.1; and Government Code 53060, and may contract for Construction Project Management Services pursuant to Government Code 4526.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual acts and promises as contained herein, it is agreed by and between the District and Consultant as follows:

1. PROJECT:
Consultant services, as provided herein, are for and limited to all phases of construction and Z R U N Q H F H V V D U \ I R U W K H Playfield Replacement, including Hydraulic W U L F W ¶ V Irrigation Equipment; Storm Drainage Improvement; and New Fencing ³ 3 U R M H F W ´ W R E H O R F D W H G D W ' L V W U L F W ¶ V Hiram Johnson High School, Sacramento, H G D W & D O L I R U Q L D ³ 3 U R M H F W ´ D V X V H G L Q W K L V $ J U H H P H Q W activities reasonable and necessary for the construction and completion of the Project including acceptance by District.

This Agreement shall be governed by the laws of the State of California, including as applicable, regulations of the State Allocation Board, State of California Leroy F. Greene Lease/Purchase State Building Funds of 1998 SB 50 and the Education Facilities Bond,

In addition, Consultant shall perform the following activities:

SCHEMATIC DESIGN PHASE

a. Construction Manager shall notify District in writing of potential complications, cost overruns, unusual conditions, and general needs that could significantly affect the Project budget and time line. Consultant shall prepare a construction management plan for the Project. The construction management plan shall: (1) provide a preliminary evaluation of the District's schedule, cost and design requirements for the Project; (2) develop an anticipated construction schedule; (3) develop a preliminary cost estimate for each type of work contemplated by the Project; (4) clarify and delineate the Architect's duties, the Construction Manager's responsibilities; and (5) set forth a plan for the administration and coordination of all work on the Project. The plan shall provide for Architect and District review and written acceptance.
b. Construction Manager shall establish a preliminary construction budget and allowance in the format required by District, or if applicable, by the school construction funding agency identified by District, for written approval by the District. The purpose of the cost estimate is to show probable cost in relation to District's Project budget. If Construction Manager perceives site considerations, which render the Project expensive or cost prohibitive, Construction Manager shall disclose such conditions in writing to District immediately. Construction Manager shall provide a preliminary written time schedule for the performance of work on the Project. This master schedule shall specify the proposed starting and finishing dates and the dates by which certain construction activities must be complete. The Consultant shall submit the master schedule to the District for written acceptance and update the master schedule, as appropriate or at least quarterly or as requested by District's Representative.
c. Consultant shall conduct periodic Project meetings attended by the District, Architect and others. Such meetings shall serve as a forum for the exchange of information concerning the Project and the review of design progress. The Consultant shall prepare and distribute minutes of these meetings to the District, Architect, and others in attendance.
d. Consultant shall assist the District in preparing documents concerning the construction budget for use in obtaining or reporting on Project funding.

DESIGN DEVELOPMENT PHASE

a. Construction Manager shall provide District an updated estimate of construction costs, containing detail consistent with the design development documents and containing a breakdown based on types of materials and specifications identified in the construction budget. Consultant shall prepare a Project and construction budget based on the separate divisions of the work required for the Project, following the Consultant's review of the Project plans and specifications prepared by the Architect. The Consultant shall review the budget with the District and the Architect and the Consultant shall submit the Project and construction budget to the District for acceptance. The Project and construction budget shall be revised by the Consultant as directed by the District and as necessary to ensure accuracy as changes are made throughout the Project. The proposed Project and construction budget may not be exceeded without prior written approval by District. Consultant shall make recommendations to the District concerning revisions to the Project and construction budget that may result from design changes. Consultant shall

prepare and distribute Project cost reports that shall indicate actual or estimated costs compared to the Project and construction budget.

b. Provide construction feasibility review.
c. Provide conceptual estimating assistance to Project Manager.
d. Provide constructability analysis consistent with its experience and qualifications.
e. Provide scheduling information, including providing and distributing periodic reports that compare actual progress with scheduled progress for this phase of the Project.
f. Provide cost evaluations of alternative materials and systems.

BIDDING PHASE

a. Conduct a pre-bid walk with potential bidders, if required by the bidding documents.
b. Conduct post-bid interview with successful bidder prior to start of work

CONSTRUCTION PHASE:

The Construction Phase of the Project will commence with the award of the construction contract and will end sixty (60) days after acceptance of the Project by the District, as indicated by recording the Notice of Completion with the Sacramento County Recorder; provided that the Project Manager shall continue to be subject to certain construction phase services of the Consultant, as set forth in this Agreement, which extend beyond the expiration of the sixty (60) day period.

a. Provide general project management, including administrative, management, and related services as required to coordinate work of the contractor with any other contractor and with the activities and responsibilities of the Consultant, District, and the Architect to complete the Project in accordance with the Project's plans and specifications, as well as the District's cost, time, and quality objectives. The Consultant shall be the party to whom all information shall be submitted.
b. Require and review Master CPM construction schedule. Compare Contractor schedule with the schedule of any other contractor to determine if they result in a coordinated construction schedule. Require updates of schedule monthly. Prepare and distribute periodic reports that compare actual progress with scheduled progress. This evaluation shall serve as data for revision of the construction schedule report that shall be prepared tive materials ah

f. Recommend necessary or desirable changes to the Architect and the District and provide advice regarding such changes, including potential

3. DESIGNATED REPRESENTATIVE:
District shall have the right to approve the designated representative of Consultant. Wayne Sjolund shall be the designated representative of Consultant who shall personally provide all services as set forth in this Agreement unless otherwise agreed to by prior written agreement. Should Wayne Sjolund be unable at any time to perform the duties described herein, District shall have the right to approve a new designated representative of Consultant or to terminate this Agreement. District reserves the right to require that any designated representative or representatives of Consultant who proves not to be satisfactory to the District shall be removed upon written notice from the District.

4. PROJECT MANAGER:
District designated Lori Rubenstein as the Construction

, Q W K H S H U I R U P D Q F H R I & R Q V X O W D Q W ¶ V V H U Y L F H V W K
work, on any given day, will be within Consultant¶V F R Q W U R O D Q G ' L V W U L F W
Consultant to put in such number of hours as is reasonably necessary to fulfill the spirit and purpose of this Agreement. Generally, the Parties anticipate Consultant will provide services between 7:30 a.m. and 4:30 p.m., unless otherwise coordinated with the Project Manager, 5 days per week until the project is completed. It is understood and agreed that the estimated total number of hours required by Consultant to complete the required services, shall be approximately 160 hours per month, excluding travel time. If additional hours are required in order to complete the Project, such hours may be authorized but only upon prior written

endorsement to such policy naming District and its officers, employees, and agents as an D G G L W L R Q D O L Q V X U H G D Q G V X F K H Q G R U V H P H Q W V K D by this policy shall be primary, and any insurance carried by District shall be excess and Q R Q F R Q W U L E X W R U \ ´ , I V X F K L Q V X U D Q F H L V Q R W N H S procure the necessary insurance and pay the premium therefore, and the premium shall be paid by the Consultant to the District, or District ma

school site until Contractor provides certification of fingerprinting clearance by the DOJ for employees providing services. These requirements apply to employed contractors.

17. WORK STANDARDS:
The conduct and control of the work to be performed by Consultant, under the Agreement, shall lie solely with the Consultant. Consultant shall perform services for the District in accordance with currently approved methods and ethical standards applicable to its professional capacity. Consultant shall be free to practice its profession, for others, during those periods when it is not performing work, under this Agreement, for the District.

18. FURNISHING OF MATERIALS AND EQUIPMENT:
All materials and equipment needed by Consultant to carry out the work to be performed by Consultant, under this Agreement, shall be furnished by Consultant, at its expense, except that District shall be responsible for those items as set forth in Article 5 above.

19. CALLBACKS:
It is understood and agreed that Consultant shall not be responsible for callbacks or other concerns related to implied or expressed workmanship or product liability more than 60 days

23. WRITTEN NOTICE:
All communications regarding this Agreement shall be sent to Consultant at 1331 Riverside Ave, Roseville, CA 95678 unless notified to the contrary and to District at Contracts Office, 5735 47th Avenue, Sacramento, 95824 unless notified to the contrary.

Any written notice hereunder shall become effective as of the date of personal service or mailing by registered or certified or overnight mail and shall be deemed sufficiently given if delivered or sent to the addressee at the address stated in this Agreement or such other address as may hereafter be specified by notice in writing.

24. GOVERNING LAW:
This Agreement shall be governed by the laws of the State of California and venue shall be appropriate in the appropriate Superior Court in Sacramento County, California. Consultant shall perform all services hereunder in accordance with all applicable governmental laws, rules and regulations.

25. OTHER PROVISIONS OF LAW :
Each and every provision of law and clause required by law to be inserted shall be deemed to be inserted herein and the Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not currently inserted, then upon application of either party the Agreement shall forthwith be physically amended to make such insertion or correction.

26. APPROVAL OR RATIFICATION BY BOARD OF EDUCATION:
This Agreement is not enforceable and is invalid unless and until approved and/or ratified by the governing board of the Sacramento City Unified School District, as evidenced by a motion of said board duly passed and adopted, in compliance with the provisions of Education Code section 17604, SCUSD Board Regulation 3312 and SCUSD Board Resolution 4227.

27. SUCCESSORS AND ASSIGNS. The District and the Consultant, respectively, bind themselves, their successors, assigns, and legal representatives to the other party to this Agreement, and to the partners, successors, assigns, and legal representatives of such other party with respect to all terms of this Agreement. Consultant shall not assign or transfer any interest in this Agreement without the written consent of District.

28. SEVERABILITY. If any provision of this Agreement shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

29. AMENDMENTS. This Agreement cannot be changed or supplemented orally and may be modified or superseded only by written instrument executed by both parties.

30. EXECUTION BY FACSIMILE OR IN COUNTERPARTS. This Agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy, facsimile or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

31. INTERPRETATION. Th

32. ENTIRE AGREEMENT . This Agreement constitutes the entire Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instruction signed by both the District and Consultant.

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT	PREMIER MANAGEMENT G ROUP
By:_____	By: _____
Gerardo Castillo, CPA Chief Business Officer	Wayne Sjolund President
_____ Date	_____ Date

EXHIBIT A

CONTRACTOR CERTIFICATION

Fingerprinting: Education Code section 45125.1 provides that any contractor providing school site administrative or similar services to a school district must certify that its employees providing that service who may come into contact with pupils have not been convicted of a serious or violent felony as defined by law. Those employees must be fingerprinted and the Department of Justice must report to the Contractor if they have been convicted of such felonies. No person convicted may be assigned to work under the contract. The school district may determine, under the totality of circumstances including (1) the length of time the employees will be on school grounds, (2) whether pupils will be in proximity of the site where the employees will be working and (3) whether the contractors will be working alone or with others, that the employees will have only limited contact with pupils and neither fingerprinting nor certification is required.

The District has determined that section 45125.1 is applicable to this contract. The District has also determined that the employees assigned to work at a school site under this contract will have only limited contact with pupils, provided the following conditions are met at all times:

1. Contractor employees shall not come into contact with pupils or work in the proximity of pupils at any time except under the direct supervision of school district employees.

2. Contractor employees shall use only restroom facilities reserved for District employees and shall not use student restrooms at any time.

3. Contractor will inform all of its employees who perform work at any school or District site of these conditions and require its employees, as a condition of employment, to adhere to them.

4. Contractor will immediately report to District any apparent violation of these conditions.

5. Contractor shall assume responsibility for enforcement of these conditions at all times during the term of this Agreement.

If, for any reason, Contractor cannot adhere to the conditions stated above, Contractor shall immediately so inform the District and assign only those employees who have been fingerprinted and cleared for employment by the Department of Justice. In that case, Contractor shall provide to the District the names of all employees assigned to perform work under this Agreement. Compliance with these conditions, or with the fingerprinting requirements, is a condition of this Agreement, and the District reserves the right to suspend or terminate the Agreement at any time for noncompliance.

_____ _____

Wayne Sjolund, President Date