

ENGINEERING SERVICES AGREEMENT

This Engineering Services Agreement (“Agreement”) is dated (“Effective Date”) and is between Sanitation District No. 2 of Los Angeles County, a county sanitation district organized and existing under the County Sanitation District Act, Health and Safety Code Section 4700 *et seq.*, DIR Registration No. N/A (“District”) and Advanced Earth Sciences, Inc. (“Engineer”), DIR Registration No. 1000045416 . The District and the Engineer are collectively referred to in this Agreement as the “Parties.”

District requested a proposal for Professional Engineering Services on an on-call basis for various existing and future projects (the “Project”) for a period of up to three (3) years. Engineer’s proposal to provide such services under this Agreement is set forth in Exhibit “A” to this Agreement (the “Proposal”). The services to be provided by Engineer pursuant to the Proposal are set forth in District’s Request for Proposals (“RFP”) for the Project (Exhibit “B” to this Agreement) and constitute the “Work.” The Work has DIR Project No. N/A .

The Parties therefore agree as follows:

1. Agreement

The RFP and the Proposal are incorporated into this Agreement. In the event that there is any conflict or inconsistency between the provisions of the RFP, the Proposal and/or this Agreement, the provisions of this Agreement will prevail.

2. Engineer’s Services

21 Scope of Services by Engineer. The Engineer shall provide geotechnical engineering and construction quality assurance (CQA) services as described in the Scope of Work in the RFP and this Agreement. In performance of the Work, Engineer shall comply with all applicable Federal, State and local laws, rules, regulations, ordinances, and industry practices.

22 Engineer’s Standard of Care. The standard of care applicable to Engineer’s Work under the Agreement will be the degree of skill and diligence ordinarily employed by engineers performing the same or similar services, under the same or similar circumstances, in the State of California. If District deems any of Engineer’s Work as not meeting this standard, Engineer shall re-perform the Work without additional compensation.

23 Engineer’s Estimates and Projections. Engineer’s opinions regarding the potential cost, financial analyses, economic feasibility projections, and schedules for potential future construction of the project are projections only and do not reflect: the ultimate cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Engineer does not warrant that District’s actual project costs, financial aspects, economic feasibility, or schedules will not vary from Engineer’s opinions, analyses, projections, or estimates, but Engineer shall provide such projections in accordance with the standard of care set

forth in Section 2.2 of this Agreement.

3. **District's Obligations**

31 District-Provided Information and Services. District shall furnish Engineer with available studies, reports and other data pertinent to Engineer's services and obtain or authorize Engineer to obtain additional reports and data as required. Engineer is entitled to use and rely upon all such information and services provided by District or others in performing Engineer's services under the Agreement except as otherwise stated by District in connection with the information and services provided.

32 Access. District shall arrange for access to and make all provisions for Engineer to enter upon public and private property as required for Engineer to perform services hereunder. Engineer shall comply with all applicable laws and with District's requirements for persons on District's premises.

4. **Compensation and Payment for Engineering Services**

41 Engineer's Compensation: The compensation payable by District for the engineering services performed by Engineer is the sum of: (a) Direct Costs, (b) Overhead Costs, (c) Indirect Costs, (d) Subconsultant Costs (if required), and (e) a Fixed Fee resulting in a "Not to Exceed" cost for Project Task identified in the Scope of Work. The "Not to Exceed" amount for the entirety of the Work is \$1,000,000. The breakdown of expenses for each Task Authorization Form (TAF) shall be as follows.

a. **Direct Costs.** Direct Costs will be the hourly rates paid by Engineer to its employees for time directly chargeable to the Project, exclusive of the costs for fringe benefits for those employees and other payroll costs. Engineer shall ensure that its employees maintain accurate records of the time chargeable to the Project.

b. **Overhead Costs.** Overhead Costs will be all business expenses allocated by Engineer for rendering engineering services for the Project, including the fringe benefits for the employees who will be utilized on the Project. Engineer's overhead cost will be charged to District as a fixed percentage of the Direct Costs as identified in Section 3.1 a.

c. **Indirect Costs.** Indirect Costs will be all other identifiable costs of Engineer directly chargeable to the Project, including, but not limited to, reproduction of reports, plans, specifications and other documents; preparation for meetings; travel costs; computer services; supplies used in the work; and communication expenses, that are necessary for Engineer to fulfill its responsibilities for the Project.

d. **Subconsultant Costs.** Subconsultant Costs will be the costs paid by Engineer to Subconsultants for providing services as required to assist Engineer in the preparation of the deliverables for this Project.

e. **Fixed Fee.** The Fixed Fee shall be the profit of Engineer and shall be a fixed percentage of the direct and overhead cost for each component of the Project.

42 Payment to Engineer. Engineer shall be compensated in accordance with

Section 10 (D) of the Terms and Conditions of the RFP.

43 Prevailing Wage, Rates, Travel, and Subsistence.

a. **Wage Rates.** Pursuant to the provisions of Article 2 Chapter 1, Part 7, Division 2, of the Labor Code (§ 1770 et seq.), the Engineer shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this work is to be performed for each craft, classification, or type of worker needed to provide the work contemplated under this Agreement from the Director of the DIR. The Engineer shall submit a copy of the general rate of per diem wages for each craft, classification, or type of work that the Engineer intends to use to execute the work to the District for review. A copy of these rates are listed in Attachment 1 of this Agreement, on file with the District, and copies will be made available to any interested party on request. Engineer shall also post a copy of such wage rates at Site and Plant ("Facilities").

For any worker employed to perform work, where such work is not covered by any classification listed in the published general prevailing wage rates determinations or per diem wages determined by the DIR, said worker shall be paid not less than the minimum rate of wages specified in the classification which most nearly corresponds to the employment of such person in such classification.

b. **Holiday and Overtime Pay.** Holiday and overtime work, when permitted by law, shall be paid for at a rate set forth in the prevailing wage determinations issued by the DIR or at least one and one-half (1½) times the specified basic rate of per diem wages, plus employer payments, unless otherwise specified in this Agreement, or authorized by law for all work performed.

c. **Wage Rates Not Affected By Other Contracts.** Engineer shall pay and shall cause to be paid to each employee to whom prevailing wage rates apply not less than the general prevailing rate of per diem wages determined by the DIR, regardless of any contractual relationship which may be alleged to exist between Engineer and employee.

d. **Travel and Subsistence.** Engineer shall pay and shall cause to be paid to each employee performing work travel and subsistence payments, as such travel and subsistence payments are defined by the DIR and in accordance with Labor Code § 1773 et seq., including but not limited to Labor Code § 1773.1.

e. **Change in Prevailing Wage.** Engineer shall comply with the prevailing wage determinations in effect as of the Effective Date of this Agreement, and shall comply with any predetermined increases required under the determinations.

f. **Minimum Wage Rates.** Any worker employed to perform work, which work is not covered by any craft or classification listed in the general prevailing rate of per diem wages determined by the DIR, shall be paid not less than the minimum rate of wages specified therein for the craft or classification which most nearly corresponds to the work to be performed by them.

g. **Per Diem Wages.** Engineer shall pay and shall cause to be paid to each employee performing work per diem wages including, but not limited to, employer payments for health and welfare, pension, vacation, travel time, and subsistence pay as provided for in Labor Code § 1773.1.

h. **Posting of Wage Rates.** Engineer shall post the required notice/poster required under the California Code of Regulations and Labor Code § 1771.4 in both English and Spanish at a conspicuous, weatherproof area at the Facilities. The required notice/poster is available on the Labor Commissioner's website.

i. **Forfeiture and Payments.** Pursuant to Labor Code § 1775, Engineer shall forfeit to District not more than Two Hundred Dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages, determined by the DIR, for such craft or classification in which such worker is employed for any work performed. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of Engineer's mistake, inadvertence, or neglect in failing to pay the correct prevailing rate of per diem wage, the previous record of Engineer in meeting his or her prevailing rate of per diem wage obligations, or Engineer's willful failure to pay the correct prevailing rate of per diem wages. A mistake, inadvertence, or neglect in failing to pay the correct prevailing rate of per diem wage is not excusable if Engineer had knowledge of it or the obligations under this part. The difference between such prevailing rate of per diem wage and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing rate of per diem wage shall be paid to each worker by Engineer.

j. **Monitoring and Enforcement by Labor Commissioner.** Monitoring and enforcement of the prevailing wage laws and related requirements will be performed by the Labor Commissioner/ Department of Labor Standards Enforcement (DLSE). Engineer shall be required to furnish, at least once every thirty days while work is being performed on the Project, certified payroll records directly to the Labor Commissioner in accordance with Labor Code § 1771.4. All payroll records shall be furnished in a format required by the Labor Commissioner. Engineer must sign up for, and utilize, the Labor Commissioner's electronic Certified Payroll Records (CPR) submission system. The District will have direct and immediate access to all CPRs for work performed under this Agreement that are submitted through the Labor Commissioner's system. The District can use this information for any appropriate purpose, including monitoring compliance, identifying suspected violations, and responding to Public Records Act requests.

The Labor Commissioner and DLSE may conduct various compliance monitoring and enforcement activities including, but not limited to, confirming the accuracy of payroll records, conducting worker interviews, conducting audits, requiring submission of itemized statements prepared in accordance with Labor Code § 226, and conducting random in-person inspections of the Facilities ("On-Site Visits"). On-Site Visits may include inspections of records, inspections of the work site and observation of work activities, interviews of workers and others involved with the Facilities, and any other activities deemed necessary by the Labor Commissioner/DLSE to ensure compliance with prevailing wage requirements. The Labor Commissioner/DLSE shall have, subject to Federal, State, Local and Company safety protocols, access to any construction site or other place of labor and may obtain any information or statistics pertaining to the lawful duties of the Labor Commissioner/DLSE.

Any lawful activities conducted or any lawful requests made by the Labor Commissioner/DLSE shall not be the basis for any delays, claims, costs, damages or liability of any kind against the District by Engineer. Engineer and all employees shall cooperate and comply with any lawful requests by the Labor Commissioner/DLSE. The failure of the Labor Commissioner, DLSE, or any other entity related to the Department of Industrial Relations to comply with any requirement imposed by the California Code of Regulations, Title 8, Chapter 8 shall not of itself constitute a defense to the failure to pay prevailing wages or to comply with any other obligation imposed by Division 2, Part 7, Chapter 1 of the Labor Code.

44 Records of Wages Paid: Certified Payroll Submissions and Inspection.

a. Payroll Records.

- i. Pursuant to § 1776 of the Labor Code, Engineer shall keep an accurate payroll record showing the name, address, social security number,

work classification and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the work.

- ii. All payroll records as specified in Labor Code § 1776 of Engineer shall be certified and furnished directly to the Labor Commissioner in accordance with Labor Code § 1771.4(a)(3) on a monthly basis (or more frequently if required by the District or the Labor Commissioner) and in a format prescribed by the Labor Commissioner. Payroll records as specified in Labor Code § 1776 shall be certified and submitted to the District in hard copy (not electronic) with each application for payment or invoice. All payroll records shall be available for inspection at all reasonable hours at the principal office of Engineer on the following basis:
 - a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.
 - b. A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of the District, the DLSE or the Division of Apprenticeship Standards of the Department of Industrial Relations.
 - c. A certified copy of all payroll records shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through the District, the Division of Apprenticeship Standards or the DLSE. If the requested payroll records have not been provided pursuant to Paragraph (2) above, the requesting party shall, prior to being provided the records, reimburse the costs, according to law for the preparation by Engineer, and the entity through which the request was made. The public shall not be given access to such records at the principal office of Engineer.
- iii. The certified payroll records shall be on forms provided by the DLSE or shall contain the same information as the forms provided by the DLSE.
- iv. Engineer shall file a certified copy of all payroll records with the entity that requested such records within 10 calendar days after receipt of a written request.
- v. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards or the DLSE shall be marked or redacted to prevent disclosure of an individual's name, address and social security number. The name and address of the Engineer awarded the work shall not be marked or redacted. Any copy

of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (Section 175a of Title 29 of the United States Code) shall be marked or redacted only to prevent disclosure of an individual's name and social security number. Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided non-redacted copies of certified payroll records.

- vi. The Engineer shall inform the District of the location of all payroll records, including the street address, city and county, and shall provide notice of a change of location and address within ten (10) days of same.
- vii. Engineer shall have 10 calendar days in which to comply subsequent to receipt of a written notice requesting payroll records. In the event that Engineer fails to comply within the 10-day period, the Engineer shall, as a penalty to the District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the DLSE, these penalties shall be withheld from payments then due to Engineer.
- viii. Responsibility for compliance with this Article shall rest upon Engineer.

b. Withholding of Contract Payments & Penalties.

The District may withhold or delay contract payments to Engineer if:

- i. The required prevailing rate of per diem wages determined by the DIR is not paid to all employees performing work;
- ii. Engineer fails to submit all required certified payroll records with each application for payment or invoice, but not less than once per month;
- iii. Engineer submits incomplete or inadequate payroll records;
- iv. Engineer fails to comply with the Labor Code requirements concerning apprentices; or
- v. Engineer fails to comply with any applicable state laws governing workers on public works projects.

45 Apprentices.

a. Apprentice Wages and Definitions. All apprentices employed by Engineer to perform work shall be paid the standard wage paid to apprentices under the regulations of the craft or trade

for which he or she is employed, as determined by the DIR, and shall be employed only at the work of the craft or trade to which he or she is registered. Only apprentices, as defined in § 3077 of the Labor Code, who are in training under apprenticeship standards that have been approved by the chief of the Division of Apprenticeship Standards and who are parties to written apprenticeship agreements under Chapter 4 (commencing with section 3070) of Division 3, are eligible to be employed under this Agreement. The employment and training of each apprentice shall be in accordance with the apprenticeship standards and apprentice agreements under which he or she is training, or in accordance with the rules and regulations of the California apprenticeship Council.

b. Apprentice Labor Pool. When Engineer employs workers in any apprenticeable craft or trade, Engineer shall apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the site of the work, for a certificate approving the Engineer under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, approval as established by the joint apprenticeship committee or committees shall be subject to the approval of the Administrator of Apprenticeship. The joint apprenticeship committee or committees, subsequent to approving Engineer, shall arrange for the dispatch of apprentices to Engineer in order to comply with this section. Engineer shall submit the contract award information to the applicable joint apprenticeship committee which shall include an estimate of journeyman hours to be performed under the Agreement, the number of apprentices to be employed, and the approximate dates the apprentices will be employed. There shall be an affirmative duty upon the joint apprenticeship committee or committees administering the apprenticeship standards of the crafts or trade in the area of the Facility of the work, to ensure equal employment and affirmative action and apprenticeship for women and minorities. Engineer shall not be required to submit individual applications for approval to local joint apprenticeship committees provided they are already covered by the local apprenticeship standards. The ratio of work performed by apprentices to journeymen, who shall be employed in the craft or trade at the Facility, may be the ratio stipulated in the apprenticeship standards under which the joint apprenticeship committee operates, but, except as otherwise provided in this section, in no case shall the ratio be less than one (1) hour of apprentice work for every five (5) hours of labor performed by a journeyman. However, the minimum ratio for the land surveyor classification shall not be less than one (1) apprentice for each five (5) journeymen.

c. Journeyman/Apprentice Ratio; Computation of Hours. Any ratio shall apply during any day or portion of a day when any journeyman, or the higher standard stipulated by the joint apprenticeship committee, is employed at the job site and shall be computed on the basis of the hours worked during the day by journeymen so employed, except for the land surveyor classification. Engineer shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the job site. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Division of Apprenticeship Standards, upon application of a joint apprenticeship committee, may order a minimum ratio of not less than one (1) apprentice for each five (5) journeymen in a craft or trade classification.

d. Journeyman/Apprentice Ratio. Engineer, if covered by this section upon the issuance of the approval certificate, or if previously approved in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the apprenticeship standards. Upon proper showing by Engineer that it employs apprentices in the craft or trade in the state on all of its contracts on an annual average of not less than one (1) hour of apprentice work for every five (5) hours of labor performed by a journeyman, or in the land surveyor classification, one (1) apprentice for each five (5) journeymen, the Division of Apprenticeship Standards may grant a certificate exempting Engineer from the 1-to-5 hourly ratio as set forth in this section. This section shall not apply to contracts, when the contracts of general Engineers or those specialty Engineers involve less than Thirty Thousand Dollars (\$30,000) or twenty (20) working days. Any work performed by a journeyman in excess of eight (8) hours per day or forty (40) hours per week, shall not be used to calculate the hourly ratio required by this section.

e. Apprenticeable Craft or Trade. "Apprenticeable craft or trade" as used in this Article means a craft or trade determined as an apprenticeable occupation in accordance with the rules and regulations prescribed by the Apprenticeship Council. The joint apprenticeship committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting Engineer from the 1-to-5 ratio set forth in this Article when it finds that any one of the following conditions is met:

- i. Unemployment for the previous three-month period in the area exceeds an average of fifteen percent (15%).
- ii. The number of apprentices in training in such area exceeds a ratio of 1-to-5.
- iii. There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth (1/30) of its journeymen annually through the apprenticeship training, either on a statewide basis or on a local basis.
- iv. Assignment of an apprentice to any work performed under this Agreement would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

f. Ratio Exemption. When exemptions are granted to an organization which represents Engineers in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member Engineers will not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards. 12.3.7. Apprentice Fund. If Engineer employs journeymen or apprentices in any apprenticeable craft or trade and is not contributing to a fund or funds to administer and conduct the apprenticeship program in any such craft or trade in the area of the site of the Facility, to which fund or funds other Engineers in the area of the site of the Facility are contributing, Engineer shall contribute to the fund or funds in each craft or trade in which he or she employs journeymen or apprentices on the Facility in the same amount or upon the same basis and in the same manner as the other Engineers do, but if the trust fund administrators are unable to accept the funds, Engineer shall pay a like amount to the California Apprenticeship Council. Engineer may add the amount of the contributions in computing its bid for the contract. The DLSE is authorized to enforce the payment of the contributions to the fund or funds as set forth in the Labor Code § 227.

g. Engineer Compliance. The responsibility of compliance with paragraph 12.3 and § 1777.5 of the Labor Code for all apprenticeable occupations is with Engineer.

h. Decisions of Joint Apprenticeship Committee. All decisions of the joint apprenticeship committee under this paragraph 12.3 and Labor Code § 1111.5 are subject to Labor Code § 3081.

i. No Bias. It shall be unlawful for an employer or a labor union to refuse to accept otherwise qualified employees as registered apprentices on any public works on the grounds of race, religious creed, color, national origin, ancestry, sex, or age, except as provided in the Labor Code § 3077.

j. Violation of Labor Code. Pursuant to Labor Code § 1777.7, in the event Engineer willfully fails to comply with the provisions of this paragraph 11.3 and Labor Code § 1777.5:

- i. The DIR shall deny to Engineer the right to bid on, or to receive, any public works contract for a period of up to one year for the first violation and for a period of up to three years for the second and subsequent violations. Each period of debarment shall run from the date the determination of noncompliance by the Administrator of Apprenticeship becomes an order of the California Apprenticeship Council.
- ii. If Engineer violates §1777.5 it shall forfeit as a civil penalty the sum of two hundred dollars (\$200) for each calendar day of noncompliance. Notwithstanding § 1727, upon receipt of a determination that a civil penalty has been imposed, District shall withhold the amount of the civil penalty from the contract progress payments then due or to become due.
- iii. In lieu of the penalty provided for in subdivision (a) or (b), the DIR may for a first time violation and with the concurrence of the joint apprenticeship committee, order Engineer to provide apprentice employment equivalent to the work hours that would have been provided for apprentices during the period of noncompliance.
- iv. Any funds withheld by District pursuant to this section shall be deposited in the General Fund if the awarding body is a state entity, or in the equivalent fund of an awarding body if the awarding body is an entity other than the state.
- v. The interpretation and enforcement of § 1777.5 and this section shall be in accordance with the rules and procedures of the California Apprenticeship Council.

46 DIR Registration.

a. Registration by Engineer and All Sub Engineers of Any Tier. Strict compliance with all DIR registration requirements in accordance with Labor Code sections 1725.5 and 1771.1 is a material obligation of Engineer under the Agreement. The foregoing includes, without limitation, compliance with DIR registration requirements at all times during performance of the work by Engineer. The failure of Engineer to be properly registered with DIR at all times during performance of the work is a material breach of the Agreement and subject to termination for cause. An affirmative and ongoing obligation of Engineer under the Agreement is the verification that all subEngineers of any tier are at all times during performance of the work in full and strict compliance with the DIR registration requirements. Engineer shall not permit or allow any subEngineer of any tier to perform any work without Engineer's verification that all subEngineers are in full and strict compliance with the DIR registration requirements. Any subEngineers of any tier not properly registered with DIR shall be substituted in accordance with Labor Code § 1771.1.

4.7 Violations/Indemnity. The District reserves the right to withhold monthly payments if the District is notified, or determines as a result of its own investigation, that the Engineer or subconsultants are in violation of any requirements as set forth in Labor Code section 1720, *et seq.* at no penalty or cost to the District. The Engineer and subconsultants agree to indemnify, defend, save and hold harmless the District and its agents, servants and employees, against any and all claims, costs, demands, causes of action, suits, losses, expense or other detriment or liability arising from or

out of their failure to be properly registered with the DIR, to pay the proper prevailing wage rate to any employee working on a District project, or to otherwise fail to comply in all respects with California prevailing wage laws applicable to Districts projects.

5. Duration, Schedule and Delay

5.1 Duration. Engineer's performance of the Work shall commence on October 1, 2023, and shall continue for a term of three (3) years. Engineer shall complete the Work in accordance with the agreed-upon schedule defined in each TAF (TAF Project Schedule).

5.2 Delay. Engineer shall perform its services with due diligence and agrees to use its best efforts to complete the work involved in the Project in accordance with the TAF Project Schedule. Engineer shall immediately advise District of any delay in the Project Schedule resulting from causes within or beyond its control. In the event of any such delay by causes within Engineer's control, Engineer shall promptly outline and implement appropriate actions required to overcome such delay, including, but not limited to, one or more of the following:

- i. Assignment of additional personnel to the Project;
- ii. Utilization of overtime at no increase in compensation by District;
and
- iii. Change in management structure or approach.

The foregoing is not intended to relieve Engineer of responsibility for delay for which it would be responsible under this Agreement.

In the event of delay by causes beyond its control, Engineer shall promptly provide District with written notice of the delay and take all reasonable action to mitigate the effect of such delay. If the delay is beyond Engineer's control and without its fault or negligence, the time for the performance of its services may be equitably adjusted by written amendment subject to District's approval of the extent of such delay. If District determines that Engineer has suffered additional costs that could not reasonably have been avoided, District will compensate Engineer for those additional costs.

Neither of the Parties will be responsible for delays in the performance of their obligations hereunder caused by strikes, action of the elements, acts and/or decisions of any governmental agency or by third parties, other than either Parties' consultants or subconsultants, which could not reasonably have been foreseen or civil disturbances, or any other cause beyond its reasonable control. Engineer will not be responsible for any delay by District in supplying information and reviewing submittals by Engineer.

6. Changes and Extra Work

District may make changes within the general scope of this Agreement and may request Engineer to perform additional services not covered by the Scope of Work defined in a TAF. If Engineer believes that any proposed change or direction given by District causes an increase or decrease in the cost and/or the time required for the performance of this Agreement, Engineer shall

so notify District in writing no later than five days after the date of receiving notification of a proposed change or the changed direction. Engineer shall perform such services and will be paid for such services pursuant to a negotiated and mutually agreed change signed by the Parties to this Agreement. If Engineer determines that any work beyond the Scope of Work is necessary for completion of the Project, Engineer shall notify District and receive approval prior to starting that work. If the Parties do not agree whether Engineer is entitled to additional compensation or the extent of such compensation for work Engineer determines is extra or changed work, Engineer shall proceed with the work and the issue of the compensation shall be reserved for later determination as provided in Section 9 of this Agreement.

7. Personnel Assignment

Engineer agrees to utilize the key personnel as submitted to District in its Project Plan, including its Project Manager. The Project Manager will be the primary contact for District and should have a thorough knowledge of all aspects of the Project and its status. During the term of this Agreement, no replacement of the Project Manager or any of the key personnel of Engineer's Project team or its sub-consultants may be made without the written approval of District, which approval will not be unreasonably withheld. Nothing in this Section 13 is intended to or may be construed to prevent Engineer from employing or hiring as many employees as Engineer deems necessary for the proper and efficient performance of its services.

District may request a change in the assignment of the key personnel. Engineer shall change key personnel to the satisfaction of District within 30 days following written direction to change by District.

8. Notices

All notices or other communications to either party by the other shall be deemed given when made in writing and delivered or mailed (not e-mailed) to such party at their respective addresses as follows:

County Sanitation Districts
of Los Angeles County
1955 Workman Mill Road
Whittier, California 90601
ATTN: Nicky
Nitichaivorrakul

Advanced Earth Sciences, Inc.
9307 Research Drive
Irvine, CA 92618
ATTN: Suji Somasundaram

Either party may change its address or representative for such purpose by giving notice thereof to the other in the same manner.

9. Governing Law, Dispute Resolution and Litigation

Engineer's performance of this Agreement shall be governed and construed in accordance with the laws of the State of California. Except as provided with respect to termination in Section 6 of this Agreement, if any dispute arises between the Parties with respect to the Work, compensation for the Work, or any other matter with respect to this Agreement, the Parties shall, if both agree, submit the matter to mediation. Venue for any action relating to this Agreement shall be in the County of Los Angeles, State of California.

10. Severability

Should any provision of this Agreement be found or be deemed invalid, this Agreement will be construed as not containing that provision, and all other provisions, which are otherwise lawful, will remain in full force and effect, and to this end the provisions of this Agreement are declared to be severable.

11. Confidentiality

Engineer and its Project team shall not release Project information or documentation to anyone outside District without the express written consent of District.

12. Third Parties

The services to be performed by Engineer are intended solely for the benefit of District. No person or entity not a signatory to the Agreement may rely on Engineer's performance of its Work under this Agreement, and no third party will obtain any right to assert a claim against Engineer by assignment of indemnity rights or otherwise accrue to that party as a result of this Agreement or Engineer's performance of the Work.

13. Entire Agreement

This Agreement along with the RFP and the Proposal represents the entire understanding between District and Engineer as to those matters contained herein. No prior oral or written understanding is of any force or effect with respect to those matters covered in this Agreement.

14. Action by Chief Engineer

Except as otherwise provided in this Agreement, the Chief Engineer and General Manager of District ("Chief Engineer") may take all actions on behalf of District in connection with any approvals or actions required of or by District under this Agreement, and Engineer may rely on any such actions by the Chief Engineer as having been approved or required by District under all applicable laws.

15. Counterparts

This Agreement may be executed in any number of counterparts and all such counterparts shall constitute a single instrument. Delivery of an executed counterpart by facsimile or electronic transmission (in .pdf format or other electronic imaging) shall have the same force and effect as delivery of an original counterpart.

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By _____
Chairperson, Board of Directors

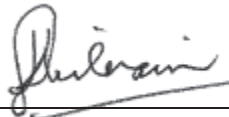
ATTEST:

By _____
Secretary to the Board

APPROVED AS TO FORM:
LEWIS, BRISBOIS, BISGAARD & SMITH LLP

By _____
District Counsel

Engineer

By  _____

Name Kris Khilnani

Title CEO