

NO BID AGREEMENT

This No Bid Agreement ("Agreement") is dated _____, 2022 ("Effective Date") and is between Mehta Mechanical Company, a California Corporation ("MMC"), Jagat S. Mahat, Mohan S. Mahat (Collectively referred to as "Contractor") and County Sanitation District No. 2 of Los Angeles County, a California county sanitation district organized and existing under the "County Sanitation District Act"; Health & Safety Code of California, Division 5, Part 3, Chapter 3, ("District"). The District and Contractor are collectively the "Parties" and individually each a "Party."

Whereas, in early 2018, Contractor submitted a bid (the "Bid") in response to the District's request for bids for a contract to construct the Puente Hills Materials Recovery Facility Stormwater Capture Project ("Project") located within the City of Puente Hills, California. Contractor was certified as the lowest responsive and responsible bidder, and the District awarded Contract No. 5081 (the "Contract") to Contractor on February 2018. Contractor and the District entered into the Contract on February 7, 2018. Surety issued Performance Bond Number 379117P (Performance Bond) to guarantee Contractor's performance of the Contract.

Whereas, on January 6, 2021, District sent Contractor and Surety correspondence notifying them that the District had terminated Contractor's Contract for default as outlined in a December 11, 2020 correspondence to the Contractor and requested that the Surety complete the Project pursuant to the terms of the Performance Bond (Performance Bond Claim).

Whereas, the Parties agreed to allow the Contractor to complete on the Project and on October 8, 2021 Contractor substantially completed this Project;

Whereas, On February 2, 2022, Contractor brought claims for extra work and delay damages (Contractor Claim);

Whereas, District notified the Contractor regarding the imposition of the liquidated damages for failing to complete the Project within the Contract time (District Claim).

Whereas, the Parties settled all matters relating to the Contractor's Claim, District Claim and District's Performance Bond Claim in the Settlement and Release Agreement which is attached as Exhibit A and is incorporated by this reference.

The Parties therefore agree as follows:

1. **No Bidding:** Contractor agrees that MMC, Jagat S. Mahat, Mohan S. Mahat, all of MMC's affiliates, subsidiaries ("No Bidding Parties) shall not bid on any District contracts for five years from the date of this Agreement. Moreover, No Bidding Parties agree not to use any Mahat family members, or MMC's employees, to form any new companies by any of these parties, and any future employers of these new companies as an intermediary to circumvent No Bidding Parties' restrictions from bidding on District work as herein provided. No Bidding Parties agree to waive their rights for any hearing regarding their ability to compete for District

contracts.

2. **Termination Rescission.** In consideration for the no bidding promised in Section 1 above, District agrees to rescind the termination for default of MMC that was issued on January 6, 2021.

3. **Warrant of Authority.** Each party executing this Agreement in a representative capacity represents and warrants that he or she is authorized to execute this Agreement on behalf of and to bind the entity on whose behalf he or she executes the Agreement.

4. **Indemnity.** The Contractor agrees to defend, indemnify and hold free and harmless the District, its officers, agents and employees, and the other County Sanitation Districts of Los Angeles County (“Indemnitees”) from and against any and all claims, demands, actions, loss or liability, including all attorneys’ fees and costs, arising from the Contractor’s “No Bidding” promises and obligation contained in section 1 above.

5. **Binding on Successors.** This Agreement will apply to, be binding upon, and inure to the benefit of the administrators, executors, legal representatives, assignees, successors, agents, and assigns of the Parties.

6. **Construction.** Each party has participated in negotiating and drafting this Agreement, so if an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a party because it was responsible for drafting one or more provisions of this Agreement.

7. **Modification.** This Agreement will not be modified by the Parties by oral representation made before or after the execution of this Agreement. All modifications must be in writing and signed by the Parties.

8. **Advice of Counsel.** The Parties acknowledge that they have been represented by counsel of their own choice in the negotiations leading up to the execution of this Agreement and that they have read this Agreement and have had it fully explained to them by their counsel.

9. **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. To this end, the provisions of this Agreement are declared to be severable.

10. **Attorneys' Fees.** In the event any action is instituted by a Party to interpret or enforce this Agreement, the prevailing Party in such action (as determined by the court, agency or other authority before which such suit or proceeding is commenced) shall be entitled to such reasonable attorneys' fees, costs and expenses as may be fixed by the decision maker.

11. **Governing Law.** This Agreement is entered into and will be construed and interpreted in accordance with the laws of the State of California.

12. **Free and Voluntary Agreement of Parties.** Each party acknowledges and warrants that such party's execution of this Agreement is free and voluntary.

MEHTA MECHANICAL COMPANY AND NO BIDDING PARTIES

By: Jagat S. Mehta
Jagat S. Magat, President

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

By: _____
Chairperson

Attest:

Secretary

Approved as to Form:

Lewis Brisbois Bisgaard & Smith LLP

By: _____
Districts' Counsel