

**Contract No. 0910-101**  
**Flume 1 Reconstruction**  
**PWP #WA-2009-393**

THIS CONTRACT FOR CONSTRUCTION, made and entered into this 12<sup>th</sup> day of October, 2009, by and between **MKD Construction Inc., P.O. Box 22070, Carson City, NV 89721** hereinafter referred to as "Contractor", and Truckee Meadows Water Authority, P.O. Box 30013, Reno Nevada 89520-3013 hereinafter referred to as "Owner".

**WITNESSETH:**

That for and in consideration of the promises and agreements hereinafter made and exchanged, the Owner and the Contractor agree as follows:

1. **Scope of Work.** The Contractor will furnish all labor, materials, equipment, tools, transportation, services, appliances, and appurtenances for the construction of the **Flume 1 Reconstruction** in accordance with the Contract Provisions, Plans, and Specifications therefore, adopted by the Owner as prepared by Owner and all work incidental or reasonably inferable which is necessary to produce the results intended by the Contract Documents (the "Work"). The contractor represents and agrees that it has carefully examined and understands this Agreement and the other Contract Documents, has investigated the nature, locality and site of the Work and the conditions and difficulties under which it is to be performed, and that it enters into this Agreement on the basis of its own examination, investigation and evaluation of all such matters and not in reliance upon any opinions or representations of the Owner, or any of their respective officers, agents, servants, or employees.
2. **Contract Sum.** Owner shall pay the Contractor, as full and complete compensation for Contractor's timely performance of all the Work in accordance with the Contract Documents and to the satisfaction of Owner, the lump sum amount of **Seven Hundred Seventy Nine Thousand Five Hundred Dollars (\$779,500)**. The amount set forth above includes the aggregate amount of all allowances and unit price items to be furnished or installed.
3. **Progress Payments.** The Owner will pay the Contractor progress payments and the final payment in accordance with the provisions set forth in the Specifications computed from the actual quantities of work performed and accepted, and the materials furnished, at the unit and lump sum prices shown in the Proposal, as bid in conformance with the Contract Documents defined hereinafter. Owner will retain from such estimated value of the work done the amounts specified in the General Conditions. Owner shall pay to Contractor, at the end of each quarter this Agreement is in effect, interest for the quarter on the amount withheld at a rate to be determined by Owner in accordance with NRS 338.515. Except with respect to any payment withheld pursuant to NRS 338.525, the amount of payments withheld as provided herein shall be retained for a period of 30 days from the date of project Completion and acceptance. Contractor shall pay the subcontractors progress payments and pay interest on amounts retained from said progress payments in accordance with the provisions of NRS 338.510 through NRS 338.535.
4. **Time of Completion.** Contractor shall promptly commence and diligently prosecute the Work to be performed under this Agreement and achieve 100 percent completion by **May 26, 2010** to the entire satisfaction of the Owner before final payment is made. All times stated in the Contract Documents, including interim milestones and those for the delivery and installation of materials and equipment, are of the essence of this Agreement
5. **Liquidated Damages.** Owner and Contractor recognize Owner will suffer extensive damages if the Work is not completed within the time specified above, the exact amount of which is difficult to ascertain. Accordingly, if Contractor fails to achieve 100 percent completion of the Work within the time specified above, Owner shall be entitled to retain or recover from Contractor, as liquidated damages for delay (but not as a penalty) the sum of **\$3,160** per day commencing on the expiration of the time specified above and continuing until the actual date of 100 percent completion. Owner may deduct liquidated damages from any unpaid amounts then or thereafter due the Contractor under this Agreement

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6. **Prevailing Wage.** Contractor will pay, and will require all subcontractors to pay, unless otherwise exempt there from, all employees on said work a salary or wage at least equal to the prevailing salary or wage established for such work as set forth in the wage determinations and wage standards applicable to this work, as contained in or referenced by the Contract Provisions for this work. Contractor shall forfeit to the Owner, as a penalty, not less than \$20 nor more than \$50 for each calendar day and portion thereof that each workman employed on the public work: (a) is paid less than the designated rate for work done under the contract by the contractor or any subcontractor under him (b) is not reported to the public body awarding as required pursuant to NRS 338.070. In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and the Contractor shall not require more than (8) hours of labor in a day from any person employed by him hereunder. Contractor shall keep accurate records showing the name, occupation and actual per diem wages and benefits paid to each workman employed by him in connection with this project. The records shall be open to inspection by Owner, its officers and agents and at all reasonable hours.
7. **Acceptance and Final Payment.** As soon as practical following the completion of all phases of the Work, the Contractor shall make request by letter to Owner for a final inspection and acceptance of the Work, and if, in Owner's opinion, all provisions of the Contract Documents and Agreement have been satisfied, Owner will cause a Notice of Completion to be completed by the Project Manager and sent to the Labor Commissioner. Final payment, constituting the entire unpaid balance of the contract sum, shall be made by Owner to Contractor when the Contract has been fully performed by Contractor except for Contractor's responsibility to satisfy requirements, if any, which necessarily survive final payment; and the Notice of Completion has been sent to the Labor Commissioner. Final payment shall be made by Owner not more than 30 calendar days following the Notice of Completion, as specified in the General Conditions. Final payment is further subject to Owner's prior receipt from Contractor of all as-built drawings, certifications, prevailing wages, maintenance manuals, operating instructions, written guarantees, warranties, and bonds relating to the Work, and assignments of all guarantees and warranties from subcontractors, vendors, suppliers, or manufacturers, all as required by the Contract Documents. Acceptance of final payment by the Contractor shall constitute a full waiver and release by the Contractor of all claims against Owner arising out of or relating to this Agreement.
8. **Insurance.** The Contractor shall purchase and maintain prior to performing any Work on the Project, at its expense, from a company or companies authorized to do business in the State of Nevada, insurance policies containing the types of coverages and minimum limits of liability described in the General Conditions protecting from claims which may arise out of or result from the performance or non-performance of services under this Contract by the Contractor or by anyone directly or indirectly employed by it, or by anyone for whose acts it may be liable, including without limitation that Contractor shall carry insurance as required and require all subcontractors to carry industrial insurance as required by the Nevada Industrial Insurance Act and the Nevada Occupational Diseases Act. Contractor or his subcontractor's failure to pay premiums will automatically authorize Owner to withhold amounts from funds due the contractor and make insurance premium payments on behalf of the Contractor and/or his subcontractors.
9. **Performance and Payment Bonds.** The Contractor shall, prior to the execution of the Contract, furnish two bonds on the forms bound herein approved by the Owner, one in the amount of One Hundred Percent (100%) of the Contract price, to guarantee the faithful performance of the work, and one in the amount of One Hundred Percent (100%) of the Contract price to guarantee payment of all claims for labor and materials furnished. This Contractor shall not begin work until such bonds are supplied to and approved by the Owner.
10. **Contract Documents.** Contract Documents include, but are not limited to the Invitation to Bid Book including the: Invitation to Bid, Instructions to Bidders, Bid Bond, Bid Bid Schedule, Contract Award Instructions, Contract Performance Bond, Payment Bond, General Conditions, Permits, Supplementary Conditions, Standard Specifications, Technical Specifications, Plans, details, Addenda, if any, Executed Change Orders, if any, Notice of Award, Notice to Proceed Plans, and any other document that is incorporated into the contract is hereinafter referred to as EXHIBIT "A" and located at the Owner's office for public inspection.

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11. **Nondiscrimination.** In accordance with NRS 338.125, in connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex or age. Such agreements shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Any violation of such provision by the Contractor shall constitute a material breach of the Contract. Further, Contractor agrees to insert this nondiscrimination provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.
12. **Veteran's Preference.** Contractor agrees to give preference as provided in NRS 338.130. If this provision is not complied with, the Contract shall be void, and any failure or refusal to comply with this provision shall render the Contract void.
13. **Warranty.** In addition to any other warranties provided by law or in the General conditions, Contractor warrants the Work under this Contract to be free from all defects for a period of one year from the date of final acceptance by Owner. Any defects found during this period shall be repaired by the Contractor at no cost to Owner in accordance with the requirements of the Contract Documents.
14. **Indemnification/Hold Harmless.** Owner has established specific indemnification and insurance requirements for agreements with Contractors which are set forth in the General Conditions, which Contractor has examined, understands and agrees to perform. Indemnification and hold harmless clauses are intended to assure that Contractors accept and are able to pay for the loss liability related to their activities.
15. **Termination.** In addition to other provisions of this Agreement, Owner has the right to terminate the Agreement without cause at any time upon giving Contractor seven days notice in writing. In the event the Agreement is terminated by Owner in accordance with this provision, Owner agrees to pay Contractor for all work satisfactorily completed and for materials installed prior to the date of termination.
16. **Governing Law.** This Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Nevada, with venue in the County of Washoe. Each party acknowledges and agrees that the laws of the State of Nevada and the selection of venue were freely chosen.
17. **Compliance with Laws.** Pursuant to NRS 338.153, Contractor shall comply, and shall insure each subcontractor and other person who provides labor, equipment, materials, supplies or services for the Project complies, with the requirements of all applicable state and local laws, including without limitation, any applicable licensing requirements and requirements for the payment of sales and use taxes on equipment, materials and supplies provided for the Project.
18. **Confidentiality.** Contractor acknowledges and agrees the Drawings and Technical Specifications reveal critical infrastructure of facilities used for storing, transporting or transmitting water as contemplated by Nevada's Homeland Security Act, and that the disclosure or release of the Drawings and Technical Specifications to any unauthorized person would create a substantial likelihood of compromising, jeopardizing or otherwise threatening the public health, safety or welfare. Contractor shall not, and shall insure its Subcontractors, employees and agents shall not, knowingly disclose such documents or information or assist, solicit or conspire with another person to disclose such documents or information Contract Documents without the express prior written consent of Owner.

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Owner and Contractor hereby enter into this agreement as of the date and year first written above.

"Owner"  
TRUCKEE MEADOWS WATER AUTHORITY, a joint powers authority  
By: M. Foree Date: 10/15/09  
TMWA, General Manager

STATE OF NEVADA )  
 ) ss  
County of Lyon )

Donald D. Grock being first duly sworn, deposes and says: That he is the Contractor, or authorized agent of the Contractor, for whom the aforesaid described work is to be performed by; that he has read the foregoing Contract and understands the terms, conditions, and requirements thereof.

CONTRACTOR:

By: Donald D. Grock  
Title: Treasurer  
Firm: MKD Construction Inc.,  
Address: P.O. Box 22070  
City/State & Zip: Carson City, NV 89721  
Telephone: 775-246-1900  
Fax: 775-246-1986  
E-mail: MKD2@att.net

Donald D. Grock  
(Signature Of Contractor)

DATED this 9<sup>th</sup> day of OCTOBER, 2009.

ATTEST:

On this 9<sup>th</sup> day of OCTOBER, in the year 2009, before me, Joseph H. Doll /Notary Public, personally appeared Donald D. Grock personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Joseph H. Doll  
Notary's Signature

L.S.

