CHANGE ORDER NO. 10

AUSONIO INCORPORATED

Date: April 13, 2017

To Contractor: Stronghold Engineering, Inc.
2000 Market Street, Riverside, CA 92501

Project: Monterey Conference Center Renovation Project, #30C1453
Including Portola Plaza Renovation Project, #30C1601

Permit No.: B15-0397 and B15-0188

Description of Change: Refer to attached RFPs for additional information.

ITEM NO.	DESCRIPTION	SEI CP	CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
1	RFP-044, dated 08/16/16: Add Gravity Beam at line 6 between L and K Requested by: SOM Reason: Gravity beam is required to support the mezzanine slab above per RFI-425.	169	$14,100.65	0 Days
2.	RFP-054, dated 2/13/17: ASI-10 Fire Rating Clarifications Requested by: SOM Reason: 1 hour fire rating along the north and east walls of the Serra Ballroom needed to be extended to meet code per ASI-10.	211	$11,012.41	0 Days
3.	FO-004, dated 2/23/16: Re-feed Room 120 Lighting and Power Circuit Requested by: SOM Reason: No work is called out in room 120, but the power was lost when circuit feeding the room was demolished in adjacent restroom work per plan. SEI ran isolated feed to panel "ALF."	221	$2,107.91	0 Days
4.	SEI CP-053, dated 3/8/17: Add Expansion Joint to Gridline "K" in Jeffer's Plaza Requested by: SOM Reason: Where the Jeffer's Plaza and the Portola Hotel adjoin along Gridline "K" an expansion joint is required but was not shown on the drawings.	53	$27,217.97	0 Days

5.	SEI CP-116, dated 3/10/17: Add Door, Door Frame, and Hardware for Room 109CA Requested by: SOM Reason: No door call out was shown in room 109. Resolution to RFI-671 was to provide a new door and frame for this room.	116	$2,143.00	0 Days
6.	SEI CP-119, dated 2/9/17: Add 3" Area Drains on 2nd Floor South East Corner. Requested by: SOM Reason: Plumbing drawings did not show the drains and associated piping but was added in Bulletin-006.	119	$7,055.00	0 Days
7.	SEI CP-178R, dated 03/13/17: Connect FAU Condensate Drain to nearest Mop Sink Requested by: SOM Reason: Condensate for FAU coil was previously routed into the storm drain. However, per current code, the condensate must be routed to the sewer per RFI-703 response.	178R	$7,934.92	0 Days
8.	SEI CP-209, dated 3/16/17: Change Wall Types to fit electrical boxes Requested by: SOM Reason: Walls between gridline 9 and 10 and C.6 and M along the 1st floor De Anza Corridor were changed from F1 hat channel framing to standard A1 metal stud framing in order to fit the power, data, fire alarm, etc. Note: Wall along 9 gridline on mezzanine was never furred out per the proposal. CO includes trading the fur out at the mezzanine wall with the one adjacent to the 1st floor lobby restrooms along gridline 10.	209	$22,010.62	0 Days
9.	SEI CP-216, dated 3/16/17: Remove and check 12 sprinkler heads for residual material Requested by: City of Monterey Reason: A foreign substance was found within the existing fire sprinkler supply lines. Fire Marshall instructed SEI to randomly remove and check 12 heads after system was flushed and charged for testing to see if substance remained. No substance was found during the check.	216	$1,226.03	0 Days
10.	SEI CP-230, dated 04/03/17: Relocate GFI in toilet room 118B Requested by: SOM Reason: Outlet needed to be moved per the response to RFI-424 where the toilet and sink switched.	230	$443.08	0 Days

Summary of Contract Price

Original Contract Amount	$46,287,000.00
Prior Adjustments	**$2,475,305.24**
Contract Sum Prior to this Change	$48,762,305.24
Adjustments for this Change	**$95,251.59**
Revised Contract Amount	$48,857,556.83

Summary of Contract Time (All time is represented as CALENDAR Days)

Revised Contract Time (single delivery)	474 Days	Date: 03/24/2017
Adjustments for this Change	**0 Days**	
Revised Contract Time (single delivery)	474 Days	Date: 03/24/2017

The Contractor waives any claim for further adjustments of the Contract Sum and Contract Time related to items contained in the Change Order. This Change Order is complete accord and satisfaction for all items included in this Change Order. Also refer to Article 9 of the General Conditions.

The foregoing adjustment of the Contract Price and the Contract Time for the changes noted in this Change Order (the "Changes") represents the full and complete adjustment of the Contract Price and the Contract Time due the Contractor for providing and completing such Changes, including without limitation: (i) all costs (whether direct or indirect) for labor, equipment, materials, tools, supplies and/or services; (ii) all general and administrative overhead costs (including without limitation, home office, field office and Site general conditions costs) and profit; and (iii) all impacts, delays, disruptions, interferences, or hindrances in providing and completing the Changes. The Contractor waives all rights, including without limitation those arising under Civil Code Section 1542, for any other adjustment of the Contract Price or the Contract Time on account of this Change Order or the performance and completion of the Changes.

Reviewed and Recommended for Approval
Ausonio Incorporated, Construction Manager

By: _____ 5/23/17
Dustin Conner — Date
Project Manager

Owner Approval
City of Monterey

By: Robert M. Harary 5/23/2017
Robert Harary, PE — Date
Principal Engineer/Capital Programs Manager

Contractor Acceptance
Stronghold Engineering, Inc.

By: See Attachment A: City of Monterey letter, entitled "Execution of Change Orders", dated 04/12/17
Beverly Bailey — Date
President & CEO

Attachments: RFP-044
RFP-054
FO-004
SEI CP-053
SEI CP-116
SEI CP-119
SEI CP-178R

SEI CP-209
SEI CP-216
SEI CP-230

Distribution: City of Monterey
Skidmore, Owings & Merrill, LLP

Attachment A

CITY OF MONTEREY

Colton Hall, California Constitution Hall 1849

DEPARTMENT OF PLANS & PUBLIC WORKS

April 12, 2017

Beverly Bailey
Stronghold Engineering, Inc.
2000 Market Street
Riverside, CA 92501

Re: **Monterey Conference Center Renovation Project Including the Portola Plaza Renovation Project 30C1453 & 30C1601 - Execution of Change Orders**

Dear Ms. Bailey,

This letter is to document the fact that Change Orders No. 7, 8 and 9 have not been executed in accordance with the Change Order form included in the Contract Documents in Part V, Appendix D, page 9, of the Contract Forms.

In September 2016, it was in our mutual interest to add alternate language to Change Order No. 6, exclusively for "controversial" Items 1, gravity beam for Gridline K, and 2, additional scanning for base plates. Note that on the same Change Order 6, Item 3, regarding abatement and not considered "controversial," was covered by the same language included in the Contract Forms per the Contract Documents. Since that time, the City has never agreed to re-use the alternate language used specifically for Change Order No. 6 Items 1 and 2 for any subsequent Change Order items.

It is our understanding that Stronghold Engineering Inc. has refused to sign off on Change Orders No. 7, 8, and 9 using the Change Order language included in the Contract Documents. The City refuses to sign off on Change Orders 7, 8 and 9 with the alternate language requested by SEI. Consequently, we are at an impasse. Further, we anticipate that future Change Orders will have the same result.

Although Change Orders 7, 8 and 9 have not been executed per the Contract Documents, it is in our best interest to proceed with these change order tasks per the scope and cost as negotiated. Further, the City will continue to pay for these additional tasks on a monthly basis as they are being completed by SEI. However, both parties will not possess fully-executed Change Orders after No. 6, unless SEI becomes willing to execute these Change Orders in accordance with the Contract Documents.

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Website • www.monterey.org

In addition, we suggest that you review General Conditions, Part III, page 45, Section 9.11, "Change Orders," which in part states:

> *"All Change Orders shall be in full payment and final settlement of all claims for direct, indirect and consequential costs, including without limitation, costs of delays or impacts related to, or arising out of, times covered and affected by the Change Order, as well as any adjustments to the Contract Time."*

Therefore, neither cost increases nor additional time will be granted for these change order tasks regardless of having fully-executed change orders or not.

Please let me know if you have any questions.

Sincerely,

Robert M. Harary

Robert M. Harary, P.E.
Principal Engineer/Capital Programs Manager

CC: (by electric transmission only)
Scott Bailey, SEI
Denny McGahey, SEI
Samuel J. Phillips, Ausonio
Dustin Conner, Ausonio
Hans Uslar, City of Monterey