Commercial Automobile Liability. A commercial automobile liability insurance policy with limits of liability of not less than $2,000,000 per accident for bodily injury and property damage with a deductible to be determined by the Company in accordance with Section 13.4 of this Appendix. The insurance must cover liability arising from any motor vehicle, including owned, non-owned, leased, hired, rented, borrowed, or otherwise assigned to or used in connection with the performance of the Design/Build Work and during the Design/Build Period.

Workers' Compensation and Employer's Liability. Workers' compensation and employer's liability insurance as required by Applicable Law, and employer's liability insurance having coverage limits of a minimum of $1,000,000 for each accident, $1,000,000 for disease (each employee), and $1,000,000 for disease (policy limit).

Contractors Pollution Liability. Contractor's pollution liability insurance having coverage for any one occurrence or claim of not less than $10,000,000 and an annual aggregate policy limit of $10,000,000. If the policy is written on a "claims made" form, the Company shall continue such coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than three (3) years from the Acceptance Date. The retroactive date or "prior acts inclusion date" of any such "claims made" policy must be no later than the date of the commencement of any construction.

Contractors' Equipment Insurance. Contractor's equipment insurance sufficient to cover physical damage to all owned, leased, rented, or borrowed equipment used by the Company on the Project or Sites, including rental charges. All contractors' miscellaneous tools shall be covered by the individual contractor or Subcontractor.

Builder's Risk Insurance. Builder's risk insurance, covering all loss, damage, or destruction to the Design/Build Work, including boiler and machinery coverage and installation floater coverage for materials pending installation, caused by physical damage subject to a policy loss limit of $25,000,000 with no co-insurance provisions written on a completed value form, including increased cost of construction, subject to minimum sub-limits in coverage for earthquake and flood of $10,000,000 any one occurrence. Solely with respect to the builder's risk insurance described in this paragraph and not withstanding anything herein to the contrary, the Village agrees that the builder's risk insurance provided by Contractor shall be subject to a maximum deductible of $1,000,000 per occurrence.

13.1.2 Additional Insureds

Using ISO endorsement CG 2010 and CG 2037 or equivalent substitution, the Company shall name the Village, its respective officers, officials and employees, as "Additional Insureds" on all policies required under subsection 13.1.1 of this Appendix (other than with respect to the required professional liability, contractor's pollution liability and workers' compensation and employer's liability coverage). Each and every party to the DBO Agreement shall waive the subrogation rights of the various insurance carriers in favor of the other parties for the policies required under subsection 13.1.1 of this Appendix.

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13.1.3 Non-Recourse Provision

All insurance policies required under subsection 13.1.1 of this Appendix shall provide that the insurers shall have no recourse against the Village, as Additional Insureds, for payment of any premium or assessment and shall contain a severability of interest provision in regard to the Company's liability policies.

13.1.4 Subcontractors

The Company shall be responsible for ensuring that all Subcontractors of the Company performing Design/Build Work:

(a) secure and maintain all insurance coverages (including workers' compensation insurance) and other financial sureties required by Applicable Law in connection with their presence and the performance of their duties pursuant to the DBO Agreement;

(b) secure and maintain all insurance coverage required by Applicable Law and other insurance commensurate with the scope of their services; and

(c) maintain products and completed operations liability insurance for not less than 60 months following the Acceptance Date.

13.1.5 Specific Provisions for Commercial General Liability Insurance

Commercial general liability insurance, as required under subsection 13.1.1 of this Appendix, shall include premises-operations, blanket contractual, products and completed operations, personal injury and advertising injury, explosion, collapse, underground hazards, broad form property damage including completed operations, and independent contractors coverages.

13.1.6 Specific Provisions for Workers' Compensation Coverage

Workers' compensation insurance, as required under subsection 13.1.1 of this Appendix, shall be in accordance with the requirements of the laws of the State of Florida, as amended from time to time. The required workers' compensation insurance shall include other states' coverage, voluntary compensation coverage, and federal longshoreman and harbor workers coverage.

13.1.7 Specific Provisions for Contractor's Pollution Liability Insurance

Coverage for Contractor's Pollution Liability required by subsection 13.1.1 of this Appendix shall include coverage for bodily injury sustained (including death); property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, cleanup costs and the loss of use of tangible property that has not been physically injured or destroyed; defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims; and losses that arise from the performance of the Design/Build Work. Coverage shall apply to sudden and accidental non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the Sites, the atmosphere or any watercourse or body of water, which results in bodily injury and property damage. Contractor's Pollution Liability insurance shall be maintained at all times during the Term in accordance with this Section and Section 13.2 of this Appendix.

13.1.8 Specific Provisions for Equipment Insurance

Coverage for equipment insurance required by subsection 13.1.1 of this Appendix shall include a provision which waives all of the Company's rights against the Village for damages covered by such equipment insurance.

13.1.9 Specific Provisions for Professional Liability or Errors and Omissions Insurance

Coverage for professional liability or errors and omissions required by subsection 13.1.1 of this Appendix shall be maintained throughout the Design/Build Period in accordance with subsection 13.1.1 and for five (5) years after the Acceptance Date.

13.1.10 Qualifications of Insurers

Except for the professional liability and errors and omissions insurance, the Company shall obtain the insurance set forth in subsection 13.1.1 of this Appendix with insurance companies that carry a minimum rating of "A XIII," or equivalent, by A.M. Best's Key Rating Guide. The Company shall obtain professional liability and errors and omissions insurance required pursuant to Section 13.1.1 of this Appendix with insurance companies that carry a minimum of rating of "A XIII" or equivalent by A.M. Best's Key Rating Guide. In addition, insurance may not be obtained or maintained with insurers which are prohibited from conducting business in the State of Florida.

13.1.11 Insurance Coverage Forms

The following forms shall be used with respect to the applicable insurance required in subsection 13.1.1 of this Appendix:

(a) commercial general liability insurance shall be written on a form no more restrictive than an industry standard Commercial General Liability Occurrence form (CG 00 01);

(b) comprehensive auto liability insurance shall be written on a form no more restrictive than an industry standard Business Auto Liability policy form (CA 00 01); and

(c) workers' compensation insurance shall be written on a form no more restrictive than an industry standard Workers' Compensation and Employer's Liability policy form (WC 00 00 00), where applicable.

13.2 REQUIRED INTERIM OPERATIONS PERIOD AND OPERATIONS PERIOD INSURANCE

13.2.1 Insurance Coverage

The Company shall obtain, pay for and maintain the insurance coverage listed below during the Interim Operations Period and the Operations Period with respect to the performance of the Interim Operations Services and the Operation Services without any reimbursement obligation on the part of the Village.

Commercial General Liability. A commercial general liability insurance policy insuring against liability of the Company with respect to the performance of the Interim Operations Services and the Operations Services, written on an occurrence basis and covering liabilities arising out of the premises, operations, independent contractors, products and completed products, completed operations, personal and advertising liability, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). The insurance shall:

(a) apply separately for each insured against whom a claim is made or a lawsuit is brought, subject only to the insurance policy limits of liability; and

(b) have coverage for any one occurrence or claim of not less than \$10,000,000, \$10,000,000 annual aggregate for products and completed operations, and \$10,000,000 annual aggregate for all claims. This requirement may be met with any combination of primary and excess coverage so long as the excess coverage is written on a "follow form" or umbrella basis.

Commercial Automobile Liability. A commercial automobile liability insurance policy with limits of liability of not less than \$2,000,000 per accident for bodily injury and property damage with a deductible to be determined by the Company in accordance with Section 13.4 of this Appendix. The insurance must cover liability arising from any motor vehicle, including owned, non-owned, leased, hired, rented, borrowed or otherwise assigned to or used in connection with the performance of the Interim Operations Services and the Operations Services.

Workers' Compensation and Employer's Liability. Workers' compensation and employer's liability insurance as required by Applicable Law, and employer's liability insurance having coverage limits of \$1,000,000 for each accident, \$1,000,000 for disease (each employee), and \$1,000,000 for disease (policy limit).

Contractor's Pollution Liability. Contractors pollution liability insurance having coverage for any one claim of not less than \$10,000,000 and an annual aggregate policy limit of \$10,000,000. If the policy is written on a "claims made" form, the Company shall continue such coverage, either through policy renewals or the purchase of an extended discovery period, if such extended coverage is available, for not less than throughout the Term and for five (5) years following from the end of the Term or Termination Date. The retroactive date or "prior acts inclusion date" of any such "claims made" policy must be no later than the date of the commencement of any Interim Operations Services.

Company-owned Equipment Insurance. Company-owned miscellaneous tools and equipment insurance sufficient to cover physical damage to owned, leased, rented, or borrowed equipment on the jobsite, including rental charges.

13.2.2 Additional Insured

Using ISO endorsement CG 2010 and CG 2037 or equivalent substitution, the Company shall name the Village and its respective officers, officials and employees, as "Additional Insured" on all policies required under subsection 13.2.1 of this Appendix (other than with respect to the required contractor's pollution liability and workers' compensation and employer's liability coverage). Each and every party to the DBO Agreement shall waive the subrogation rights of the various insurance carriers in favor of the other parties for the policies required under subsection 13.1.1 of this Appendix.

13.2.3 Non-Recourse Provision

All insurance policies required under subsection 13.2.1 of this Appendix shall provide that the insurers shall have no recourse against the Village, as Additional Insured, for payment of any premium or assessment and shall contain a severability of interest provision in regard to the Company's liability policies.

13.2.4 Specific Provisions for Commercial General Liability Insurance

Commercial general liability insurance, as required under subsection 13.2.1 of this Appendix, shall include premises-operations, blanket contractual, products and completed operations, personal injury and advertising injury, host liquor liability, explosion, collapse, underground hazards, broad form property damage including completed operations, and independent contractors coverages.

13.2.5 Specific Provisions for Workers' Compensation Coverage

Workers' compensation insurance, as required under subsection 13.2.1 of this Appendix, shall be in accordance with the requirements of the laws of the State of Florida, as amended from time to time. The required workers' compensation insurance shall include other states' coverage, voluntary compensation coverage, and federal longshoreman and harbor workers coverage.

13.2.6 Specific Provisions for Contractors Pollution Liability Insurance

Coverage for Contractors Pollution Liability required by subsection 13.2.1 of this Appendix shall include coverage for bodily injury sustained (including death); property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, cleanup costs and the loss of use of tangible property that has not been physically injured or destroyed; defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims; and losses that arise from the Project. Coverage shall apply to sudden and accidental non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the Sites, the atmosphere or any watercourse or body of water, which results in bodily injury and property damage. Contractors Pollution Liability insurance shall be maintained at all times during the Term in accordance with this Section and Section 13.2 of this Appendix, and for five (5) years after the Term or Termination Date.

13.2.7 Specific Provisions for Equipment Insurance

Coverage for equipment insurance required by subsection 13.2.1 of this Appendix shall include a provision which waives all of the Company's rights against the Village for damages covered by such equipment insurance.

13.2.8 Changes in Insurance Coverage; Additional Insurance

The Company shall use its best efforts to obtain such additional insurance as the Village may request from time to time, and the costs of such additional insurance shall be a pass through cost to the Village.

13.2.9 Qualifications of Insurers

The Company is required to obtain the insurance set forth in subsection 13.2.1 of this Appendix with insurance companies that carry a minimum rating of "A XIII," or equivalent, by A.M. Best's key rating guide. In addition, insurance may not be obtained or maintained with insurers which are prohibited from conducting business in the State of Florida.

13.2.10 Cost of Insurance

If the Village chooses to arrange for the insurance outlined in subsection 13.2.1 of this Appendix, the Village may elect to obtain such insurance, provided that:

(a) written notice is received by the Company at least 90 days prior to the Contract Year during which the Village will assume this responsibility or 90 days prior to the expiration date of the insurance placed by the Company;

(b) the Village may at any time during the Term, upon 90 days' written notice prior to any Contract Year, require the Company to assume the responsibility to obtain the Required Operations Period Insurance;

(c) all Village provided insurance policies name the Company and the Guarantor as named insureds upon assumption of such responsibility;

(d) the Village pays any cancellation penalty (or short-rate) arising out of canceling the Company provided coverage required by subsection 13.2.1 of this

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Appendix, prior to this expiration date; and

(e) the Company shall reduce its Service Fee in proportion to any reduction the Company receives in the costs of such insurance, as the Company no longer needs to provide to the insurance.

13.2.11 Insurance Coverage Forms

The following forms shall be used with respect to the applicable insurance required in subsection 13.2.1 of this Appendix:

(a) commercial general liability insurance shall be written on a form no more restrictive than an industry standard Commercial General Liability Occurrence form (CG 00 01);

(b) comprehensive auto liability insurance shall be written on a form no more restrictive than an industry standard Business Auto Liability policy form (CA 00 01); and

(c) workers' compensation insurance shall be written on a form no more restrictive than an industry standard Workers' Compensation and Employer's Liability policy form (WC 00 00 00), where applicable.

13.3 Insurance Certificates

Insurance, and any renewal thereof, shall be evidenced by certificates of insurance issued or countersigned by a duly authorized representative of the issuer and delivered to the Village for the Village's approval within 30 days of the issuance date of the applicable policy or, in the case of a renewal, as reasonably provided by the insurer. The insurance policies shall provide for at least 45 days' written notice to the Village in the event of: cancellation of any required policy, non-renewal of any required policy or the issuance of any endorsement or amendment to any required policy resulting in a reduction of such policy's limits of liability, except that 10 days' notice shall be provided in the event of cancellation, nonrenewal or reduction in limits due to nonpayment of premium. Upon request of the Village, the Company shall deliver proof of payment of premiums for insurance required to be effected pursuant to this Appendix.

13.4 Deductibles and Self-Insurance Retentions

Except where specifically provided otherwise herein, any of the policies of insurance required under this Appendix may provide that the amount payable in the event of any loss shall be reduced by a deductible amount to be paid by the Company, which shall not exceed $100,000.00 unless otherwise approved in writing by the Village. Alternatively, any of the policies of insurance required under this Appendix may provide for a self-insured retention by the Company in an amount not to exceed $100,000.00, unless otherwise approved in writing by the Village. The Company shall be a co-insurer to the extent of the amount deducted from the insurance monies paid in the event of any loss, or the amount of any self-insured retention, and such deductible or self-insured retention amount shall be included as part of the insurance monies payable and paid. Such deductibles and self-insured retentions shall be in accordance with those as are commercially available. Notwithstanding any deductible amount or self-insured retention provided by the Company, the limits of all insurance required of or maintained by the Company pursuant to this Appendix 13 with respect to any claims made by the Village or third parties shall apply on a first dollar basis and shall be defended and payable by the insurer. The Village shall have the right, at its election, to require that all deductibles and self-insured retentions be secured by a bond or irrevocable letter(s) of credit in form acceptable to the Village.

13.5 Company Actions Resulting in Cancellation of Insurance

The Company shall comply promptly with the requirements of all insurers pertaining to the Project. The Company shall not knowingly do or permit anything to be done that results in the cancellation or the reduction of coverage under any insurance policy on the Project or Sites or any part of the Project or Sites, or on the Project or any part of the Project.

13.6 Omnibus Named Insured Policies.

All insurance policies provided or required under this Appendix 13 shall include and provide for the Company, and the Guarantor, as insured.

13.7 Sovereign Immunity.

Nothing in the Agreement or this Appendix 13 shall be deemed to abrogate, waive or limit the Village's sovereign immunity and liability protections, as provided by Applicable Law.

APPENDIX 14

FORM OF GUARANTY AGREEMENT

APPENDIX 14

GUARANTY AGREEMENT

From

LAYNE CHRISTENSEN COMPANY,
a Delaware corporation

To

ISLAMORADA, VILLAGE OF ISLANDS,
a Florida municipal corporation

Dated as of

August 21, 2012

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made and dated as of August 21, 2012, between LAYNE CHRISTENSEN COMPANY, a corporation organized and existing under the laws of the State of Delaware, together with any permitted successors and assigns, (hereinafter, the "Guarantor" or "Layne Christensen"), to and for the benefit of ISLAMORADA, VILLAGE OF ISLANDS, a Florida municipal corporation (hereinafter, the "Village").

RECITALS

WHEREAS, the Village is simultaneously entering into a Design, Build and Operate (DBO) Agreement with Reynolds Water Islamorada, LLC, a Florida limited liability company ("Company") for the design, build and operation of the Village's wastewater facilities (the "DBO Agreement"), which DBO Agreement is incorporated herein and made a part hereof by reference, which includes design, construction, operation and financial obligations as stated therein; and

WHEREAS, the Company is owned and managed by its sole member, Layne Heavy Civil, Inc., an Indiana corporation, authorized to transact business in the State of Florida ("Layne Heavy Civil"); and

WHEREAS, the Company has entered into a Subcontract with the Layne Heavy Civil to perform all Design/Build Work for the Wastewater Facilities, and has entered into a Subcontract with an operator, Severn Trent Environmental Services, Inc., for the performance of the Operations Services required under the DBO Agreement (collectively, the "Services"); and

WHEREAS, Layne Heavy Civil is a wholly owned subsidiary of the Guarantor; and

WHEREAS, this Guaranty by Layne Christensen relates to the Company's performance of all Services under the DBO Agreement; and

WHEREAS, the Village requires this Guaranty from Guarantor as a condition of the Village's approval and execution of the DBO Agreement.

NOW, THEREFORE, as an inducement to the Village to enter into the DBO Agreement with the Company, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. For the purposes of this Guaranty, the following words and terms shall have the respective meanings set forth as follows. Any other capitalized word or term used but not defined herein shall have meaning set forth in the DBO Agreement.

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"Fees and Costs" means reasonable fees and expenses of employees, attorneys, architects, engineers, expert witnesses, contractors, consultants and other persons, and costs of transcripts, printing of briefs and records on appeal, copying and other reimbursed expenses, and expenses reasonably incurred in connection with investigating, preparing for, defending or otherwise appropriately responding to any Legal Proceeding, including reasonable travel expenses.

"Obligations" means the amounts payable by, and the covenants, obligations and agreements related to the Services to be performed by the Company under the DBO Agreement (including all Appendices attached to and made a part of the DBO Agreement).

"DBO Transaction Agreements" means any agreement entered into by the Company and/or the Village that are described in or contemplated by the DBO Agreement and in connection with the transactions contemplated by the DBO Agreement, including any changes, amendments and supplements thereto, and all Change Orders entered into in accordance with the DBO Agreement.

SECTION 1.2. INTERPRETATION. In this Guaranty, unless the context otherwise requires:

(A) References Hereto. The terms "hereto", "hereby", "hereof", "herein", "hereunder" and any similar terms refer to this Guaranty, and the term "hereafter" means after, and the term "heretofore" means before, the date of execution and delivery of this Guaranty.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, joint ventures, limited partnerships, limited liability companies, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Guaranty shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

(E) Entire Agreement. This Guaranty constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, the Village and their permitted successors and assigns hereunder any rights or remedies under or by reason of this Guaranty.

(F) Counterparts. This Guaranty may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty.

(G) Applicable Law. This Guaranty shall be governed by and construed in accordance with the applicable laws of the State of Florida.

(H) Severability. If any clause, provision, subsection, Section or Article of this Guaranty shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) Approvals. All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(J) Payments. All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

(K) Time is of the Essence. Time is of the essence hereof with respect to the terms of this Guaranty.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR. The Guarantor hereby represents and warrants that:

(1) Existence and Powers. The Guarantor is a company duly organized, validly existing and in good standing under the laws of the State of Delaware, with the full legal right, power and authority to transact business in the State of Florida and to enter into and perform its obligations under this Guaranty.

(2) Due Authorization and Binding Obligation. This Guaranty has been duly authorized, executed and delivered by all necessary company or corporate action of the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms.

(3) No Conflict. To the best of its knowledge, neither the execution nor delivery by the Guarantor of this Guaranty nor the performance by the Guarantor of its obligations in connection with the transaction contemplated hereby or the fulfillment by the Guarantor of the terms and conditions hereof: (a) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Guarantor; (b) conflicts with, violates or results in a breach of any term or condition of the Guarantor's corporate charter or by-laws or any order, judgment or decree, or any contract, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any of the foregoing; or (c) will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby.

(4) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Authority is required for the valid execution and delivery of this Guaranty by the Guarantor or the performance of its payment or other obligations hereunder, except as such shall have been duly obtained or made.

(5) No Litigation. Except as disclosed in writing to the Village, there is no Legal Proceeding, at law or in equity, before or by any Governmental Authority pending or, to the best of the Guarantor's knowledge, overtly threatened or publicly announced against the Guarantor, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the validity, legality or enforceability of this Guaranty against the Guarantor, or on the ability of the Guarantor to perform its obligations hereunder.

(6) No Legal Prohibition. The Guarantor has no knowledge of any Applicable Law in effect on the date as of which these representation are being made which would prohibit the performance by the Guarantor of this Guaranty and the transactions contemplated by this Guaranty.

(7) Consent to Agreements. The Guarantor understands, is fully aware of and agrees to the terms and conditions of the DBO Agreement and the DBO Transaction Agreements executed by the Company, and acknowledges and agrees that Layne Heavy Civil has entered into the Subcontract with the Company and thereby agrees to perform the Services for the Company that are required by the DBO Agreement.

(8) Consideration. As a condition to the Village entering into the DBO Agreement with the Company, the Village has required that Guarantor execute and deliver this Guaranty. This Guaranty is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor. Guarantor is the parent company of Layne Heavy Civil, the sole owner and member of the Company, who has entered into the Subcontract with the Company for the Services; Village's entering into the DBO Agreement is of substantial and material benefit to the Guarantor; Guarantor now has and will continue to have full and complete access to any and all information concerning the transactions contemplated by the DBO Agreement and DBO Transaction Agreements or referred to therein and the Company's financial status and Company's ability to perform the Obligations; and Guarantor has reviewed and approved, true, correct and complete copies of the DBO Agreement and DBO Transaction Agreements and is fully aware of and knowledgeable with the terms and conditions thereof.

(9) Financial Condition of Company. Guarantor assumes the responsibility of being and keeping itself informed of the financial condition and strength of the Company and all other circumstances bearing upon or relating to the risk of nonperformance of any or all of the Obligations by Company or any other person which diligent inquiry would reveal, and agrees that the Village shall have no duty or obligation to notify or advise Guarantor of information known to the Village regarding such condition or such circumstance.

(10) Financial Condition of Guarantor. Any financial statements heretofore delivered to the Village by Guarantor are true and correct in all material respects and no material adverse change has occurred in Guarantor's financial position since the date of such statements.

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(11) Taxes. Guarantor has filed all federal, state, provincial, county, municipal and other-income tax returns required to have been filed by Guarantor and has paid all taxes that have become due pursuant to such returns or pursuant to any assessments received by Guarantor, and Guarantor knows of no basis for any material additional assessment against it in respect of such taxes.

ARTICLE III

GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE VILLAGE. This is a guarantee of payment and performance and not only of collection. The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the Village for the benefit of the Village (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Company under the DBO Agreement with respect to the Obligations (including all amendments and supplements thereto) to, or for the account of, the Village, when the same shall become due and payable pursuant to this Guaranty, and (2) the full and prompt performance and observance of each and all of the Obligations required to be done or performed by the Company under the DBO Agreement. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty.

SECTION 3.2. RIGHT OF VILLAGE TO PROCEED AGAINST GUARANTOR. This Guaranty shall constitute a guaranty of payment and of performance and not of collection, and the Guarantor specifically agrees that in the event of a failure by the Company to pay or perform any Obligation guaranteed hereunder, the Village shall have the right, at its option, to proceed first and directly against the Guarantor under this Guaranty and without proceeding against the Company or exhausting any other remedies against the Company which the Village may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the Village: (1) file suit or proceed to obtain a personal judgment against the Company or any other person that may be liable for the Obligations or any part of the Obligations; (2) make any other effort to obtain payment or performance of the Obligations from the Company other than providing the Company with any notice of such payment or performance as may be required by the terms of the DBO Agreement or required to be given to the Company under Applicable Law; (3) foreclose against or seek to realize upon any security for the Obligations; or (4) exercise any other right or remedy to which the Village is or may be entitled in connection with the Obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be a condition to the Obligations of the Company or to the enforcement of remedies under the DBO Agreement. Upon any default by the Company in the payment or performance of any Obligation and provided all applicable notices and/or cure periods shall have expired, the liability of the Guarantor shall be effective and shall immediately be paid or performed by the Guarantor.

Guarantor recognizes that it would be impossible to accurately measure the damages to the Village resulting from a breach of Guarantor's obligations, as described herein, to perform or cause the performance of the Obligations, that such a breach will cause irreparable injury to the Village, and that the Village will not have an adequate remedy at law in respect of such breach. Accordingly, Guarantor hereby agrees that its obligations contained herein shall be specifically enforceable against it. Guarantor hereby waives and agrees not to assert as a defense against an action for specific performance of this Guaranty that the Village has an adequate remedy at law. The preceding sentence shall not prejudice the Village's right to assert any and all claims for damages incurred as a result of Guarantor's default hereunder, and the Village may hold Guarantor liable for all losses and damages sustained and expenses incurred by reason of the Company's failure to perform the Obligations in accordance with the DBO Agreement and DBO Transaction Agreements. Guarantor acknowledges and recognizes that the DBO Agreement provides that it is a default under the DBO Agreement by Company if any action, inaction or performance under the DBO Transaction Agreements would be considered a default under the terms and provisions of the DBO Agreement, even though such action, inaction or performance is not a default under the DBO Transaction Agreements and that Company will be liable to the Village under the DBO Agreement for damages arising from such action, inaction or performance, including termination.

GUARANTOR, AND BY ACCEPTANCE OF THIS GUARANTY, THE VILLAGE, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT THAT EACH PARTY TO THIS GUARANTY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON THIS GUARANTY, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF EITHER PARTY TO THIS GUARANTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THIS GUARANTY.

SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Company shall have fully discharged the Obligations in accordance with their respective terms and conditions, and, except as provided in Section 3.4, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Obligations) based on any claim that the Guarantor may have against the Company, Layne Heavy Civil, the Village or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by, or further consent, of the Guarantor):

(1) the extension or renewal of this Guaranty or the DBO Agreement up to the specified Terms of each agreement;

(2) any exercise or failure, omission or delay by the Village in the exercise of any right, power or remedy conferred on the Village with respect to this Guaranty or the DBO Agreement except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;

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(3) any permitted transfer or assignment of rights or obligations under the DBO Agreement or under any other DBO Transaction Agreement by any party thereto, any permitted assignment, conveyance or other transfer of any of their respective interests in the Project or in, to or under the DBO Agreement or any other DBO Transaction Agreement;

(4) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the Village or any other person in any DBO Transaction Agreement or in the Project;

(5) any renewal, amendment, change or modification in respect of any of the Obligations or terms or conditions of the DBO Agreement or any other DBO Transaction Agreement;

(6) any failure of title with respect to all or any part of the respective interests of any person in the Project Sites or the Project;

(7) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against the Company or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty, the DBO Agreement or any other DBO Transaction Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by Applicable Law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification has occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(8) except as may be permitted by Section 4.1 or 4.2 hereof, any sale or other transfer by the Guarantor or any Affiliate of any of the capital stock or other interest of the Guarantor or any Affiliate in the Company now or hereafter owned, directly or indirectly, by the Guarantor or any Affiliate, or any change in composition of the interests in the Company;

(9) any failure on the part of the Company for any reason to perform or comply with any agreement with the Guarantor, including the Subcontract;

(10) the failure on the part of the Village to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty and to the Company as a condition to the enforcement of Obligations pursuant to the DBO Agreement or any other DBO Transaction Agreement;

(11) any failure of any party to the DBO Agreement or any other DBO Transaction Agreement to mitigate damages resulting from any default by the Company or the Guarantor;

(12) the merger or consolidation of any party to the DBO Agreement or any other DBO Transaction Agreement into or with any other person, or any sale, lease, transfer, abandonment or other disposition of any or all of the property of any of the foregoing to any person;

(13) any legal disability or incapacity of any party to the DBO Agreement or any other DBO Transaction Agreement; or

(14) the fact that entering into the DBO Agreement or any other DBO Transaction Agreement by the Company or the Guarantor was invalid or in excess of the powers of such party.

Should any money due or owing under this Guaranty not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (1) through (14) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Company pursuant to the terms of the DBO Agreement and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce the Company's rights, benefits, duties or obligations under the DBO Agreement or any other DBO Transaction Agreement.

SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS. Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Company may have under the DBO Agreement or under Applicable Law (other than bankruptcy or insolvency of the Company and other than any defense which the Company has expressly waived in the DBO Agreement or the Guarantor has expressly waived in Section 3.5 hereof or elsewhere hereunder).

SECTION 3.5. WAIVERS BY THE GUARANTOR. The Guarantor hereby unconditionally and irrevocably waives:

(1) notice from the Village of its acceptance of this Guaranty;

(2) notice of any of the events referred to in Section 3.3 hereof, except to the extent that notice is required to be given as a condition to the enforcement of the Obligations;

(3) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Company required pursuant to the DBO Agreement or Applicable Law as a condition to the performance of any Obligation;

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(4) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to guarantors (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;

(5) any right to require a proceeding first against the Company;

(6) any right to require a proceeding first against any person or the security provided by or under any DBO Transaction Agreement, except to the extent such DBO Transaction Agreement specifically requires a proceeding first against any person (except the Company) or security;

(7) any requirement that the Company be joined as a party to any proceeding for the enforcement of any term of any DBO Transaction Agreement;

(8) the requirement of, or the notice of, the filing of claims by the Village in the event of the receivership or bankruptcy of the Company; and

(9) all demands upon the Company or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder. Notwithstanding the foregoing, the Guarantor does not waive its rights to any notice required to be given to it pursuant to the DBO Agreement or any other DBO Transaction Agreement.

SECTION 3.6. PAYMENT OF COSTS AND EXPENSES. In any dispute arising out of this Guaranty, the prevailing party shall be entitled to recover from the other party all Fees and Costs incurred by or on behalf of the prevailing party in enforcing by Legal Proceeding observance of the covenants, agreements and obligations contained in this Guaranty.

SECTION 3.7. SUBORDINATION OF RIGHTS. The Guarantor agrees that any right of subrogation or contribution which it may have against the Company as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the Village hereunder and under the DBO Agreement and any other DBO Transaction Agreement and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Company until the Company and the Guarantor shall have fully and satisfactorily paid or performed and discharged the Obligations giving rise to a claim under this Guaranty.

SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT. Subject to Section 3.4, the obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall: (1) to the extent permitted by Applicable Law, constitute separate and independent obligations of the Guarantor from its other obligations under this Guaranty; (2) give rise to separate and independent causes of action against the Guarantor; and (3) apply irrespective of any indulgence granted from time to time by the Village. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Company is rescinded or must be otherwise restored by the Village, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding.

SECTION 3.9. TERM. This Guaranty shall remain in full force and effect from the date of execution and delivery hereof until all of the Obligations of the Company pursuant to the DBO Agreement have been fully paid and performed. Notwithstanding the foregoing, in the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law, or any judgment, order or decision thereunder, the Village must rescind or restore any payment, performance or any part thereof, received by the Village in satisfaction of the Obligations, then any prior release or discharge from the terms of this Guaranty given to Guarantor by the Village shall be without effect, and this Guaranty shall remain in full force and effect, it being the intention of the Village and Guarantor that the Obligations hereunder shall not be discharged except by the Company or Guarantor's performance of the Obligations and then only to the extent of such performance.

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE.

(A) Consolidation, Merger, Sale or Transfer. The Guarantor covenants that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor and the conditions contained in clause (2) below are satisfied; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if: (1) the successor entity (if other than the Guarantor) (a) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of Florida, and (b) delivers to the Village an opinion of counsel to the effect that its obligations under this Guaranty are legal, valid, and binding obligations of such successor Guarantor, enforceable against such successor Guarantor in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and equitable principles of general application; and (2) any such transaction does not result in a Material Adverse Change, as defined in the DBO Agreement.

(B) Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty as provided in

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this Section, and such transaction does not result in a Material Adverse Change, as defined in the DBO Agreement.

(C) Reporting Requirements; Financial Statements. Guarantor shall immediately notify the Village of any Material Adverse Change in its financial condition. Guarantor shall furnish the Village, as soon as available but not later than ninety (90) days after the end of the Guarantor's fiscal year, consolidated balance sheets and income statements for the Guarantor attached to the audited year-end financial statements reported upon by the Guarantor's independent certified public accountant. If applicable, the Company shall also furnish the Village with copies of the quarterly and annual reports and other filings of the Guarantor filed with the Securities and Exchange Commission or comparable foreign regulatory body, as applicable, within thirty (30) days from the date the same are filed. As soon as available after the end of each quarterly fiscal period of Guarantor, Guarantor shall provide the Village with copies of the following financial statements of Guarantor for such quarterly fiscal period and for the fiscal year or portion of the fiscal year of such entity ending with such quarterly fiscal period: (i) a balance sheet as of the end of such quarterly fiscal period, (ii) statements of income and retained earnings for such quarterly fiscal period, and (iii) a statement of cash flow for such quarterly fiscal period. All of the foregoing financial statements shall be prepared in reasonable detail in accordance with Generally Accepted Accounting principles consistently applied (on an accrual basis). All of the foregoing financial statements shall be signed and certified as true and correct by the chief financial officer of the Guarantor. All such financial statements shall set forth in comparative form figures for the preceding fiscal year end and corresponding proceeding fiscal year quarter end.

SECTION 4.2. ASSIGNMENT. Except as provided in Section 4.1, this Guaranty may not be assigned by the Guarantor without the prior written consent of the Village, which consent may be granted or denied in the Village's sole and absolute discretion.

SECTION 4.3. QUALIFICATION IN FLORIDA. The Guarantor agrees that, so long as this Guaranty is in effect, if required by law, the Guarantor will be duly qualified to do business in the State of Florida.

SECTION 4.4. CONSENT TO JURISDICTION. The Guarantor irrevocably: (1) agrees that any Legal Proceeding related to this Guaranty or to any rights or relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in the State or federal courts located in Monroe County, Florida, having appropriate jurisdiction therefor; (2) consents to the jurisdiction of such courts in any such Legal Proceeding; and (3) waives any objection which it may have to the laying of the jurisdiction of any such Legal Proceeding in any such court.

SECTION 4.5. BINDING EFFECT. This Guaranty shall inure to the benefit of the Village and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and permitted assigns.

SECTION 4.6. AMENDMENTS, CHANGES AND MODIFICATIONS. This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the Village and the Guarantor.

SECTION 4.7. LIABILITY. It is understood and agreed to by the Village that nothing contained herein shall create any obligation of, or right to look, to any director, officer, employee or stockholder of the Guarantor for the satisfaction of any obligations hereunder, and no judgment, order or execution with respect to or in connection with this Guaranty shall be taken against any such director, officer, employee or stockholder.

SECTION 4.8. NOTICES.

(A) Procedure. All notices, demands or written communications given pursuant to the terms of this Guaranty shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally-recognized overnight courier service with signed verification of delivery; or (3) given by facsimile transmission or electronic or email transmission, if a signed original is deposited in the United States mail within two days after transmission. Notices shall be deemed given only when actually received at the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

(B) Village Notice Address. Notices required to be given to the Village shall be addressed as follows:

Islamorada, Village of Islands
Attn: Edward Koconis, Village Manager
86800 Overseas Highway
Islamorada, Florida 33036
Facsimile No.: (305) 664-6464
Email: Edward.koconis@islamorada.fl.us

with a copy to:

Village Attorney
Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.
2525 Ponce de Leon Blvd., Suite 700
Coral Gables, Florida 33134
Attn: Nina L. Boniske, Esq.
Facsimile No.: (305) 854-2323
Email: nboniske@wsh-law.com

(C) Guarantor Notice Address. Notices required to be given to the Guarantor shall be addressed as follows:

Layne Christensen Company
Attention: Mark Accetturo, Senior Vice President
1900 Shawnee Mission Parkway
Mission Woods, Kansas 66205

Facsimile No.: (913) 362-8823
Email: Mark.Accetturo@Layne.com

with a copy to:

Layne Christensen Company
Attention: General Counsel
1900 Shawnee Mission Parkway
Mission Woods, Kansas 66205

Facsimile No.: (913) 362-8823
Email: Steve.Crooke@Layne.com

SECTION 4.9. CLAIMS IN BANKRUPTCY. In the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving the Company as debtor, the Village shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable to Guarantor upon any indebtedness of the Company to Guarantor to the extent required to satisfy the Obligations. Guarantor hereby assigns such dividends and payments to the Village.

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IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

GUARANTOR:

LAYNE CHRISTENSEN COMPANY, a Delaware corporation, as Guarantor

Mark Accetturo, Senior Vice President

ACCEPTED AND AGREED TO BY:

ISLAMORADA, VILLAGE OF ISLANDS

Michael Reckwerdt, Mayor

ATTEST:

Village Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

Weiss Serota Helfman Pastoriza Cole & Boniske, P.L.

Village Attorney

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APPENDIX 15

EXIT TEST AND STANDARDS

The Company shall perform an Exit Test of the Wastewater Facilities, including all components utilized for routine operation, within one (1) year of the end of the Term. The purpose of the Exit Test is to demonstrate to the Village that the components of the Wastewater Facilities are in good repair and are performing in accordance with design parameters including any revisions made during the Term required to meet Applicable Law, regulatory requirements, and Village approved modifications that occurred during the Term.

One (1) year before the end of the Term of the Agreement, the Company must deliver a report to the Village evidencing that all Exit Standards and Conditions have been achieved. Achievement of Exit Standards and Conditions must include: 1) concurrence that all necessary Wastewater Facilities maintenance, repairs and replacements have been undertaken as required pursuant to the Agreement, 2) successful passage of Exit Performance Tests, if required by the Village, and 3) achievement of all other standards and conditions contained in the Exit Standards and Conditions of the Agreement.

The Company will provide the Wastewater Facilities to the Village at the end of the Term of the Agreement (or sooner at termination or default) in a satisfactory condition, as described herein. To ensure the Wastewater Facilities are properly maintained throughout the Term of the Agreement, the Company and the Village will be required to perform a valuation of the Wastewater Facilities and all equipment before, or immediately after, the Acceptance Date. The valuation will consist of the compilation of a registry of the Wastewater Facilities and equipment and a determination of the estimated useful life for each Wastewater Facility and each piece of equipment and the dollar value of each Wastewater Facility and piece of equipment. The Company will be required to maintain, repair and replace such Wastewater Facilities and equipment so that the average useful life of the Wastewater Facilities and process equipment at termination of the Agreement is at least 20 years for the Wastewater Facilities and five (5) years for the equipment.

The parties must review the condition of the Wastewater Facilities and the equipment at the end of the Term of the Agreement to determine whether or not the average useful life of the Wastewater Facilities is at least 20 years and the process equipment is at least five (5) years. If the parties cannot agree on the remaining average useful life of the Wastewater Facilities and equipment, they must hire (and equally share the cost of) an independent evaluator who must make the final determination). In the event that the Wastewater Facilities and equipment is returned with a remaining useful life of less than 20 years and five (5) years, respectively, the Company is responsible for necessary repairs or replacements or payments to the Village for such Wastewater Facilities and equipment in order to achieve the useful life requirement.

NA

The Company will prepare a draft Exit Test Plan and will submit it to the Village for review at least ninety (90) days prior to the scheduled start date of the Exit Test. Exit testing shall be applied to vacuum pump stations and their components, lift stations and their components, and the SCADA system using guidelines for testing that were established in the Acceptance Test Plan, with such modifications as are necessary due to actual configurations, lessons learned during application of the Acceptance Test Plan, changes in Applicable Law, and Village approved modifications that occurred during the Term. Items or facilities that have been removed from routine service will not be subject to testing.

Vacuum pits, vacuum pit valves, and pipes will not be tested as they are too numerous for such testing and pit valves are replaced not only as a routine, but upon failure, while pits and pipes are replaced upon failure. The 100% rate of functionality for vacuum pits, pit valves, and pipes are inherent to the proper operation of the Wastewater Facilities and at any given time there could be a failing pit, failing pit valve, or pipe under repair and any number of them being replaced, thus application of a single event test is not appropriate. The Company will demonstrate that there are an appropriate number of operational vacuum pit valves in inventory during the time of the Exit Test. The inventory value will be specified in the Asset Management Plan and included in the Exit Test Plan.

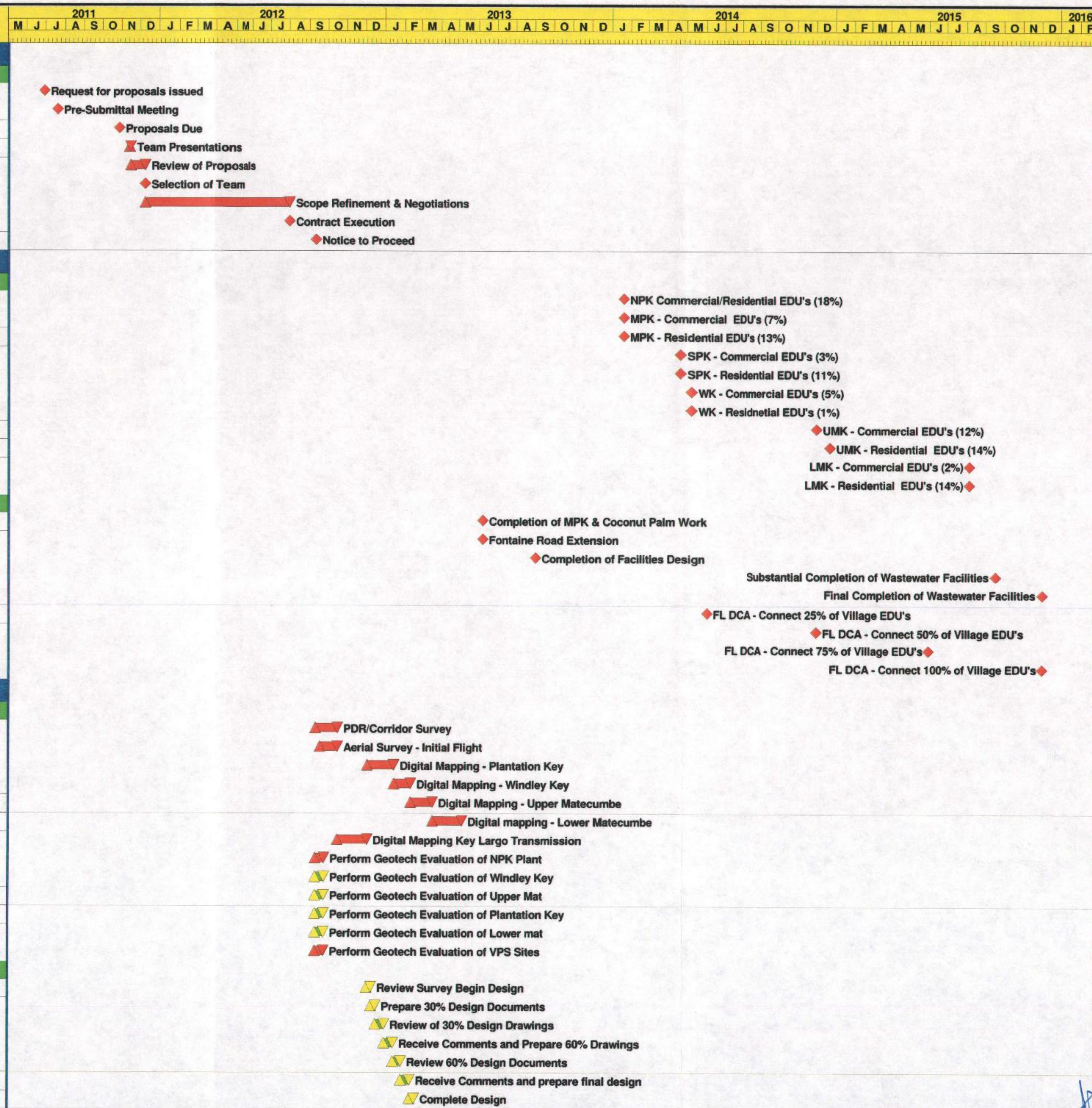
If Exit Test results show that the Wastewater Facilities or components of the Wastewater Facilities are operating out of compliance with the standards established in the Exit Test Plan, then within thirty (30) days of such test results, the Company shall submit to the Village a plan for remediation and retesting. The Village shall have thirty (30) days to approve such plan, such approval not to be unreasonably withheld. The Company shall make all repairs, replacements, renewals and operating changes and take all other actions which may be necessary to enable the Wastewater Facilities or components of the Wastewater Facilities to meet the standards established in the Exit Test Plan.

The affected portions of the Wastewater Facilities shall then be re-tested to demonstrate that the necessary corrective action has been taken and the Wastewater Facilities or components of the Wastewater Facilities are operating in compliance with the standards established in the Exit Test Plan.

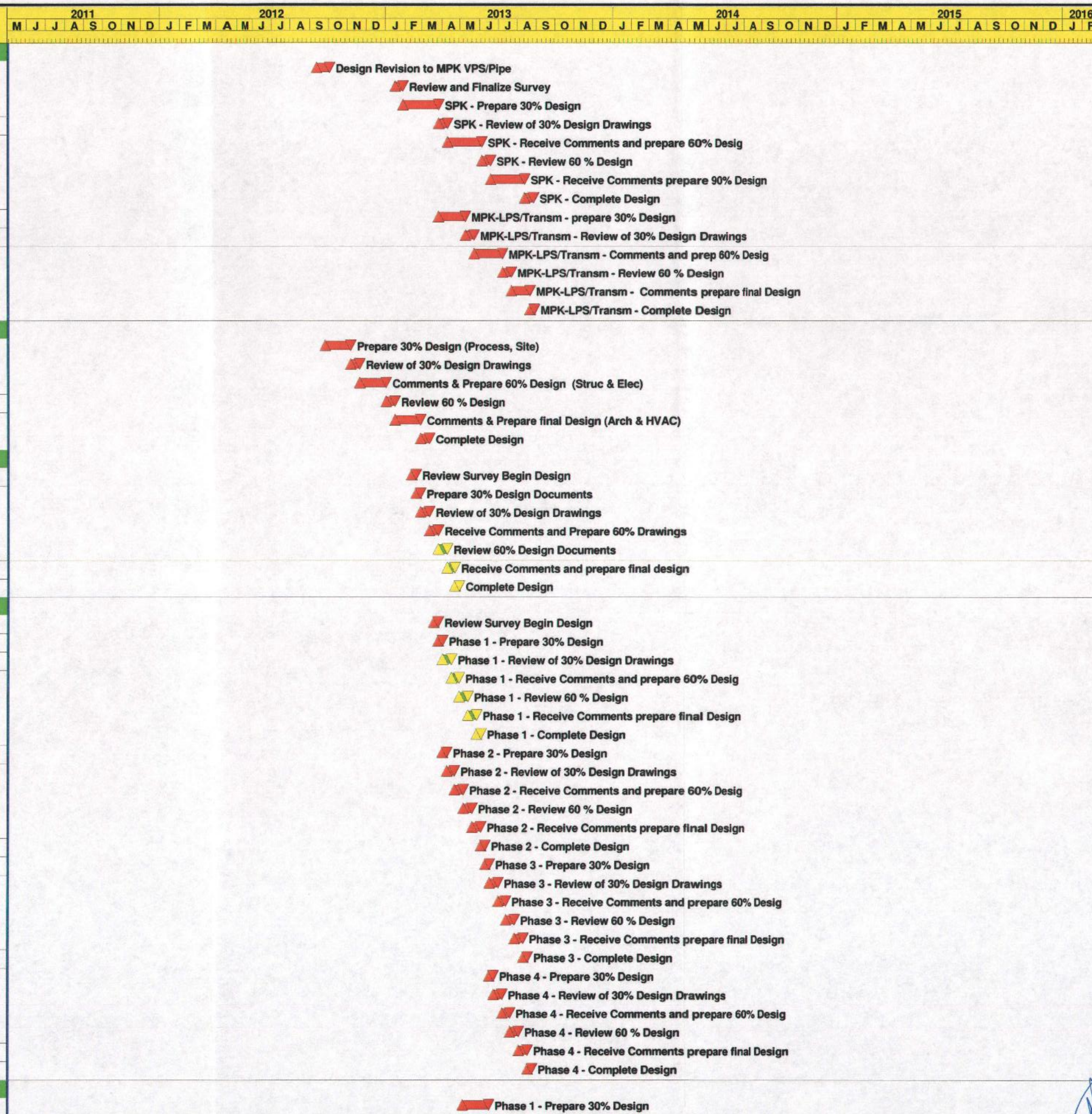
APPENDIX 16

INITIAL PROJECT SCHEDULE

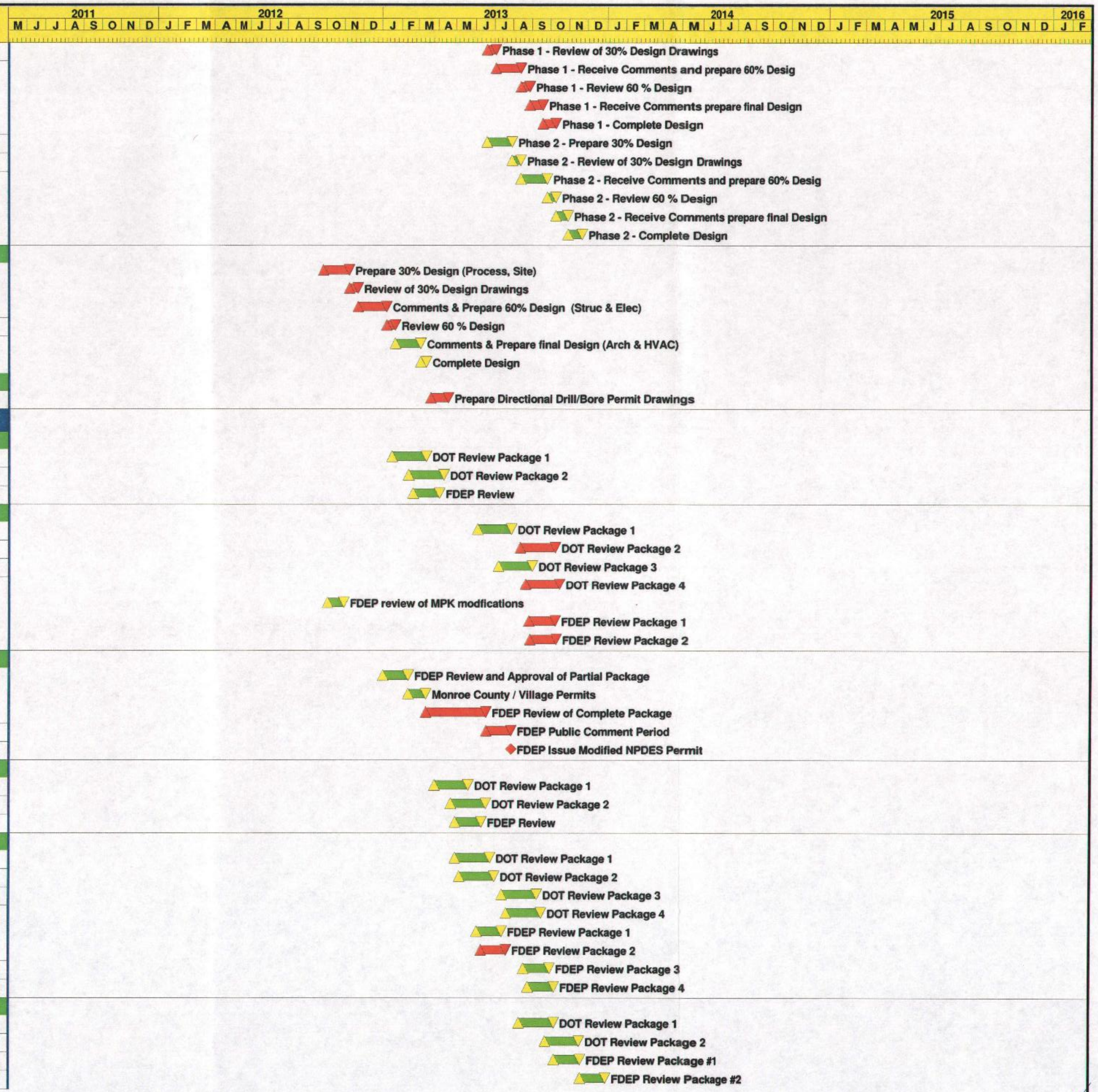
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Proposal Phase				
PP-00000	Request for proposals issued	0	29JUN11*	
PP-00050	Pre-Submittal Meeting	0	20JUL11*	
PP-00100	Proposals Due	0	28OCT11*	
PP-00125	Team Presentations	2	14NOV11*	15NOV11
PP-00200	Review of Proposals	16	16NOV11	07DEC11
PP-00300	Selection of Team	0		07DEC11
PP-00350	Scope Refinement & Negotiations	169	08DEC11	31JUL12
PP-00400	Contract Execution	0	01AUG12	
PP-00500	Notice to Proceed	0	12SEP12	
Key Milestone Dates				
Anticipated Milestone Dates				
MS-4000	NPK Commercial/Residential EDU's (18%)	0		21JAN14
MS-4100	MPK - Commercial EDU's (7%)	0		21JAN14
MS-4200	MPK - Residential EDU's (13%)	0		21JAN14
MS-4225	SPK - Commercial EDU's (3%)	0		22APR14
MS-4250	SPK - Residential EDU's (11%)	0		22APR14
MS-4300	WK - Commercial EDU's (5%)	0		07MAY14
MS-4400	WK - Residnetial EDU's (1%)	0		07MAY14
MS-4500	UMK - Commercial EDU's (12%)	0		01DEC14
MS-4600	UMK - Residential EDU's (14%)	0		23DEC14
MS-4700	LMK - Commercial EDU's (2%)	0		06AUG15
MS-4800	LMK - Residential EDU's (14%)	0		06AUG15
Mandated Milestone Dates				
MS-0100	Completion of MPK & Coconut Palm Work	0		07JUN13
MS-0200	Fontaine Road Extension	0		07JUN13
MS-0300	Completion of Facilities Design	0		02SEP13*
MS-0400	Substantial Completion of Wastewater Facilities	0		17SEP15
MS-0500	Final Completion of Wastewater Facilities	0		01DEC15*
MS-0600	FL DCA - Connect 25% of Village EDU's	0		02JUN14*
MS-0700	FL DCA - Connect 50% of Village EDU's	0		01DEC14*
MS-0800	FL DCA - Connect 75% of Village EDU's	0		01JUN15*
MS-0900	FL DCA - Connect 100% of Village EDU's	0		01DEC15*
Design Phase				
General Design Requirements				
DS-00050	PDR/Corridor Survey	25	12SEP12	16OCT12
DS-00100	Aerial Survey - Initial Flight	20	19SEP12	16OCT12
DS-00105	Digital Mapping - Plantation Key	30	05DEC12	15JAN13
DS-00110	Digital Mapping - Windley Key	20	16JAN13	12FEB13
DS-00115	Digital Mapping - Upper Matecumbe	25	13FEB13	19MAR13
DS-00120	Digital mapping - Lower Matecumbe	35	20MAR13	07MAY13
DS-00125	Digital Mapping Key Largo Transmission	35	17OCT12	04DEC12
DS-00150	Perform Geotech Evaluation of NPK Plant	10	12SEP12	25SEP12
DS-00152	Perform Geotech Evaluation of Windley Key	10	12SEP12	25SEP12
DS-00153	Perform Geotech Evaluation of Upper Mat	10	12SEP12	25SEP12
DS-00154	Perform Geotech Evaluation of Plantation Key	10	12SEP12	25SEP12
DS-00155	Perform Geotech Evaluation of Lower mat	10	12SEP12	25SEP12
DS-00156	Perform Geotech Evaluation of VPS Sites	10	12SEP12	25SEP12
Key Largo Transmission Main				
DS-07500	Review Survey Begin Design	5	05DEC12	11DEC12
DS-07600	Prepare 30% Design Documents	5	12DEC12	18DEC12
DS-07700	Review of 30% Design Drawings	10	19DEC12	01JAN13
DS-07800	Receive Comments and Prepare 60% Drawings	10	02JAN13	15JAN13
DS-07900	Review 60% Design Documents	10	16JAN13	29JAN13
DS-08000	Receive Comments and prepare final design	10	30JAN13	12FEB13
DS-08200	Complete Design	5	13FEB13	19FEB13



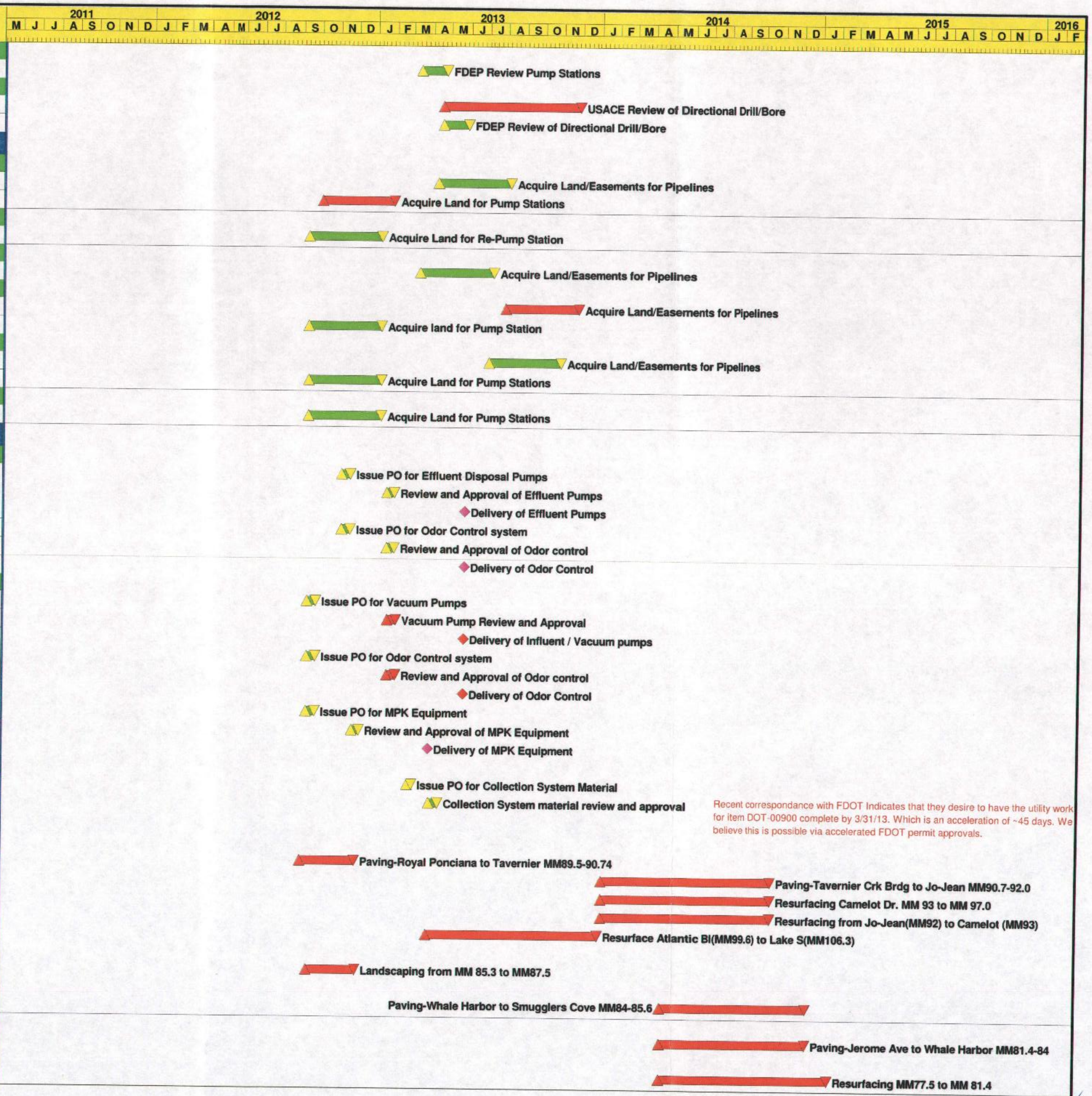
Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Plantation Key Collection				
DS-03750	Design Revision to MPK VPS/Pipe	15	12SEP12	02OCT12
DS-03800	Review and Finalize Survey	10	16JAN13	29JAN13
DS-03900	SPK - Prepare 30% Design	40	30JAN13	26MAR13
DS-04000	SPK - Review of 30% Design Drawings	10	27MAR13	09APR13
DS-04100	SPK - Receive Comments and prepare 60% Desig	40	10APR13	04JUN13
DS-04200	SPK - Review 60 % Design	10	05JUN13	18JUN13
DS-04300	SPK - Receive Comments prepare 90% Design	40	19JUN13	13AUG13
DS-04500	SPK - Complete Design	10	14AUG13	27AUG13
DS-04600	MPK-LPS/Transm - prepare 30% Design	32	27MAR13	09MAY13
DS-04700	MPK-LPS/Transm - Review of 30% Design Drawings	10	10MAY13	23MAY13
DS-04800	MPK-LPS/Transm - Comments and prep 60% Desig	32	24MAY13	08JUL13
DS-04900	MPK-LPS/Transm - Review 60 % Design	10	09JUL13	22JUL13
DS-05000	MPK-LPS/Transm - Comments prepare final Design	22	23JUL13	21AUG13
DS-05200	MPK-LPS/Transm - Complete Design	6	22AUG13	29AUG13
Re-pump Station @ NPK				
DS-06700	Prepare 30% Design (Process, Site)	30	26SEP12	06NOV12
DS-06800	Review of 30% Design Drawings	10	07NOV12	20NOV12
DS-06900	Comments & Prepare 60% Design (Struc & Elec)	30	21NOV12	01JAN13
DS-07000	Review 60 % Design	10	02JAN13	15JAN13
DS-07100	Comments & Prepare final Design (Arch & HVAC)	30	16JAN13	26FEB13
DS-07300	Complete Design	10	27FEB13	12MAR13
Windley Key Collection				
DS-00200	Review Survey Begin Design	5	13FEB13	19FEB13
DS-00300	Prepare 30% Design Documents	5	20FEB13	26FEB13
DS-00400	Review of 30% Design Drawings	10	27FEB13	12MAR13
DS-00500	Receive Comments and Prepare 60% Drawings	10	13MAR13	26MAR13
DS-00600	Review 60% Design Documents	10	27MAR13	09APR13
DS-00700	Receive Comments and prepare final design	10	10APR13	23APR13
DS-00800	Complete Design	5	24APR13	30APR13
Upper Matecumbe Collection				
DS-00900	Review Survey Begin Design	5	20MAR13	26MAR13
DS-01000	Phase 1 - Prepare 30% Design	5	27MAR13	02APR13
DS-01100	Phase 1 - Review of 30% Design Drawings	10	03APR13	16APR13
DS-01200	Phase 1 - Receive Comments and prepare 60% Desig	10	17APR13	30APR13
DS-01300	Phase 1 - Review 60 % Design	10	01MAY13	14MAY13
DS-01400	Phase 1 - Receive Comments prepare final Design	10	15MAY13	28MAY13
DS-01600	Phase 1 - Complete Design	5	29MAY13	04JUN13
DS-01700	Phase 2 - Prepare 30% Design	5	03APR13	09APR13
DS-01800	Phase 2 - Review of 30% Design Drawings	10	10APR13	23APR13
DS-01900	Phase 2 - Receive Comments and prepare 60% Desig	10	24APR13	07MAY13
DS-02000	Phase 2 - Review 60 % Design	10	08MAY13	21MAY13
DS-02100	Phase 2 - Receive Comments prepare final Design	10	22MAY13	04JUN13
DS-02300	Phase 2 - Complete Design	5	05JUN13	11JUN13
DS-02400	Phase 3 - Prepare 30% Design	5	12JUN13	18JUN13
DS-02500	Phase 3 - Review of 30% Design Drawings	10	19JUN13	02JUL13
DS-02600	Phase 3 - Receive Comments and prepare 60% Desig	10	03JUL13	16JUL13
DS-02700	Phase 3 - Review 60 % Design	10	17JUL13	30JUL13
DS-02800	Phase 3 - Receive Comments prepare final Design	10	31JUL13	13AUG13
DS-03000	Phase 3 - Complete Design	5	14AUG13	20AUG13
DS-03100	Phase 4 - Prepare 30% Design	5	19JUN13	25JUN13
DS-03200	Phase 4 - Review of 30% Design Drawings	10	26JUN13	09JUL13
DS-03300	Phase 4 - Receive Comments and prepare 60% Desig	10	10JUL13	23JUL13
DS-03400	Phase 4 - Review 60 % Design	10	24JUL13	06AUG13
DS-03500	Phase 4 - Receive Comments prepare final Design	10	07AUG13	20AUG13
DS-03700	Phase 4 - Complete Design	5	21AUG13	27AUG13
Lower Matecumbe Collection				
DS-05300	Phase 1 - Prepare 30% Design	30	08MAY13	18JUN13



Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
DS-05400	Phase 1 - Review of 30% Design Drawings	10	19JUN13	02JUL13
DS-05500	Phase 1 - Receive Comments and prepare 60% Desig	30	03JUL13	13AUG13
DS-05600	Phase 1 - Review 60 % Design	10	14AUG13	27AUG13
DS-05700	Phase 1 - Receive Comments prepare final Design	15	28AUG13	17SEP13
DS-05900	Phase 1 - Complete Design	16	18SEP13	09OCT13
DS-05910	Phase 2 - Prepare 30% Design	30	19JUN13	30JUL13
DS-05920	Phase 2 - Review of 30% Design Drawings	10	31JUL13	13AUG13
DS-05930	Phase 2 - Receive Comments and prepare 60% Desig	30	14AUG13	24SEP13
DS-05940	Phase 2 - Review 60 % Design	10	25SEP13	08OCT13
DS-05950	Phase 2 - Receive Comments prepare final Design	15	09OCT13	29OCT13
DS-05960	Phase 2 - Complete Design	16	30OCT13	20NOV13
Vacuum Pump Stations				
DS-06000	Prepare 30% Design (Process, Site)	32	26SEP12	08NOV12
DS-06100	Review of 30% Design Drawings	10	09NOV12	22NOV12
DS-06200	Comments & Prepare 60% Design (Struc & Elec)	32	23NOV12	07JAN13
DS-06300	Review 60 % Design	10	08JAN13	21JAN13
DS-06400	Comments & Prepare final Design (Arch & HVAC)	30	22JAN13	04MAR13
DS-06600	Complete Design	6	05MAR13	12MAR13
Directional Drill/Bore under channels				
DS-09000	Prepare Directional Drill/Bore Permit Drawings	20	20MAR13	16APR13
Permitting				
Key Largo Transmission Main				
PM-03000	DOT Review Package 1	40	16JAN13	12MAR13
PM-03100	DOT Review Package 2	40	13FEB13	09APR13
PM-03200	FDEP Review	30	20FEB13	02APR13
Plantation Key Collection				
PM-01600	DOT Review Package 1	40	05JUN13	30JUL13
PM-01700	DOT Review Package 2	40	14AUG13	08OCT13
PM-01800	DOT Review Package 3	40	09JUL13	02SEP13
PM-01900	DOT Review Package 4	40	22AUG13	16OCT13
PM-01950	FDEP review of MPK modfications	20	03OCT12	30OCT12
PM-02000	FDEP Review Package 1	30	28AUG13	08OCT13
PM-02100	FDEP Review Package 2	30	30AUG13	10OCT13
Re-pump Station @ NPK				
PM-02600	FDEP Review and Approval of Partial Package	30	02JAN13	12FEB13
PM-02620	Monroe County / Village Permits	20	13FEB13	12MAR13
PM-02700	FDEP Review of Complete Package	70	13MAR13	18JUN13
PM-02800	FDEP Public Comment Period	30	19JUN13	30JUL13
PM-02900	FDEP Issue Modified NPDES Permit	0	31JUL13	
Windley Key Collection				
PM-00100	DOT Review Package 1	40	27MAR13	21MAY13
PM-00200	DOT Review Package 2	40	24APR13	18JUN13
PM-00300	FDEP Review	30	01MAY13	11JUN13
Upper Matecumbe Collection				
PM-00400	DOT Review Package 1	40	01MAY13	25JUN13
PM-00600	DOT Review Package 2	40	08MAY13	02JUL13
PM-00800	DOT Review Package 3	40	17JUL13	10SEP13
PM-01000	DOT Review Package 4	40	24JUL13	17SEP13
PM-01200	FDEP Review Package 1	30	05JUN13	16JUL13
PM-01300	FDEP Review Package 2	30	12JUN13	23JUL13
PM-01400	FDEP Review Package 3	30	21AUG13	01OCT13
PM-01500	FDEP Review Package 4	30	28AUG13	08OCT13
Lower Matecumbe Collection				
PM-02200	DOT Review Package 1	40	14AUG13	08OCT13
PM-02300	DOT Review Package 2	40	25SEP13	19NOV13
PM-02400	FDEP Review Package #1	30	10OCT13	20NOV13
PM-02450	FDEP Review Package #2	30	21NOV13	01JAN14

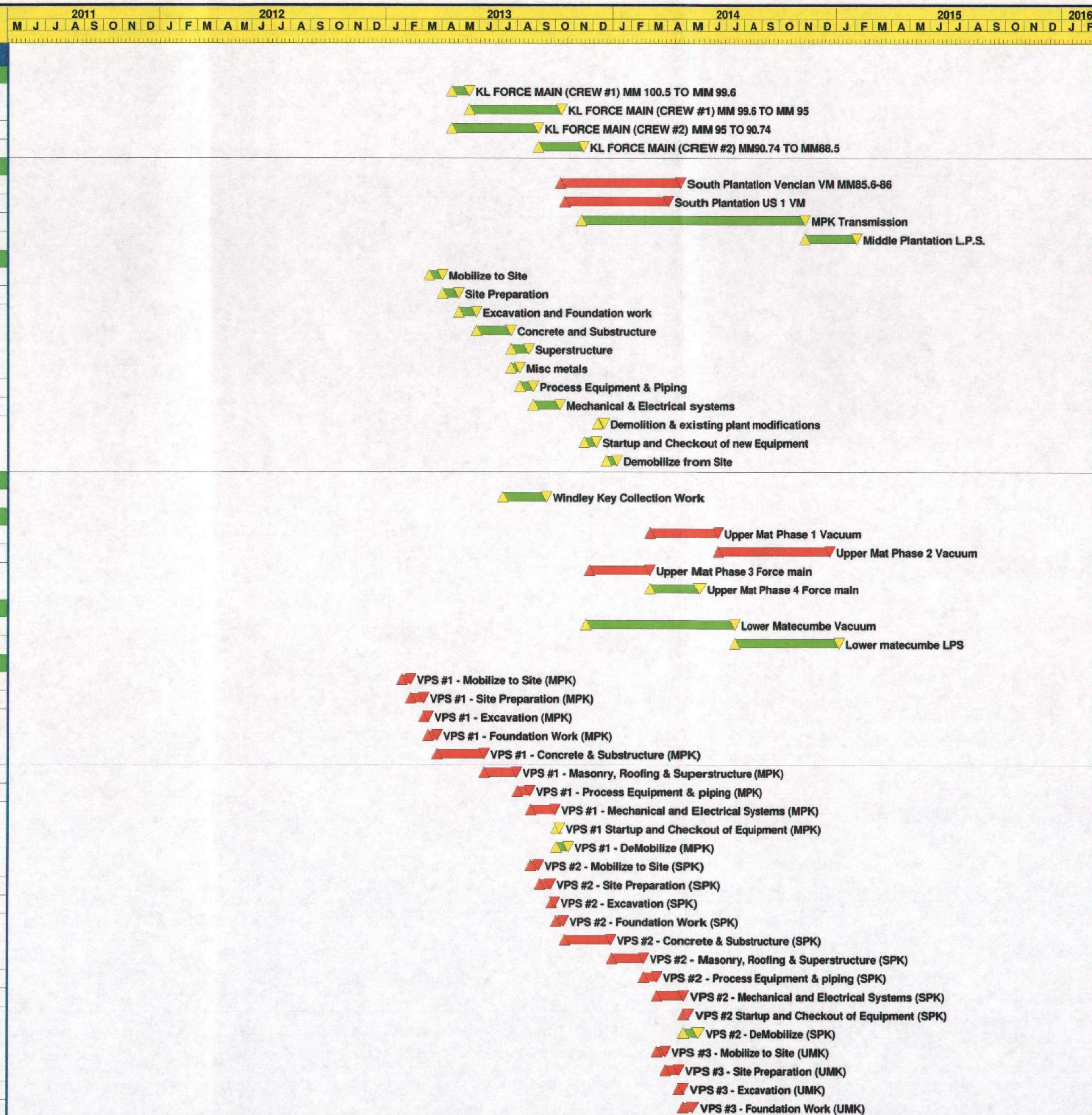


Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Vacuum Pump Stations				
PM-02500	FDEP Review Pump Stations	30	13MAR13	23APR13
Directional Drill/Bore under channels				
PM-09000	USACE Review of Directional Drill/Bore	160	17APR13	26NOV13
PM-09100	FDEP Review of Directional Drill/Bore	30	17APR13	28MAY13
Property & Easement Acquisitions				
Plantation Key Collection				
AQ-00400	Acquire Land/Easements for Pipelines	85	10APR13	06AUG13
AQ-00450	Acquire Land for Pump Stations	85	03OCT12	29JAN13
Re-pump Station @ NPK				
AQ-00200	Acquire Land for Re-Pump Station	85	12SEP12	08JAN13
Windley Key Collection				
AQ-00600	Acquire Land/Easements for Pipelines	85	13MAR13	09JUL13
Upper Matecumbe Collection				
AQ-00500	Acquire Land/Easements for Pipelines	85	31JUL13	26NOV13
AQ-00550	Acquire land for Pump Station	85	12SEP12	08JAN13
Lower Matecumbe Collection				
AQ-00300	Acquire Land/Easements for Pipelines	85	03JUL13	29OCT13
AQ-00350	Acquire Land for Pump Stations	85	12SEP12	08JAN13
Vacuum Pump Stations				
AQ-00700	Acquire Land for Pump Stations	85	12SEP12	08JAN13
Materials Purchasing / Quality Review				
Re-pump Station @ NPK				
PO-03600	Issue PO for Effluent Disposal Pumps	10	07NOV12	20NOV12
PO-03700	Review and Approval of Effluent Pumps	10	21JAN13	01FEB13
PO-03800	Delivery of Effluent Pumps	0	27MAY13	
PO-04200	Issue PO for Odor Control system	10	07NOV12	20NOV12
PO-04300	Review and Approval of Odor control	10	21JAN13	01FEB13
PO-04400	Delivery of Odor Control	0	27MAY13	
Vacuum Pump Stations				
PO-04500	Issue PO for Vacuum Pumps	10	12SEP12	25SEP12
PO-04600	Vacuum Pump Review and Approval	10	22JAN13	04FEB13
PO-04700	Delivery of Influent / Vacuum pumps	0	28MAY13	
PO-04800	Issue PO for Odor Control system	10	12SEP12	25SEP12
PO-04900	Review and Approval of Odor control	10	22JAN13	04FEB13
PO-05000	Delivery of Odor Control	0	28MAY13	
PO-05100	Issue PO for MPK Equipment	10	12SEP12	25SEP12
PO-05200	Review and Approval of MPK Equipment	10	26NOV12	07DEC12
PO-05300	Delivery of MPK Equipment	0	01APR13	
Collection System & Mains				
PO-00100	Issue PO for Collection System Material	5	27FEB13	05MAR13
PO-00200	Collection System material review and approval	10	03APR13	16APR13
FDOT Projects to Coordinate With				
Key Largo Transmission Main				
DOT-00100	Paving-Royal Ponciana to Tavernier MM89.5-90.74	65	04SEP12*	03DEC12
DOT-00300	Paving-Tavernier Crk Brdg to Jo-Jean MM90.7-92.0	200	13JAN14*	17OCT14
DOT-00700	Resurfacing Camelot Dr. MM 93 to MM 97.0	200	13JAN14*	17OCT14
DOT-00800	Resurfacing from Jo-Jean(MM92) to Camelot (MM93)	200	13JAN14*	17OCT14
DOT-00900	Resurface Atlantic Bl(MM99.6) to Lake S(MM106.3)	201	01APR13*	06JAN14
Plantation Key Collection				
DOT-00200	Landscaping from MM 85.3 to MM87.5	58	17SEP12*	05DEC12
Windley Key Collection				
DOT-00400	Paving-Whale Harbor to Smugglers Cove MM84-85.6	172	21APR14*	16DEC14
Upper Matecumbe Collection				
DOT-00500	Paving-Jerome Ave to Whale Harbor MM81.4-84	172	21APR14*	16DEC14
Lower Matecumbe Collection				
DOT-00600	Resurfacing MM77.5 to MM 81.4	200	21APR14*	23JAN15

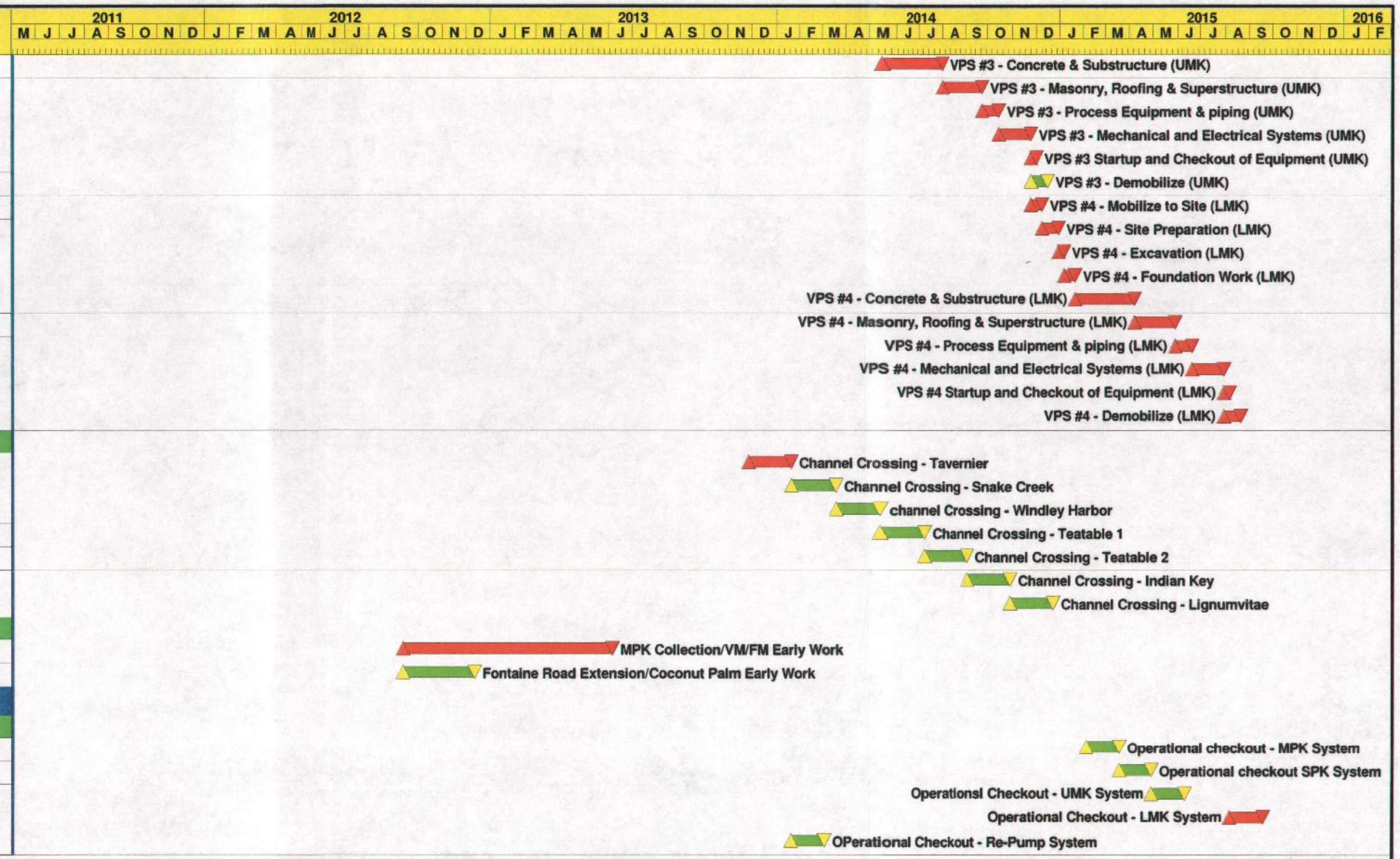


Recent correspondance with FDOT Indicates that they desire to have the utility work for item DOT-00900 complete by 3/31/13. Which is an acceleration of ~45 days. We believe this is possible via accelerated FDOT permit approvals.

Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
Construction Phase				
Key Largo Transmission Main				
UG-01500	KL FORCE MAIN (CREW #1) MM 100.5 TO MM 99.6	21	17APR13	15MAY13
UG-01600	KL FORCE MAIN (CREW #1) MM 99.6 TO MM 95	107	16MAY13	11OCT13
UG-01700	KL FORCE MAIN (CREW #2) MM 95 TO 90.74	100	17APR13	03SEP13
UG-01800	KL FORCE MAIN (CREW #2) MM90.74 TO MM88.5	53	04SEP13	15NOV13
Plantation Key Collection				
UG-00400	South Plantation Vencian VM MM85.6-86	140	09OCT13	22APR14
UG-00500	South Plantation US 1 VM	120	17OCT13	02APR14
UG-00600	MPK Transmission	260	13NOV13	11NOV14
UG-00700	Middle Plantation L.P.S.	60	12NOV14	03FEB15
Re-pump Station @ NPK				
NPK-00100	Mobilize to Site	15	13MAR13	02APR13
NPK-00200	Site Preparation	20	03APR13	30APR13
NPK-00300	Excavation and Foundation work	20	01MAY13	28MAY13
NPK-00400	Concrete and Substructure	40	29MAY13	23JUL13
NPK-00500	Superstructure	20	24JUL13	20AUG13
NPK-00600	Misc metals	10	24JUL13	06AUG13
NPK-00700	Process Equipment & Piping	15	07AUG13	27AUG13
NPK-00800	Mechanical & Electrical systems	30	28AUG13	08OCT13
NPK-00900	Demolition & existing plant modifications	10	09DEC13	20DEC13
NPK-01000	Startup and Checkout of new Equipment	15	18NOV13	06DEC13
NPK-01200	Demobilize from Site	15	23DEC13	10JAN14
Windley Key Collection				
UG-00300	Windley Key Collection Work	50	10JUL13	17SEP13
Upper Matecumbe Collection				
UG-01000	Upper Mat Phase 1 Vacuum	75	05MAR14	17JUN14
UG-01100	Upper Mat Phase 2 Vacuum	135	18JUN14	23DEC14
UG-01200	Upper Mat Phase 3 Force main	70	27NOV13	04MAR14
UG-01300	Upper Mat Phase 4 Force main	55	05MAR14	20MAY14
Lower Matecumbe Collection				
UG-00800	Lower Matecumbe Vacuum	170	21NOV13	16JUL14
UG-00900	Lower matecumbe LPS	125	17JUL14	07JAN15
Vacuum Pump Stations				
VPS-00100	VPS #1 - Mobilize to Site (MPK)	10	30JAN13	12FEB13
VPS-00200	VPS #1 - Site Preparation (MPK)	15	13FEB13	05MAR13
VPS-00300	VPS #1 - Excavation (MPK)	5	06MAR13	12MAR13
VPS-00400	VPS #1 - Foundation Work (MPK)	10	13MAR13	26MAR13
VPS-00500	VPS #1 - Concrete & Substructure (MPK)	55	27MAR13	11JUN13
VPS-00600	VPS #1 - Masonry, Roofing & Superstructure (MPK)	38	12JUN13	02AUG13
VPS-00700	VPS #1 - Process Equipment & piping (MPK)	15	05AUG13	23AUG13
VPS-00800	VPS #1 - Mechanical and Electrical Systems (MPK)	30	26AUG13	04OCT13
VPS-00900	VPS #1 Startup and Checkout of Equipment (MPK)	5	07OCT13	11OCT13
VPS-01000	VPS #1 - DeMobilize (MPK)	15	07OCT13	25OCT13
VPS-01100	VPS #2 - Mobilize to Site (SPK)	10	26AUG13	06SEP13
VPS-01200	VPS #2 - Site Preparation (SPK)	15	09SEP13	27SEP13
VPS-01300	VPS #2 - Excavation (SPK)	5	30SEP13	04OCT13
VPS-01400	VPS #2 - Foundation Work (SPK)	10	07OCT13	18OCT13
VPS-01500	VPS #2 - Concrete & Substructure (SPK)	55	21OCT13	03JAN14
VPS-01600	VPS #2 - Masonry, Roofing & Superstructure (SPK)	38	06JAN14	26FEB14
VPS-01700	VPS #2 - Process Equipment & piping (SPK)	15	27FEB14	19MAR14
VPS-01800	VPS #2 - Mechanical and Electrical Systems (SPK)	30	20MAR14	30APR14
VPS-01900	VPS #2 Startup and Checkout of Equipment (SPK)	5	01MAY14	07MAY14
VPS-02000	VPS #2 - DeMobilize (SPK)	15	01MAY14	21MAY14
VPS-02100	VPS #3 - Mobilize to Site (UMK)	10	20MAR14	02APR14
VPS-02200	VPS #3 - Site Preparation (UMK)	15	03APR14	23APR14
VPS-02300	VPS #3 - Excavation (UMK)	5	24APR14	30APR14
VPS-02400	VPS #3 - Foundation Work (UMK)	10	01MAY14	14MAY14



Activity ID	Activity Description	Orig Dur	Early Start	Early Finish
VPS-02500	VPS #3 - Concrete & Substructure (UMK)	55	15MAY14	30JUL14
VPS-02600	VPS #3 - Masonry, Roofing & Superstructure (UMK)	38	31JUL14	22SEP14
VPS-02700	VPS #3 - Process Equipment & piping (UMK)	15	23SEP14	13OCT14
VPS-02800	VPS #3 - Mechanical and Electrical Systems (UMK)	30	14OCT14	24NOV14
VPS-02900	VPS #3 Startup and Checkout of Equipment (UMK)	5	25NOV14	01DEC14
VPS-03000	VPS #3 - Demobilize (UMK)	15	25NOV14	15DEC14
VPS-03100	VPS #4 - Mobilize to Site (LMK)	10	25NOV14	08DEC14
VPS-03200	VPS #4 - Site Preparation (LMK)	15	09DEC14	29DEC14
VPS-03300	VPS #4 - Excavation (LMK)	5	30DEC14	05JAN15
VPS-03400	VPS #4 - Foundation Work (LMK)	10	06JAN15	19JAN15
VPS-03500	VPS #4 - Concrete & Substructure (LMK)	55	20JAN15	06APR15
VPS-03600	VPS #4 - Masonry, Roofing & Superstructure (LMK)	38	07APR15	28MAY15
VPS-03700	VPS #4 - Process Equipment & piping (LMK)	15	29MAY15	18JUN15
VPS-03800	VPS #4 - Mechanical and Electrical Systems (LMK)	30	19JUN15	30JUL15
VPS-03900	VPS #4 Startup and Checkout of Equipment (LMK)	5	31JUL15	06AUG15
VPS-04000	VPS #4 - Demobilize (LMK)	15	31JUL15	20AUG15
Directional Drill/Bore under channels				
UG-09000	Channel Crossing - Tavernier	40	27NOV13	21JAN14
UG-09100	Channel Crossing - Snake Creek	40	22JAN14	18MAR14
UG-09200	channel Crossing - Windley Harbor	40	19MAR14	13MAY14
UG-09300	Channel Crossing - Teatable 1	40	14MAY14	08JUL14
UG-09400	Channel Crossing - Teatable 2	40	09JUL14	02SEP14
UG-09500	Channel Crossing - Indian Key	40	03SEP14	28OCT14
UG-09600	Channel Crossing - Lignumvitae	40	29OCT14	23DEC14
UG-00100	MPK Collection/VM/FM Early Work	192	12SEP12	06JUN13
UG-00200	Fontaine Road Extension/Coconut Palm Early Work	65	12SEP12	11DEC12
Operations Phase				
OP-0100	Operational checkout - MPK System	30	04FEB15	17MAR15
OP-0200	Operational checkout SPK System	30	18MAR15	28APR15
OP-0300	Operationsl Checkout - UMK System	30	29APR15	09JUN15
OP-0400	Operational Checkout - LMK System	30	07AUG15	17SEP15
OP-0500	OPerational Checkout - Re-Pump System	30	22JAN14	04MAR14



Start Date	01MAY11	Early Bar	ISL3
Finish Date	01DEC15	Progress Bar	
Data Date	01MAY11	Critical Activity	
Run Date	01AUG12 16:51		

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Sheet 6 of 6

Reynolds Inc

Islamorada DBOF-Key Largo Option

Classic Schedule Layout

Date	Revision	Checked	Approved

APPENDIX 17

DBO MANAGEMENT PLAN

This Appendix establishes the preliminary DBO Management Plan. This DBO Management Plan will be revised in accordance with the Agreement and delivered to the Village for review and acceptance.

1. DBO Management Plan

The success of the Village of Islamorada Wastewater DBO project hinges on the commitment to open communication, effective organization, integration of stakeholders and the implementation of effective project controls. This DBO Management Plan addresses 4 key topics that are integral to both the design build and operations phases of the project:

- *Project partnering and Stakeholder Communication*
- *Customer Service Plan*
- *Project Staffing*
- *Project Controls*

The Plan also contains a Design Build Plan and Operations Plan for these discrete elements of the project delivery.

The structure of the DBO Team demonstrates the broad array of resources and expertise needed to implement this DBO plan. The team captures the resources of Layne Heavy Civil, Inc., Severn Trent Services, and ARCADIS-US, Inc., leaders in the areas of engineering, construction and operations, under a single management and implementation structure.

As depicted on our Project Delivery Model a Special Purposes Corporation, SPC has been formed to provide management direction to the Operations and Design Build contractors. Severn Trent Services will be the Operations contractor, with responsibility for providing operations, maintenance and management (O&M) services over the 20-year contracting period. ARCADIS-US, Inc. will provide the design and construction engineering services. Layne Heavy Civil, Inc. will provide construction and construction management services.

Implementation of the DBO plan will be effected by working as an integrated team, being open to and engaging with each other and committing highly skilled and experienced resources to the project. The team will collaborate throughout the project delivery embracing an ongoing approach, with the team members being able to assist each other to optimize design, construction and operations to bring the client the best possible project.

Experience has demonstrated that having the design team provide a briefing on the design intentions to our operations team at the various stages of design completion helps to incorporate quality, user-friendliness and life-cycle cost effectiveness into the overall project. The operator's perspective in equipment selection, facility functionality and user-friendliness is imperative to the long-term success and life-cycle cost effectiveness of this project.

The Reynolds Water Islamorada Team brings a full complement of in-house services, including design support, construction management, research and development equipment technologies and O&M capabilities. The core management team is responsible for the successful design and construction and the long-term O&M of the wastewater collection facilities.

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1.1. Project Partnering and Stakeholder Communication

Layne Heavy Civil, Inc., Severn Trent Services, and ARCADIS-US, Inc. and the other member firms of our DBO Team are experienced in developing and sustaining project partnering approaches that promote open lines of communications and project stakeholder involvement.

We know that it is important to not only have alignment among the members of our team but also with our client and critical stakeholder groups.

1.1.1. Project Partnering

Our partnering sessions will include the Reynolds Water Islamorada and Village of Islamorada teams as important contributory members of the project. Partnering will foster effective communications and our ability to address issues in a consistent manner throughout the project.

The partnering effort will be divided into three distinct initiatives or elements, including:

a) **Partnering Among Our Team Member Firms –**

We will continue to work collaboratively to develop detailed designs and other planed elements of the project.

b) Partnering with the Village –

The second element of partnering will be between the Village and our Team. This effort will match the partnering process typically employed on critical infrastructure projects. It will include, among other things, developing project goals and objectives.

We will jointly adopt a process for timely decision-making which will place any decisions/issues not resolved during weekly meetings or daily interactions on an agenda for a special session that will include senior management from affected parties. This process will affirm ongoing commitments and assist in resolving issues in a timely manner.

c) Partnering with Stakeholders –

The final partnering initiative will involve the key stakeholders. In concert with the Village's team, we will bring important stakeholders, such as the FDEP, the FDOT and other permitting and funding agencies, into partnering sessions designed to achieve their "buy-in" and cooperation on the project. The effective integration of these groups into the project delivery process will contribute in a significant way to the project's success.

Formal partnering notwithstanding, the culture of the member firms of our team is open and participatory — one that encourages the input of stakeholders and participants in the project to improve the final outcome. We recognize that our client ultimately owns the assets that we design, build and operate, and that they rely on us to help meet their obligations to regulators

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and ratepayers. Further, the DBO project is focused on providing a quality work product while building meaningful relationships with the owner and other stakeholders, including the ratepayers. These relationships are critical to the successful implementation of the project, from award through the conclusion of our contractual obligations some 20 to 30 years later.

1.1.2. Stakeholder Communication

We recognize that information management and effective communication is critical to the overall success of this project. As part of our overall management approach, we will implement the tools for effective communications at all levels of the project. Internal communications encompass e-mails, letters, phone conferences, regularly scheduled meetings, monthly progress reports, schedule updates, etc. Meeting minutes and project records will document project progress and decisions. Electronic project file systems are in place and we will build upon these systems as we assemble our project implementation team. While formal communications protocols have been established, our team's philosophy is that open and frequent communications foster idea sharing and collaboration. Our project website will also be instrumental in keeping stakeholders informed.

1.2. Customer Service Plan (Design Build and Operations Phases)

Clear, accurate and timely communication with the public, Village and stakeholders is critical to the success of this project and partnership. This will be particularly true during the design-build phase when the local residents and businesses are most impacted by project activities. We know from experience that some segments of the community will greet the project enthusiastically and will be interested in details regarding progress and milestones, while others will be anxious about the impact of construction on their residence, business or activities.

1.2.1. Communications and Public Relations Plan (Design-Build)

The first step in the communication process is to identify the project stakeholders and to develop a plan that will keep stakeholders informed about the progress of the project.

Our Team understands the importance of effective communication in building bridges to all stakeholders, from local municipalities and neighborhood councils to the general public. Our public information and communication plan is constantly refined from past experiences and lessons learned. Therefore, we will work with the Village to develop a plan that provides clear communications with the general public, regulatory agencies and other key stakeholders.

Our Team will conduct an early collaboration effort with the Village to develop a plan that clearly defines roles and responsibilities, including external communication protocols that meet stakeholder expectations. We understand the Village's desire to be involved in the public outreach facet of this project and we fully support that decision.

Additionally, we understand that the Communication Plan will be effective only if we are responsive and provide timely and accurate information concerning progress, milestones, successes and challenges of the project. We also understand the importance of capturing and reporting public and media inquiries so all questions or concerns receive a response in a cohesive and timely manner, in concert with the Village's communication protocol.

Therefore, our DBO Program Manager; Wesley Self, our DB Project Manager; Richard Holt, and Bob Dick, our O&M Manager, will be the primary points of contact throughout the progress of the project.

Mr. Buddy Pinder, our Public Information Officer will lead the efforts to keep the Village Council, staff, County officials, home owners associations, businesses, residents and other institutional customers and stakeholders informed of progress and pending construction issues. He will work closely with the design build team and be supported by our public relations firm, Conch Republic Media Group. CRMG will be responsible for developing communications material and supporting the communications efforts. CRMG will provide local public relations consulting and tasks. These will include public notices, educational programs, project updates, labor advertisements, web site maintenance, etc.

We will provide a project website that will be utilized for public communications, provide contact information for interested parties, show construction status reports, notify residents of road closures and detours, etc. This website will also be used for communication after the project construction is completed and we enter the operations phase.

Moreover, all members of our team will participate in presentations at public events to outline the benefits of this project and its impact to the community, particularly during the design phase of the project. Further, our entire project management team will be available, as needed, to interact with stakeholders and provide educational outreach to targeted audiences.

Our communications plan and approach will be refined with input from the Village as the project progresses. With the presence of our Team on site, the knowledge of our professionals about project implementation, and with close collaboration with the Village, we will keep the public appropriately informed and remain responsive to requests for information.

As part of our plan, we will develop materials and processes to communicate project specific information, as appropriate. This will include materials needed to support community meetings, civic organization meetings and other outreach opportunities. The Village will have final review and approval of all materials prior to production and distribution.

A few examples of the types of materials that we would expect to produce include the following:

- Project fact sheets
- Community meeting invitations
- Graphics/maps/schematics/information boards
- PowerPoint presentations
- Public official's briefing documents – compilation of fact sheets, talking points, etc.
- News releases
- Marketing and sustainable development materials (such as sound wastewater treatment processes, pharmaceutical disposal information, etc.)

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1.2.2. Customer Service and Community Relations Plan (Operations)

We will develop our customer service plans in concert with the Village. When construction is complete and the project moves into the operations phase, the need for communicating with the customers shifts from informing the public and stakeholders about construction activity to providing ongoing customer service and community relations.

Our approach to customer service and community relations will be based on the following:

- Maintaining good relations and open lines of communications with customers, the public and all members and representatives of Village government
- Respond quickly and efficiently to customer calls and service requests
- Stay professional, responsible and responsive in all communications
- Be involved as contributing corporate citizens and true community partners
- Maintain project website for ongoing communications.

Once we identify all of the project stakeholders, Severn Trent Services will produce a detailed Customer Service and Community Relations Plan. This plan will incorporate features of established programs and will focus on the specific needs of the Islamorada wastewater program.

The Customer Service and Community Relations Plan will be designed to meet three major goals, including:

- Open Flow of Information (including media relations)
- Public Awareness and Education
- Community Involvement

All customer calls and service requests will be referred to Severn Trent Service's O&M Project Manager for resolution through the CMMS work order system. If an emergency event or significant disruption in service occurs, the Village Utility Manager will be immediately notified and, if necessary, the matter will be escalated to our media relations team. Media requests will involve Severn Trent Service's regional and corporate Communications team working in cooperation with the Village. In all cases, the Village's Utility Manager and Commissioners will drive the escalation of an event to media communications.

The Customer Service and Community Relations Plan will consist of educational outreach, maintaining professional relationships, partnering with the community and addressing customer calls and media requests. A more detailed description of these activities follows, as we outline the program objectives:

- Provide a framework for addressing questions or concerns the public may have about the wastewater system's operation.
- Identify issues related to the wastewater project and formulate a strategy for effectively communicating with stakeholders.
- Educate and raise awareness within the community about the wastewater system.
- Encourage involvement by the community in the project where appropriate.

We will seek review and approval from the Village prior to communicating with the public or members of the media. While you may designate project team members to speak on the Village's behalf, team members will first be clear about the direction given prior to proceeding. Similarly, draft materials will require prior review and approval by the Village's communications staff, and we will establish protocols for responding to inquiries and requests for interviews.

For the O&M phase of the project, Severn Trent Services will establish procedures to deal effectively with customer questions and complaints, whether received by mail, Internet, telephone or in person. Response will be immediate when possible. All incoming correspondence will be registered and deadlines established for replying. Our team will maintain a Customer Contact Log which will identify the daily number of calls, reason for call, and time which call was addressed. We will provide copies of this report each month to the Village.

Our goal is to answer any question fully by the first line of response — a "one and done" philosophy. For complaints or inquiries requiring the presence of a field service technician, we will make an appointment with the customer when the complaint is received.

For non-emergency work that requires disturbance to the community, we will prepare a careful review of the tasks and requirements prior to beginning the work. Severn Trent Services will communicate with the appropriate Village departments (police, fire, engineering or others) to develop a plan that addresses the issue(s) the public may encounter. We will coordinate notifications to the public with the Village Utility Manager and will include the most appropriate communication method, such as door hangers, radio announcements, newspaper advertisements and mailings.

1.3. Project Staffing

Our Project Organization Chart identifies major project participants in the Design, Construction, Operations and Support groups, along with their roles on the project over time. The project team is responsible for managing all phases of the project in terms of scope, budget and schedule.

The roles and responsibilities of these key technical and management resources are presented below

Name	Role	Responsibility
Wesley Self, P.E.	DBO Program Manager	Lead contact for DBO contract with the Leader of the Village's management group accountable for all aspects of the project
Bob Dick	Operations & Maintenance Program Director	Part of management group accountable to the Village for all aspects of project • O&M Client Service Manager for term of project • Report to Severn Trent Service 's Area Manager • Provide operability review and input during the DB stage of the work

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		• Support the startup and transition of the new facilities and operations • Responsible for safe and compliant O&M during term of the project • Part of the core management and support team for startup, transition and long-term O&M of the new facilities
Richard Holt, PE	Design-Build Project Manager	Part of management group accountable to the Village for all aspects of the project • Report to DBO Program Manager • Lead the design and construction teams, with responsibility for quality, budget, safety and schedule • Coordinate with ongoing O&M, eliminating operation disruptions and integrating operability into DB work • Develop, implement and monitor the Project Management Plan and Work Breakdown Structure
Bob Casey	Operations & Maintenance Manager	• Direct contact to Islamorada's Wastewater Program Manager for routine O&M matters • Report to STS Area Manager • Provide operability review and input during the DB stage of the work • Manager for the startup and transition of the new facilities and operations • NPK Plant Manager and O&M local lead during interim period up to decommissioning of NPK facility • Coordinate with management team on compliance with QA/QC and health & safety protocols
David Refling, PE	Project Quality Representative	Undertake Independent QA and QC on all aspects of design output.
Wynne Grubbs, PE	Design Manager/Engineer of Record	• Report to the DB Project Manager and serve as Leader for the collection system design work • Primary point of contact for the Design Team and responsible for managing and coordinating work of the design staff and subcontractors • Prepare Design Project Management Plan; plan and direct technical meetings and workshops • Manage and coordinate design services during construction, including development of deliverables and schedule, quality and budget • Prepare design progress reports
Douglas Hammann, P.E.	Permitting Manager	• Manager of permitting for the project, responsible for detailed planning and streamlining the permitting process • Regulatory and environmental permitting requirements will be one of the more critical strategic project considerations. The team will coordinated our permitting strategies with the regulatory agencies involved and LAYNE's design and construction teams

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Richard Crow	Construction Manager	• Report to the DB Manager and serve as the Core Manager for the Construction group • Provide leadership for coordination with design and O&M teams • Serve as the primary point of contact for the Construction Team, responsible for managing and coordinating work of the construction staff and subcontractors • Responsible for completing construction on time and on budget • Responsible for monitoring and controlling scope, schedule and budget for the build-phase services, • Assisting the Permitting Officer in securing all construction-related permits • Responsible for monthly progress reports
Leon Roberts	Site Superintendent	• Report to the Construction Manager • Core Manager for construction-phase services, with responsibility for managing the field construction work and equipment procurement, completing construction on time and on budget • Lead all day to day coordination with the Design and O&M teams • Serve as the primary day to day contacts for the construction Team, responsible for managing and coordinating work of the construction staff and Subcontractors
Buddy Pinder	Public Information Officer	• Report to the DBO Program Manager • Lead Public Communications Efforts • Assist in property acquisition services

1.4. Project Controls

Our team understands the critical role that project controls play in the success of this partnership within the framework of a comprehensive project management plan. Our project controls cover all phases of the work, including permitting, design, construction, commissioning, startup, acceptance testing and operation throughout the Management Period.

Our project controls are centered on the application of a well-developed and proven set of management tools and approaches that supports quality management and control at all levels of our projects. The management controls that we will apply are those that we have developed and proven through years of experience in operating, maintaining and managing facilities of all types, sizes and complexities. Essential to proactive project management and effective controls will be complete and open communication among project parties and selection of qualified personnel and equipment during each phase of the work, with implementation of effective change management protocols and rapid resolution of conflicts.

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Our approach to project controls is based upon our philosophy that project quality is defined by the totality of features, attributes and characteristics of a facility, product, process, component, service or workmanship that bear on its ability to satisfy a given need — fitness for purpose. But in simple terms, quality is meeting the owner's expectations.

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Appendix 1 Safe Work Plan Draft Table of Contents

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Appendix 2 Temporary Traffic Control Draft Plan

Reference to FDOT Plans Preparation Manual Volume I

The Temporary Traffic Control plan describes TTC measures to be used for facilitating road users through a work zone or an incident area. The TTC plan plays a vital role in providing continuity of reasonably safe and efficient road user flow and highway worker safety when a work zone, incident, or other event temporarily disrupts normal road user flow. The scope of the TTC plan is determined by the project characteristics. The TTC plan shall either be a
reference to specific Design Standard Index drawing(s) or be designed specifically for the project.

A temporary traffic control plan should address the appropriate following information for the mainline and any affected crossroads, side streets, and ramps:

1. The location of all advance warning signs and lighting units.
2. Temporary pavement markings, (including RPM's).
3. Location of temporary barriers and attenuators.
4. Temporary drainage design.
5. Channelizing devices at special locations.
6. Locations for special devices such as changeable message signs (CMS), arrow panels, radar speed display units (RSDU), portable regulatory signs (PRS) and temporary signals.
7. CMS messages for each phase.
8. Signal timing for each phase, including temporary actuation, to maintain all existing actuated or traffic responsive mode signal operations for main and side street movements for the duration of the Contract (Check with Traffic Operations Engineer).
9. Location and geometry for transitions, detours, and diversions.
10. Typical sections for each phase of work on all projects, except simple resurfacing projects, in order to show lane widths, offsets, barrier locations and other features influencing traffic control.
11. The proposed regulatory speed(s) for each phase.
12. Reference to appropriate ***Design Standards*** or ***MUTCD*** drawings whenever applicable.
13. Appropriate quantities, pay items and pay item notes.
14. Resolve any conflicts between permanent signing and markings and work zone signing and markings.
15. Key strategies such as service patrol, police, public service announcements, night work, etc..
16. Good plan notes.
17. Address the need for maintaining existing roadway lighting.
18. Work area access plan.
19. Address the need for transit operations to safely stop along the roadway to board and discharge passengers, and to maintain transit stop signage.

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Appendix 3 Communications and Public Relations Draft Plan (Design-Build)

Identify the project stakeholders and develop a communications plan and approach that will keep stakeholders informed as to the progress of the project.

Collaborate with the Village to develop a plan that clearly defines roles and responsibilities, including external communication protocols that meet all stakeholder expectations.

Provide timely and accurate information concerning progress, milestones, successes and challenges of the project.

Capture and report public and media inquiries and respond in a cohesive and timely manner in concert with the Villages communication protocol.

Identify primary points of contact. Our DBO Program Manager; DB Project Manager; and our O&M Manager, will be the primary points of contact throughout the progress of the project.

The public relations team partner, Conch Republic Media Group will be responsible for developing communications material and supporting the communications efforts.

Support the Village's presentations at public events, outlining the benefits of this project and its impact to the community, particularly during the design phase of the project.

Make the project management team available to interact with stakeholders and provide educational outreach to targeted audiences.

Develop materials to communicate project specific information. This will include information to support community meetings, civic organization meetings and other outreach opportunities.

Keep the public appropriately informed and remain responsive to all inquiries.

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Appendix 4 Customer Service and Community Relations Draft Plan (Operations)
Develop customer service plans in concert with the Village. Inform the public and stakeholders about ongoing customer service and relations.

Our approach to customer service and community relations over the course of the project will be based on the following:

- Maintain good relations and open lines of communications with customers, the public and all members and representatives of Village government.
- Respond quickly and efficiently to customer calls and service requests.
- Stay professional, responsible and responsive in all communications.
- Be involved as contributing corporate citizens and true community partners.

Once we identify the project stakeholders, Severn Trent Services will produce a detailed Customer Service and Community Relations Plan. This plan will incorporate features of established programs and will focus on the specific needs of the wastewater program.

The Customer Service and Community Relations Plan will meet three major goals, including:

- Open Flow of Information (including media relations)
- Public Awareness and Education
- Community Involvement

The Plan will consist of educational outreach, maintaining professional relationships, partnering with the community and addressing customer calls and media requests. A more detailed description of these activities follows, as we outline the program objectives:

- Provide a framework for addressing questions or concerns of the public about the wastewater system's operation.
- Identify issues related to the wastewater project and formulate a strategy for effectively communicating with stakeholders.
- Educate and raise awareness within the community about the wastewater system.
- Encourage involvement by the community in the project where appropriate.

For the O&M phase of the project, Severn Trent Services will establish procedures to deal effectively with customer questions and complaints, whether received by mail, Internet, telephone or in person. Response will be immediate when possible. All incoming correspondence will be registered and deadlines set for replying.

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APPENDIX 18

START-UP AND ACCEPTANCE TESTING

Start-up and acceptance testing shall occur in accordance with all applicable laws, rules, regulations, permits, codes and standards, and with the requirements for start-up and testing set forth in this Appendix.

Start-up and Acceptance Testing shall be performed when the Design/Build Work or any agreed portion or independent component are Substantially Complete and may be placed in service by the Company in the following phases:

- Pre-startup testing
- Admission of wastewater into the Collection System or Transmission System
- Vacuum Pumping Stations & Pump Stations Startup
- Acceptance Testing.

In the pre-startup testing, the Company shall test individual equipment and subsystems to demonstrate that each is installed correctly and functions as intended. As part of this testing, The Company shall perform limited clear water tests to demonstrate the facilities are ready to accept wastewater for transmission and disposal. Thereafter, the Company shall begin operation with admission of wastewater and the Company shall perform the Acceptance Test in accordance with the requirements for Acceptance Testing to demonstrate that the Design/Build Work or any agreed portion or independent component are in compliance with the Contract Standards and all applicable permit requirements.

Pre-startup Testing

The Company shall provide to the Village within 60-days of scheduled testing an equipment and subsystem test plan that provides test protocols and schedules for the following:

1. Water tightness tests of wastewater containing structures
2. A "clear water" pump drawdown test to demonstrate the supplied pumps can operate at the design operating points.
3. Functional tests of controls and instruments, including use of the SCADA system as applicable.
4. Additional equipment-specific tests in accordance with good industry practice, manufacturers' recommendations, and the contract specifications, such as but not limited to: vibration, noise, clearances, tightness, and proper lubrication.
5. Vacuum main tightness testing in accordance with the manufacturers' recommendations
6. Valve pit sump testing to ensure water tightness in accordance with manufacturers' recommendations
7. Force main pressure testing at the maximum design test pressure.
8. Gravity pipeline water tightness testing in accordance with manufacturers' recommendations.
9. A simulated power outage test conducted to demonstrate proper switchover to standby

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power and full restart to pre-outage conditions for all facility components.

The Company will perform pre-startup testing in accordance with the test plan once the equipment or subsystems for the Design/Build Work or any agreed portion or independent component have been installed and are mechanically and electrically complete.

Following the successful completion of the pre-startup tests, the Company shall prepare a report describing and documenting the pre-startup testing steps taken and the results of the test. The report shall include copies of data sheets, log sheets, calculations and test sheets describing the test results. The Company shall certify that the equipment and subsystems have performed over the design range, to the extent practicable, and the construction and installation has been completed in accordance with the Design/Build Requirements, subject to the punch list, and that the Design/Build Work or agreed portion or independent part is substantially completed and ready to accept wastewater for transmission and disposal.

Acceptance Testing

The Company shall perform the Acceptance Test to demonstrate that the collection and transmission systems and associated Vacuum Pump Stations, lift stations, and force mains for the Design/Build Work or any agreed portion or independent component are ready for long-term operation in accordance with the Contract Standards. The Acceptance Test shall be performed in accordance with an Acceptance Test Protocol that shall describe the test procedures, measurements and methods for demonstrating that Acceptance has been achieved during a 7-day period of continuous operation under normal operating conditions.

In general, during the Acceptance Test period, the collection and transmission systems and associated Vacuum Pump Stations, lift stations, and force mains for the Design/Build Work or any agreed portion or independent component will be operated in accordance with the Contract Standards and normal operating procedures in the approved Operations and Maintenance Plan, and all routine data recording and operational tests shall be conducted. Performance is to be demonstrated to the extent practical given the variations and potentially low flow of influent wastewater during the Acceptance Test period.

The Company shall submit a draft Acceptance Test Plan to the Village for approval at least 60 days prior to the Acceptance Test. The Company shall not conduct the Acceptance Test until the following requirements have been met:

- The Company has completed a successful Pre-Startup Test and submitted the Pre-Startup Testing Report to the Village.

- The Company and the Village have agreed on a final written Acceptance Test Plan.

- The Village has verified that all items on the final punch list required to be completed before Acceptance have been completed (unless otherwise agreed upon by the Village and the Company), all record drawings have been submitted, Within 30 days of the completion of the Acceptance Test, the Company shall furnish the Village with an Acceptance Test Report. The report shall include copies of original data sheets, log sheets, calculations and test

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reports. The Company shall certify that the Project operated in accordance with the Acceptance Test Plan.

The Village shall have 30 days from receipt of the Acceptance Test Report to review and accept or reject The Company's certification.

The Village shall set forth the basis of any rejection and the requirement for re-testing. The Company shall make all repairs, replacements and changes necessary to pass the performance Acceptance Test. Failure by the Village to respond to the Acceptance Test Report within 30 days, shall be deemed Village acceptance of the Company's certification. Acceptance shall be deemed to occur as of the date that the Company certifies that the Acceptance Test was performed in accordance with the Acceptance Test Plan, which certification is not subsequently rejected by the Village.

APPENDIX 19

FDEP SUPPLEMENTARY CONDITIONS (CONSTRUCTION)

This Appendix provides the most current FDEP Supplementary Conditions related to this Agreement.

SUPPLEMENTARY CONDITIONS (CONSTRUCTION)

Florida Department of Environmental Protection

Bureau of Water Facilities Funding

Supplementary Conditions

for

Formally Advertised

Construction Procurement

(Request for Proposals/ RFP)

TABLE OF CONTENTS FOR THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

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FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
SUPPLEMENTARY CONDITIONS

The intent of the Florida Department of Environmental Protection (FDEP) Supplementary Conditions is to complement and supplement other provisions of the Request for Proposals ("RFP") Documents. However, if there is any conflict between the FDEP Supplementary Conditions and other provisions of the RFP Documents, the FDEP Supplementary Conditions shall take precedence over the other provisions except when the other provisions are similar to, but more stringent than, the FDEP Supplementary Conditions. When other provisions of the RFP Documents are similar to, but more stringent than, the FDEP Supplementary Conditions, the more stringent provisions shall apply.

ARTICLE 1 - DEFINITIONS

1.1. Wherever used in these Supplementary Conditions (except in the appendices to these Supplementary Conditions), the following terms have the meanings indicated, which are applicable to both the singular and plural thereof.

1.1.1. Addendum - A written or graphic instrument that is issued prior to the opening of proposals and that clarifies, corrects, or changes the RFP Documents.

1.1.2. Agreement or Contract - The written agreement between the Owner and the Contractor covering the Work to be performed and furnished; these Supplementary Conditions and other Contract Documents are attached to the Agreement/Contract and made a part thereof as provided therein.

1.1.3. Application for Payment - The form that is accepted by the Engineer and used by the Contractor in requesting progress and/or final payments and that is to include such supporting documentation as is required by the Contract Documents.

1.1.4. Proposal - The offer or proposal of a proposer submitted on the prescribed forms and setting forth the Technical and Price Proposals for the Work to be performed and furnished.

1.1.5. Proposer - Any person, firm, or corporation that submits a Proposal directly to the Owner.

1.1.6. RFP Documents - The Request for Qualifications (RFQ), the Request for Proposals (RFP), the Technical Proposals, the Business and Price Proposal Forms, the proposed Contract Documents, and all addenda issued in connection with the design-build-operate and finance (DBOF) of the wastewater facilities.

1.1.7. Bond - An instrument of security.

1.1.8. Change Order - A document that is recommended by the Engineer and signed by the Contractor and the Owner; that authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Time; and that is issued on or after the Effective Date of the Agreement/Contract.

1.1.9. Contract Documents - The Agreement/Contract; the Proposer's Proposal when attached as an exhibit to the Agreement/Contract; the Performance and Payment Bond(s); the General Conditions; the Supplementary Conditions (including these Supplementary Conditions); the Specifications (the Design Criteria Package, The Design Standards Manual, written technical descriptions of material, equipment, construction systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto); the Drawings (drawings that show the character and scope of the Work to be performed and furnished); all addenda that pertain to the Contract Documents; and all change orders.

1.1.10. Contract Price - The moneys payable by the Owner to the Contractor for the design and construction of the Work under the Contract Documents as stated in the Agreement/Contract.

1.1.11. Contract Time - The number of days or the date stated in the Contract Documents for completion of the Work.

1.1.12. Contractor - The person, firm, or corporation with whom or which the Owner enters into the Agreement/Contract for design and construction of the Work

1.1.13. Effective Date of the Agreement/Contract - The date indicated in the Agreement/Contract on which the Agreement/Contract becomes effective, or if no such date is indicated in the Agreement/Contract, the date on which the Agreement/Contract is signed and delivered by the last of the two parties to sign and deliver the Agreement/Contract.

1.1.14. Engineer - The person, firm, or corporation named as such in the Contract Documents.

1.1.15. Minority Business Enterprise (MBE) - A historically Black college or university or a business that is (a) certified as socially and economically disadvantaged by the Small Business Administration, (b) certified as an MBE by a state or Federal agency, or (c) an independent business concern which is at least 51-percent owned and controlled by minority group members. (A minority group member is an individual who is a citizen of the United States and one of the following: [i] Black American; [ii] Hispanic American [with origins from Puerto Rico, Mexico, Cuba, or South or Central America]; [iii] Native American [American Indian, Eskimo, Aleut, or native Hawaiian]; or [iv] Asian-Pacific American [with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, or the Indian Subcontinent].)

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1.1.16. Notice to Proceed - The written notice given by the Owner to the Contractor fixing the date on which the Contract Time will commence to run and on which the Contractor shall start to perform its design and construction obligations under the Contract Documents.

1.1.17. Owner - The local government (municipality, county, district, or authority; or any agency thereof; or a combination of two or more of the foregoing acting jointly) with which the Florida Department of Environmental Protection may execute, or has executed, a State revolving fund loan agreement and for which the Work is to be provided.

1.1.18. Project - The total construction or facilities described in a State revolving fund loan agreement between the Florida Department of Environmental Protection and the Owner, of which the Work to be provided under the Contract Documents may be the whole or a part.

1.1.19. Subcontract - A direct contract between a subcontractor and the Contractor, or any other subcontractor at any tier, for the furnishing of goods (material and equipment) or the performance of services (including construction) necessary to complete the Work.

1.1.20. Subcontractor - A person, firm, or corporation having a direct contract with the Contractor, or any other subcontractor at any tier, for the furnishing of goods (material and equipment) or the performance of services (including construction) necessary to complete the Work.

1.1.21. Successful Proposer - The Proposer to whom or which the Owner intends to award the Agreement/Contract as set forth in the RFP Documents.

1.1.22. Women's Business Enterprise (WBE) - A business that is (a) certified as a WBE by a state or Federal agency or (b) an independent business concern which is at least 51-percent owned and controlled/operated by women. (Determination of whether a business is at least 51-percent owned by women shall be made without regard to community property laws [e.g., an otherwise qualified WBE that is 51-percent owned by a married woman in a community property state will not be disqualified because the married woman's husband has a 50-percent interest in the married woman's share of the business; similarly, a business that is 51-percent owned by a married man and 49-percent owned by women will not become a qualified WBE by virtue of the married man's wife having a 50-percent interest in the married man's share of the business].)

1.1.23. Work - The entire completed construction or the various separately identifiable parts thereof required to be performed and furnished under the Contract Documents; Work is the result of performing design and construction, including services, furnishing labor, furnishing material and equipment, and incorporating material and equipment into the construction as required by the Contract Documents.

ARTICLE 2 - PRIVITY OF AGREEMENT/CONTRACT

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2.1. The Owner expects to finance a portion of the design and construction of the Work for this Agreement/Contract with assistance from the Florida Department of Environmental Protection, which administers a State revolving fund loan program supported in part with funds directly made available by grants from the United States Environmental Protection Agency. Neither the State of Florida nor the United States (nor any of their departments, agencies, or employees) will be a party to this Agreement/Contract or any lower-tier subcontract.

ARTICLE 3 - PROCUREMENT REQUIREMENTS

3.1. This Agreement/Contract and the Owner's solicitation and award of this Agreement/Contract are subject to requirements contained in Chapter 62-503 (Revolving Loan Program), Florida Administrative Code.

ARTICLE 4 - RESOLUTION OF PROTESTS AND CLAIMS/DISPUTES

Resolution of Protests Concerning the Owner's Solicitation and/or Award of this Agreement/Contract:

4.1. Protests concerning the Owner's solicitation and/or award of this Agreement/Contract must be filed in writing with the Owner to be considered.

4.2. Neither the Florida Department of Environmental Protection (FDEP) nor the United States Environmental Protection Agency (USEPA) will become a party to, or have any role in resolving, protests concerning the Owner's solicitation and/or award of this Agreement/Contract. Protest decisions made by the Owner can not be appealed to the FDEP or the USEPA.

Resolution of Claims and Disputes Between the Owner and the Contractor:

4.3. Unless otherwise provided in the Contract Documents, all claims and disputes between the Owner and the Contractor arising out of, or relating to, the Contract Documents or the breach thereof are to be decided by the procedure set forth in the Agreement/Contract.

4.4. Neither the Florida Department of Environmental Protection nor the United States Environmental Protection Agency will become a party to, or have any role in resolving, claims and disputes between the Owner and the Contractor.

ARTICLE 5 - CHANGES TO THE RFP AND CONTRACT DOCUMENTS

5.1. All changes to the RFP Documents made subsequent to the Florida Department of Environmental Protection's (FDEP's) acceptance of the RFP Documents and prior to the opening of Proposals are to be documented via addendum (addenda) to the RFP Documents; all changes to the Contract Documents made after the opening of Proposals are to be documented by change order(s) to the Contract Documents. The Owner shall submit all addenda and change orders to the FDEP.

ARTICLE 6 - ADVERTISEMENT FOR RFQ AND RFP ; SUBMISSION OF RFP'S; OPENING OF RFP'S

Advertisement for Proposals:

6.1. At a minimum, this Agreement/Contract is to be advertised for Proposals in local newspapers.

Submission of Proposals:

6.2. Proposers shall submit their proposals at the place and by the deadline indicated elsewhere in the RFP Documents.

Opening of RFPs:

6.3. Proposals are to be opened at the time and place indicated elsewhere in the RFP Documents.

ARTICLE 7 - BONDS AND INSURANCE

Proposal Guarantees:

7.1. Each Proposer's Proposal is to be accompanied by a Proposal Bond made payable to the Owner in an amount at least equal to five percent of the Proposer's maximum design/build price and in the form of a certified check or Proposal bond.

Performance and Payment Bond(s):

7.2. The Contractor shall furnish a combined performance and payment bond in an amount at least equal to 100 percent of the Design/Build Price ("Contract Price") Contract Price (or, if required elsewhere in the Contract Documents, the Contractor shall furnish separate performance and payment bonds, each in an amount at least equal to 100 percent of the Contract Price) as security for the faithful performance and payment of all the Contractor's obligations under the Contract Documents. This(these) bond(s) are to be delivered to the Owner by the Contractor along with the executed Agreement/Contract. The Owner shall forward a copy of this (these) bond(s) to the Florida Department of Environmental Protection.

Insurance:

7.3. The Owner and/or the Contractor (as required elsewhere in the Contract Documents) shall purchase and maintain, during the period of construction, such liability insurance as is appropriate for the Work being performed and furnished and as will provide protection from claims that may arise out of, or result from, the Contractor's performance and furnishing of the Work (whether the Work is to be performed or furnished by the Contractor or any subcontractor at the Work site) and the Contractor's other obligations under the Contract Documents. This insurance is to include workers' compensation insurance, comprehensive general liability insurance, comprehensive automobile liability insurance, and contractual liability insurance applicable to the Contractor's indemnification obligations and is to be written for not less than the limits of liability and coverages determined by the Owner or required by law, whichever is greater.

7.4. The Owner and/or the Contractor (as required elsewhere in the Contract Documents) shall purchase and maintain, during the period of construction, property insurance upon the Work at the Work sites in an amount equal to the full replacement cost of the Work or the full insurable value of the Work. This insurance is to include the interests of the Owner, the Contractor, and all subcontractors at the Work site (all of whom are to be listed as insureds or additional insured parties); is to insure against the perils of fire and extended coverage; and is to include "all-risk" insurance for physical loss or damage due to theft, vandalism and malicious mischief, collapse, water damage, and/or all other risks against which coverage is obtainable.

7.5. Before any Work at the Work sites is started, the Contractor shall deliver to the Owner certificates of insurance that the Contractor is required to purchase and maintain in accordance with Paragraphs 7.3 and 7.4 of this Article and other provisions of the Contract Documents, and the Owner shall deliver to the Contractor certificates of insurance that the Owner is required to purchase and maintain in accordance with Paragraphs 7.3 and 7.4 of this Article and other provisions of the Contract Documents.

ARTICLE 8 - AWARD OF AGREEMENT/CONTRACT

8.1. If this Agreement/Contract is awarded, it is to be awarded to the Proposer in accordance with the process and evaluation criteria set forth in the RFP. A clear explanation of the method of evaluating proposals and the basis for awarding this Agreement/Contract are included elsewhere in the RFP Documents. All proposals may be rejected when in the best interest of the Owner.

ARTICLE 9 - CONTRACT TIME AND NOTICE TO PROCEED

Contract Time:

9.1. The number of days within which, or the date by which, the Work is to be completed and ready for final payment (the Contract Time) is set forth elsewhere in the Contract Documents.

Notice to Proceed:

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9.2. The Owner shall give the Contractor a notice to proceed fixing the date on which the Contract Time will commence to run. The Owner shall forward a copy of this notice to proceed to the Florida Department of Environmental Protection.

ARTICLE 10 - ITEMIZED CONSTRUCTION COST BREAKDOWN; CONSTRUCTION AND PAYMENT SCHEDULES

10.1. The Contractor shall submit to the Owner, within ten calendar days after the Effective Date of this Agreement/Contract, an itemized construction cost breakdown and construction and payment schedules.

10.1.1. The itemized construction cost breakdown, or schedule of values, is to include quantities and prices of items aggregating the Contract Price and is to subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Such prices are to include an appropriate amount of overhead and profit applicable to each item of Work.

10.1.2. The construction, or progress, schedule is to indicate the Contractor's estimated starting and completion dates for the various stages of the Work and is to show both the projected cost of Work completed and the projected percentage of Work completed versus Contract Time.

10.1.3. The payment schedule is to show the Contractor's projected progress and final payments cumulatively by month.

ARTICLE 11 - AVAILABILITY OF LANDS

11.1. The Owner shall acquire all lands or Sites for the Wastewater Facilities, and the Contractor shall be responsible for managing the process of obtaining all Sites, rights-of-ways and easements upon which the Work is to be performed and furnished.

ARTICLE 12 - FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION CONSTRUCTION PERMIT(S)

12.1. The Proposer shall obtain the appropriate Florida Department of Environmental Protection construction permit(s) required for the Work.

ARTICLE 13 - ENGINEER

13.1. The Owner shall employ a professional engineer or Owner's Representative registered in the State of Florida to oversee the Work.

ARTICLE 14 - APPLICATIONS FOR PAYMENT

14.1. The Contractor's applications for payment are to be accompanied by such certificates or documents as may be reasonably required. The Owner shall forward a copy of such certificates or documents as may be reasonably required to the Florida Department of Environmental Protection.

ARTICLE 15 - ACCESS TO RECORDS

15.1. Authorized representatives of the Owner, the Florida Department of Environmental Protection, and the United States Environmental Protection Agency shall have access to, for the purpose of inspection, any books, documents, papers, and records of the Contractor that are pertinent to this Agreement/Contract. The Contractor shall retain all books, documents, papers, and records pertinent to this Agreement/Contract for a period of three years after receiving and accepting final payment under this Agreement/Contract.

ARTICLE 16 - ACCESS TO WORK SITE(S)

16.1. Authorized representatives of the Owner, the Florida Department of Environmental Protection (FDEP), and the United States Environmental Protection Agency (USEPA) shall have access to the Work site(s) at any reasonable time. The Contractor shall cooperate (including making available working copies of documents and supplementary materials) during Work site inspections conducted by the Owner, the FDEP, or the USEPA.

NOTE: Articles 17, 18 19 and Appendix A only apply to Federal CAP Grant Projects.

ARTICLE 17 - MINORITY AND WOMEN'S BUSINESS ENTERPRISES

17.1. A goal of nine percent of the Contract Price is established for Minority Business Enterprise (MBE) participation in the Work, and a goal of three percent of the Contract Price is established for Women's Business Enterprise (WBE) participation in the Work. If Proposers or prospective contractors (including the Contractor) intend to let any lower-tier goods or services (including construction) subcontracts for any portion of the Work, they shall physically include these percentage goals for MBE and WBE participation in all solicitations for subcontracts and shall take affirmative steps to assure that MBEs and WBEs are utilized, when possible, as sources of goods and services. Affirmative steps are to include the following: (a) including small, minority, and women's businesses on solicitation lists; (b) assuring that small, minority, and women's businesses are solicited whenever they are potential sources; (c) dividing total requirements, when economically feasible, into small tasks or quantities to permit maximum participation by small, minority, and women's businesses; (d) establishing delivery schedules, when requirements permit, that will encourage participation by small, minority, and women's businesses; and (e) using the services of the Small Business Administrative and the Office of Minority Business Enterprise of the United States Department of Commerce as appropriate.

*The percentage goals for MBE and WBE participation are to be inserted by the Owner and are to be based upon the percentage goals that have been, or will be, stipulated in the State revolving fund loan agreement for the Owner's FDEP-assisted Project.

17.2. Within ten calendar days after being notified of being the apparent Successful Proposer, the apparent Successful Proposer shall submit to the Owner documentation of the affirmative steps it has taken to utilize Minority and Women's Business Enterprises (MBEs and WBEs) in the Work and documentation of its intended use of MBEs and WBEs in the Work. The Owner shall keep this documentation on file and shall forward to the Florida Department of Environmental Protection a copy of the apparent Successful Proposer's documentation concerning its intended use of MBEs and WBEs in the Work.

17.3. Minority and Women's Business Enterprise (MBE and WBE) participation in the Work is to be considered in the award of this Agreement/Contract. The Owner shall not execute this Agreement/Contract until the Florida Department of Environmental Protection has approved the extent of MBE and WBE participation in the Work.

ARTICLE 18 - VIOLATING FACILITIES (SECTION 306 OF THE CLEAN AIR ACT, SECTION 508 OF THE CLEAN WATER ACT, AND EXECUTIVE ORDER 11738)

18.1. The Contractor, and all subcontractors at any tier, shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857[h]), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 (Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans), and 40 CFR Part 15, which prohibit the use, under nonexempt Federal contracts, grants, or loans, of facilities included on the United States Environmental Protection Agency's List of Violating Facilities.

18.2. In accordance with 40 CFR Part 15, if the price of this Agreement/Contract exceeds $100,000 and/or if this Agreement/Contract is otherwise nonexempt from 40 CFR Part 15, the Contractor agrees to the following:

18.2.1. the Contractor will not use any facility on the United States Environmental Protection Agency's List of Violating Facilities in the performance of this Agreement/Contract for the duration of time that the facility remains on the List;

18.2.2. the Contractor will notify the Florida Department of Environmental Protection/United States Environmental Protection Agency (USEPA) if a facility it intends to use in the performance of this Agreement/Contract is on the USEPA's List of Violating Facilities or if it knows that a facility it intends to use in the performance of this Agreement/Contract has been recommended to be placed on the USEPA's List of Violating Facilities; and

18.2.3. in the performance of this Agreement/Contract, the Contractor will comply with all requirements of the Clean Air Act and the Clean Water Act, including

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the requirements of Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all applicable clean air standards and clean water standards.

18.3. If the Contractor, or any subcontractor at any tier, awards any lower-tier goods or services (including construction) subcontracts for any portion of the Work, it shall physically include in all such subcontracts the following provision:

> 18.3.1. The Subcontractor shall comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C. 1857[h]), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738 (Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans), and 40 CFR Part 15, which prohibit the use, under nonexempt Federal contracts, grants, or loans, of facilities included on the United States Environmental Protection Agency's (USEPA's) List of Violating Facilities. In accordance with 40 CFR Part 15, if the price of this Subcontract exceeds $100,000 and/or if this Subcontract is otherwise nonexempt from 40 CFR Part 15, the Subcontractor agrees to the following: (a) the Subcontractor will not use any facility on the USEPA's List of Violating Facilities in the performance of this Subcontract for the duration of time that the facility remains on the List; (b) the Subcontractor will notify the Florida Department of Environmental Protection/USEPA if a facility it intends to use in the performance of this Subcontract is on the USEPA's List of Violating Facilities or if it knows that a facility it intends to use in the performance of this Subcontract has been recommended to be placed on the USEPA's List of Violating Facilities; and (c) in the performance of this Subcontract, the Subcontractor will comply with all requirements of the Clean Air Act and the Clean Water Act, including the requirements of Section 114 of the Clean Air Act and Section 308 of the Clean Water Act, and all applicable clean air standards and clean water standards. In addition, if the Subcontractor awards any lower-tier goods or services (including construction) subcontracts under this Subcontract, the Subcontractor shall physically include this provision in all such subcontracts.

ARTICLE 19 - DEBARMENT AND SUSPENSION (EXECUTIVE ORDER 12549)

19.1. If the price of this Agreement/Contract equals or exceeds $25,000, the Owner shall not award this Agreement/Contract, nor permit any lower-tier goods or services (including construction) subcontract with a price equaling or exceeding $25,000 to be awarded, to any party that is debarred or suspended or is otherwise excluded from, or ineligible for participation in, Federal assistance programs under Executive Order 12549 (Debarment and Suspension).

19.2. The attention of all proposers or prospective contractors (including the Contractor) is directed to the certification/clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered

Transactions", which has been extracted from Appendix B to 40 CFR Part 32 and included as Appendix A to these Supplementary Conditions. The certification/clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions" is applicable to this Agreement/Contract if the price of this Agreement/Contract equals or exceeds $25,000.

19.3. If proposers or prospective contractors (including the Contractor), or any prospective subcontractors at any tier, intend to let any lower-tier goods or services (including construction) subcontracts for any portion of the Work, they shall physically include the certification/clause entitled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", which is included as Appendix A to these Supplementary Conditions, in all lower-tier goods and services (including construction) subcontracts with a price equaling or exceeding $25,000 and in all solicitations for such subcontracts.

ARTICLE 20 - EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)

20.1. If the price of this Agreement/Contract exceeds $10,000, the Contractor, and each construction subcontractor awarded a lower-tier construction subcontract with a price exceeding $10,000, shall comply with Executive Order 11246 of September 24, 1965 (Equal Employment Opportunity), as amended by Executive Order 11375 of October 13, 1967, and as supplemented in United States Department of Labor regulations (41 CFR Part 60).

20.2. The attention of all proposers or prospective contractors (including the Contractor) is directed to the following, all of which are applicable to this Agreement/Contract if the price of this Agreement/Contract exceeds $10,000:

20.2.1. the "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246)", which has been extracted from 41 CFR 60-4.2(d) and included as Appendix B to these Supplementary Conditions;

20.2.2. the "Goals and Timetables for Minorities and Females", which are included as Appendix C to these Supplementary Conditions;

20.2.3. the "Equal Opportunity Clause", which has been extracted from 41 CFR 60-1.4(b) and included as Appendix D to these Supplementary Conditions;

20.2.4. the "Notice to Be Posted", which has been extracted from 41 CFR 60-1.42(a) and included as Appendix E to these Supplementary Conditions;

20.2.5. the "Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)", which have been extracted from 41 CFR 60-4.3(a) and included as Appendix F to these Supplementary Conditions;

20.2.6. the "Certification of Compliance with 41 CFR 60-1.7: Reports and Other Required Information", which is required by 41 CFR 60-1.7(b) and is included as Appendix G to these Supplementary Conditions; and

20.2.7. the "Certification of Nonsegregated Facilities", which is required by 41 CFR 60-1.8(b) and is included as Appendix H to these Supplementary Conditions.

20.3. If proposers or prospective contractors (including the Contractor), or any prospective construction subcontractors at any tier, intend to let any lower-tier construction subcontracts for any portion of the Work, they shall physically include in all lower-tier construction subcontracts with a price exceeding $10,000 and in all solicitations for such subcontracts the "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246)", the "Goals and Timetables for Minorities and Females", the "Equal Opportunity Clause", the "Notice to Be Posted", the "Standard Federal Equal Employment Opportunity Construction Contract Specifications (Executive Order 11246)", the "Certification of Compliance with 41 CFR 60-1.7: Reports and Other Required Information", and the Certification of Nonsegregated Facilities", which are included as Appendices B through H to these Supplementary Conditions.

20.4. If the price of this Agreement/Contract exceeds $10,000, all proposers shall complete and submit to the Owner, with their Proposals, the "Certification of Compliance with 41 CFR 60-1.7: Reports and Other Required Information", which is included as Appendix G to these Supplementary Conditions. In addition, if Proposalders (including the Contractor), or any prospective construction subcontractors at any tier, intend to let any lower-tier construction subcontracts for any portion of the Work, they shall obtain the "Certification of Compliance with 41 CFR 60-1.7: Reports and Other Required Information" from each prospective construction subcontractor that may be awarded a lower-tier construction subcontract with a price exceeding $10,000 and shall do so at the time Proposals or offers for each such subcontract are
received or at the outset of negotiations for each such subcontract.

20.5. If the price of this Agreement/Contract exceeds $10,000, the apparent Successful Proposer shall complete and submit to the Owner, within ten calendar days after being notified of being the apparent Successful Proposer, the "Certification of Nonsegregated Facilities", which is included as Appendix H to these Supplementary Conditions. In addition, if the Contractor, or any construction subcontractor at any tier, intends to let any lower-tier construction subcontracts for any portion of the Work, it shall obtain the "Certification of Nonsegregated Facilities" from each prospective construction subcontractor that will be awarded a lower-tier construction subcontract with a price exceeding $10,000 and shall do so before awarding each such subcontract.

20.6. If the price of this Agreement/Contract exceeds $10,000, the Owner shall give written notice to the Director of the Office of Federal Contract Compliance Programs within ten working days of award of this Agreement/Contract. The notice is to include the name, address, and telephone number of the Contractor; the employer identification number of the Contractor; the dollar amount of this Agreement/Contract; the estimated starting and completion dates of this Agreement/Contract; the number of this Agreement/Contract; and the geographical area in which the Work is to be performed.

If the price of this Agreement/Contract equals or exceeds $50,000 and if the Contractor has 50 or more employees, the Contractor shall file with the Florida Department of Environmental Protection (FDEP)/United States Environmental Protection Agency (USEPA), within 30 calendar days after the award of this Agreement/Contract, a report on Standard Form 100 (EEO-1), which has been promulgated jointly by the Office of Federal Contract Compliance Programs, the Equal Employment Opportunity Commission, and Plans for Progress, unless the Contractor has submitted such a report within 12 months preceeding the date of award of this Agreement/Contract. In addition, the Contractor shall ensure that each construction subcontractor having 50 or more employees and a lower-tier construction subcontract with a price equaling or exceeding $50,000 also files with the FDEP/USEPA, within 30 calendar days after the award to it of the lower-tier construction subcontract, a report on Standard Form 100 (EEO-1) unless the construction subcontractor has submitted such a report within 12 months preceding the date of award of the lower-tier construction subcontract. (Subsequent reports are to be submitted annually in accordance with 41 CFR 60-1.7(a) or at such other intervals as the Director of the Office of Federal Contract Compliance Programs may require.)

ARTICLE 21 - IMMIGRATION REFORM AND CONTROL ACT OF (STATE OF FLORIDA EXECUTIVE ORDER 11-02)

The Immigration Reform and Control Act of 1986 prohibits employers from knowingly hiring illegal workers. The Successful Proposer shall only employ individuals who may legally work in the United States – either U.S. citizens or foreign citizens who are authorized to work in the U.S. The Successful Proposer shall use the U.S. Department of Homeland Security's E-Verify Employment Eligibility Verification system (http://www.uscis.gov/portal/site/uscis) to verify the employment eligibility of:

- all persons employed by the Successful Proposer, during the term of this Agreement, to perform employment duties within Florida; and,
- all persons (including subcontractors and subrecipients) assigned by the Successful Proposer to perform work pursuant to this Agreement.

The Successful Proposer shall include this provision in all subcontracts/subgrants it enters into for the performance of work under this Agreement.

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NOTE: Articles 17, 18 19 and Appendix A only apply to Federal CAP Grant Projects.

APPENDIX A TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
SUPPLEMENTARY CONDITIONS

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION - LOWER TIER COVERED TRANSACTIONS

[Note: This certification/clause has been extracted from Appendix B to 40 CFR Part 32 and is applicable to all FDEP-assisted goods and services (including construction) contracts and subcontracts with a price equaling or exceeding $25,000; this certification/clause is to be included in all FDEP-assisted goods and services (including construction) contracts and subcontracts with a price equaling or exceeding $25,000 and in all solicitations for such contracts and subcontracts.]

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction", "debarred", "suspended", "ineligible", "lower tier covered transaction", "participant", "person", "primary covered transaction", "principal", "proposal", and "voluntarily excluded", as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or

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voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

(3) The prospective lower-tier participant also certifies that it and its principals:

(a) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State anti-trust statutes or commission of embezzlement, theft, forgery,

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bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(b) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (3)(a) of this certification; and

(c) Have not within a three-year period preceding this proposal had one or more public transactions (Federal, State or local) terminated for cause or default. Where the prospective lower-tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal.

APPENDIX B TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)

[Note: This notice has been extracted from 41 CFR 60-4.2(d) and is applicable to all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000; this notice is to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

1. The Offeror's or Proposer's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Specifications" set forth herein.

2. The goals and timetables for minority and female participation, expressed in percentage terms for the Contractor's aggregate workforce in each trade on all construction work in the covered area, are as follows:

Timetables	Goals for minority participation for each trade	Goals for female participation in each trade
	Insert goals for each year.	Insert goals for each year.

These goals are applicable to all the Contractor's construction work (whether or not it is Federal or federally assisted) performed in the covered area. If the contractor performs construction work in a geographical area located outside of the covered area, it shall apply

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the goals established for such geographical area where the work is actually performed. With regard to this second area, the contractor also is subject to the goals for both its federally involved and nonfederally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executive Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the subcontract is to be performed.

4. As used in this Notice, and in the contract resulting from this solicitation, the "covered area" is

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(insert description of the geographical areas where the contract is to be performed giving the state,

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county and city, if any)

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APPENDIX C TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

GOALS AND TIMETABLES FOR MINORITIES AND FEMALES

[Note: These goals and timetables are the goals and timetables referred to in Paragraph 2 of the "Notice of Requirement for Affirmative Action to Ensure Equal Employment Opportunity (Executive Order 11246)"; these goals and timetables are to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

Appendix A

The following goals and timetables for female utilization shall be included in all Federal and federally assisted construction contracts and subcontracts in excess of $10,000. The goals are applicable to the contractor's aggregate on-site construction workforce whether or not part of that workforce is performing work on a Federal or federally-assisted construction contract or subcontract.

Area covered: Goals for Women apply nationwide.

Goals and Timetables

Timetable	Goals (percent)
Indefinite	6.9

Appendix B-80

Until further notice, the following goals for minority utilization in each construction craft and trade shall be included in all Federal or federally assisted construction contracts and subcontracts in excess of $10,000 to be performed in the respective geographical areas. The goals are applicable to each nonexempt contractor's total onsite construction workforce, regardless of whether or not part of that workforce is performing work on a Federal, federally assisted or nonfederally related project, contract or subcontract.

Construction contractors which are participating in an approved Hometown Plan (see 41 CFR 60-4.5) are required to comply with the goals of the Hometown Plan with regard to construction work they perform in the area covered by the Hometown Plan. With regard to all their other covered construction work, such contractors are required to comply with the applicable SMSA or EA goal contained in this Appendix B-80.

Economic Areas

State Goal (percent)

Florida

041 Jacksonville, FL:
SMSA Counties:
2900 Gainesville, FL--
20.6
FL - Alachua
3600 Jacksonville, FL--
21.8
FL - Baker, Clay, Duval, Nassau, St. Johns
Non-SMSA Counties---
22.2
FL - Bradford, Columbia, Dixie, Gilchrist, Hamilton, LaFayette, Levy, Marion, Putnam, Suwannee, Union; GA - Brantley, Camden, Charlton, Glynn, Pierce, Ware

042 Orlando - Melbourne - Daytona Beach, FL:
SMSA Counties:
2020 Daytona Beach, FL---
15.7
FL - Volusia
4900 Melbourne - Titusville - Cocoa, FL---------------------------------------
10.7
FL - Brevard
5960 Orlando, FL--
15.5
FL - Orange, Osceola, Seminole
Non-SMSA Counties---
14.9
FL - Flagler, Lake, Sumter

043 Miami - Fort Lauderdale, FL:
SMSA Counties:
2680 Fort Lauderdale - Hollywood, FL---
15.5
FL - Broward
5000 Miami, FL--
39.5

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FL - Dade

8960 West Palm Beach - Boca Raton, FL---------------------------------------

22.4

FL - Palm Beach

Non-SMSA Counties---

30.4

FL - Glades, Hendry, Indian River, Martin,
Monroe, Okeechobee, St. Lucie

Economic Areas

State	Goal (percent)
Florida - continued	
044 Tampa - St. Petersburg, FL:	
SMSA Counties:	
1140 Bradenton, FL	15.9
FL - Manatee	
2700 Fort Myers, FL	15.3
FL - Lee	
3980 Lakeland - Winter Haven, FL	18.0
FL - Polk	
7510 Sarasota, FL	10.5
FL - Sarasota	
8280 Tampa - St. Petersburg, FL	17.9
FL - Hillsborough, Pasco, Pinellas	
Non-SMSA Counties	17.1
FL - Charlotte, Citrus, Collier, DeSoto, Hardee, Hernando, Highlands	
045 Tallahassee, FL:	
SMSA Counties:	
8240 Tallahassee, FL	24.3
FL - Leon, Wakulla	
Non-SMSA Counties	29.5
FL - Calhoun, Franklin, Gadsden, Jackson, Jefferson, Liberty, Madison, Taylor	
046 Pensacola - Panama City, FL:	
SMSA Counties:	

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6015 Panama City, FL--
14.1
FL - Bay
6080 Pensacola, FL--
18.3
FL - Escambia, Santa Rosa
Non-SMSA Counties--15.4
FL - Gulf, Holmes, Okaloosa, Walton,
Washington

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APPENDIX D TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

EQUAL OPPORTUNITY CLAUSE

[Note: This clause has been extracted from 41 CFR 60-1.4(b) and is applicable to all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000; this clause is to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action 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. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared

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ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the contractor may request the United States to enter into such litigation to protect the interests of the United States.

APPENDIX E TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

NOTICE TO BE POSTED

[Note: This notice has been extracted from 41 CFR 60-1.42(a) and is the notice referred to in Paragraphs (1) and (3) of the "Equal Opportunity Clause"; this notice is to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

EQUAL EMPLOYMENT OPPORTUNITY IS THE LAW - DISCRIMINATION IS PROHIBITED
BY THE CIVIL RIGHTS ACT OF 1964 AND BY EXECUTIVE ORDER NO. 11246

Title VI of the Civil Rights Act of 1964 - Administered by:

THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Prohibits discrimination because of Race, Color, Religion, Sex, or National Origin by Employers with 75 or more employees, by Labor Organizations with a hiring hall of 75 or more members, by Employment Agencies, and by Joint Labor-Management Committees for Apprenticeship or Training. After July 1, 1967, employers and labor organizations with 50 or more employees or members will be covered; after July 1, 1968, those with 25 or more will be covered.

ANY PERSON

Who believes he or she has been discriminated against

SHOULD CONTACT

THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

2401 E Street NW, Washington, D.C. 20506
Executive Order No. 11246 - Administered by:

THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

Prohibits discrimination because of Race, Color, Religion, Sex, or National Origin, and requires affirmative action to ensure equality of opportunity in all aspects of employment.

By all Federal Government Contractors and Subcontractors, and by Contractors Performing Work Under a Federally Assisted Construction Contract, regardless of the number of employees in either case.

ANY PERSON

Who believes he or she has been discriminated against

SHOULD CONTACT

THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS
U.S. Department of Labor, Washington, D.C. 20210

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APPENDIX F TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)

[Note: These specifications have been extracted from 41 CFR 60-4.3(a) and are applicable to all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000; these specifications are to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

1. As used in these specifications:

a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;

b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U.S. Treasury Department Form 941.

d. "Minority" includes:

(i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);

(ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);

(iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the Notice which contains

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the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U.S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors or Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction Contractors performing construction work in geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the FEDERAL REGISTER in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U.S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The

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Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, will assign two or more women to each construction project. The Contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.

c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union or, if referred, not employed by the Contractor, this shall be documented in the file with the reason therefor, along with whatever additional actions the Contractor may have taken.

d. Provide immediate written notification to the Director when the union or unions with which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or woman sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.

e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b above.

f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with onsite supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

h. Disseminate the Contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

i. Direct its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and female recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures, and tests to be used in the selection process.

j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of a Contractor's work force.

k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.

l. Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.

n. Ensure that all facilities and company activities are nonsegregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of

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solicitations to minority and female contractor associations and other business associations.

p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.

8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these Specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.

9. A single goal for minorities and a separate single goal for women have been established. The Contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the Contractor has achieved its goals for women generally, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex, or national origin.

11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

13. The Contractor, in fulfilling its obligation under these specifications, shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from

its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director shall proceed in accordance with 41 CFR 60-4.8.

14. The Contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

APPENDIX G TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

CERTIFICATION OF COMPLIANCE WITH 41 CFR 60-1.7: REPORTS AND OTHER REQUIRED INFORMATION

[Note: This certification is required by 41 CFR 60-1.7(b) and is applicable to all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000; this certification is to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

This certification relates to a construction contract proposed by Islamorada, Village of Islands, which expects to finance the proposed construction contract with assistance from the Florida Department of Environmental Protection (which administers a State revolving fund loan program supported in part with funds directly made available by grants from the

United States Environmental Protection Agency). I am the undersigned prospective construction contractor or subcontractor. I certify that:

(1) I _____ have / _____ have not participated in a previous contract or subcontract subject to the Equal Opportunity Clause and

(2) if I have participated in a previous contract or subcontract subject to the Equal Opportunity Clause, I ____ have / _____ have not filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance Programs, or the Equal Employment Opportunity Commission all reports due under the applicable filing requirements.

I understand that, if I have participated in a previous contract or subcontract subject to the Equal Opportunity Clause and have failed to file all reports due under the applicable filing requirements, I am not eligible, and will not be eligible, to have my bid or offer considered, or to enter into the proposed contract or subcontract, unless and until I make an arrangement regarding such reports that is satisfactory to the office where the reports are required to be filed.

I agree that I will obtain identical certifications from prospective lower-tier construction subcontractors when I receive bids or proposals or offers or initiate negotiations for any lower-tier construction subcontracts with a price exceeding $10,000. I also agree that I will retain such certifications in my files.

____ ____________

(Signature of Authorized Official) (Date)

____

(Name and Title of Authorized Official [Print or Type])

____

(Name of Prospective Construction Contractor or Subcontractor [Print or Type])

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(Address and Telephone Number of Prospective Construction Contractor or Subcontractor [Print or Type])

(Employer Identification Number of Prospective Construction Contractor or Subcontractor)

APPENDIX H TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION SUPPLEMENTARY CONDITIONS

CERTIFICATION OF NONSEGREGATED FACILITIES

[Note: This certification is required by 41 CFR 60-1.8(b) and is applicable to all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000; this certification is to be included in all FDEP-assisted construction contracts and subcontracts with a price exceeding $10,000 and in all solicitations for such contracts and subcontracts.]

This certification relates to a construction contract proposed by Islamorada, Village of Islands, which expects to finance the proposed construction contract with assistance from the Florida Department of Environmental Protection (which administers a State revolving fund loan program supported in part with funds directly made available by grants from the United States Environmental Protection Agency). I am the undersigned prospective construction contractor or subcontractor. I certify that I do not and will not maintain any facilities I provide for my employees in a segregated manner and that I do not and will not permit my employees to perform their services at any locations under my control where segregated facilities are maintained.

I agree that I will obtain identical certifications from prospective lower-tier construction subcontractors prior to the award of any lower-tier construction subcontracts with a price exceeding $10,000. I also agree that I will retain such certifications in my files.

____

(Signature of Authorized Official) (Date)

____

(Name and Title of Authorized Official [Print or Type])

____

(Name of Prospective Construction Contractor or Subcontractor [Print or Type])

____

(Address and Telephone Number of Prospective Construction Contractor or Subcontractor [Print or Type])

____

(Employer Identification Number of Prospective Construction Contractor or Subcontractor)

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APPENDIX I
TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
SUPPLEMENTARY CONDITIONS

Davis Bacon Requirements

FEDERAL LABOR STANDARDS PROVISIONS

(Davis-Bacon Act, Copeland Act, and Contract Works Hours & Safety Standards Act)

The Project to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

1 Minimum Wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer=s payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

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(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. EPA shall approve an additional classification and wage rate and fringe benefits; therefore, only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and EPA or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by EPA or its designee to the Administrator of the Wage and Hour Division, employment Standards Administration, U. S. Department of Labor, Washington, D. C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise EPA or its designee or will notify EPA or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event that the Contractor, the laborers or mechanics to be employed in the Classification or their representatives, and EPA or its designee do not agree on the proposed classification and wage rate (including the amount designed for fringe benefits, where appropriate), EPA or its designee shall refer the questions, including the views of all interested parties and the recommendation of EPA or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise EPA or its designee or will notify EPA or its designee within the 30-day period that the additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding.

EPA or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, EPA, or its designee may, after written notice to the contractor, sponsor, applicant, or owners, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. EPA or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. Payrolls and Basic Records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section

1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017).

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to EPA or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owners, as the case may be, for transmission to EPA or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(I). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U. S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149).

(b) Each payroll submitted shall be accompanied by a Statement of Compliance, signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5 (a)(3)(I) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly
or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Option Form WH-347 shall satisfy the requirement for submission of the Statement of Compliance required by paragraph A. 3(ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph A.3(I) of this section available for inspection, copying, or transcription by authorized representatives of EPA or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, EPA or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U. S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program, shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman=s hourly rate) specified in the contractors or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentices level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with the determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U. S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainees level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program the contract will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal Employment Opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act Requirements.

The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts.

The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as EPA or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contract shall be responsible for

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the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract Termination, Debarment.

A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements.

All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3 and 5 are herein incorporated by referenced in this contract.

9. Disputes Concerning Labor Standards.

Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6 and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and EPA or its designee, the U. S. Department of Labor, or the employees or their representatives.

10. Certification of Eligibility.

(i) By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded EPA contracts or participate in EPA programs pursuant to Executive Order 12549.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded EPA contracts or participate in EPA programs pursuant to Executive Order 12549.

(iii) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U. S. C. 1001. Additionally, U. S. Criminal Code, Section 1010, Title 18, U. S. C., Federal Housing Administration transactions, provides in part Whoever, for the purpose of. . .influencing in any way the action of such Administration. . .makes, utters or publishes any statement, knowing the same to be false. . .shall be fined not more than $5,000 or imprisoned not more than two years, or both.

11. Complaints, Proceedings, or Testimony by Employees.

A. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this contract are applicable shall be discharged or in any other manner discriminated against by the contractor or any subcontractor because such employee has filed any

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complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this contract to his employer.

B. Contract Work Hours and Safety Standards Act. As used in the paragraph, the terms laborers and mechanics include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. EPA or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act , which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54.83 State 96).

(3) The contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

12. Guidance to Contractor for Compliance with Labor Standards Provisions

a) Contracts with Two Wage Decisions

If the contract includes two wage decisions, the contractor, and each subcontractor who works on the site, must submit either two separate payrolls (one for each wage decision) or one payroll which identifies each worker twice and the hours worked under each wage decision. One single payroll, reflecting each worker once, may be submitted provided the Contractor uses the higher rate in the wage decisions for each identical job classification. However, where a job classification is not listed in a wage decision and is needed for that portion of the work, the classification **must** be added to the wage decision. A worker may not be paid at the rate for a classification using the hourly rate for that same classification in another wage decision. After the additional classification is approved, the contractor may pay the higher of the two rates and submit one payroll, if desired.

b) Complying with Minimum Hourly Amounts

1) The minimum hourly amount due to a worker in each classification is the total of the amounts in the Rates and Fringe Benefits (if any) columns of the applicable wage decision.

2) The contractor may satisfy this minimum hourly amount by any combination of cash and bona fide fringe benefits, regardless of the individual amounts reflected in the Rates and Fringe Benefits columns.

3) A contractor payment for a worker which is required by law is not a fringe benefit in meeting the minimum hourly amount due under the applicable wage decision. For example, contractor payments for FICA or unemployment insurance are not a fringe benefit; however, contractor payments for health insurance or retirement are a fringe