



CITY OF NEWBERG
CITY RECORDER INDEX NO. 1611
RECEIVED JUN 19 1998

TRANSMITTAL

TO: Mr. Duane Cole
City Manager
City of Newberg
414 E. First Street
Newberg, Oregon 97132

FROM: Dulcy Berri 

DATE: June 18, 1998

PROJECT NO.: 12748.00

RE: Consulting Service Agreement

Enclosed are ~~two~~ ^{three} signed originals of the agreement. Thanks again, Duane!

ENVIRONMENTAL
MANAGEMENT
AND CONSULTING

1220 SW Morrison Street, Suite 600 Portland, OR 97205 503/248-1939 Fax 503/248-0223

EUGENE RICHLAND PORTLAND SEATTLE DENVER

**CITY OF NEWBERG
AGREEMENT WITH
TO PROVIDE CONSULTING SERVICES
TO THE CITY OF NEWBERG**

THIS AGREEMENT, made and entered into as of the 19th day of June, 1998, by and between the following parties:

City of Newberg
a Municipal Corporation of
the State of Oregon
hereinafter known as CITY
414 East First Street
Newberg, OR 97132
(503) 538-9421

PBS Environmental
hereinafter known as Consultant
1220 S. W. Morrison Street, Suite 600
Portland, OR 97205

RECITAL

1. **City** has need for the services of a **Consultant** with particular training, ability, knowledge, expertise and experience possessed by **Consultant**.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. **Scope of Work:** The **Consultant** agrees to provide the services provided in the Scope of Work which is Exhibit "A" and attached (attached hereto and incorporated by this reference). The **Consultant** represents and warrants to the **City** that the **Consultant** can perform the work outlined in the Scope of Work for the fee proposal amount.
2. **Compensation:** The **Consultant** agrees to perform the work for a not-to-exceed fee as indicated in their professional fee proposal obtained in the Scope of Work. The not-to-exceed figure is as follows:

\$8,036

The **Consultant** shall not exceed the fee for any task included in the fee proposal amount. If the **Consultant** sees that the fee is going to exceed the not-to-exceed figure because the task has changed or is outside the scope, the **Consultant** shall notify the **City** in writing of the circumstances with an estimated amount that the fee is to be exceeded. The **Consultant** shall obtain written permission from the **City** before exceeding the maximum fee amount. If the **Consultant** does work that exceeds the maximum fee amount prior to obtaining the written permission, the **Consultant** waives any right to collect that fee amount and forfeits any right.

3. **Additional Work Not Shown Within The Scope of Work:** If **City** requests or requires work to be done not within the Scope of Work in this project, the **Consultant** shall notify the **City** of such work, give an estimated fee amount, and obtain written instructions to proceed with work in

the form of a contract amendment prior to proceeding with work and incurring any costs on behalf of the **City**. If **Consultant** proceeds with work prior to obtaining permission and/or contract amendment, the **Consultant** waives any right to collect fees for work performed.

4. **Status:** **Consultant** is not currently employed by the **City**. The parties to this contract intend that the relationship between them created by this contract is that of an employer-independent contractor. No agent, employee, or servant of **Consultant** shall be or shall be deemed to be the employee, agent or servant of **City**. **City** is interested only in the results obtained under this contract; the manner and means of conducting the work are under the sole control of **Consultant**, however, the work contemplated herein must meet the approval of the **City** and shall be subject to **City's** general right of inspection and supervision to secure the satisfactory performance thereof.
5. **Work Performed:** The work to be performed by **Consultant** includes services generally performed by **Consultant** in his or her usual line of business.
6. **Taxes:** **Consultant** will be responsible for any federal or state taxes applicable to payments received under this contract. **City** will report the total of all payments to **Consultant**, including any expenses, in accordance with the Federal Internal Revenue Service and the State of Oregon Department of Revenue regulations.
7. **Benefits:** **Consultant** will not be eligible for any federal social security, state workers compensation, unemployment insurance, or public employees' retirement system benefits from the contract payment except as a self-employed individual.
8. **Federal Employment Status:** In the event any payment made pursuant to this contract is to be charged against federal funds, **Consultant** certifies that he or she is not currently employed by the federal government and the amount charged does not exceed his or her normal charge for the type of services provided.
9. **Indemnification Provision:** **Consultant** shall indemnify and reimburse the **City** for any actual losses and/or damages incurred by the **City** due to the negligent acts, errors, and/or omissions of the **Consultant** including any cost incurred by the **City** in defense of such claims.
10. **Insurance:**
 - a) **Consultant**, its sub-consultants, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers; or by signing this contract, **Consultant** represents that he or she is a sole proprietor and is exempt from the laws requiring workers' compensation coverage.
 - b) **Consultant** will at all times carry a Comprehensive General Liability insurance policy for at least \$1,000,000 combined single limits per occurrence for Bodily Injury, Property Damage, and Personal Injury. If the policy is written on the new occurrence form then the aggregate limit shall be \$2,000,000.
 - c) **Consultant** will at all times carry a Professional Liability/Errors and Omission type policy with limits of at least \$500,000. If this policy is a "claims made" type policy, the policy type and company shall be approved by the City Manager prior to commencement of any work under this contract.
 - d) **Consultant** shall furnish the **City** with Certificates of Insurance upon execution of contract and **City** acknowledges receipt of such Certificates of Insurance.

11. **Indemnification:** The City of Newberg, its agents, employees and officials all while acting within their official capacity as such, shall be named as an additional insured on the insurance specified in paragraph 10(b) above. A certificate of insurance evidencing any policies required by this contract shall be delivered to the City prior to the commencement of any work. A 30-day notice of cancellation clause shall be included in said certificate. The City has the right to reject any certificate for unacceptable coverage and/or companies.
12. **Employees' Taxes:** Consultant shall also defend, indemnify and hold harmless City against all liability and loss in connection with and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to Consultant's employees engaged in the performance of this contract.
13. **Termination:** This contract may be terminated by either party at the end of a project phase as defined in Exhibit "A" or at any time upon 30 days written notice.
14. **Contract Duration:** Except as provided for under paragraph 3, the duration of this contract shall be in accordance with Exhibit "A" or until project completion, whichever comes first. This fact notwithstanding, the services of Consultant shall be authorized and paid on a phase-by-phase basis as described in Exhibit "A".

IN WITNESS WHEREOF, THE PARTIES HAVE AFFIXED THEIR SIGNATURES BELOW.

CITY OF NEWBERG

By: Anne R. Cole
Name: Anne R. Cole
Title: (print) City Manager
Date: June 19, 1998

By: Dulcy Berri
Name: Dulcy BERRI
Title: (print) Portland Operations Manager
Date: June 18, 1998

Approved as to form/content:
Terrence D. Mahr
Terrence D. Mahr, City Attorney

SCOPE OF WORK

CITY HALL ENVIRONMENTAL/ GEO-TECHNICAL SERVICES

PROJECT UNDERSTANDING:

The project will consist of a seismic upgrade of the existing City Hall structure, and design and construction of an adjoining addition. The completed structure will be classified as an emergency response facility. The existing footings may require modifications, and/or the application of additional loads. The City has the following concerns:

1. the possibility of contaminants migrating onsite from the auto dealership to the north;
2. the possibility of contamination related to the former print shop to the west;
3. the possibility of contaminants migrating through an old drainage channel that is believed to cross within about one block to the south of the building.

The environmental scope of work will address primarily screening on the north side of the property (closest to suspect sources), however, all additional geo-technical borings will be screened as well, in the event contaminants exist elsewhere on the site. A utility location request will be made; the City will be responsible for verifying utility locations outside of the public right-of-way prior to commencement of field activities, as well as arranging for lane closures if necessary.

SCOPE OF SERVICES:

PHASE 1. Environmental and Geotechnical Explorations and Testing

A. Explorations:

Proposed explorations will consist of three borings for the purposes of both the seismic hazards study and geotechnical investigation, as well as environmental sampling. The Geotechnical/Environmental soil borings will be advanced in three locations on the property using a drilling rig. One boring will be extended through the Willamette Silt formation estimated to be on the order of 50 feet for the seismic hazards study. The other two borings will be extended to 10 feet below groundwater elevation for both the environmental and geotechnical information (boring depths of 20 feet). In each location, soil samples will be collected and screened for volatile organic compounds using a portable photoionization detect (PID). Drilling and sampling equipment will be steam-cleaned between short holes to prevent cross-contamination. Decontamination and purge water will be drummed and left onsite pending laboratory analysis of groundwater samples. Disposal of waste water (est. Less than 100 gallons) is not included in this scope of work.

The borings will be logged, groundwater observed, and representative samples will be collected by one of our engineers or geologists. In-situ consistency (strength) and relative density testing will consist of Standard Penetration Testing (SPT) at 2.5 to 5 foot intervals. It is assumed that the explorations will be accomplished in an eight hour period.

B. Laboratory Testing:

Environmental Testing, other than field screening scoped, includes: One soil sample from each location submitted for analysis of petroleum hydrocarbon identification (NWTPH-HCID). A groundwater sample will be collected from each location from a temporary well point and analyzed for BTEX (gasoline constituents) by EPA Method 8020 and for other common volatile organic compounds by EPA Method 8260.

Geotechnical laboratory tests will include visual-manual classification per the Unified Soil Classification, and natural moisture contents (ASTM D-4959) on all applicable samples; in addition, applicable granular samples from borings will be tested to determine sand content for liquefaction studies (ASTM D-1140). Based on preliminary site and project information, more sophisticated tests such as triaxial strength tests or consolidation tests are not necessary for this project.

C. Report:

A separate report will be prepared for the environmental work at the end of Phase 1 work. The environmental report will include formal boring logs, findings, interpretation of the findings, and recommendations for further environmental work, if necessary. All work will be completed under the supervision of an Oregon Registered Geologist.

PHASE 2. Geotechnical Investigation and Seismic Hazards Report

The scope of work for the seismic hazards study is generally outlined by the 1994 UBC (1996 Oregon Structural Specialty Code), Chapter 18. The code states that seismic hazard studies shall include, but not be limited to: test borings, materials classification and testing, groundwater elevation, geologic profile, regional tectonic setting, selection criteria for seismic sources and recommendations for design earthquake and resulting ground motion, and evaluation of other hazards such as landslide, liquefaction, tsunami, seiche, fault displacement, and subsidence.

In addition to the Phase 1 and seismic hazard study scope items listed above, the following specific scope of services for the geotechnical investigation are proposed:

A. Literature Search:

Existing plans for the original construction will be reviewed to determine approximate original conditions (topography) in the footprint of the addition, and existing foundation plans. A literature search for the seismic hazard studies will also be performed, and references cited.

B. Engineering Studies:

An interpretive geological/geotechnical profile beneath the site will be developed from

information collected in the literature search, the explorations, and the testing performed for this study. Based on the explorations, seismic hazards and engineering studies, and together with local experience, the following recommendations will be provided:

- sod or substandard bill stripping depths
- general and structural earthwork requirements including treatment and limitations of existing fills
- acceptable foundation types and limitations, bearing pressures, foundation subgrade preparations, and estimated settlements, including analysis of existing footings as they relate to increased loading
- permanent cut and fill slopes
- groundwater drainage issues
- concrete slab modules of subgrade reaction, base aggregate thickness and subgrade preparations
- soil parameters for retaining wall design
- AC pavement structural section determination, recommended materials, and subgrade preparations
- development of seismic design coefficients

C. Report:

A final letter report will be prepared for the geotechnical work, and will include formal exploration logs, geologic profile, in-situ and laboratory test results, seismic hazards study results, and geotechnical engineering design and construction recommendations and conclusions. All work will be completed under the supervision of an Oregon Registered Civil (Geotechnical) Engineer.

PBS ENVIRONMENTAL ("PBS")

GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

Attached to and part of our letter agreement to client outlining our specific scope of services:

The purpose of these General Terms and Conditions is to identify basic contractual obligations of PBS and Client for various professional consulting services, whereby PBS would be acting in the role of Consultant/Owner Representative for Client. Individual projects may require additional detailed descriptions of services to be provided as a supplement to this agreement.

1. RATE SCHEDULE

Fees for services are based on the number of hours expended on the project, including travel, by PBS personnel plus any reimbursable expenses.

	<u>Regular Rate</u>		<u>Regular Rate</u>
1. Principal	\$110.00	7. Field Engineer/Scientist	55.00
2. Environmental/Construction Engineer	85.00	8. Industrial Hygienist/Inspector	55.00
3. Sr. Geotechnical/Soils Engineer	75.00	9. Sr. Soils Technician	45.00
4. Sr. Industrial Hygienist/Toxicologist	75.00	10. Drafting/ACAD/Mapping	40.00
5. Sr. Engineer/Geologist/Scientist	75.00	11. Soils Technician	35.00
6. Project Engineer/Geologist	60.00	12. Admin/Computer Support	32.00

* Note: Personnel in Categories 7, 9, and 11 will charge time exceeding eight hours per day and weekends at 1.25% of the regular hourly rate. Court and arbitration time will be charged at two times above rates.

2. REIMBURSABLE EXPENSES

- A. Outside Services Subcontracted services such as subconsultants, labor, and technical services will be invoiced at cost plus 15 percent. Examples of services which may be subcontracted include other professional disciplines, soil boring, well installation, heavy and specialty equipment operators, geophysical surveys, and computer programming.
- B. Supplies Charges for items not ordinarily furnished by PBS such as expendable equipment, rental equipment, subsistence, travel expenses, tolls, special fees, permits, licenses, priority mail fees, and long-distance and wireless telephone calls will be invoiced at cost plus 10%.
- C. Equipment Certain PBS-owned equipment (for sampling, testing, personal protective equipment, vehicle mileage, photocopying, etc.) may be required to complete the project. These will be invoiced at our standard rates without markup (rates available upon request). Current vehicle mileage rate is \$0.35 per mile, the photocopying rate is \$0.15 per copy, the photograph rate is \$1.00 per photo; these rates are subject to change without notice.
- D. Laboratory PBS utilizes both in-house and outside laboratories for sample analysis. We maintain a list of standard rates for sample analysis commonly utilized in conjunction with our services (available upon request).

3. RIGHT OF ENTRY

Unless otherwise agreed, the Client will furnish PBS right-of-entry on real property and be responsible for the propriety of the time, place, and manner of our entry upon the real property where we are to perform our services. PBS will take reasonable precautions to minimize damage to the real property from use of equipment, but have not included in the fee the cost of restoration, unless specifically included in our scope of work. If the Client desires PBS to restore the real property to its approximate former condition, we will accomplish this and add the cost plus 15 percent to our fee.

4. BURIED UTILITIES

PBS and its subcontractors will use reasonable care and diligence to determine the location of existing utilities and avoid contact with utilities. The client will hold PBS and PBS subcontractors harmless from any loss resulting from inaccuracy of the plans, or lack of plans, relating to the location of utilities. Note: Utility updates typically require 48 hours advance notice.

5. WORKER'S COMPENSATION INSURANCE

PBS will provide worker's compensation insurance (and/or employer's liability insurance) as required by state statutes.

6. **GENERAL LIABILITY AND LIMITATION THEREOF**

PBS agrees to hold the Client harmless and to indemnify and defend the Client for any and all loss, liabilities and damages, claims or action including attorney fees, due to bodily injury or property damage arising directly out of our negligent operational acts. PBS carries comprehensive general liability insurance which, subject to its limits, terms, and conditions, provides protection against liability arising out of bodily injury and property damage that is the direct result of any and all negligence. PBS will provide certificates evidencing such coverage listing Client as additional insured upon request.

7. **PROFESSIONAL LIABILITY AND LIMITATION THEREOF**

This paragraph relates only to Professional Liability and not General Liability. In performing our professional services, we will use that standard of care and skill ordinarily recognized under similar circumstances by members of our profession in the state and region at the time the services are performed. No other warranty, either expressed or implied, is made in connection with our rendering of professional services.

8. **REPORTS AND PRESENTATIONS**

The reports of PBS and its subconsultants are for the limited purpose of this contract. PBS will be responsible for its express conclusions and recommendations, but will not be responsible for the interpretation or use of its reports by third parties, without prior written approval by PBS. The Client shall indemnify, defend and hold harmless PBS and its subconsultants from any claims, damages, costs, losses and expenses, including but not limited to attorney fees and costs on arbitration, trial or appeal arising out of third party use of PBS's reports.

9. **SAMPLES**

All samples will be discarded 30 days after submission of our final report unless other arrangements are made.

10. **PAYMENTS TO CONSULTANT**

Invoices will be submitted periodically for prior services. An account will become delinquent thirty days after date of billing. It is agreed that a late charge will be added to delinquent accounts at the rate of one-and-one-half percent (1-1/2%) for each thirty days delinquent (provided the rate of such late charge shall not exceed the maximum allowable by the laws of the state in which our office submitting the invoice is located).

11. **OTHER PROVISIONS**

Neither party shall hold the other responsible for delay in performance caused by acts of God, strikes, lockouts, weather, accidents, or other events beyond the control of the other or the other's employees and agents.

One or more waivers by either party of any provision, term, condition or covenant, shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party by providing written notice.

An opinion of abatement, remediation and restoration costs prepared by PBS represents our judgement as a professional. Since we have no control over the cost of labor and material, or over competitive bidding or market conditions, we do not guarantee the accuracy of our opinion as compared to contractor bids of actual cost to the Client.

It is understood and agreed by both parties that PBS, in performing professional services for the Client with respect to hazardous substances, will make recommendations to the Client but does not have the authority or responsibility to decide where disposal or treatment takes place, nor to designate how or by whom the hazardous substances are to be transported for disposal or treatment. It is understood that PBS is not the generator and does not own the hazardous waste discovered, handled or removed from the owner's property.

In the event there is a dispute between PBS and the Client concerning the performance of any provision in this agreement, the losing party shall pay the prevailing party reasonable attorney's fees and costs on trial or appeal. In addition, Client agrees to pay PBS for all employee time, costs, and witness costs incurred for collection activity.

This agreement can be terminated at any time by either party.

12. **STANDARD OF CARE**

PBS's services are conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession practicing in a similar geographical area under similar conditions (i.e. PBS utilizes sampling protocols which are generally accepted and informative means of conducting investigations. However, these protocols may not result in conclusions with 100% certainty). This standard of care shall be determined as of the time PBS performs its services and not as of any other time. No other warranty, express or implied, is made. PBS's interpretations and recommendations will be based solely on information which is made available to PBS by the Owner or by the results of samples, surveys or other investigations performed by PBS. By entering into this agreement, PBS represents that all personnel to be assigned to perform the work described in this project are fully qualified to perform the work to which they are assigned in a competent and professional manner. PBS's professional services shall incorporate and comply with those federal, state and local laws, regulations, codes and standards that are applicable at the time PBS renders its services.



**FAX
TRANSMITTAL**

TO: Mickie Nichols
Sedgwick James of Oregon

FROM: Bart Phillips

DATE: June 12, 1998

FAX NO: 227-5944

RE: Certificate of Insurance

NO. OF PAGES INCLUDING TRANSMITTAL: 01

If you did not receive the entire fax or had any problems with the transmission, please call PBS at (503) 248-1939. Fax responses to (503) 248-0223.

Please fax and mail a certificate of insurance for PBS Environmental including coverage for:

General Liability
Automobile Liability
Professional Liability

Excess Liability
Worker's Compensation
Employer Liability

Certificate Holder:

Fax Number

Attention: Duane Cole
City of Newberg
414 East First Street
Newberg, OR 97132

503-537-5013

The City of Newberg, its agents, employees and officials all while acting within their official capacity as such, shall be named as additional insured on our general liability policy.

Please complete before the end of the day. Thank you very much.

ENVIRONMENTAL
MANAGEMENT
AND CONSULTING

1220 SW Morrison Street, Suite 600 Portland, OR 97205 503/248-1939 Fax 503/248-0223

RRND EUGENE PORTLAND KATLE TRI-CITIES SW WASHINGTON

ACORD

CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A Commerce & Industry

COMPANY

B New Hampshire Ins. Co.

COMPANY

C Northwestern Pacific Ind Co

COMPANY

D American Int'l Specialty Lines

E SAIF

Sedgwick of Oregon, Inc.
111 SW Columbia
Portland, OR 97201
503-248-6400

INSURED

PBS Environmental Building
Consultants, Inc.
1220 SW Morrison, Suite 600
Portland OR 97205

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LIN	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	613409131	4/01/98	4/01/99	GENERAL AGGREGATE \$ 2000000
X	COMMERCIAL GENERAL LIABILITY CLAIMS MADE OWNERS & CONTRACTORS				PRODUCTS COMPOUND \$ 2000000
					PETROLEUM & ADULTERY \$ 1000000
					EACH OCCURRENCE \$ 1000000
					CHIEF DAMAGE (Any one fire) \$ 50000
					MED EXP (Any one person) \$ 5000
B	AUTOMOBILE LIABILITY	CA7090922	4/01/98	4/01/99	COMBINED SINGLE LIMIT \$ 1000000
X	ANY AUTO				BOILERY INJURY (Per person) \$
	ALL OWNED AUTOS				BOILERY INJURY (Per accident) \$
X	NON OWNED AUTOS				PROPERTY DAMAGE \$
X	NON OWNED TRUCKS				AUTO ONLY - EA ACCIDENT \$
	OTHER LIABILITY				OTHER THAN AUTO ONLY: \$
	ANY AUTO				EACH ACCIDENT \$
					AGGREGATE \$
C	EXCESS LIABILITY	796920468	4/01/98	4/01/99	EACH OCCURRENCE \$ 1000000
X	EXCESS PLATFORM				AGGREGATE \$ 1000000
	OTHER THAN EXCESS PLATFORM				
D	WORKMANSHIP GUARANTEE AND EMPLOYERS LIABILITY	A446803130	10/01/97	10/01/98	WORKMANSHIP GUARANTEE \$ 100000
	THE EMPLOYER'S LIABILITY				EMPLOYEE - EACH ACCIDENT \$ 500000
	EMPLOYEE'S LIABILITY				EMPLOYEE - EACH EMPLOYEE \$ 100000
E	OTHER	8199580	4/01/98	4/01/99	
	PROFESSIONAL LIABILITY				\$1,000,000 EACH LIMIT
					\$2,000,000 TOTAL ALL LOSSES
					\$ 25,000 DEDUCTIBLE

DESCRIPTION OF OPERATIONS/LOCATIONS WHERE SUBJECT IS ENGAGED

THE CITY OF NEWBERG, ITS AGENTS, EMPLOYEES & OFFICIALS ALL WHILE THEIR ACTING WITHIN THEIR OFFICIAL CAPACITY AS SUCH, ARE ADDITIONAL INSURED ON THE GENERAL LIABILITY POLICY ONLY.

CERTIFICATE HOLDER

CITY OF NEWBERG
ATTN: DUANE COLL
414 EAST FIRST STREET
NEWBERG OR 97132

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL

30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT (THE FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION ON LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED SIGNATURE

DATE 10/28/98

**CITY OF NEWBERG
AGREEMENT WITH
TO PROVIDE CONSULTING SERVICES
TO THE CITY OF NEWBERG**

THIS AGREEMENT, made and entered into as of the 19th day of June, 1998, by and between the following parties:

City of Newberg
a Municipal Corporation of
the State of Oregon
hereinafter known as CITY
414 East First Street
Newberg, OR 97132
(503) 538-9421

PBS Environmental
hereinafter known as Consultant
1220 S. W. Morrison Street, Suite 600
Portland, OR 97205

RECITAL

1. **City** has need for the services of a **Consultant** with particular training, ability, knowledge, expertise and experience possessed by **Consultant**.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

1. **Scope of Work:** The **Consultant** agrees to provide the services provided in the Scope of Work which is Exhibit "A" and attached (attached hereto and incorporated by this reference). The **Consultant** represents and warrants to the **City** that the **Consultant** can perform the work outlined in the Scope of Work for the fee proposal amount.
2. **Compensation:** The **Consultant** agrees to perform the work for a not-to-exceed fee as indicated in their professional fee proposal obtained in the Scope of Work. The not-to-exceed figure is as follows:

\$8,036

The **Consultant** shall not exceed the fee for any task included in the fee proposal amount. If the **Consultant** sees that the fee is going to exceed the not-to-exceed figure because the task has changed or is outside the scope, the **Consultant** shall notify the **City** in writing of the circumstances with an estimated amount that the fee is to be exceeded. The **Consultant** shall obtain written permission from the **City** before exceeding the maximum fee amount. If the **Consultant** does work that exceeds the maximum fee amount prior to obtaining the written permission, the **Consultant** waives any right to collect that fee amount and forfeits any right.

3. **Additional Work Not Shown Within The Scope of Work:** If **City** requests or requires work to be done not within the Scope of Work in this project, the **Consultant** shall notify the **City** of such work, give an estimated fee amount, and obtain written instructions to proceed with work in

the form of a contract amendment prior to proceeding with work and incurring any costs on behalf of the **City**. If **Consultant** proceeds with work prior to obtaining permission and/or contract amendment, the **Consultant** waives any right to collect fees for work performed.

4. **Status:** **Consultant** is not currently employed by the **City**. The parties to this contract intend that the relationship between them created by this contract is that of an employer-independent contractor. No agent, employee, or servant of **Consultant** shall be or shall be deemed to be the employee, agent or servant of **City**. **City** is interested only in the results obtained under this contract; the manner and means of conducting the work are under the sole control of **Consultant**, however, the work contemplated herein must meet the approval of the **City** and shall be subject to **City's** general right of inspection and supervision to secure the satisfactory performance thereof.
5. **Work Performed:** The work to be performed by **Consultant** includes services generally performed by **Consultant** in his or her usual line of business.
6. **Taxes:** **Consultant** will be responsible for any federal or state taxes applicable to payments received under this contract. **City** will report the total of all payments to **Consultant**, including any expenses, in accordance with the Federal Internal Revenue Service and the State of Oregon Department of Revenue regulations.
7. **Benefits:** **Consultant** will not be eligible for any federal social security, state workers compensation, unemployment insurance, or public employees' retirement system benefits from the contract payment except as a self-employed individual.
8. **Federal Employment Status:** In the event any payment made pursuant to this contract is to be charged against federal funds, **Consultant** certifies that he or she is not currently employed by the federal government and the amount charged does not exceed his or her normal charge for the type of services provided.
9. **Indemnification Provision:** **Consultant** shall indemnify and reimburse the **City** for any actual losses and/or damages incurred by the **City** due to the negligent acts, errors, and/or omissions of the **Consultant** including any cost incurred by the **City** in defense of such claims.
10. **Insurance:**
 - a) **Consultant**, its sub-consultants, if any, and all employers working under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers; or by signing this contract, **Consultant** represents that he or she is a sole proprietor and is exempt from the laws requiring workers' compensation coverage.
 - b) **Consultant** will at all times carry a Comprehensive General Liability insurance policy for at least \$1,000,000 combined single limits per occurrence for Bodily Injury, Property Damage, and Personal Injury. If the policy is written on the new occurrence form then the aggregate limit shall be \$2,000,000.
 - c) **Consultant** will at all times carry a Professional Liability/Errors and Omission type policy with limits of at least \$500,000. If this policy is a "claims made" type policy, the policy type and company shall be approved by the City Manager prior to commencement of any work under this contract.
 - d) **Consultant** shall furnish the **City** with Certificates of Insurance upon execution of contract and **City** acknowledges receipt of such Certificates of Insurance.

11. **Indemnification:** The City of Newberg, its agents, employees and officials all while acting within their official capacity as such, shall be named as an additional insured on the insurance specified in paragraph 10(b) above. A certificate of insurance evidencing any policies required by this contract shall be delivered to the **City** prior to the commencement of any work. A 30-day notice of cancellation clause shall be included in said certificate. The **City** has the right to reject any certificate for unacceptable coverage and/or companies.
12. **Employees' Taxes:** **Consultant** shall also defend, indemnify and hold harmless **City** against all liability and loss in connection with and shall assume full responsibility for, payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws, with respect to **Consultant's** employees engaged in the performance of this contract.
13. **Termination:** This contract may be terminated by either party at the end of a project phase as defined in Exhibit "A" or at any time upon 30 days written notice.
14. **Contract Duration:** Except as provided for under paragraph 3, the duration of this contract shall be in accordance with Exhibit "A" or until project completion, whichever comes first. This fact notwithstanding, the services of **Consultant** shall be authorized and paid on a phase-by-phase basis as described in Exhibit "A".

IN WITNESS WHEREOF, THE PARTIES HAVE AFFIXED THEIR SIGNATURES BELOW.

CITY OF NEWBERG

By: Duane R. Cole
Name: Duane R. Cole
(print)
Title: City Manager
Date: June 19, 1998

By: Dulcy Berri
Name: DULCY BERRI
(print)
Title: Portland Operations Manager
Date: June 18, 1998

Approved as to form/content:

Terrence D. Mahr
Terrence D. Mahr, City Attorney

SCOPE OF WORK CITY HALL ENVIRONMENTAL/ GEO-TECHNICAL SERVICES

PROJECT UNDERSTANDING:

The project will consist of a seismic upgrade of the existing City Hall structure, and design and construction of an adjoining addition. The completed structure will be classified as an emergency response facility. The existing footings may require modifications, and/or the application of additional loads. The City has the following concerns:

1. the possibility of contaminants migrating onsite from the auto dealership to the north;
2. the possibility of contamination related to the former print shop to the west;
3. the possibility of contaminants migrating through an old drainage channel that is believed to cross within about one block to the south of the building.

The environmental scope of work will address primarily screening on the north side of the property (closest to suspect sources), however, all additional geo-technical borings will be screened as well, in the event contaminants exist elsewhere on the site. A utility location request will be made; the City will be responsible for verifying utility locations outside of the public right-of-way prior to commencement of field activities, as well as arranging for lane closures if necessary.

SCOPE OF SERVICES:

PHASE 1. Environmental and Geotechnical Explorations and Testing

A. Explorations:

Proposed explorations will consist of three borings for the purposes of both the seismic hazards study and geotechnical investigation, as well as environmental sampling. The Geotechnical/Environmental soil borings will be advanced in three locations on the property using a drilling rig. One boring will be extended through the Willamette Silt formation estimated to be on the order of 50 feet for the seismic hazards study. The other two borings will be extended to 10 feet below groundwater elevation for both the environmental and geotechnical information (boring depths of 20 feet). In each location, soil samples will be collected and screened for volatile organic compounds using a portable photoionization detect (PID). Drilling and sampling equipment will be steam-cleaned between short holes to prevent cross-contamination. Decontamination and purge water will be drummed and left onsite pending laboratory analysis of groundwater samples. Disposal of waste water (est. Less than 100 gallons) is not included in this scope of work.

The borings will be logged, groundwater observed, and representative samples will be collected by one of our engineers or geologists. In-situ consistency (strength) and relative density testing will consist of Standard Penetration Testing (SPT) at 2.5 to 5 foot intervals. It is assumed that the explorations will be accomplished in an eight hour period.

B. Laboratory Testing:

Environmental Testing, other than field screening scoped, includes: One soil sample from each location submitted for analysis of petroleum hydrocarbon identification (NWTPH-HCID). A groundwater sample will be collected from each location from a temporary well point and analyzed for BTEX (gasoline constituents) by EPA Method 8020 and for other common volatile organic compounds by EPA Method 8260.

Geotechnical laboratory tests will include visual-manual classification per the Unified Soil Classification, and natural moisture contents (ASTM D-4959) on all applicable samples; in addition, applicable granular samples from borings will be tested to determine sand content for liquefaction studies (ASTM D-1140). Based on preliminary site and project information, more sophisticated tests such as triaxial strength tests or consolidation tests are not necessary for this project.

C. Report:

A separate report will be prepared for the environmental work at the end of Phase 1 work. The environmental report will include formal boring logs, findings, interpretation of the findings, and recommendations for further environmental work, if necessary. All work will be completed under the supervision of an Oregon Registered Geologist.

PHASE 2. Geotechnical Investigation and Seismic Hazards Report

The scope of work for the seismic hazards study is generally outlined by the 1994 UBC (1996 Oregon Structural Specialty Code), Chapter 18. The code states that seismic hazard studies shall include, but not be limited to: test borings, materials classification and testing, groundwater elevation, geologic profile, regional tectonic setting, selection criteria for seismic sources and recommendations for design earthquake and resulting ground motion, and evaluation of other hazards such as landslide, liquefaction, tsunami, seiche, fault displacement, and subsidence.

In addition to the Phase 1 and seismic hazard study scope items listed above, the following specific scope of services for the geotechnical investigation are proposed:

A. Literature Search:

Existing plans for the original construction will be reviewed to determine approximate original conditions (topography) in the footprint of the addition, and existing foundation plans. A literature search for the seismic hazard studies will also be performed, and references cited.

B. Engineering Studies:

An interpretive geological/geotechnical profile beneath the site will be developed from

information collected in the literature search, the explorations, and the testing performed for this study. Based on the explorations, seismic hazards and engineering studies, and together with local experience, the following recommendations will be provided:

- sod or substandard bill stripping depths
- general and structural earthwork requirements including treatment and limitations of existing fills
- acceptable foundation types and limitations, bearing pressures, foundation subgrade preparations, and estimated settlements, including analysis of existing footings as they relate to increased loading
- permanent cut and fill slopes
- groundwater drainage issues
- concrete slab modules of subgrade reaction, base aggregate thickness and subgrade preparations
- soil parameters for retaining wall design
- AC pavement structural section determination, recommended materials, and subgrade preparations
- development of seismic design coefficients

C. Report:

A final letter report will be prepared for the geotechnical work, and will include formal exploration logs, geologic profile, in-situ and laboratory test results, seismic hazards study results, and geotechnical engineering design and construction recommendations and conclusions. All work will be completed under the supervision of an Oregon Registered Civil (Geotechnical) Engineer.

PBS ENVIRONMENTAL ("PBS")

GENERAL TERMS AND CONDITIONS FOR PROFESSIONAL SERVICES

Attached to and part of our letter agreement to client outlining our specific scope of services:

The purpose of these General Terms and Conditions is to identify basic contractual obligations of PBS and Client for various professional consulting services, whereby PBS would be acting in the role of Consultant/Owner Representative for Client. Individual projects may require additional detailed descriptions of services to be provided as a supplement to this agreement.

1. RATE SCHEDULE

Fees for services are based on the number of hours expended on the project, including travel, by PBS personnel plus any reimbursable expenses.

	<u>Regular Rate</u>		<u>Regular Rate</u>
1. Principal	\$110.00	7. Field Engineer/Scientist	55.00
2. Environmental/Construction Engineer	85.00	8. Industrial Hygienist/Inspector	55.00
3. Sr. Geotechnical/Soils Engineer	75.00	9. Sr. Soils Technician	45.00
4. Sr. Industrial Hygienist/Toxicologist	75.00	10. Drafting/ACAD/Mapping	40.00
5. Sr. Engineer/Geologist/Scientist	75.00	11. Soils Technician	35.00
6. Project Engineer/Geologist	60.00	12. Admin/Computer Support	32.00

* Note: Personnel in Categories 7, 9, and 11 will charge time exceeding eight hours per day and weekends at 1.25% of the regular hourly rate. Court and arbitration time will be charged at two times above rates.

2. REIMBURSABLE EXPENSES

- A. Outside Services Subcontracted services such as subconsultants, labor, and technical services will be invoiced at cost plus 15 percent. Examples of services which may be subcontracted include other professional disciplines, soil boring, well installation, heavy and specialty equipment operators, geophysical surveys, and computer programming.
- B. Supplies Charges for items not ordinarily furnished by PBS such as expendable equipment, rental equipment, subsistence, travel expenses, tolls, special fees, permits, licenses, priority mail fees, and long-distance and wireless telephone calls will be invoiced at cost plus 10%.
- C. Equipment Certain PBS-owned equipment (for sampling, testing, personal protective equipment, vehicle mileage, photocopying, etc.) may be required to complete the project. These will be invoiced at our standard rates without markup (rates available upon request). Current vehicle mileage rate is \$0.35 per mile, the photocopying rate is \$0.15 per copy, the photograph rate is \$1.00 per photo; these rates are subject to change without notice.
- D. Laboratory PBS utilizes both in-house and outside laboratories for sample analysis. We maintain a list of standard rates for sample analysis commonly utilized in conjunction with our services (available upon request).

3. RIGHT OF ENTRY

Unless otherwise agreed, the Client will furnish PBS right-of-entry on real property and be responsible for the propriety of the time, place, and manner of our entry upon the real property where we are to perform our services. PBS will take reasonable precautions to minimize damage to the real property from use of equipment, but have not included in the fee the cost of restoration, unless specifically included in our scope of work. If the Client desires PBS to restore the real property to its approximate former condition, we will accomplish this and add the cost plus 15 percent to our fee.

4. BURIED UTILITIES

PBS and its subcontractors will use reasonable care and diligence to determine the location of existing utilities and avoid contact with utilities. The client will hold PBS and PBS subcontractors harmless from any loss resulting from inaccuracy of the plans, or lack of plans, relating to the location of utilities. Note: Utility updates typically require 48 hours advance notice.

5. WORKER'S COMPENSATION INSURANCE

PBS will provide worker's compensation insurance (and/or employer's liability insurance) as required by state statutes.

6. GENERAL LIABILITY AND LIMITATION THEREOF

PBS agrees to hold the Client harmless and to indemnify and defend the Client for any and all loss, liabilities and damages, claims or action including attorney fees, due to bodily injury or property damage arising directly out of our negligent operational acts. PBS carries comprehensive general liability insurance which, subject to its limits, terms, and conditions, provides protection against liability arising out of bodily injury and property damage that is the direct result of any and all negligence. PBS will provide certificates evidencing such coverage listing Client as additional insured upon request.

7. PROFESSIONAL LIABILITY AND LIMITATION THEREOF

This paragraph relates only to Professional Liability and not General Liability. In performing our professional services, we will use that standard of care and skill ordinarily recognized under similar circumstances by members of our profession in the state and region at the time the services are performed. No other warranty, either expressed or implied, is made in connection with our rendering of professional services.

8. REPORTS AND PRESENTATIONS

The reports of PBS and its subconsultants are for the limited purpose of this contract. PBS will be responsible for its express conclusions and recommendations, but will not be responsible for the interpretation or use of its reports by third parties, without prior written approval by PBS. The Client shall indemnify, defend and hold harmless PBS and its subconsultants from any claims, damages, costs, losses and expenses, including but not limited to attorney fees and costs on arbitration, trial or appeal arising out of third party use of PBS's reports.

9. SAMPLES

All samples will be discarded 30 days after submission of our final report unless other arrangements are made.

10. PAYMENTS TO CONSULTANT

Invoices will be submitted periodically for prior services. An account will become delinquent thirty days after date of billing. It is agreed that a late charge will be added to delinquent accounts at the rate of one-and-one-half percent (1-1/2%) for each thirty days delinquent (provided the rate of such late charge shall not exceed the maximum allowable by the laws of the state in which our office submitting the invoice is located).

11. OTHER PROVISIONS

Neither party shall hold the other responsible for delay in performance caused by acts of God, strikes, lockouts, weather, accidents, or other events beyond the control of the other or the other's employees and agents.

One or more waivers by either party of any provision, term, condition or covenant, shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party by providing written notice.

An opinion of abatement, remediation and restoration costs prepared by PBS represents our judgement as a professional. Since we have no control over the cost of labor and material, or over competitive bidding or market conditions, we do not guarantee the accuracy of our opinion as compared to contractor bids of actual cost to the Client.

It is understood and agreed by both parties that PBS, in performing professional services for the Client with respect to hazardous substances, will make recommendations to the Client but does not have the authority or responsibility to decide where disposal or treatment takes place, nor to designate how or by whom the hazardous substances are to be transported for disposal or treatment. It is understood that PBS is not the generator and does not own the hazardous waste discovered, handled or removed from the owner's property.

In the event there is a dispute between PBS and the Client concerning the performance of any provision in this agreement, the losing party shall pay the prevailing party reasonable attorney's fees and costs on trial or appeal. In addition, Client agrees to pay PBS for all employee time, costs, and witness costs incurred for collection activity.

This agreement can be terminated at any time by either party.

12. STANDARD OF CARE

PBS's services are conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession practicing in a similar geographical area under similar conditions (i.e. PBS utilizes sampling protocols which are generally accepted and informative means of conducting investigations. However, these protocols may not result in conclusions with 100% certainty). This standard of care shall be determined as of the time PBS performs its services and not as of any other time. No other warranty, express or implied, is made. PBS's interpretations and recommendations will be based solely on information which is made available to PBS by the Owner or by the results of samples, surveys or other investigations performed by PBS. By entering into this agreement, PBS represents that all personnel to be assigned to perform the work described in this project are fully qualified to perform the work to which they are assigned in a competent and professional manner. PBS's professional services shall incorporate and comply with those federal, state and local laws, regulations, codes and standards that are applicable at the time PBS renders its services.



**FAX
TRANSMITTAL**

TO: Mickie Nichols
Sedgwick James of Oregon

FROM: Bart Phillips

DATE: June 12, 1998

FAX NO: 227-5944

RE: Certificate of Insurance

NO. OF PAGES INCLUDING TRANSMITTAL: 01

If you did not receive the entire fax or had any problems with the transmission, please call PBS at (503) 248-1939. Fax responses to (503) 248-0223.

Please fax and mail a certificate of insurance for PBS Environmental including coverage for:

General Liability
Automobile Liability
Professional Liability

Excess Liability
Worker's Compensation
Employer Liability

Certificate Holder:

Attention: Duane Cole
City of Newberg
414 East First Street
Newberg, OR 97132

Fax Number

503-537-5013

The City of Newberg, its agents, employees and officials all while acting within their official capacity as such, shall be named as additional insured on our general liability policy.

Please complete before the end of the day. Thank you very much.

ENVIRONMENTAL
MANAGEMENT
AND CONSULTING

1220 SW Morrison Street, Suite 600 Portland, OR 97205 503/248-1939 Fax 503/248-0223

BRND EUGENE PORTLAND KATLUS TRI-CITIES SW WASHINGTON

ACORD

CERTIFICATE OF LIABILITY INSURANCE

PRODUCER

Sedgwick of Oregon, Inc.
111 SW Columbia
Portland, OR 97201

503-248-6400

INSURED

PBS Environmental Building
Consultants, Inc.
1220 SW Morrison, Suite 600
Portland OR 97205

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE
HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR
ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY

A Commerce & Industry

COMPANY

B New Hampshire Ins. Co.

COMPANY

C Northwestern Pacific Ind Co

COMPANY

D American Intl Specialty Lines

E SAIF

COVERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD
INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS
CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS,
EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

(X) CO LIN	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	613409131	4/01/98	4/01/99	GENERAL AGGREGATE \$ 2000000
X	COMMERCIAL GENERAL LIABILITY				PRODUCTS/COMPOUND AGG \$ 2000000
	CLAIMS MADE				PERSONAL & AD&VI \$ 1000000
	OWNERS & CONTRACTORS				EACH OCCURRENCE \$ 1000000
					DIRT DAMAGE (Any one fire) \$ 50000
					MED EXP (Any one person) \$ 5000
B	AUTOMOBILE LIABILITY	CA7090922	4/01/98	4/01/99	COMBINED SINGLE LIMIT \$ 1000000
X	ANY AUTO				BODILY INJURY (Per person) \$
	ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
X	BOAT/BOAT HOUSE				PROPERTY DAMAGE \$
X	BOAT/BOAT HOUSE				AUTO ONLY - EA ACCIDENT \$
X	NON OWNED AUTOS				OTHER THAN AUTO ONLY:
					EACH ACCIDENT \$
					AGGREGATE \$
C	EXCESS LIABILITY	796920468	4/01/98	4/01/99	EACH OCCURRENCE \$ 1000000
X	UMBRELLA/FLA				AGGREGATE \$ 1000000
	OTHER THAN UMBRELLA/FLA				
I	WORKMAN'S COMPENSATION AND EMPLOYERS LIABILITY	A446803130	10/01/97	10/01/98	X WORKMAN'S COMPENSATION EMPLOYERS LIABILITY \$ 100000
	THE EMPLOYEE'S FAMILY BENEFIT \$100000				PER ACCIDENT \$ 500000
	OTHER BENEFIT \$100000				PER EMPLOYEE \$ 100000
D	OTHER	8199580	4/01/98	4/01/99	
	PROFESSIONAL LIABILITY				\$1,000,000 EACH LIMIT \$2,000,000 TOTAL ALL LOSSES \$ 25,000 DEDUCTIBLE

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/OTHER INFORMATION

THE CITY OF NEWBERG, ITS AGENTS, EMPLOYEES & OFFICIALS ALL WHILE THEIR
ACTING WITHIN THEIR OFFICIAL CAPACITY AS SUCH, ARE ADDITIONAL INSURED
ON THE GENERAL LIABILITY POLICY ONLY.

CERTIFICATE HOLDER

CITY OF NEWBERG
ATTN DUANE COLL
444 EAST FIRST STREET
NEWBERG OR 97132

CANCELLATION

IF ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREON, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL
30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT
THE FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION ON LIABILITY
OR ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED TO MAKE CLAIM

DATE 11/03/98

Dale Lundstrom