

**AMENDMENT NUMBER FOUR  
TO  
AGREEMENT MA-060-10012237  
BETWEEN THE  
COUNTY OF ORANGE  
AND  
PACIFIC MARITIME INDUSTRIES CORPORATION**

This **AMENDMENT NUMBER FOUR** to Contract number MA-060-10012237 (hereinafter "**AMENDMENT NUMBER FOUR**") between the County of Orange, a political subdivision of the State of California, (hereinafter "**COUNTY**") and Pacific Maritime Industries Corporation (hereinafter "**CONTRACTOR**") with a place of business at 1790 Dornoch Ct., San Diego, CA 92154-7206 is made and entered upon signature of the last to sign of all necessary signatures.

**RECITALS**

**WHEREAS**, the Orange County Board of Supervisors approved and **COUNTY** and **CONTRACTOR** executed a Contract for the purchase of New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population, Contract Number MA-060-10012237 (hereinafter "**ORIGINAL AGREEMENT**"), for a one (1) year term of 6/29/10 through and including 6/28/11;

**WHEREAS**, **COUNTY** discovered and informed **CONTRACTOR** of a clerical error made in the **ORIGINAL AGREEMENT** on Attachment B, Pricing, which stated that the annual not-to-exceed amount for the contract was \$190,000.00, rather than a not-to-exceed amount of \$185,000.00;

**WHEREAS**, **COUNTY** amended the **ORIGINAL AGREEMENT** (hereinafter "**AMENDMENT NUMBER ONE**") in order to correct the clerical error in Attachment B, Pricing, reducing the not-to-exceed amount in the **ORIGINAL AGREEMENT** from \$190,000.00 to \$185,000.00;

**WHEREAS**, **COUNTY** amended the **ORIGINAL AGREEMENT**, Contract Number MA-060-10012237 (hereinafter "**AMENDMENT NUMBER TWO**") to increase the Contract by \$55,000.00 for a new not to exceed amount of \$240,000.00 and renewed the **ORIGINAL AGREEMENT**, as Contract Number MA-060-11012056 for a new not to exceed amount of \$210,000.00 for an additional year term effective 6/29/11 through and including 6/28/12;

**WHEREAS**, **COUNTY** and **CONTRACTOR** amended the **ORIGINAL AGREEMENT** (hereinafter "**AMENDMENT NUMBER THREE**"), to increase the not to exceed amount by \$60,000.00 to become \$270,000.00, as well as to renewed the **ORIGINAL AGREEMENT**, as Contract Number MA-060-12011434 for an additional one (1) year term of 6/29/12 through and including 6/28/13, at the not to exceed amount of \$305,000.00;

**WHEREAS, COUNTY desires to amend the ORIGINAL AGREEMENT to increase the not to exceed amount by \$125,000.00, for a new Contract not to exceed amount of \$430,000.00 and the CONTRACTOR has agreed to provide these goods/services at the rates set forth in AMENDMENT NUMBER THREE;**

**NOW THEREFORE, in consideration of the mutual obligations set forth herein, both COUNTY and CONTRACTOR agree as follows:**

**ARTICLES**

1. Attachment B "Pricing" of the ORIGINAL AGREEMENT is amended to change the "Contract shall not exceed amount" for the Third term of the ORIGINAL AGREEMENT as follows:

**Contract shall not exceed: \$430,000.00 Year III (Term 6/29/12 - 6/28/13)**

2. A true and correct copy of the ORIGINAL AGREEMENT, Contract Number MA-060-10012237, is attached hereto as Exhibit A and incorporated by this reference.
3. A true and correct copy of AMENDMENT NUMBER ONE, Contract Number MA-060-10012237, is attached hereto as Exhibit B and incorporated by this reference.
4. A true and correct copy of AMENDMENT NUMBER TWO, Contract Number MA-060-11012056, is attached hereto as Exhibit C and incorporated by this reference.
5. A true and correct copy of AMENDMENT NUMBER THREE, Contract Number MA-060-11012056, is attached hereto as Exhibit D and incorporated by this reference.
6. All other provisions of the ORIGINAL AGREEMENT, AMENDMENT NUMBER ONE, AMENDMENT NUMBER TWO and AMENDMENT NUMBER THREE except as amended herein and to the extent they are not inconsistent with this AMENDMENT NUMBER FOUR, remain unchanged and in full force and effect.

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IN WITNESS WHEREOF, the Parties have executed this AMENDMENT NUMBER FOUR to Contract Number MA-060-10012237.

**\*Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: President  
Print Name: John Atkinson Date: 12/12/2012

**\*Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: Controller  
Print Name: Michael Pham Date: 12/12/2012

\*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers. In the alternative, a single corporate signature is acceptable when accompanied by a corporate document demonstrating the legal authority of the signature to bind the company.

County Of Orange

A political subdivision of the State of California



Sheriff-Coroner Department

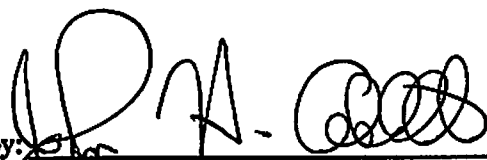
By: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Approved by the Board of Supervisors: \_\_\_\_\_

Approved as to Form  
Office of the County Counsel

[Signature]  
Folder 582798

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by:  Deputy

**EXHIBIT A**

**ORIGINAL AGREEMENT (Contract Number MA-060-10012237)**

**Contract MA-060-10012237 For  
New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population**

This Agreement, hereinafter referred to as "Contract" is made and entered into as of the date fully executed by and between, Pacific Maritime Industries, Corporation with a place of business at 1790 Dornoch Ct, San Diego, CA 92154-7206; hereinafter referred to as "Contractor," and the County of Orange, a political subdivision of the State of California, Sheriff Department with a place of business at 320 N. Flower Street, 2<sup>nd</sup> Floor, Santa Ana, CA 92703, hereinafter referred to as "County," which may be referred to individually as "Party" or collectively as "Parties."

**RECITALS**

**WHEREAS**, the Contractor responded to the County issued solicitation offering the complete Scope of Work as requested in Attachment A, and Contractor has represented that its proposed goods and services shall meet or exceed the County's requirements and specifications as set forth herein; and,

**WHEREAS**, the County Board of Supervisors has authorized the Purchasing Agent or his designee to enter into a Contract for the purchase of New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population

**NOW, THEREFORE**, the Parties mutually agree as follows:

**General Terms and Conditions:**

- A. **Governing Law and Venue:** This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for trial to another County.
- B. **Entire Contract:** This Contract, including Attachments A, B, C, Exhibit 1 (Blank Child Support Enforcement Certification Requirements Form), and Exhibit 2 (Blank EDD Reporting Requirement Compliance Form), which have been incorporated, when accepted by the Contractor either in writing or by the shipment of any article or other commencement of performance hereunder, contains the entire Contract between the Parties with respect to the matters herein and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of equipment, shall not be valid or binding on County unless accepted in writing by County's Purchasing Agent or his designee, hereinafter "Purchasing Agent".
- C. **Amendments:** No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the Parties; no oral understanding or agreement not incorporated herein shall be binding on either of the Parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.
- D. **Taxes:** Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax.
- E. **Delivery:** Time of delivery of goods or services is of the essence in this Contract. County reserves the right to refuse any goods or services and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or description, or services that do not conform to the prescribed statement of work. Acceptance of any part of the order for goods shall not bind County to accept future shipments, nor deprive it of the right to return goods already accepted, at Contractor's expense. Over shipments and under shipments of goods shall be only as agreed to in writing by County.

Delivery shall not be deemed to be complete until all goods, or services, have actually been received and accepted in writing by County.

- F. **Acceptance/Payment:** Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the goods/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance by the County and in accordance to Attachment C, Compensation and Pricing.
- G. **Warranty:** Contractor expressly warrants that the goods/services covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnitees as identified in paragraph "P" below, and as more fully described in paragraph "P", harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.
- H. **Patent/Copyright Materials/Proprietary Infringement:** Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any Software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in paragraph "P" below, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, but not limited to, attorney's fees, costs and expenses.
- I. **Assignment or Sub-contracting:** The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the Parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned or sub-contracted by Contractor without the express written consent of County. Any attempt by Contractor to assign or sub-contract the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.
- J. **Non-Discrimination:** In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to all the penalties imposed for a violation of anti-discrimination law or regulation, including but not limited to, Section 1720 et seq. of the California Labor Code.
- K. **Termination:** In addition to any other remedies or rights it may have by law, County has the right to terminate this Contract without penalty immediately with cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any breach of Contract, any misrepresentation or fraud on the part of the Contractor. Exercise by County of its right to terminate the Contract shall relieve County of all further obligation.
- L. **Consent to Breach Not Waiver:** No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the Party claimed to have waived or consented. Any consent by any Party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.
- M. **Remedies Not Exclusive:** The remedies for breach set forth in this Contract are cumulative as to one another and as to any other provided by law, rather than exclusive; and the expression of certain remedies in this Contract does not preclude resort by either Party to any other remedies provided by law.

- N. **Independent Contractor:** Contractor shall be considered an independent Contractor and neither Contractor, its employees nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor, shall qualify for workers' compensation or other fringe benefits of any kind through County.
- O. **Performance:** Contractor shall perform all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion, and coordination of all documentation and other goods/services furnished by the Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workman-like manner; shall furnish all labor, supervision, machinery, equipment, materials, and supplies necessary therefore; shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work; and, if permitted to subcontract, shall be fully responsible for all work performed by subcontractors.
- P. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees"), harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment.

**Insurance Provisions:** Prior to the provision of services under this Contract, The Contractor agrees to purchase all required insurance at Contractor's expense and to deposit with the County Certificates of Insurance, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with, and to keep such insurance coverage and the certificates therefore on deposit with the County during the entire term of this Contract. In addition, all subcontractors performing work on behalf of Contractor pursuant to this Contract shall obtain insurance subject to the same terms and conditions as set forth herein for Contractor.

All insurance policies required by this Contract shall declare any deductible or self-insured retention (SIR) in an amount in excess of \$25,000 (\$5,000 for automobile liability), which shall specifically be approved by the County Executive Office (CEO)/Office of Risk Management. Contractor shall be responsible for reimbursement of any deductible to the insurer. Any self-insured retentions (SIRs) or deductibles shall be clearly stated on the Certificate of Insurance.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

#### **Qualified Insurer**

The policy or policies of insurance must be issued by an insurer licensed to do business in the state of California (California Admitted Carrier).

Minimum insurance company ratings as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or AMBest.com shall be A- (Secure Best's Rating) and VIII (Financial Size Category).

If the carrier is a non-admitted carrier in the state of California, CEO/Office of Risk Management retains the right to approve or reject carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below:

#### **Coverage**

Commercial General Liability with broad form property damage and contractual liability

#### **Minimum Limits**

\$1,000,000 combined single limit per occurrence  
\$2,000,000 aggregate



Automobile Liability including coverage for owned, non-owned and hired vehicles	\$1,000,000 combined single limit per occurrence
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per occurrence

All liability insurance required by this Contract shall be at least \$1,000,000 combined single limit per occurrence. The minimum aggregate limit for the Commercial General Liability policy shall be \$2,000,000.

The County of Orange shall be added as an additional insured on all insurance policies required by this Contract with respect to work done by the Contractor under the terms of this Contract (except Workers' Compensation/Employers' Liability). An additional insured endorsement evidencing that the County of Orange is an additional insured shall accompany the Certificate of Insurance.

All insurance policies required by this Contract shall be primary insurance, and any insurance maintained by the County of Orange shall be excess and non-contributing with insurance provided by these policies.

An endorsement evidencing that the Contractor's insurance is primary and non-contributing shall specifically accompany the Certificate of Insurance for the Commercial General Liability.

All insurance policies required by this Contract shall give the County 30 days notice in the event of cancellation. This shall be evidenced by an endorsement separate from the Certificate of Insurance. In addition, the cancellation clause must include language as follows, which edits the pre-printed ACORD certificate:

**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. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENT, OR REPRESENTATIVE.**

All insurance policies required by this Contract shall waive all rights of subrogation against the County of Orange and members of the Board of Supervisors, its elected and appointed officials, officers, agents, and employees when acting within the scope of their appointment or employment.

The Commercial General Liability policy shall contain a severability of interests clause.

The Contractor is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Workers' Compensation or be self-insured in accordance with provisions of that code. The Contractor will comply with such provisions and shall furnish the County satisfactory evidence that the Contractor has secured, for the period of this Contract, statutory Workers' Compensation insurance and Employers' Liability insurance with minimum limits of \$1,000,000 per occurrence.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within seven days of notification by CEO/Purchasing or the agency/department purchasing division, award may be made to the next qualified Contractor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not deposit copies of acceptable certificates of insurance and endorsements with County incorporating such changes within thirty days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder or to fulfill the indemnification provisions and requirements of this Contract.

The County of Orange Certificate of Insurance and the Special Endorsement for the County of Orange can be utilized to verify compliance with the above-mentioned insurance requirements in place of commercial insurance certificates and endorsements.

- Q. Bills and Liens:** Contractor shall pay promptly all indebtedness for labor, materials, and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of paragraph "P" above, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.
- R. Changes:** Contractor shall make no changes in the work or perform any additional work without the County's specific written approval.
- S. Change of Ownership:** Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, the new owners shall be required under terms of sale or other transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of County.
- T. Force Majeure:** Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.
- U. Confidentiality:** Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.
- V. Compliance with Laws:** Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of paragraph "P" above, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs, and expenses arising from or related to a violation of such laws.
- W. Freight (F.O.B. Destination):** Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under this Contract.
- X. Pricing:** The Contract price shall include full compensation for providing all required goods in accordance with required specifications, or services as specified herein or when applicable, in the Scope of Work attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract.
- Y. Waiver of Jury Trial:** Each Party acknowledges that it is aware of and has had the opportunity to seek advise of counsel of its choice with respect to its rights to trial by jury, and each Party, for itself and its successors, creditors, and assigns, does hereby expressly and knowingly waive and release all such rights to trial by jury in any action, proceeding or counterclaim brought by any Party hereto against the other (and/or against its officers, directors, employees, agents, or subsidiary or affiliated entities) on or with regard to any matters whatsoever arising out of or in any way connected with this Contract and /or any other claim of injury or damage.
- Z. Terms and Conditions:** Contractor acknowledges that it has read and agrees to all terms and conditions included in this Contract.
- AA. Headings:** The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

- BB. **Severability:** If any term, covenant, condition, or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
- CC. **Calendar Days:** Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.
- DD. **Attorney Fees:** In any action or proceeding to enforce or interpret any provisions of this Contract, or where any provisions hereof is validly asserted as a defense, each Party shall bear its own attorney's fees, costs and expenses.
- EE. **Interpretation:** This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each Party has been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each Party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other Party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the Party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to affect the purpose of the Parties and this Contract.
- FF. **Authority:** The Parties to this Contract represent and warrant that this Contract has been duly authorized and executed and constitutes the legally binding obligation of their respective organization or entity, enforceable in accordance with its terms.
- GG. **Employee Eligibility Verification:** The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. The Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

#### **Additional Terms and Conditions**

1. **Scope of Contract:** This Contract specifies the contractual terms and conditions by which the County will procure and receive goods/services from the Contractor as set forth in the Scope of Work, which is attached hereto as Attachment A and incorporated by this reference.
2. **Term of Contract:** This Contract shall commence upon execution of all necessary signatures, and shall be effective for one (1) from that date, unless otherwise terminated by County. Contract may be renewed for up to four (4) additional one-year consecutive terms, upon mutual agreement of both Parties. Each renewal of this Contract may require approval by the County Board of Supervisors. The County does not have to give reason if it elects not to renew.
3. **Precedence:** The Contract documents will consist of this Contract including its Attachments, and Exhibits. In the event of a conflict between the Contract documents, the order of precedence shall be this Contract, then the Attachments and Exhibits.
4. **Fiscal Appropriations:** This Contract is subject to and contingent upon applicable budgetary appropriations being made by the County of Orange Board of Supervisors for each year during the term of this Contract. If such appropriations are not forthcoming, the Contract will be terminated without penalty. Contractor acknowledges that funding or portions of funding for this Contract may also be contingent upon the receipt of funds from, and/or appropriation of funds by, the state of California to

County. If such funding and/or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.

5. **Conflict of Interest (Contractor):** Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that result in a conflict with the best interest of the County. This obligation shall apply to the Contractor, the Contractor's employees, agents, relatives, sub tier Contractors and third parties associated with accomplishing the work hereunder.

Contractor's efforts shall include, but not be limited to, establishing precautions to prevent its employees or agents from making, receiving, providing, or offering gifts, entertainment, payments, loans, or other considerations which could be deemed to appear to influence individuals to act contrary to the best interest of County.

6. **Contractor Work Hours and Safety Standards:** Contractor shall ensure compliance with all safety and hourly requirements for employees, in accordance with federal, state, and County safety and health regulations and laws.
7. **County and Contractor Project Manager:** The County shall appoint a project manager to act as liaison between the County and the Contractor during the term of this Contract. The County's project manager shall coordinate the activities of the County staff assigned to work with the Contractor.

Contractor shall appoint a project manager to direct the Contractor's efforts in fulfilling Contractor's obligations under this Contract. Contractor's project manager shall be subject to approval by the County and shall not be changed without the written consent of the County's project manager. The County's project manager shall have the right to require the removal and replacement of the Contractor's project manager from providing services to the County under this Contract. The County's project manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within 14 calendar days after written notice by the County's project manager. The County is not required to provide any reason, rationale or factual information in the event it elects to request the removal of Contractor's project manager from providing services to the County under this Contract.

8. **Contractor Personnel:** In addition to the rights set forth in paragraph 7, the County's project manager shall have the right to require the removal and replacement of any of Contractor's personnel from providing services to the County under this Contract. The County's project manager shall notify the Contractor's project manager in writing of such action. The Contractor shall accomplish the removal of the specified personnel within one (1) calendar day after written notice by the County's project manager. The County is not required to provide any reason, rationale or factual information in the event it elects to request the removal of any of Contractor's personnel from providing services to the County under this Contract.
9. **Orderly Termination:** Upon termination or other expiration of this Contract, each Party shall promptly return to the other Party all papers, materials, and other properties of the other held by each for purposes of execution of the Contract. In addition, each Party will assist the other Party in orderly termination of this Contract and the transfer of all aspects, tangible and intangible, as may be necessary for the orderly, non-disruptive business continuation of each Party.
10. **Reprocurement Costs:** In the case of default by Contractor, the County may procure the service from other sources and, if the cost is higher, Contractor will be held responsible to pay the County the difference between the Contract cost and the price paid. The County may make reasonable efforts to obtain the prevailing market price at the time such goods and services are rendered. This is in addition to any other remedies available under law.
11. **EDD Independent Contractor Reporting Requirements (Blank Exhibit 2):** California Senate Bill 542 requires businesses and government entities to report specified information regarding independent Contractors to the Employment Development Department (EDD). This information will be used by the EDD to assist in locating parents who are delinquent in their child support payments. An independent Contractor is defined as a sole proprietor who is not an employee of the business or government entity for which that individual is performing a service and who received compensation and/or executes a Contract for services performed or that business or government entity either in or outside of California.

12. **County of Orange Child Support Enforcement (Exhibit 1 – Blank County of Orange Child Support Enforcement Certification Requirements Form):** In order to comply with the child support enforcement requirements of the County, within ten days of notification of selection of award of Contract but prior to official award of Contract, the selected Contractor agrees to furnish the required Contractor data and certifications to the agency/department deputy purchasing agent.

Failure of the Contractor to timely submit the data and/or certifications required may result in the Contract being awarded to another Contractor. In the event a Contract has been issued, failure of the Contractor to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.

13. **Authorization Warranty:** The Contractor represents and warrants that the person executing this Contract on behalf of and for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.
14. **Notices:** Any and all notices permitted or required to be given hereunder shall be deemed duly given (1) upon actual delivery, if delivery is by hand; or (2) upon delivery by the United States mail if delivery is by postage paid registered or certified return receipt requested mail. Each such notice shall be sent to the respective Party at the address indicated below or to any other address as the respective Parties may designate from time to time.

**For Contractor:**

Pacific Maritime Industries Corporation  
1790 Dornoch Ct  
San Diego, CA 92154-7206  
Attn: Rick Warris  
Ph: (619) 628-4975 x16  
Fx: (619) 628-4972

**For County:**

County of Orange  
Sheriff Department/Purchasing Services Bureau  
320 N. Flower Street, 2<sup>nd</sup> Floor  
Santa Ana, CA 92703  
Attn: Yarida Guzman, Buyer/DPA  
Ph: (714) 834-4364  
Fx: (714) 834-6411

15. **Incorporation:** This Contract, its Attachments A through C, Exhibit 1 (Blank Child Support Enforcement Certification Requirements Form), and Exhibit 2 (Blank EDD Reporting Requirement Compliance Form), are attached hereto and incorporated by reference and made a part of this Contract.
16. **Data – Title to:** All materials, documents, data or information obtained from the County data files or any County medium furnished to the Contractor in the performance of this Contract will at all times remain the property of the County. Such data or information may not be used or copied for direct or indirect use by the Contractor after completion or termination of this Contract without the express written consent of the County. All materials, documents, data or information, including copies, must be returned to the County at the end of this Contract.
17. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximate, based upon the last usage. The Contractor agrees to supply services and/or commodities requested, as needed by the County of Orange, at prices listed in the Contract, regardless of quantity requested.
18. **Contractor's Records:** The Contractor shall keep true and accurate accounts, records, books and data which shall correctly reflect the business transacted by the Contractor in accordance with generally

accepted accounting principles. These records shall be stored in Orange County for a period of three years after final payment is received from the County. Storage of records in another county will require written approval from the County of Orange assigned buyer.

19. **Audits/Inspections:** Contractor agrees to permit the County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by the County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation, including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of the Contract including, but not limited to, the costs of administering the Contract. The County will provide reasonable notice of such an audit or inspection.

The County reserves the right to audit and verify the Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to the County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should the Contractor cease to exist as a legal entity, the Contractor's records pertaining to this Contract shall be forwarded to the surviving entity in a merger or acquisition or, in the event of liquidation, to the County's project manager.

20. **Disputes-Contract:** A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's project manager and the County's project manager, such matter shall be brought to the attention of the County's Purchasing Agent by way of the following process:

- a. The Contractor shall submit to the agency/department assigned buyer a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to, or involving this Contract, unless the County, on its own initiative, has already rendered such a final decision.
- b. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, the Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which the Contractor believes the County is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, the Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of goods and/or provision of services. The Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of the County shall be expressly identified as such, shall be in writing, and shall be signed by the County Purchasing Agent or his designee. If the County fails to render a decision within 90 days after receipt of the Contractor's demand, it shall be deemed a final decision adverse to the Contractor's contentions. The County's final decision shall be conclusive and binding regarding the dispute unless the Contractor commences action in a court of competent jurisdiction.

21. **Substitutions:** The contractor is required to meet all specifications and requirements contained herein. No substitutions will be accepted without prior County written approval.
22. **First Class Workmanship:** All items must show first class workmanship in all phases of construction, remodel, or repair. All completed work shall be free from sharp edges, paint sags or "holidays," top blisters, etc., or merchandise will be returned at contractor's expense.

23. **Flammable Materials:** The contractor guarantees that representative tests made under the procedure provided in Section 4 of the Federal Flammable Fabrics Acts show that the fabrics contained in the items included in this contract are not under the provisions of the act and that the items purchased meet all fire regulations and Cal-OSHA requirements.

**Signature Page**

The Parties hereto have executed this Contract on the dates shown opposite their respective signatures below

**Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: PRESIDENT  
Print Name: JOHN ATKINSON Date: 5-24-2010

**Contractor\*:** Pacific Maritime Industries Corporation

By: [Signature] Title: C.F.O  
Print Name: JOHN ATKINSON Date: 5-24-2010

\*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers. In the alternative, a single corporate signature is acceptable when accompanied by a corporate document demonstrating the legal authority of the signature to bind the company.

**County Of Orange**

A political subdivision of the State of California



Sheriff-Coroner Department

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

By: Paula A. Whaley  
Deputy  
Date: 6-1-10



## ATTACHMENT A

### Scope of Work

#### I. SCOPE OF SERVICES

Contractor shall provide new Mattresses and Re-Cover Services of county owned Mattresses for the following three (3) County Jail Facilities: Theo Lacy, Central Men's Jail and James Musick. The County intends to issue two (2) Contracts, a primary and a secondary. The Primary Contract shall be awarded to the lowest, responsive, responsible bidder. The Secondary Contract shall be awarded to the next lowest, responsive, responsible bidder. The Secondary Contract shall serve as a secondary/back-up source and shall be used only when and if the Primary Contractor is unable to provide the required services within the time period needed or under special circumstances required by the County of Orange, Sheriff-Coroner Department Jail Facilities.

#### I. MATERIAL SPECIFICATIONS:

- a) FOAM CORE MATERIAL FOR MATTRESSES: The foam core shall be flame resistant polymerized synthetic pyrothene (neoprene) foam and shall meet all requirements of the State Fire Marshall and the Bureau of Home Furnishing Test Standard for Penal Institutions Mattresses, Technical Information Bulletin 121 dated April 1080. And American Society for Testing and Material (ASTM) D3574-95 Test D.E.F. and ASTM E662-97 Smoke Chamber.
- b) MATTRESS COVER: Cover shall be ChemTick Revolution soft extruded vinyl or equal, low smoke-safe, washable, fires resistant, non-allergenic and anti-bacterial. Material shall be resistant to tears and abrasions. All seams shall face the inside of the mattress except for end closing seam. Covering shall be at least 10.5 oz. and shall be compatible with cushioning insert.
- c) IDENTIFICATION AND LABELING: Each mattress shall have a label stating all new material consisting of name and address of vendor or manufacturer, registry number, finished size, net weight filling material required by State of California Bureau of Furniture and Bedding Inspection Bulletin #9.
- d) Contractor shall comply with all applicable State of California Bureau of Furniture and Bedding Ordinance as to labeling of mattresses. ALL MATTRESSES MUST BE LABELED ACCORDINGLY.

#### II. ANNUAL USAGE:

- a) No quantities, pattern of use or annual usage is guaranteed under this Contract to either the Primary or Secondary Contractor.
- b) The County reserves the right to invoke the services of the secondary contractor:
  - Should the primary Contractor fail to respond/confirm to the work request/order in a timely manner (within ten (10) working days)
  - Should the primary Contractor be unable to perform the required services within the time frame requested and required by the County Sheriff-Coroner Department/County Jail Facilities (Forty-Five (45) working days).
  - Under any other special circumstance deemed necessary by the County of Orange Sheriff-Coroner Department/County Jail Facilities.

**III. DELIVERY REQUIREMENTS:**

- a) All orders must be filled with the same products as the samples (see page five (5) for additional information) submitted and specified in the Contract. No irregulars or seconds will be accepted. No SUBSTITUTIONS for size, style or materials will be accepted.
- b) Delivered products must conform to the Contract specifications. All orders must be complete when shipped and received by the time specified. Incorrect delivered products shall be replaced with the correct products by the Contractor at the Contractor's expense.
- c) Order lead time shall be 45 working days from receipt of request/order. Prompt delivery of products is of the essence in this Contract. Repeated delay in delivery of products shall be subjected to termination of Contract.
- d) Unit price shall include all freight, shipping, handling and delivery charges to the three (3) County Jail Facilities listed below:

Central Men's Jail Attn: Eric Gregory 550 N. Flower Street Santa Ana, CA 92703 (714) 647-4514	Theo Lacy Jail Attn: CST Fernandez 501 City Drive South Orange, CA 92868 (714) 935-7017	James Musick Jail Attn: CST Siciliano 13502 Musick Irvine, CA 92718 (949) 855-2620
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## ATTACHMENT B

### Pricing

Unit price listed below shall include all services, furnishings, all staffing and materials required to perform duties and for any reasonably unforeseen difficulties, which may arise or be encountered in the performance of the services.

**1. MATTRESS, FOAM: Price: \$ 69.50 Ea**

**SIZE:** 30" x 76" x 2"

**CORE:** Low Smoke Polymerized Synthetic Pyrothene (Neoprene) Foam

**DENSITY:** 6 Lbs/Cu.Ft.

**COVER:** ChemTick Revolution Soft Extruded Vinyl or Equal

**2. MATTRESS, FOAM, 3-SECTION: Price: \$ 23.15 Ea**

**SIZE:** 2" x 25" x 30"

**CORE:** Low Smoke Polymerized Synthetic Pyrothene (Neoprene) Foam

**DENSITY:** 6 Lbs/Cu.Ft.

**COVER:** ChemTick Revolution Soft Extruded Vinyl or Equal

**3. MATTRESS, FOAM, 1-PIECE: Price: \$ 73.50 Ea**

**SIZE:** 30" x 76" x 2"

**CORE:** All Foam Inserts shall be to the specs per SOW, page 20, Section I, Part A

**DENSITY:** 6 Lbs/Cu.Ft.

**COVER:** CLEARSAFE 2000 MATTRESSES COVER. This cover shall be comprised of reinforced clear laminated PVC formulated to be compatible with Polyhloraprene foam. Vinyl that is yellowed or discolored will not be accepted. Reinforcement fabric to be manufactured with 1000D polyester scrim in a symmetrical 6x6 construction. Minimum 11 oz/sq yd manufactured to specifications in above SOW, page 20, Section I, Part B. Reinf hemTick Revolution Soft Extruded Vinyl or Equal

4. **MATTRESS, FOAM, 3-PIECE:** **Price: \$ 73.50 Ea**  
**SIZE:** 30" x 76" x 2"  
**CORE:** All Foam Inserts shall be to the specs per SOW, page 20, Section I, Part A  
**DENSITY:** 6 Lbs/Cu.Ft.  
**COVER:** CLEARSAFE 2000 MATTRESSES COVER.
5. **RE-COVER, 1-PIECE MATTRESS, W/VINYL COVER:** **Price: \$ 28.50 Ea**  
**Size:** 30" x 76" x 2"  
**Pick-Up:** Contractor shall pick up County owned Mattresses at individual County Jail facilities within seven (7) business days of notification by County staff.  
**Material:** Contractor shall re-cover county owned Mattresses cores w/new vinyl mattress cover as specified in SOW, page 20, Section I, Part B.
6. **RE-COVER, 3-PIECE MATTRESS, W/VINYL COVER:** **Price: \$ 25.00 Ea**  
**Size:** 30" x 25.3" x 2"  
**Pick-Up:** Contractor shall pick up County owned Mattresses at individual County Jail facilities within seven (7) business days of notification by County staff.  
**Material:** Contractor shall fabricate the County's existing 2 x 30 x 76 mattress cores to 3 individual mattresses (3) piece Sizes 2" x 25.3" x 76" and re-cover them with new vinyl mattress cover as specified in SOW, page 20, Section A, Part 1-B. Mattresses shall be returned to the ordering facility within 10 business days.
7. **RE-COVER, 1-PIECE MATTRESS, W/CLEARSAFE 2000 VINYL COVER:** **Price: \$ 33.50 Ea**  
**Size:** 30" x 76" x 2"  
**Pick-Up:** Contractor shall pick up County owned Mattresses at individual County Jail facilities within seven (7) business days of notification by County staff.  
**Material:** Contractor shall re-cover County owned mattress cores w/new Clearsafe 2000 Vinyl mattress cover and return to the ordering facility within 10 business days.
8. **RE-COVER, 3-PIECE MATTRESS, W/CLEARSAFE 2000 VINYL COVER:** **Price: \$ 11.15 Ea**  
**Size:** 30" x 25.3" x 2"  
**Pick-Up:** Contractor shall pick up County owned mattresses at individual County Jail facilities within seven (7) business days of notification by County staff.  
**Material:** Contractor shall re-cover County owned mattress cores w/new Clearsafe 2000 Vinyl mattress cover and return to the ordering facility within 10 business days.

**CONTRACT SHALL NOT EXCEED: \$ 190,000.00**

## ATTACHMENT C

### Compensation and Pricing Provisions

This is a fixed fee Contract between the County and Contractor for goods and services provided in Attachment A, Scope of Work. The Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for services.

#### 1. Pricing

Pricing set forth in Attachment B shall be firm for the first term of the Contract. All price decreases will automatically be extended to the County of Orange. County will accept decreases only. Pricing will be firm unless a reduction is available.

#### 2. Payment Terms

Invoices are to be submitted in arrears, unless otherwise directed in this Contract, upon the satisfactory completion and acceptance of commodity/services in accordance with Paragraph F, Acceptance/Payment.

Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the Contractor.

Billing shall cover services and/or goods not previously invoiced. The Contractor shall reimburse the County of Orange for any monies paid to the Contractor for goods or services not provided or when goods or services do not meet the Contract requirements. Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

#### 3. Invoicing Instructions:

Payments and/or invoices shall be sent to the individual facilities as per the order slips:

<b>Central Men's Jail</b> Attn: Eric Gregory/Ron Vance 550 N. Flower Street Santa Ana, CA 92703 (714) 647-4514	<b>Theo Lacy Jail</b> Attn: CST Fernandez 501 City Drive South Orange, CA 92868 (714) 935-7017	<b>James Musick Jail</b> Attn: CST Siciliano 13502 Musick Irvine, CA 92718 (949) 855-2620
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The Contractor will provide an invoice for services rendered, not more frequently than monthly. Each invoice will have a number and shall include the following information:

1. Contractor's name and address
2. Contractor's remittance address
3. County Contract number
4. Contractor's Federal I.D. number
5. Date of Order
6. Product description, quantity, prices
7. Sales tax, if applicable
8. Brief description of services

## EXHIBIT 1

### CHILD SUPPORT ENFORCEMENT REQUIREMENTS

In order to comply with child support enforcement requirements of the County the required Contractor data and certifications must be submitted within 10 days of notification of award.

Failure of a bidder to submit the data and/or certifications required above shall result in the bid being deemed non-responsive and the bidder may be disqualified from being considered for Contract award. Subsequent to issuance of the Contract, failure to comply with all federal and state reporting requirements for Child Support Enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.

The certifications will be stated as follows:

*"I certify that Pacific Maritime Industries Corporation is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract # MA-060-10012237 with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract."*

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies.

Failure of the Contractor to timely submit the data and/or certifications required above or to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of the Contract. Failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.

## CHILD SUPPORT ENFORCEMENT CERTIFICATION REQUIREMENTS

A. In the case of an individual Contractor, his/her name, date of birth, Social Security number, and residence address:

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_

B. In the case of a Contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of 10 percent or more in the contracting entity:

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_



Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_

Name: \_\_\_\_\_  
D.O.B: \_\_\_\_\_  
Social Security No: \_\_\_\_\_  
Residence Address: \_\_\_\_\_

C. A certification that the Contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

D. A certification that the Contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to so comply.

"I certify that *Pacific Maritime Industries Corporation* is in full compliance with all applicable federal and state reporting requirements regarding its employees and with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignments and will continue to be in compliance throughout the term of Contract# MA-060-10012237 with the County of Orange. I understand that failure to comply shall constitute a material breach of the Contract and that failure to cure such breach within 60 calendar days of notice from the County shall constitute grounds for termination of the Contract.

	JOHN ATKINSON	PRESIDENT
Authorized Signature *	Name	Title
	JOHN ATKINSON	CFO
Authorized Signature *	Name	Title

\* If a corporation, this document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer.

## EXHIBIT 2

### EDD-INDEPENDENT CONTRACTOR REPORTING REQUIREMENTS

Effective January 1, 2001, California State Senate Bill 542 requires businesses and government entities to report specified information about independent Contractors to the Employment Development Department.

An Independent Contractor is defined as an individual who is not an employee of the Business or government entity for California purposes and who receives compensation or executes a Contract for services performed for that business or government entity either in or outside of California.

To comply with the reporting requirements of SB 542, County procedures for contracting with Independent Contractors have changed and now mandate that the following information be completed and forwarded to the requesting agency/department immediately upon request.

- First name, middle initial, and last name
- Social security number
- Address
- Start and expiration dates of Contract
- Amount of Contract

#### a. EDD Reporting Form

First Name	Middle Initial.	Last Name
SSN _____		
Contract No. _____		
Start Date _____	Expiration Date _____	
Dollar value of Contract : _____		



**EXHIBIT B**

**AMENDMENT NUMBER ONE (Contract Number MA-060-10012237)**

AMENDMENT NUMBER ONE  
TO  
AGREEMENT MA-060-10012237  
BETWEEN THE  
COUNTY OF ORANGE  
AND  
PACIFIC MARITIME INDUSTRIES CORPORATION

This AMENDMENT NUMBER ONE to Contract number MA-060-10012237 (hereinafter "AMENDMENT NUMBER ONE") between the County of Orange, a political subdivision of the State of California, (hereinafter "COUNTY") and Pacific Maritime Industries Corporation (hereinafter "CONTRACTOR") with a place of business at 1790 Dornoch Ct., San Diego, CA 92154-7206 is made and entered upon signature of the last to sign of all necessary signatures.

RECITALS

WHEREAS, COUNTY and CONTRACTOR executed a Contract for the purchase of New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population, Contract Number MA-060-10012237 (hereinafter "ORIGINAL AGREEMENT"), for a one (1) year term of July 1, 2010 through and including June 30, 2011;

WHEREAS, COUNTY desires to inform CONTRACTOR of a clerical error made on Attachment B, Pricing "Contract shall not exceed \$185,000.00";

WHEREAS, COUNTY desires to amend the ORIGINAL AGREEMENT to correct a clerical error in Attachment B, Pricing for the Threshold amount in the ORIGINAL AGREEMENT, from "Contract shall not exceed \$190,000.00" to "Contract shall not exceed \$185,000.00";

NOW THEREFORE, in consideration of the mutual obligations set forth herein, both COUNTY and CONTRACTOR agree as follows:

ARTICLES

1. Page 14-15, Attachment B, Pricing of the ORIGINAL AGREEMENT is amended to correct the "Contract shall not exceed" amount to read as follows:

**Contract shall not exceed: \$185,000.00**

2. A true and correct copy of the ORIGINAL AGREEMENT, Contract Number MA-060-10012237, is attached hereto as Exhibit A and incorporated by this reference.
3. All other provisions of the ORIGINAL AGREEMENT, except as amended herein and to the extent they are not inconsistent with this AMENDMENT NUMBER ONE, remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this AMENDMENT NUMBER ONE to Contract Number MA-060-10012237.

**\*Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: PRESIDENT  
Print Name: JOHN ATKINSON Date: 11/4/2010

**\*Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: CEO  
Print Name: JOHN ATKINSON Date: 11/4/2010

\*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers. In the alternative, a single corporate signature is acceptable when accompanied by a corporate document demonstrating the legal authority of the signature to bind the company.

County Of Orange

A political subdivision of the State of California



Sheriff-Coroner Department

By: [Signature] Title: Purchasing Manager  
Date: 11/9/10

**EXHIBIT C**

**AMENDMENT NUMBER TWO (Contract Number MA-060-11012056)**

**AMENDMENT NUMBER TWO  
TO  
AGREEMENT MA-060-10012237  
BETWEEN THE  
COUNTY OF ORANGE  
AND  
PACIFIC MARITIME INDUSTRIES CORPORATION**

This AMENDMENT NUMBER TWO to Contract number MA-060-10012237 (hereinafter "AMENDMENT NUMBER TWO") between the County of Orange, a political subdivision of the State of California, (hereinafter "COUNTY") and Pacific Maritime Industries Corporation (hereinafter "CONTRACTOR") with a place of business at 1790 Dornoch Ct., San Diego, CA 92154-7206 is made and entered upon signature of the last to sign of all necessary signatures.

**RECITALS**

WHEREAS, the Orange County Board of Supervisors approved and COUNTY and CONTRACTOR executed a Contract for the purchase of New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population, Contract Number MA-060-10012237 (hereinafter "ORIGINAL AGREEMENT"), for a one (1) year term of 6/29/10 - through and including 6/28/11;

WHEREAS, COUNTY discovered and informed CONTRACTOR of a clerical error made in the ORIGINAL AGREEMENT on Attachment B, Pricing, which stated that the annual not-to-exceed amount for the contract was \$190,000.00, rather than a not-to-exceed amount of \$185,000.00;

WHEREAS, COUNTY amended the ORIGINAL AGREEMENT (hereinafter "AMENDMENT NUMBER ONE") in order to correct the clerical error in Attachment B, Pricing, reducing the not-to-exceed amount in the ORIGINAL AGREEMENT from \$190,000.00 to \$185,000.00;

WHEREAS, COUNTY desires to amend the ORIGINAL AGREEMENT, Contract Number MA-060-10012237 to increase the Contract by \$55,000.00 for a new not-to-exceed amount of \$240,000.00 to be effective for the first term 6/29/10 through and including 6/28/11 and;

WHEREAS, COUNTY desires to continue receiving services from CONTRACTOR for an additional one (1) year term in the not-to-exceed amount of \$210,000.00, and the CONTRACTOR has agreed to provide these goods/services at the rates set forth in the ORIGINAL AGREEMENT to be effective for the second term 6/29/11 through and including 6/28/12;

NOW THEREFORE, in consideration of the mutual obligations set forth herein, both COUNTY and CONTRACTOR agree as follows:

1. **ARTICLES**

- a. Page 6, Additional Terms and Conditions, Section **Term of Contract**, of the ORIGINAL AGREEMENT is amended to read in its entirety as follows:

1. **Term of Contract:**

This Contract shall commence upon execution of all necessary signatures, and continue in effect from 6/29/10 through and including 6/28/12, unless otherwise terminated by COUNTY. The period of 6/29/10 through and including 6/28/11 shall be known as Contract number MA-060-10012237. The period of 6/29/11 through and including 6/28/12 shall be known as Contract number MA-060-11012056. This Contract may be renewed for three (3) additional separate one (1) year terms by mutual agreement of both Parties. The COUNTY does not have to give a reason if it decides not to renew.

- b. Page 15, Attachment B "Pricing" of the ORIGINAL AGREEMENT is amended to change the "Contract shall not exceed" amount for the first and second terms of the ORIGINAL AGREEMENT as follows:

**Contract shall not exceed: \$240,000.00 Year I (6/29/10 - 6/28/11)**

**Contract shall not exceed: \$210,000.00 Year II (6/29/11 - 6/28/12)**

2. A true and correct copy of the ORIGINAL AGREEMENT, Contract Number MA-060-10012237, is attached hereto as Exhibit A and incorporated by this reference.
3. A true and correct copy of AMENDMENT NUMBER ONE, Contract Number MA-060-10012237, is attached hereto as Exhibit B and incorporated by this reference.
4. All other provisions of the ORIGINAL AGREEMENT, and AMENDMENT NUMBER ONE except as amended herein and to the extent they are not inconsistent with this AMENDMENT NUMBER TWO, remain unchanged and in full force and effect. All obligations of the Parties that would have been terminated on June 28, 2011 are hereby extended to June 28, 2012.

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// //

IN WITNESS WHEREOF, the Parties have executed this AMENDMENT NUMBER TWO to Contract Number MA-060-10012237.

**\*Contractor:** Pacific Maritime Industries Corporation

By: [Signature] Title: President  
Print Name: John Atkinson Date: 3/29/11

**\*Contractor:** Pacific Maritime Industries Corporation

By: Ana E. Mota Title: Secretary  
Print Name: Ana E. Mota Date: 3/29/11

\*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers. In the alternative, a single corporate signature is acceptable when accompanied by a corporate document demonstrating the legal authority of the signature to bind the company.

County Of Orange

A political subdivision of the State of California



Sheriff-Coroner Department

By: \_\_\_\_\_ Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

By: [Signature]  
Deputy  
Date: 3-30-11

**EXHIBIT D**

**AMENDMENT NUMBER THREE (Contract Number MA-060-12011434)**



**AMENDMENT NUMBER THREE  
TO  
AGREEMENT MA-060-10012237  
BETWEEN THE  
COUNTY OF ORANGE  
AND  
PACIFIC MARITIME INDUSTRIES CORPORATION**

This **AMENDMENT NUMBER THREE** to Contract number MA-060-10012237 (hereinafter "**AMENDMENT NUMBER THREE**") between the County of Orange, a political subdivision of the State of California, (hereinafter "**COUNTY**") and Pacific Maritime Industries Corporation (hereinafter "**CONTRACTOR**") with a place of business at 1790 Dornoch Ct., San Diego, CA 92154-7206 is made and entered upon signature of the last to sign of all necessary signatures.

**RECITALS**

**WHEREAS**, the Orange County Board of Supervisors approved and **COUNTY** and **CONTRACTOR** executed a Contract for the purchase of New Mattresses and Re-Cover Services of County owned Mattresses for the Inmate Population, Contract Number MA-060-10012237 (hereinafter "**ORIGINAL AGREEMENT**"), for a one (1) year term of 6/29/10 - through and including 6/28/11;

**WHEREAS**, **COUNTY** discovered and informed **CONTRACTOR** of a clerical error made in the **ORIGINAL AGREEMENT** on Attachment B, Pricing, which stated that the annual not-to-exceed amount for the contract was \$190,000.00, rather than a not-to-exceed amount of \$185,000.00;

**WHEREAS**, **COUNTY** amended the **ORIGINAL AGREEMENT** (hereinafter "**AMENDMENT NUMBER ONE**") in order to correct the clerical error in Attachment B, Pricing, reducing the not-to-exceed amount in the **ORIGINAL AGREEMENT** from \$190,000.00 to \$185,000.00;

**WHEREAS**, **COUNTY** amended the **ORIGINAL AGREEMENT**, Contract Number MA-060-10012237 (hereinafter "**AMENDMENT NUMBER TWO**") to increase the Contract by \$55,000.00 for a new not to exceed amount of \$240,000.00 and renewed the **ORIGINAL AGREEMENT**, as Contract Number MA-060-11012056 for a new not to exceed amount of \$210,000.00 for an additional year term effective 6/29/11 through and including 6/28/12;

**WHEREAS**, **COUNTY** desires to amend the **ORIGINAL AGREEMENT** to increase the Contract not to exceed amount by \$60,000.00 (total \$270,000.00) for the current Contract term and to continue receiving services from **CONTRACTOR** for an additional one (1) year term effective from 6/29/12 through and including 6/28/13 in the not to exceed amount of \$305,000.00 at the rates set forth in this **AMENDMENT NUMBER THREE**;

**NOW THEREFORE**, in consideration of the mutual obligations set forth herein, both **COUNTY** and **CONTRACTOR** agree as follows:

1. **ARTICLES**

- a. Additional Terms and Conditions, Section **Term of Contract**, of the ORIGINAL AGREEMENT is amended to read in its entirety as follows:

1. **Term of Contract:**

This Contract shall commence upon execution of all necessary signatures, and continue in effect from 6/29/10 through and including 6/28/12, unless otherwise terminated by COUNTY. The period of 6/29/10 through and including 6/28/11 shall be known as Contract number MA-060-10012237. The period of 6/29/11 through and including 6/28/12 shall be known as Contract number MA-060-11012056. The period of 6/29/12 through and including 6/28/13 shall be known as Contract number MA-060-12011434. This Contract may be renewed for two (2) additional separate one (1) year terms by mutual agreement of both Parties. The COUNTY does not have to give a reason if it decides not to renew.

- b. Attachment B "Pricing" of the ORIGINAL AGREEMENT is amended to change the "Contract shall not exceed" amount for the Second and Third terms of the ORIGINAL AGREEMENT as follows:

**Contract shall not exceed: \$270,000.00 Year II (6/29/11 - 6/28/12)**

**Contract shall not exceed: \$305,000.00 Year III (6/29/12 - 6/28/13)**

2. Attachment B **Pricing** of the ORIGINAL AGREEMENT has been amended in its entirety and attached hereto as Exhibit D and incorporated by this reference;
3. A true and correct copy of the ORIGINAL AGREEMENT, Contract Number MA-060-10012237, is attached hereto as Exhibit A and incorporated by this reference.
4. A true and correct copy of AMENDMENT NUMBER ONE, Contract Number MA-060-10012237, is attached hereto as Exhibit B and incorporated by this reference.
5. A true and correct copy of AMENDMENT NUMBER TWO, Contract Number MA-060-11012056, is attached hereto as Exhibit C and incorporated by this reference.
6. All other provisions of the ORIGINAL AGREEMENT, AMENDMENT NUMBER ONE and AMENDMENT NUMBER TWO except as amended herein and to the extent they are not inconsistent with this AMENDMENT NUMBER THREE, remain unchanged and in full force and effect. All obligations of the Parties that would have been terminated on June 28, 2012 are hereby extended to June 28, 2013.

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IN WITNESS WHEREOF, the Parties have executed this AMENDMENT NUMBER THREE to Contract Number MA-060-11012056.

\*Contractor: **Pacific Maritime Industries Corporation**

By: [Signature] Title: President

Print Name: John Atkinson Date: 3/26/2012

\*Contractor: **Pacific Maritime Industries Corporation**

By: [Signature] Title: Controller

Print Name: Michael Pham Date: 3/26/2012

\*If a corporation, the document must be signed by two corporate officers. The first signature must be either the Chairman of the Board, President, or any Vice President. The second signature must be the secretary, an assistant secretary, the Chief Financial Officer, or any assistant treasurers. In the alternative, a single corporate signature is acceptable when accompanied by a corporate document demonstrating the legal authority of the signature to bind the company.

County Of Orange

A political subdivision of the State of California



Sheriff-Coroner Department

By: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by the Board of Supervisors: \_\_\_\_\_

Approved as to Form  
Office of the County Counsel

by [Signature]  
Deputy

## ATTACHMENT B

### PRICING

\*Unit price listed below shall include all services, furnishings, all staffing and materials required to perform duties and for any reasonably unforeseen difficulties, which may arise or be encountered in the performance of the services.

Item No	Item Description	Size	*Unit Price
001	<b>MATTRESS FOAM</b>  <b>CORE:</b> Low Smoke Polymerized Synthetic Pyrothene (Neoprene) Foam <b>DENSITY:</b> 6 LBS/Cu. Ft. <b>COVER:</b> ChemTick Revolution Soft Extruded Vinyl or Equal.	30" x 76" x 2"	\$ 84.44
003	<b>MATTRESS, FOAM, 1-PIECE</b>  <b>CORE:</b> All Foam Inserts shall be to the specs per SOW, page 20, Section I, Part A <b>DENSITY:</b> 6 Lbs/Cu. Ft. <b>COVER:</b> CLEARSAFE 2000 MATTRESSES COVER. This cover shall be comprised of reinforced clear laminated PVC formulated to be compatible with Polyhcloraprene foam. Vinyl that is yellowed or discolored will not be accepted. Reinforcement fabric to be manufactured with 1000D polyester scrim in a symmetrical 6x6 construction. Minimum 11 oz/sq yd manufactured to specifications in above SOW, page 20, Section I, Part B. Reinforce Hem Tick Revolution Soft Extruded Vinyl or Equal.	30" x 76" x 2"	\$ 89.30
005	<b>RE-COVER, 1-PIECE MATTRESS, W/VINYL COVER</b>  <b>Pick-Up:</b> Contractor shall pick up County owned Mattresses at individual County Jail facilities within seven (7) business days of notification by County staff. <b>Material:</b> Contractor shall re-cover county owned Mattresses cores w/new vinyl mattress cover as specified in SOW, page 20, Section I, Part B.	30" x 76" x 2"	\$ 34.63
007	<b>RE-COVER, 1-PIECE MATTRESS, W/CLEARSAFE 2000 VINYL COVER</b>  <b>Pick-Up:</b> Contractor shall pick up County owned Mattresses at individual County Jail facilities within seven (7) business days of notification by County staff. <b>Material:</b> Contractor shall re-cover County owned mattress cores w/new Clearsafe 2000 Vinyl mattress cover and return to the ordering facility within 10 business days.	30" x 76" x 2"	\$ 40.70

**CONTRACT SHALL NOT EXCEED: \$ 305,000.00**