CALIFORNIA High-Speed Rail Authority

CHANGE ORDER (CO)

CO No.: 00045

TITLE: Project Settlement for Time Impacts and Delays Through August 31, 2017

DATE: 12/20/2017

PROJECT: Construction Package No. 2-3

CONTRACT NO: HSR13-57

CONTRACTOR: Dragados / Flatiron Joint Venture
1775 Park St, Bldg. 75
Selma, CA 93662

DESCRIPTION OF CHANGE:

Compensation and extension of time to resolve all delays, delay-related impacts, and resultant damages, including but not limited to time-related overhead and delay escalation, arising from or related to delays that occurred on the project through August 31, 2017, including but not limited to, Right-of-Way (ROW) acquisitions (TIA #1), PG&E design delay (TIA #2/Dispute 20), subsidence (TIA #3), third party coordination delay such as Kings County (TIA #5) and BNSF, Type 2 Structures per DL 44 and 44.1 (TIA #11), PG&E 3rd Tower Relocation delay (TIA #27/Dispute 20), 404/401 permit delay, environmental compliance and re-examination for ROW acquisitions. Due to Dragados / Flatiron, Joint Venture (DFJV) and the California High-Speed Rail Authority (Authority) inability to fully recover from the overall impact of the delays, both parties have agreed to resolve all such delays, impacts, and resultant damages arising from or related to delays that occurred on the project through August 31, 2017. This Change Order addresses those delays, impacts, and resultant damages by extending the Contract by nine months and providing the compensation to DFJV described below.

With the exception of delays, delay-related impacts, and resultant damages, including but not limited to time-related overhead and delay escalation, this Change Order does not resolve other costs and impacts for items pending as of August 31, 2017.

This Change Order does not resolve delays, delay-related impacts, and resultant damages, including but not limited to time-related overhead and delay escalation, arising from or related to delays occurring after August 31, 2017. Contractor and the Authority agree that any determination of time extensions or additional costs arising from or related to delays occurring subsequent to August 31, 2017, if any, shall be determined pursuant to the existing Contract provisions.

For delays, delay-related impacts and resultant damages that continue past August 31, 2017, DFJV must show delay-related impacts September 1, 2017 forward, which shall be determined pursuant to the existing Contract provisions and which, to that extent, are not released by this Change Order. Accordingly, following the execution of this Change Order, the DFJV will submit updates to any pending Time Impact Analyses, Change Order Proposals, claims, and disputes as necessary.

Further to requirements of Book I, Part B.1 - Special Provisions Article 3.0 Completion Deadlines, this Change Order extends the Contract completion deadline by 192 Working Days for Substantial Completion due to time impacts incurred during the period from Contract execution through August 31, 2017. In consideration of such extension of the completion deadline, this Change Order increases the Contract amount by $50.75 million dollars ($50,750,000.00):

Revise Special Provisions Section 3 to state:

The "Substantial Completion Deadline" is defined as 1,172 Working Days after NTP; as such deadline may be extended in accordance with the Contract Documents. The Contractor shall achieve Substantial Completion on or before the Substantial Completion Deadline. Revised Substantial Completion Deadline shall be March 20, 2020.

The "Final Acceptance Deadline" is defined as 1,217 Working Days after NTP as such deadline may be extended in accordance with the Contract Documents. The Contractor shall achieve Final Acceptance on or before the Final Acceptance Deadline. Revised Final Acceptance Deadline shall be May 22, 2020.

DFJV shall prepare a Revised Baseline Schedule representative of its work plan and sequences and submit the schedule for approval to the Authority by February 28, 2018.

Contractor Acceptance by	Submitted by	California High-Speed Rail Authority Recommended by	Approved by

To compensate the Contractor for all additional direct and indirect costs caused by the delay-related impacts, including but not limited to, labor, materials, equipment standby, supervision, overhead and escalation associated with this nine-month extension of the completion deadlines, the Contractor shall be paid the agreed lump sum of $50.75 million.

The lump sum of $50.75 million shall be paid prior to January 1, 2018. In consideration of this Change Order, the Contractor agrees to release the Authority, its agents, and assigns, from any and all claims, liens, liabilities, losses, damages, fees, expenses, defenses, obligations, or demands for any extension of time, compensation, or other relief of any type, nature or description known or unknown, arising from or related to delays that occurred on the project through August 31, 2017. DFJV specifically waives the right to seek compensation for all delays, delay-related impacts, and resultant damages, including but not limited to time-related overhead and delay escalation, arising from or related to delays that occurred on the project through August 31, 2017 (Collectively, DFJV Released Claims).

Civil Code Section 1542 Waiver:

DFJV, after consulting with its own counsel, as related to the DFJV Released Claims, waives all of its rights that are provided by Section 1542 of the Civil Code of the State of California, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

All other provisions of the Contract shall remain unchanged and in full force and effect.

Total: $50,750,000.00

Contractor Acceptance by	Submitted by	California High-Speed Rail Authority Recommended by	Approved by

ATTACHMENTS:

TITLE:	Project Settlement for Time Impacts and Delays Through August 31, 2017	**DATE:**	12/20/2017
PROJECT:	Construction Package No. 2-3	**CONTRACT NO:**	HSR13-57

Release of Claims (Book I, Part B.2, clause 17.8 superseded as follows):
Except as modified by this Change Order, all terms and conditions of the Contract, as previously modified, remain unchanged and in full force and effect. The parties agree that this Change Order is a final and equitable adjustment of the Contract time and Contract amount and constitutes a mutual accord and satisfaction of all claims, current or future, of whatever nature caused by this Change Order including, but not limited to, direct, indirect and consequential costs; additional time for performance; and the impact of the modifications specified in this Change Order, alone or taken with other changes, on the unchanged Work.

Contractor's Sworn Certification
By executing this Change Order for the Contractor below, the undersigned for the Contractor certifies as true, under penalty of perjury (under the laws of California, executed in Selma, California), as follows:

This Change Order is made in good faith and in accordance with the terms of the Contract.

The amount of time and/or compensation requested accurately reflects the appropriate adjustments and includes all known and anticipated impacts or amounts that may be incurred as a result of the proposed change.

The Contractor has no reason to believe and does not believe that the factual basis for this Change Order is falsely represented.

The Contractor has investigated the basis for each Subcontractor claim and has determined that each such claim is justified as to entitlement and amount of money and/or time requested and has no reason to believe and does not believe that the factual basis for the Subcontractor's claim is falsely represented.

Contractor Acceptance by	California High-Speed Rail Authority		
	Submitted by	Recommended by	Approved by
		RFHill	

Subcontractor's Sworn Certification(s):
Attached is a sworn certification from Subcontractor Jacobs Engineering Group, Inc. related to its involvement in the Work or event contemplated by this Change Order in accordance with the Contract.

Dragados / Flatiron Joint Venture (DFJV)

Approval by		
Signature	Jose Luis Mendez Sanchez President, West Division, Dragados USA, Inc. Authorized signatory for DFJV	Date 12/20/2017
Approval by		
Signature	Richard Grabinski Senior Vice President, Western Region Flatiron West, Inc. Authorized signatory for DFJV	Date 12/20/2017

California High-Speed Rail Authority

Submitted by		
Recommended by		
Signature	Scott Jarvis - Chief Engineer	Date 12.20.17
Recommended by		
Signature	Roy Hill - Chief Program Officer	Date 12/20/17
Approval by		
Signature	Thomas C. Fellenz - Interim Chief Executive Officer Authorized signatory for the Authority	Date 12/20/17

Contractor		California High-Speed Rail Authority	
Acceptance by	Submitted by	Recommended by	Approved by