

**AGREEMENT**

THIS AGREEMENT, made and entered into this 23<sup>rd</sup> day of March, 2026, by and between the CITY OF CAPITOLA, a municipal corporation, hereinafter called “City,” and Granite Rock Company, hereinafter called “Contractor;”

WITNESSETH, that the parties hereto do mutually agree as follows:

**ARTICLE I**

That for and in consideration of the covenants and agreements herein contained and the payments at the prices stated in the bid proposal attached hereto, and by this reference made a part hereof, the Contractor hereby covenants and agrees to furnish any and all required supervision, labor, equipment, “Standard Provisions” as hereinafter defined, and will bear any and all other expense necessary or incidental to the performance of certain work hereinafter specified, and to build, construct, reconstruct, pave or repave and complete improvements for:

**41<sup>ST</sup> AVENUE MULTIMODAL IMPROVEMENTS AND PAVEMENT REHABILITATION PROJECT**

General work description; Rehabilitate the existing pavement with Partial Depth Recycling (PDR) from Clares Street to the County/City boundary along 41<sup>st</sup> Avenue and also improve the striping and signing improvements to improve bicycle accessibility and lane selection for wayfinding. This includes the replacement of two signal poles and one curb ramp/return at the intersection of Gross Road and 41<sup>st</sup> Avenue, signal modifications at the State Route (SR)-1 southbound ramp terminal intersection, pavement markings for SR-1 wayfinding, and improvements for the bicycle facility in strict conformity and compliance with the City’s Special Project Specifications, the Plans, and Drawings, and to do everything required by this agreement, and by said Standard Specifications as hereinafter defined.

**ARTICLE II**

It is expressly agreed and understood by the Contractor that the City’s Special Project Specifications consists of the documents on file at the Office of the Director of Public Works of the City of Capitola, entitled:

“City of Capitola Special Project Specifications”

All sections of the Standard Specifications of the State of California, Department of Transportation, dated 2018 with most recent revisions, (“State Specifications”), shall apply. Where conflicts arise between the City’s Special Project Specifications and the State Specifications, the City’s Special Project Specifications shall control and apply.

**ARTICLE III**

It is expressly agreed and understood by each and every party to this agreement that the Notice to Contractors/Notice Inviting Sealed Proposals or Bids, Instructions to Bidders, the City’s Special Project Specifications, including the Standard Provisions, Technical Provisions, and Special Provisions, the City’s Standard Details, the State Specifications, the Bid Proposal including all required forms and bonds, the Plans, and the Drawings are hereby incorporated and made a part of this contract (hereinafter the “Contract Documents”). The parties to this agreement do hereby expressly

acknowledge that they have read, understand, and promise to comply with each and every provision of Contract Documents.

ARTICLE IV

Contractor shall conform to all laws and regulations of the United States and the State of California, as well as laws of Capitola, as may be applicable to the project.

ARTICLE V

The City hereby contracts to pay said Contractor the prices provided for in the Bid Proposal in the manner, to the extent, and at the times set forth in the Contract Documents.

ARTICLE VI

It is agreed by the parties hereto that the acceptance of the Contractor's performance will be made only by an affirmative action of the City of Capitola, by approval of a Notice of Completion, and upon the filing by the Contractor of a Release of all Claims of every nature on account of work done under this contract, together with an affidavit that all claims have been fully paid. The acceptance by the Contractor of said final payment shall constitute a waiver of all claims against the City arising out of or in connection with this contract.

IN WITNESS WHEREOF, this contract is executed by the City Manager of the City of Capitola, and the Contractor has affixed his/her signature hereto the day and year first hereinabove written.

CITY OF CAPITOLA  
A Municipal Corporation

CONTRACTOR:

By:

By:

\_\_\_\_\_  
Benjamin Goldstein  
City Manager

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

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

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

Approved by the City Council on March 16,  
2026

**ATTEST:**

\_\_\_\_\_  
City Clerk

**FAITHFUL PERFORMANCE & MAINTENANCE BOND**

WHEREAS, the City of Capitola, a municipal corporation, in the County of Santa Cruz, State of California, has awarded to Granite Rock Company, hereinafter designated as the "Principal," a contract for constructing the work or improvement described in the contract documents entitled:

**41<sup>ST</sup> AVENUE MULTIMODAL IMPROVEMENTS AND PAVEMENT REHABILITATION PROJECT**

WHEREAS, said Principal is about to enter into the contract with the City of Capitola:

NOW, THEREFORE, we, the Principal, and \_\_\_\_\_, a corporation organized and existing under and by virtue of the laws of the State of California, as surety, are held and firmly bound unto the City of Capitola, a municipal corporation in the County of Santa Cruz, State of California, in the sum of two million thirty-seven thousand eight hundred sixty-eight dollars (\$2,037,868) being not less than one hundred percent (100%) of the estimated contract costs of the work, to be paid to the City of Capitola, for the payment of which sum, well and truly to be paid, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns;

NOW, THEREFORE THE CONDITION OF THIS OBLIGATION IS SUCH, that if the Principal, his/her heirs, executors, administrators, successors, or assigns shall in all things abide by and well and truly keep and perform the covenants, conditions and agreements in the said contract and any alteration thereof made as herein provided, on his/her or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to the true intent and meaning, and shall indemnify and save harmless the City of Capitola, its officers and agents as therein stipulated, that this obligation shall be discharged, otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the said contract, the above obligation in the amount of \_\_\_\_\_ dollars (\$\_\_\_\_\_), being not less than 10 percent of the estimated contract cost, shall remain in force for a period of one (1) year after the completion and acceptance of the said work, during which time if the Principal, his/her or its heirs, executors, administrators, successors or assigns shall fail to make full, complete and satisfactory repairs and replacements or totally protect the City of Capitola from loss or damage made evident during said period of one (1) year from the date of official acceptance of said work and resulting from or caused by defective materials or faulty workmanship in the prosecution of the work done, the above obligation in the sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_), shall remain in full force and effect, otherwise the obligation shall be discharged. However, notwithstanding any other provisions of this paragraph, the obligation of the surety hereunder shall continue so long as any obligation of the Principal remains.

The surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or to the work to be performed thereunder or the specifications shall in any way effect its obligation on this bond, and it does hereby waive notice of any such changes, extensions of time, alterations, or additions to the terms of the contract or to the work or to the specifications, and the surety does hereby waive its rights under California Civil Code Section 2819.

IN WITNESS whereof, the parties have executed this instrument under their seals, this\_\_\_\_day of\_\_\_\_\_, 20\_\_\_\_, by its undersigned representative, pursuant to the authority of its governing body, the day and year first hereinabove written.

\_\_\_\_\_  
PRINCIPAL

\_\_\_\_\_  
SURETY

**LABOR AND MATERIAL BOND**

WHEREAS, the City of Capitola, a municipal corporation in the County of Santa Cruz, State of California, has awarded to Granite Rock Company, hereinafter designated as the "Principal," a contract for constructing the work or improvement described in the contract documents entitled:

**41<sup>ST</sup> AVENUE MULTIMODAL IMPROVEMENTS AND PAVEMENT REHABILITATION PROJECT**

WHEREAS, said Principal is required under the terms of said contract to furnish a Labor and Material Bond, the surety of this bond will pay the same to the extent hereinafter set forth; and

WHEREAS, the said Principal is about to enter into the annexed contract with the City of Capitola to complete the work or improvement referred to above for the City of Capitola, County of Santa Cruz, State of California, all as more particularly and in detail as shown upon the Special Project Specifications and Contract Documents filed in the Public Works Department of the City of Capitola;

NOW, THEREFORE, we the Principal, and \_\_\_\_\_ a corporation organized and existing under and by virtue of the laws of the State of California, as surety, are held and firmly bound unto the City of Capitola in the sum of two million thirty-seven thousand eight hundred sixty-eight dollars (\$2,037,868) such sum being not less than one hundred percent (100%) of the estimated contract cost of the work, lawful money of the United States of America, to be paid to the City of Capitola, for the payment of which sum, well and truly to be made, we hereby bind ourselves, our heirs, administrators, executors, successors and assign jointly and severally.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if said Principal or its heirs, executors, administrators, successors or assigns, shall fail to pay for any materials, provisions, vendor supplies, or equipment as provided in the contract documents, upon, for, or about the performance of the work contracted to be done, or for any work or waiver thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or fails to pay any of the persons authorized under Civil Code Section 9100 to assert a claim against a payment bond, or fails to pay for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board for the wages of employees of the Principal or his/her subcontractor pursuant to Section 18668 of the Revenue and Taxation Code, or fails to pay for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the principal and all subcontractors with respect to such work and labor that the surety or sureties will pay for the same, in an amount not exceeding the sum specified in this bond, and also, in case suit is brought upon the bond, will pay, in addition to the face amount hereof, a reasonable attorney's fee, to be fixed by the Court.

The condition of this obligation is such that its terms inure to the benefit of any of the persons and entities authorized in Civil Code Section 9100 to assert a claim against a payment bond so as to give a right of action to such persons or entities or their assigns in any suit brought upon or action to enforce liability on the bond.

The surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the contract or to the work to be performed thereunder shall in any manner affect its obligation upon this bond, and it does hereby explicitly waive notice of any such

change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder, and further explicitly hereby waives its rights under Civil Code Section 2819.

IN WITNESS WHEREOF, the above parties have executed this instrument under their seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, and duly signed by its undersigned representation, pursuant to authority of its governing body.

\_\_\_\_\_  
PRINCIPAL

\_\_\_\_\_  
SURETY