

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into by and between the County of Mendocino (“County”), Coleman Environmental Engineering, Inc. (“Coleman”), and PG&J Environmental, Inc. (“PG&J”). The parties to this Agreement may sometimes be referred collectively to as “the Parties” and individually as “Party.”

RECITALS

A. On or about May 22, 2023, PG&J entered into a contract (“Contract”) with Coleman Environmental Engineering (“Coleman”) pursuant to which PG&J was to Demolish the Existing Structure for the Future Psychiatric Facility at 131 Whitmore Lane, Ukiah, California 95482 (hereinafter, the “Project”), for the County, 841 Low Gap Road, Ukiah, California 95482.

B. PG&J timely completed all of its Scope of Work for the Project on, or prior, to July 13, 2023, pursuant to its contract with Coleman.

C. On or about July 13, 2023, PG&J invoiced Coleman \$161,095.00 for PG&J’s completed Project work.

D. On or about October 3, 2023, PG&J caused a Public Work Stop Payment Notice to be filed which identified Coleman as the direct contractor for the Project.

E. On or about March 21, 2024, PG&J filed a lawsuit in Orange County Superior Court regarding the Project, titled *PG&J v. Coleman et al*, Case No. 30-2024-01388355-CU-CO-CJC, which also named the County as a defendant.

F. The Parties now wish to fully, finally, and completely settle and resolve all claims, demands, actions, causes of action, rights and obligations in any way arising from the Project, the Contract, and the Bond Claim, known and unknown, in the manner described below.

NOW THEREFORE, in consideration of the foregoing recitals, in reliance upon foregoing representations, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement Between PG&J and Coleman**. On June 5, 2024, PG&J entered into a Settlement Agreement with Coleman, attached hereto as Exhibit A, and which provides for the following actions, including that PG&J be paid the sum of one hundred and seventy thousand and 00/100 dollars (\$170,000.00) by Coleman (“Settlement Amount”) as follows:

- a. Coleman will ensure payment of the Project Retainage, \$21,079.97, to PG&J (which Retainage is 5% of the full contract price Coleman was paid for the Project) including but not limited to Coleman working with the County of Mendocino to release the Retainage to PG&J upon execution of the June 5, 2024 Settlement Agreement;

- b. The remaining \$148,920.03 will be paid by Coleman to PG&J in five monthly installments of \$25,000.00, with the sixth monthly payment being \$23,920.03. The first being due June 7, 2024 and the following five payments due to PG&J every thirty days thereafter;
- c. Payment shall be made by Coleman by way of bank check or cashier's check, deposited in the USPS mail, for each month, no later than the monthly date that this Agreement is executed;
- d. If any payment is more than seven business days late, the entire remaining balance will be immediately due and bear 10% interest annually;
- e. PG&J dismisses its Bond Claim with RLI Insurance Company, without prejudice, and subject to the Tolling Agreement contained in Exhibit B;
- f. PG&J will dismiss the lawsuit it filed in Orange County Superior Court, on March 21, 2024, titled *PG&J v. Coleman et al*, Case No. 30-2024-01388355-CU-CO-CJC (the "Lawsuit") as follows:
 - i. Defendant County of Mendocino, with prejudice, upon receipt of the Project retention in the amount of \$21,079.97;
 - ii. Defendant RLI Insurance Company, without prejudice, upon execution of the attached Tolling Agreement; and
 - iii. Defendant Coleman, without prejudice, upon receipt of the first payment referred to in 1. b. above; and
- g. Coleman and PG&J, shall pay their own attorney's fees and costs.

2. **County Payment of Retainage and Remaining Funds.** The Contract with Coleman was for a total contract sum of \$421,599.50. The Retainage for the Contract was calculated based on the total contract sum is \$21,079.97. Coleman's application for payment from the County only listed a total contract sum of \$421,599.00. As such, the County has the amount of \$0.48 remaining to be paid on the Contract (the "Remaining Amount").

Within thirty (30) days of the execution of this Agreement, County shall pay the Retainage to PG&J and the Remaining Amount to Coleman.

3. **Release of County.** In consideration for the promises, agreements, and other considerations set forth in this Agreement, which the Parties each represent and warrant are good and sufficient consideration, Coleman and PG&J do hereby fully, finally, and forever discharge, release, and waive as to the County, its consultants, sub-consultants, attorneys or any person or entity who provided any work or services of any kind to or related to the Project (collectively, the "Released Parties"), any and all claims, demands, actions, causes of action, rights of indemnity (legal and equitable), obligations, costs, expenses, attorneys' fees, expert witness and consultant fees, damages, interest, penalties, losses, and liabilities of whatever nature, character, or kind, whether known or unknown, suspected or unsuspected, matured or contingent, choate or inchoate,

which concern or relate in any way to the Project and the Contract, any subcontract regardless of tier, or any other claims arising from the foregoing, including any claim for additional compensation which was or could have been made by PG&J or those providing material or labor to PG&J of whatever tier for the Project.

4. California Civil Code § 1542. With respect to the matters released under this Agreement, Coleman and PG&J expressly waives, after consulting with the attorneys of their choice, any and all rights which they may have under the provisions of § 1542 of the *California Civil Code* regarding the Project and the Contract. PG&J and its subcontractors' or suppliers' participation in the Project, and the Released Parties which section reads as follows:

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

5. Release of Mechanics Liens and Document Deliverables. PG&J shall deliver the following documents to the County.

5.1 A duly executed release of the Stop Payment Notice as referred to in Recitals Section D, within five (5) days of the execution of this Agreement.

5.2 A dismissal with prejudice in the Lawsuit, within five (5) days of PG&J's receipt of the Retainage.

6. Miscellaneous Provisions.

6.1 No promise or inducement has been made by any Party other than those set forth in this Agreement. Moreover, each Party to this Agreement has conducted sufficient independent, legal, factual and other investigation as it deems necessary to determine the advisability of entering into this Agreement, and represents that it is not relying upon any representations, promises or statements by any other Party, or any other Party's counsel, consultants or other representatives in entering into this Agreement.

6.2 Each Party hereto represents and warrants to the other Party that it is aware of no other party having an interest in, nor has it assigned, or otherwise transferred any interest in any claim which is or may be the subject of this Agreement.

6.3 The Parties shall be deemed to have cooperated in the drafting of this Agreement. As such, in the event any term in this Agreement is determined to be ambiguous, such ambiguity shall not be construed against any Party to this Agreement.

6.4 This Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to any choice of law rules) as it applies to agreements between California residents, entered into and to be performed entirely within

California. This Agreement constitutes a single integrated contract, expressing the entire agreement between the Parties pertaining to the subject matter contained in this Agreement, and this Agreement supersedes all prior or contemporaneous agreements, representations, negotiations, discussions and understandings of the Parties pertaining to the subject matter contained in this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.

6.5 This Agreement may be executed in counterparts and a facsimile or electronically-transmitted (e.g., PDF) signature shall be as acceptable and binding as an ink-original signature).

6.6 The Parties agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary or appropriate to carry out the intent or provisions of this Agreement.

6.7 In the event that any of the terms of this Agreement are contested or breached by any Party, the other Party or Parties can enforce the terms of this Agreement pursuant to *Code of Civil Procedure* § 664.6 as to the contesting or breaching Party or Parties.

6.8 This Agreement is the product of compromise and no Party to this Agreement concedes the merits of or liability for any of the claims, or for any of the defenses to the claims that are the subject of this Agreement.

6.9 This Agreement is binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, and shall also inure to the benefit of their respective agents, employees, board(s), representatives, shareholders, officers, directors, managers, partners, divisions, landlords, subcontractors, sub-subcontractors, suppliers, corporations, subsidiaries, parents, affiliates, assigns, heirs, predecessors, and successors, past, present and future, and all of their insurers, guarantors, sureties, and reinsurers.

6.10 Any disputes concerning this Agreement shall first be referred to non-binding mediation before a mutually acceptable mediator and then, if necessary, to binding arbitration pursuant to the Rules of the American Arbitration Association.

6.11 Each Party hereto represents and warrants that it is authorized to sign this Agreement and bind the respective Party, and all acts necessary to confer such authority have been duly, properly and legally taken.

IN WITNESS WHEREOF

DEPARTMENT FISCAL REVIEW:

Darcie Antle
DEPARTMENT HEAD DATE

Budgeted: Yes No

Budget Unit: GA

Line Item: 86-4365

Grant: Yes No

Grant No.: N/A

COUNTY OF MENDOCINO

By: John Haschak
MAUREEN MULHEREN, Chair **JOHN HASCHAK**
BOARD OF SUPERVISORS

Date: 02/25/2025

ATTEST:

DARCIE ANTLE, Clerk of said Board

By: Average
Deputy 02/25/2025

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

By: Average
Deputy 02/25/2025

INSURANCE REVIEW:

By: Darcie Antle
Risk Management

Date: 02/10/2025

PG&J ENVIRONMENTAL, INC.

By: Alfonso Hernandez
Alfonso Hernandez, President

Date: 9/17/2024

COLEMAN ENVIRONMENTAL ENGINEERING, INC.

Signed by: Kenna Morrow
By: Kenna Morrow
Kenna Morrow, Secretary
Date: 1/21/2025

Signed by: Jacob Morrow
By: Jacob Morrow
Jacob Morrow, CEO
Date: 1/21/2025

By signing above, each signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement.

COUNTY COUNSEL REVIEW:

APPROVED AS TO FORM:

By: Max Kiser
COUNTY COUNSEL

Date: 02/10/2025

EXECUTIVE OFFICE/FISCAL REVIEW:

By: [Signature]
Deputy CEO or Designee

Date: 02/10/2025

Signatory Authority: \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; \$50,001+ Board of Supervisors
Exception to Bid Process Required/Completed _____
Mendocino County Business License: Valid _____
Exempt Pursuant to MCC Section: _____

EXHIBIT A
JUNE 5, 2024, SETTLEMENT AGREEMENT
BETWEEN COLEMAN AND PG&J

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (“Agreement”) is entered into by and between Coleman Environmental Engineering (“Coleman”), on the one hand, and PG&J Environmental, Inc. (“PG&J”), on the other hand. The parties to this Agreement may sometimes be referred collectively to as “the Parties” and individually as “Party.”

RECITALS

A. On or about May 22, 2023, PG&J entered into a contract with Coleman pursuant to which PG&J was to Demolish the Existing Structure for the Future Psychiatric Facility at 131 Whitmore Lane, Ukiah, California 95482 (hereinafter, the “Project”), for the Project Owner, the County of Mendocino, 841 Low Gap Road, Ukiah, California 95482.

B. PG&J timely completed all of its Scope of Work for the Project on, or prior, to July 13, 2023, pursuant to its contract with Coleman.

C. On or about July 13, 2023, PG&J invoiced Coleman \$161,095.00 for PG&J’s completed Project work.

D. On or about October 3, 2023, PG&J caused a Public Work Stop Payment Notice to be filed which identified Coleman as the direct contractor for the Project.

E. On or about February 21, 2024, PG&J filed a claim with RLI Insurance Company on the Payment Bond RLI Insurance Company issued for the Project (the “Bond Claim”).

F. The Parties now wish to fully, finally, and completely settle and resolve all claims, demands, actions, causes of action, rights and obligations in any way arising from the Project, the Contract, and the Bond Claim, known and unknown, in the manner described below.

NOW THEREFORE, in consideration of the foregoing recitals, in reliance upon foregoing representations, the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Settlement Payment.** Upon execution of this Agreement, PG&J shall be paid the sum of one hundred and seventy thousand and 00/100 dollars (\$170,000.00) by Coleman (“Settlement Amount”) as follows:

- a. Coleman will ensure payment of the Project Retainage, \$21,079.97, to PG&J (which Retainage is 5% of the full contract price Coleman was paid for the Project) including but not limited to Coleman working with the County of Mendocino to release the Retainage to PG&J upon execution of this Agreement;
- b. The remaining \$148,920.03 will be paid by Coleman to PG&J in five monthly installments of \$25,000.00, with the sixth monthly payment being \$23,920.03.

The first being due June 7, 2024 and the following five payments due to PG&J every thirty days thereafter;

- c. Payment shall be made by Coleman by way of bank check or cashier's check, deposited in the USPS mail, for each month, no later than the monthly date that this Agreement is executed;
- d. If any payment is more than seven business days late, the entire remaining balance will be immediately due and bear 10% interest annually;
- e. PG&J dismisses its Bond Claim with RLI Insurance Company, without prejudice, and subject to the Tolling Agreement contained in Exhibit B;
- f. PG&J will dismiss the lawsuit it filed in Orange County Superior Court, on March 21, 2024, titled *PG&J v. Coleman et al*, Case No. 30-2024-01388355-CU-CO-CJC as follows:
 - i. Defendant County of Mendocino, with prejudice, upon receipt of the Project retention in the amount of \$21,079.97;
 - ii. Defendant RLI Insurance Company, without prejudice, upon execution of the attached Tolling Agreement; and
 - iii. Defendant Coleman, without prejudice, upon receipt of the first payment referred to in 1. b. above; and
- g. Each Party, Coleman and PG&J, shall pay its own attorney's fees and costs.

2. **Full and Final Mutual Release.** In consideration for the promises, agreements, and other considerations set forth in this Agreement, which the Parties each represent and warrant are good and sufficient consideration, and except as provided for in this Agreement, the Parties do hereby fully, finally, and forever discharge, release, and waive as to one another, their respective consultants, sub-consultants, attorneys or any person or entity who provided any work or services of any kind to or related to the Project (collectively, the "Released Parties"), any and all claims, demands, actions, causes of action, rights of indemnity (legal and equitable), obligations, costs, expenses, attorneys' fees, expert witness and consultant fees, damages, interest, penalties, losses, and liabilities of whatever nature, character, or kind, whether known or unknown, suspected or unsuspected, matured or contingent, choate or inchoate, which concern or relate in any way to the Project and the Contract, any subcontract regardless of tier, or any other claims arising from the foregoing, including any claim for additional compensation which was or could have been made by PG&J or those providing material or labor to PG&J of whatever tier for the Project.

3. **Exceptions to Releases.** Notwithstanding Section 2 to the contrary, nothing in this Agreement shall be deemed to be a release of PG&J and its subcontractors or suppliers by Coleman for (i) any latent construction defects (as defined by *Code of Civil Procedure* § 337.15) in connection with PG&J's and its subcontractors' or suppliers' labor or materials on the Project or under the Contract; (ii) any warranties related to PG&J's and its subcontractors' or suppliers' labor or materials on the Project or under the Contract; (iii) any claims against PG&J and its

subcontractors or suppliers related to third-party actions for personal injuries or property damage; (iv) indemnity rights against PG&J related to any actions or payment claims brought by PG&J's subcontractors or suppliers against Coleman set forth in Section **Error! Reference source not found.** herein; or (v) any determination of any audit, investigation, formal or informal withholding or appeal proceeding, whether past, current or future, known or unknown, relating to any alleged violations of state or federal labor laws or regulations by PG&J or any of its subcontractors or suppliers, relating to labor or materials provided by PG&J for the Project or under the Contract. At the time of entering into this Agreement, neither Coleman nor PG&J is aware or has been made aware of any such latent construction defects in connection with PG&J's and its subcontractors' or suppliers' performance on the Project, indemnity claims, alleged violations of state or federal labor laws or regulations, or warranty claims relating to the Project.

4. California Civil Code § 1542. With respect to the matters released under this Agreement (and with the exception of those matters addressed in Section 3 above), each Party expressly waives, after consulting with the attorney of its choice, any and all rights which it may have under the provisions of § 1542 of the *California Civil Code* regarding the Project and the Contract. PG&J and its subcontractors' or suppliers' participation in the Project, and the Released Parties which section reads as follows:

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

5. Release of Mechanics Liens and Document Deliverables. PG&J shall deliver the following original documents to Coleman's attorneys Catanzarite Law Corporation ("Catanzarite Law Corporation"), attention to Kenneth Catanzarite, no later than five (5) days after Coleman's final payment of the Settlement Payment referenced in Section 1.

5.1 A duly executed unconditional waiver and release upon final payment in accordance with *California Civil Code* § 8138, showing "Zero (0)" Dollars due.

6. Miscellaneous Provisions.

6.1 No promise or inducement has been made by any Party other than those set forth in this Agreement and its Exhibit A. Moreover, each Party to this Agreement has conducted sufficient independent, legal, factual and other investigation as it deems necessary to determine the advisability of entering into this Agreement, and represents that it is not relying upon any representations, promises or statements by any other Party, or any other Party's counsel, consultants or other representatives in entering into this Agreement.

6.2 Each Party hereto represents and warrants to the other Party that it is aware of no other party having an interest in, nor has it assigned, or otherwise transferred any interest in any claim which is or may be the subject of this Agreement.

6.3 The Parties shall be deemed to have cooperated in the drafting of this Agreement. As such, in the event any term in this Agreement is determined to be ambiguous, such ambiguity shall not be construed against any Party to this Agreement.

6.4 This Agreement shall be governed by and construed in accordance with the laws of the State of California (without regard to any choice of law rules) as it applies to agreements between California residents, entered into and to be performed entirely within California. This Agreement constitutes a single integrated contract, including Exhibit A, expressing the entire agreement between the Parties pertaining to the subject matter contained in this Agreement, and this Agreement supersedes all prior or contemporaneous agreements, representations, negotiations, discussions and understandings of the Parties pertaining to the subject matter contained in this Agreement. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.

6.5 This Agreement may be executed in counterparts and a facsimile or electronically-transmitted (e.g., PDF) signature shall be as acceptable and binding as an ink-original signature).

6.6 The Parties agree to perform such further acts and to execute and deliver such further documents as may be reasonably necessary or appropriate to carry out the intent or provisions of this Agreement, including but not limited to cooperating with the County of Mendocino and/or RLI Insurance Company.

6.7 In the event that any of the terms of this Agreement are contested or breached by any Party, the other Party or Parties can enforce the terms of this Agreement pursuant to *Code of Civil Procedure* § 664.6 as to the contesting or breaching Party or Parties.

6.8 This Agreement is the product of compromise and no Party to this Agreement concedes the merits of or liability for any of the claims, or for any of the defenses to the claims that are the subject of this Agreement.

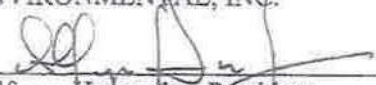
6.9 This Agreement is binding upon and shall inure to the benefit of the Parties and their respective successors and assigns, and shall also inure to the benefit of their respective agents, employees, board(s), representatives, shareholders, officers, directors, managers, partners, divisions, landlords, subcontractors, sub-subcontractors, suppliers, corporations, subsidiaries, parents, affiliates, assigns, heirs, predecessors, and successors, past, present and future, and all of their insurers, guarantors, sureties, and reinsurers.

6.10 Any disputes concerning this Agreement shall first be referred to non-binding mediation before a mutually acceptable mediator and then, if necessary, to binding arbitration pursuant to the Rules of the American Arbitration Association.

6.11 Each Party hereto represents and warrants that it is authorized to sign this Agreement and bind the respective Party, and all acts necessary to confer such authority have been duly, properly and legally taken.

Dated: ~~May~~ ^{June} 5, 2024

PG&J ENVIRONMENTAL, INC.

By: 
Alfonso Hernandez, President

Dated: ~~May~~ ^{June} 5, 2024

COLEMAN ENVIRONMENTAL ENGINEERING

By: 
Kenneth Caranzarite, Secretary VP

Dated: May 6/05, 2024

COLEMAN ENVIRONMENTAL ENGINEERING

By: 
Jacob Morrow, CEO


EXHIBIT A


PERSONAL GUARANTEE AGREEMENT

The undersigned GUARANTORS agree with PG&J Environmental, Inc. (hereafter "PG&J") as follows:

1. GUARANTORS desire to have PG&J grant credit terms as described in the attached Agreement. PG&J has advised GUARANTORS that no credit will be allowed to Coleman Environmental Engineering (hereafter "Coleman") without GUARANTORS personally guaranteeing, by this Guarantee, all sums owed to PG&J by Coleman, or \$170,000.00 as of the date of signing.
2. In consideration of the granting of credit to Coleman by PG&J, GUARANTORS do jointly and severally, guarantee prompt payment of any and all past, present and future charges and payments due to PG&J by Coleman. This includes sums due prior to execution of this Guarantee but unpaid at this time, which refer or relate to the Demolition of the Existing Structure for Future Psychiatric Health Facility at 131Whitmore Lane, Ukiah, California 95482 (the "PROJECT").
3. This Guarantee is a continuing one until Coleman has satisfied the terms of the attached Settlement Agreement. This Guarantee is not cancellable by GUARANTORS.
4. Should Coleman default in the prompt payment of sums due to PG&J, PG&J may immediately proceed against GUARANTORS, or either of them, individually, and shall give written notice to the GUARANTORS, together with an accounting of all sums due as to which Coleman is in default, by regular or certified mail. GUARANTORS hereby waive the right to require PG&J to first proceed against Coleman prior to enforcing this Guarantee.
5. Any and all notices to Coleman or to the GUARANTORS shall be mailed to it or them, postage prepaid, at the addresses set forth in the Settlement Agreement or at such other addresses, which are on file with the California Secretary of State, or as shall be designated by a written notice to the others.
6. Any and all disputes relating to this Agreement or its breach shall be settled by arbitration, by a single arbitrator, in Orange County, California, in accordance with the then-current rules of the American Arbitration Association ("AAA"), and judgment upon the award entered by the arbitrator may be entered in any Court having jurisdiction hereof. Costs of arbitration, including all reasonable attorney fees incurred in arbitration, shall be paid to the prevailing party, together with all reasonable attorney's fees incurred by prevailing Party in Court to enforce the arbitration award after it is rendered by the arbitrator.
7. This Guarantee contains the entire agreement between the GUARANTORS and PG&J relating to representations made, the rights herein granted, and the obligations herein assumed, except for the explicit terms and conditions of the attached Settlement Agreement. Any modifications of this Guarantee shall be of no force or effect unless reduced to writing signed by the GUARANTORS and PG&J.

Dated: May 6/05 _____,
2024

By: 
Jacob Morrow, an individual


Dated: ~~May~~ 3, 2024

By: 
Kenneth Catanzarite, an individual

EXHIBIT B
TOLLING AGREEMENT

This Tolling Agreement is made and effective as of the date of execution of the Settlement Agreement (“Effective Date”), by and between PG & J ENVIRONMENTAL, INC. (“PG&J”), COLEMAN ENVIRONMENTAL ENGINEERING, INC. (“Coleman”) and RLI INSURANCE COMPANY, (“RLI”) in connection with claims and liabilities arising from a subcontract between PG&J and Coleman on a County of Mendocino Project – Demolition of Existing Structure at 131 Whitmore Lane, Ukiah California 95485 (“Project”). PG&J, Coleman and RLI are sometimes hereafter referred to individually as a “Party” and jointly as the “Parties.”

WHEREAS, Coleman, a general contractor, entered into a written prime contract (“Prime Contract”) with the County of Mendocino for the Project;

WHEREAS, Coleman, as Contractor, and RLI, as surety, executed and delivered to the Owner a Payment Bond No. RCB0025572 in the amount of \$480,199.50 (the “Payment Bond”);

WHEREAS, thereafter, Coleman entered into a written subcontract with PG&J pursuant to which PG&J agreed to perform asbestos and lead abatement and related scope of work for the Project (the “Subcontract”);

WHEREAS, Coleman has not paid PG&J for its work under the subcontract;

WHEREAS, on February 21, 2024, PG&J timely filed its claim against the Payment Bond;

WHEREAS, to allow Coleman to pay PG&J according to the terms of the Settlement Agreement;

NOW, THEREFORE, in consideration of the mutual promises herein, and in order for the Parties to fully address the disputed issues between and among them, the Parties hereby agree, as follows:

1. PG&J dismisses its Bond Claim, without prejudice.
2. This Agreement suspends the time running on all statutes of limitation and limitations periods relating to the Payment Bond.
3. The term of tolling under this Agreement shall be the time-period commencing on full execution of this Tolling Agreement, and extending to March 28, 2025.
4. While the term of tolling is in effect pursuant to paragraph 3 above, PG&J will not refile a claim on the Payment Bond, unless Coleman fails to make any payment as provided for in the Settlement Agreement.
5. Each of the Parties hereto reserves all rights, claims, and defenses, subject to the tolling of such rights, claims, and defenses set forth in this Agreement. By agreeing to toll the running of statutes of limitation and limitations, the Parties are reserving, not admitting, and expressly deny the validity of any and all claims or defenses that may be later asserted against each other or in a claim on the Payment Bond.

6. This Agreement shall be binding upon and inure to the benefit of the Parties, and their respective successors and assigns.

7. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same agreement.

8. Electronic, facsimile, or photostatic signatures to this Agreement shall be accepted as original signatures and shall be binding on the Parties to this Agreement, which may be executed in counterparts.

9. The language in all parts of this Agreement shall be in all cases construed according to its fair meaning and not strictly for or against a Party.

10. This Agreement constitutes the entire agreement among the Parties regarding tolling and supersedes all agreements or understandings, oral or written, between the Parties with respect to the subject matter hereof.

11. This Agreement may only be modified by way of a written amendment executed by all the Parties.

12. If a Party initiates any action at law or in equity to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to all its attorneys' fees, costs, and necessary disbursements, in addition to any other appropriate relief.

However, this Paragraph 12 shall not be interpreted to amend or affect any obligations of Coleman to RLI under any other agreement.

13. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

Dated: June 3, 2024

PG&J ENVIRONMENTAL, INC.

By:


Alfonso Hernandez, President

Dated: June 3, 2024

COLEMAN ENVIRONMENTAL ENGINEERING

By:


Kenneth Catazarite, Secretary

Dated: June 3, 2024

RLI INSURANCE COMPANY

By:


Ryan Issel, PE, RLI Insurance Company