

APPENDIX A

SCOPE OF SERVICES

Sands Construction. Company Inc. (“**Consultant**”) agrees to provide Professional Services as the GHAD Manager to the Canyon Lakes Geologic Hazard Abatement District (“**GHAD**”) consistent with this Agreement and GHAD Laws (Public Resources Code section 26500 *et. Seq*). Services include, but are not necessarily limited to, the following:

1. Consultant shall be responsible for the day-to-day management of the GHAD in accordance with all applicable state and federal statutes, the GHAD's adopted Plan of Control and all adopted GHAD Board policies and guidelines. In furtherance of this Agreement, Consultant may retain other civil and/or geotechnical engineering consultants, geologists, contractors and/or other professionals and vendors as may be required to evaluate, review, design, construct or maintain GHAD facilities and improvements in accordance with the GHAD's adopted Plan of Control.

2. Consultant shall develop and maintain a computerized accounting and bookkeeping system sufficient to allow GHAD costs and expenditures to be cost applied to individual projects and/or programs. Consultant shall reconcile the accounting and bookkeeping records to those maintained by the GHAD Treasurer. Consultant shall provide the following to the GHAD Board of Directors in a timely manner:

(a) Each year, Consultant shall develop and submit to the GHAD Board a proposed program style budget detailing anticipated income and expenditures in the four major work areas: (1) major repair projects, (2) preventative maintenance and operations, (3) special projects and (4) administration.

(b) Consultant shall develop or cause to be developed in consultation with the GHAD Treasurer quarterly and year-to-date expense reports comparing actual expenditures to the approved budgets and submit to the GHAD Board.

(c) Consultant shall develop an annual report on the activities of the GHAD. Said report shall include a comparison of income and expenditures against the adopted program budget. In addition, said report shall include Consultant's evaluation and, if appropriate, recommendations related to the need to complete, update and/or revise the following:

- (i) The Plan of Control for the GHAD.
- (ii) The status of the GHAD's financial reserves.
- (iii) The GHAD's Maintenance and Operations Plan.

3. Consultant shall perform the following:

(a) An annual work program, to include all major repair projects and significant incidents and special projects, including assigning and directing contractors to perform repairs.

(b) Monthly incident log detailing all active incidents under review and/or construction by the GHAD and/or GHAD consultants as well as all active GHAD construction projects. Said incident log shall indicate clearly the status of all active incidents and shall identify who should be contacted with questions on any particular incident and/or project.

(c) Establish priorities, forecast and establish work schedules, verify work activities are accomplished within established timeframes.

(d) Prepare requests for proposals ("RFP"), review experience of potential contractors, prepare and negotiate contracts, administer contracts, issue contract change orders, assist in managing claims.

(e) Work with and respond to public inquires, property owner requests, interpret GHAD policies and procedures, work with homeowners association representatives and others regarding activities of the GHAD.

(f) Establish and implement the preventive maintenance program and emergency response capabilities.

(g) Determine work priorities and prepare the annual budget and repair and maintenance programs, capital improvements programs, and updates of the Plan of Control.

(h) Perform other duties as designated by the GHAD Board that are consistent with the Plan of Control and/or GHAD Law.

(i) Consultant shall maintain a record of all incident responses plotted on the GHAD Geographic Information System ("GIS") for purposes of evaluating future risk.

(j) Consultant shall maintain membership in the California Association of GHADs.