

**VESSEL CONSTRUCTION AGREEMENT**  
*(PART A) SPECIAL PROVISIONS*

**35651**

Date: October 8, 2020

**1. Parties:**

- A. "Builder": SHM NEB, LLC/Safe Harbor New England Boatworks  
Mailing Address: 1 Lagoon Rd.  
Portsmouth, RI 02871  
Attention: Mr. Paul Dow  
Tel.: 401 683-4000
- B. "Owner": City of Long Beach  
Mailing Address: 411 W. Ocean Blvd.  
Long Beach, CA 90802  
Attention: City Manager
- C. "Owner's Representative" John Giffin  
Keesal Young & Logan  
450 Pacific Ave.  
San Francisco, CA 94133  
415 515-2855  
John.giffin@kyl.com
- D. "Owner's Representative Designee" To be appointed in writing by Owner's Representative

2. **Description of Vessel ("Vessel"):** Multi-Purpose Vessel for Port Security
3. **Job Number:** ITB FS-14-061
4. "Start Date": October 12, 2020
5. "Redelivery Date": No Later than February 1, 2021
6. **Scope of Work ("Work"):** The Scope of Work is as defined in the Specifications attached hereto as Exhibit 1.
7. **Owner Supplied Equipment:** The equipment described on the list of Owner-Furnished Equipment, attached hereto as Exhibit 2.
8. **Price and Payments:** The contract price and specific payment terms are as described in Exhibit 3, attached hereto. Late payments shall accrue interest at the rate of Six Percent (6%) per annum from the date due. Full payment is required prior to Redelivery of the Vessel.
9. **Liquidated Damages:** If the Vessel is not Redelivered by the Redeliver Date or Extended Redelivery Date, as defined below, Builder will pay to Owner Two Hundred Fifty Dollars (\$250) per calendar day for each day of delay as liquidated damages. Builder and Owner agree that quantifying losses arising from Builder's delay is inherently difficult insofar as delay may impact Owner's operations or require Owner to find and utilize other resources to compensate for the delay, and further stipulate that

the agreed upon sum is not a penalty, but rather a reasonable measure of damages, based on Builder and Owner's experience and given the nature of the losses that may result from delay. Owner may set-off any liquidated damages owed by Builder to Owner from any amounts owed by Owner to Builder under this agreement.

10. **Place and Date of Redelivery to Owner upon Completion of Work:** Builder, with designated representatives of Owner present, shall complete Sea Trials and redeliver the Vessel (the "Redelivery") to Owner at Builder's Facility in Portsmouth, Rhode Island (the "Facility") on or before the Redelivery Date unless otherwise agreed by the Parties in writing. The Redelivery Date will be extended one calendar day for each day adverse weather conditions or supplier delays do not permit scheduled Sea Trials (the "Extended Redelivery Date"). The Redelivery date shall be extended for any time Owner's representatives are not present for sea trials.

11. **Contract Documents:** The "Contract Documents" consist of:

- A. The Vessel Construction Agreement consisting of Part A—Special Provisions, and Part B—General Terms and Conditions;
- B. The Specifications, attached hereto as Exhibit 1;
- C. The List of Owner-Furnished Equipment, attached hereto as Exhibit 2;
- D. The Price and Payment Terms, attached hereto as Exhibit 3; and
- E. Change orders executed by Builder and Owner pursuant to Paragraph 8 of Part B ("Change Orders").

In the event of a conflict between the language of this Agreement and the Specifications, the terms and conditions of this Agreement shall control.

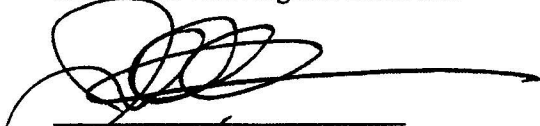
12. **Builder and Owner Agreements:** Builder, in consideration of the contract price to be paid by Owner in the manner and at the times identified in Exhibit 3, hereby agrees to perform the Work and redeliver the Vessel to Owner at the place described in Paragraph 10 above. In consideration of the faithful performance of Builder's obligations as herein set forth, the Owner agrees (a) to pay Builder the contract price when due as described herein, (b) to pay Builder any other and further amounts which may become due and owing to Builder as a result of extra work performed by Builder with Owner's consent via the execution of any change orders, and (c) to accept Redelivery of the Vessel on completion of the Work at Portsmouth, Rhode Island.

*[Remainder of page intentionally left blank. Signature page follows.]*

In witness whereof this Vessel Construction Contract was executed as of the day and date first set forth above.

**BUILDER**

SHM NEB, LLC d/b/a  
Safe Harbor New England Boatworks

  
By: John O'Connell  
Its: General Manager

**OWNER**

City of Long Beach, a municipal corporation

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form and content.

\_\_\_\_\_  
Name: \_\_\_\_\_  
Attorney for Owner

In witness whereof this Vessel Construction Contract was executed as of the day and date first set forth above.


**BUILDER**

SHM NEB, LLC d/b/a  
Safe Harbor New England Boatworks

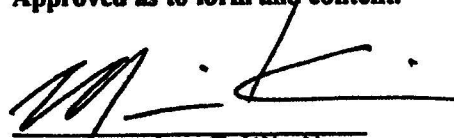
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**OWNER**

City of Long Beach, a municipal corporation

  
By: Thomas B. Medica  
Its: City Manager

Approved as to form and content.

  
Name: MONICA J. Kilaita  
Attorney for Owner

**VESSEL CONSTRUCTION AGREEMENT**  
*(PART B) GENERAL TERMS AND CONDITIONS*

1. **Compliance with Laws and Regulations; Classification:** The Work shall be performed in accordance with the Specifications. The Owner will be responsible for all fees and expenses incurred for or as a result of tonnage admeasurement, stability testing, classification society inspection and certification, and compliance with U.S. Coast Guard and classification society requirements, (if any), and any additional expenses which may be necessary in order to satisfy such requirements, when these are not expressly included in the scope of the Specifications. The Builder will provide personnel to assist with inspections and to provide information for the regulatory agencies as may be needed.

2. **Inspection and Plan Approval; Personnel; Subcontractors:**

A. During construction, the Vessel, including all of its machinery, parts, equipment, components and materials may be subject to inspection by duly authorized Owner's Representative(s) during regular business hours upon reasonable notice to Builder, provided such inspection shall not interfere unreasonably with Builder's performance hereunder or its normal business activities. Should Builder propose alternatives or modifications to the details specified herein or on the Specifications, such proposals shall be clearly set forth in writing, with sketches or designs as appropriate at Owner's cost, and must be approved by the Owner's Representative prior to Builder making any such modifications. Notwithstanding the foregoing, Owner shall not be responsible for any costs related to sketches or designs of Builder's proposed alternatives or modifications unless (1) Builder provides Owner's Representative a reasonable estimate of such costs and (2) Owner's Representative approves the estimate.

B. Owner's Representatives shall have exclusive authority to approve work performed, charges, substitutions and all other matters related to this Agreement and the Work. Unless and until changed by written notice to Builder from an officer, director, or manager of Owner, such individual(s) is/are the person(s) designated in Part A and all communications to such Owner's Representative(s) shall be addressed to Owner's Representative(s) at the Owner's Representative's e-mail address specified in Part A. The Owner's Representative(s) shall also have the authority to reject workmanship, machinery, parts, equipment, components, and material which is defective, not in conformity with good shipbuilding practice, or not in accordance with the requirements of the Specifications hereunder. Any such rejection shall be made by written memorandum executed by an Owner's Representative, supported with a plan or sketch delivered to Builder's authorized representative superintending the job at the time the instrument is delivered. In the event that any such rejection is questioned by Builder, the Owner shall be notified reasonably promptly in writing by Builder, stating the dollar amount involved in the dispute. Should the Owner then support the decision of the Owner's Representative, his written instructions shall be carried out by Builder, provided that in the event Builder continues to dispute the rejection, such dispute shall be subject to arbitration under Paragraph 15 of Part B. The Owner's Representative(s) shall at all times be deemed to be the agents of the Owner. While performing work hereunder on the property of Builder, Owner agrees to cause all of its managers, employees, agents, and subcontractors at any tier to abide by all reasonable policies, procedures, and regulations of Builder pertaining to safety and health, security, plant administration, maintenance of order and such other matters as relate to the operation of Builder's and other facilities in a lawful, efficient, and economically sound manner. Without the prior written approval of Builder, Owner's personnel shall not perform hot work on the Vessel while it is in the possession of Builder, and Owner's subcontractors (at any tier) may not have access to the Vessel except for inspections during Builder's normal business hours when such inspections will not interfere with the Work. If there is more than one Owner's Representative, each acting alone has the full Owner's Representative authority.

3. **Materials and Workmanship:** Builder warrants that it shall select machinery, parts, equipment, components, and materials of a quality conforming to good marine practice for vessels of this type, except as may be provided otherwise in the Agreement, the Specifications, or by Change Orders. Unless the Specifications expressly prohibit the use of a substitute for an item or specifically call for the use of items by a particular manufacturer or by a trade name, Builder may substitute machinery, parts, equipment, components and materials of quality equal or equivalent to those specified, provided it notifies the Owner in advance of doing so. Materials shall be ordered to recognized standard sizes wherever possible. Builder shall provide suitable facilities and exercise reasonable care in connection with the storage, handling and installation of both Owner-furnished and Builder-furnished materials and equipment. Machinery, parts, equipment, components and materials that are subject to damage or deterioration from exposure to weather or excessive heat, cold, or humidity shall be placed in suitable storage or otherwise properly protected. Insofar as is reasonably possible and practical, each item not of Builder's manufacture shall be installed in or on the Vessel in accordance with the instructions of the manufacturer thereof.
4. **Tests and Trials:** All portions of the Work, including structure, fittings, systems, machinery, and equipment shall be tested to the satisfaction of Owner, using customary standards and procedures, to demonstrate satisfactory workmanship, proper working order, alignment of moving parts, suitability for intended purpose, and compliance with the requirements of this Agreement. The Owner's Representative is to be notified a reasonable period in advance of the scheduling of tests so that he may arrange to be present should he so desire. All defects which may develop on any Owner-furnished equipment, not caused by the Builder, shall be solely the responsibility of the Owner. Sea Trials shall be carried out upon the completion of the Vessel. "Sea Trials" means tests to demonstrate that the Work is completed, and including without limit, that the Vessel and its machinery, equipment and systems operate satisfactorily while the Vessel is in service and the Vessel was constructed in accordance with the Contract Documents. Owner may designate employees and/or other representatives to attend the Sea Trials. Sea trails are to be carried out at the expense of Builder.
5. **Owner-Furnished Equipment:** Items of machinery, parts, equipment, components and materials furnished by the Owner ("Owner-Furnished Equipment") shall be as set forth in Exhibit 2 and shall be delivered per the schedule identified in Exhibit 2. Additions to the list of Owner-Furnished Equipment in Exhibit 2 must be made in a timely manner. Owner shall deliver Owner-Furnished Equipment to Builder in time for orderly installation during the construction of the Vessel.
6. **Redelivery:** Owner shall bear all risk of loss of or damage to the Vessel after Redelivery, except to the extent of valid warranty claims under Paragraphs 10 and 11 of Part B or as otherwise agreed upon by the parties.
7. **Patents and Intellectual Property:** Each party agrees to indemnify, defend, and hold harmless each other from all expenses, damages, and liabilities the other party may incur as a result of any claims or proceedings in which there is an allegation of infringement of any patent, copyright, or trademark by reason of use of any machinery, parts, equipment, components, materials, design, engineering or data furnished by the indemnifying party. In addition to the foregoing, Builder shall not have any liability regarding alleged infringement for equipment, parts or materials furnished or designated by Owner .
8. **Changes and Extras:** All changes in the Work that are desired by the Owner must be requested in writing by the Owner's Representative. If such a request is made, a rough order of magnitude (ROM) estimate will be developed at no cost to the Owner, which shall not include any drawings or engineering time by Builder. If the Owner desires further information, a detailed change order will be developed by Builder at Owner's expense. The cost for developing detailed change orders will be charged to the Owner whether the change order is eventually approved or not. Change order work shall be subject to Builder's

standard time and materials prices. Builder reserves the right to refuse any additional work that is not included in the Scope of Work.

9. **Risks and Insurance:**

- A. Builder shall defend, indemnify and hold the Owner, its officials and employees harmless from any and all loss, damage, liability, demands, claims, causes of action, costs and expenses (including reasonable attorney' fees) for injuries to persons (including death) or damage or destruction of property connected with or arising from the negligent acts or omissions of Builder, its officers, agents and employees in the performance of this Agreement.
  
- B. Builder shall procure and maintain during the period in which the Vessel is in Builder's possession, including during launching, trials and demonstrations, the following policies of insurance:
  - 1. State worker's compensation as required by the law of the state of Rhode Island;
  - 2. Employers liability coverage with limits of no less than \$500,000 for each occurrence;
  - 3. U.S. Longshoremen's and Harbor Workers' Compensation Act coverage as required by law;
  - 4. Marine general liability insurance for bodily injury and property damage, including contractual liability, and including ship repairer's legal liability insurance, in an amount not less than \$10,000,000. which policy shall be endorsed to name Owner as an additional assured, and to waive the right of subrogation against Owner.
  
- C. If permitted by the applicable policy, Builder shall obtain endorsements on the insurance that it is required to obtain under this Agreement to provide the other with not less than ten (10) days written notice of cancellation, material reduction, or non-renewal of any of these policies. Builder shall, upon request, furnish Owner with a certificate of insurance evidencing the required coverages under this Agreement. All insurance coverage limits required under this Agreement may be obtained by use of an excess policy over primary limits.

10. **Warranties and Limitations of Liability:**

- A. Builder warrants that, for a period of one (1) year after Redelivery, the Work shall be free from Defects. "Defect" means (i) a material variance between the Work as redelivered and the Work as required in this Agreement, and the Specifications, as modified by Change Orders, (ii) an instance in which Builder's workmanship in the Vessel is not equal to or better than the general standard of workmanship that prevails in the Rhode Island market, or (iii) a defect in workmanship or materials under normal use and service. The following are not Defects, and Builder's warranty does not apply to or include defects, damages or claims related to or arising from or to the extent caused by:
  - 1. failure of Owner to perform maintenance and servicing as and when required in applicable Builder's or supplier's specifications, manuals, bulletins or instructions, and otherwise in accordance with customary marine practices;
  - 2. ordinary wear and tear, abuse, misuse, accident, neglect, or improper operation by Owner;
  - 3. repairs or replacements not authorized by Builder or in violation of warranty terms;

4. any Owner-Furnished Equipment, except that Builder warrants its workmanlike installation of Owner-Furnished Equipment in accordance with the manufacturer's specifications and approved marine construction practices; and
  5. any items or systems that are separately warranted by their manufacturers, such as main engines, reduction gears, propellers, generators, HVAC, bilge and fire pumps, refrigerators, stoves, life rafts, radars, navigation systems and radios ("Makers' Warranties"), except that, if Builder installed them in the Vessel, it warrants their workmanlike installation.
- B. THE FOREGOING LIMITED WARRANTY AND THE WARRANTY CONTAINED IN THE FIRST SENTENCE OF PARAGRAPH 3 OF PART B ARE BUILDER'S ONLY WARRANTIES TO OWNER THAT ARE MADE OR THAT SURVIVE OR CONTINUE IN FORCE AFTER REDELIVERY, AND ARE EXPRESSLY IN LIEU OF ANY OTHER IMPLIED WARRANTIES, AND OTHER THAN THESE, OWNER ACCEPTS ALL WORK AND ARTICLES SOLD OR SERVICED HEREUNDER "AS IS, WHERE IS". THE TERMS OF THIS EXPRESS, LIMITED WARRANTY EXCLUDES ANY AND ALL WARRANTIES THAT ARE OR MAY BE IMPLIED BY LAW INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, AND FITNESS FOR A PARTICULAR USE OR SPECIFIED PURPOSE, AND SPECIFICALLY EXCLUDES ANY LIABILITY TO OWNER FOR CLAIMS THAT BUILDER'S PERFORMANCE OF THE WORK, OR THE PERFORMANCE OF ANY OF BUILDER'S SUBCONTRACTORS, WAS NEGLIGENT. ALL RIGHTS GRANTED TO OWNER UNDER THIS LIMITED WARRANTY ARE CONDITIONED UPON BEING EXERCISED IN THE TIME AND MANNER SPECIFIED IN PARAGRAPH 11 OF PART B, FOR WHICH THE SOLE AND EXCLUSIVE REMEDY IS REPAIR OR REPLACEMENT, AS PROVIDED IN PARAGRAPH 11 OF PART B.
- C. As of the Redelivery, Builder shall be deemed to have assigned all Makers' Warranties to Owner to the extent those warranties are assignable by Builder, and shall tender to Owner at that time the original of all such assignable Makers' Warranties.

11. **Handling Warranty Claims After Redelivery:** Builder shall, at no cost to Owner, repair or replace Defects covered by the warranty expressed in Paragraph 10, provided Builder receives timely notice as required in this Paragraph 11. The specified remedy of repair or replacement defined in this Paragraph 11 is the exclusive remedy for Defects, and excludes all unwritten, undefined or implied remedies not expressly stated in this Agreement or that Owner could later claim. If Owner wishes to make a warranty claim against Builder, Owner shall within fourteen (14) days after discovery of the Defect notify Builder in writing, describing the nature of the Defect in sufficient detail and supported with photographs wherever possible. Builder will respond within fourteen (14) days with intended actions including inspections and planned corrections of the Defect. Owner shall have the burden of proving that the Defect occurred within the warranty period. Builder shall have complete access to the Vessel and to all records of Owner for the purpose of verifying the existence of the Defect and of determining Builder's obligation to correct it. If Owner fails to provide Builder with notice of the Defect within fourteen (14) days after the end of the warranty period, Owner shall be deemed to have waived its rights to any remedy for the Defect. Builder shall remedy Defects that have been duly and timely reported by repairing or replacing defective matter at Builder's facility. Where because of geographical distance it would be impractical to return the Vessel to Builder, Builder shall arrange for the repair at a point near the Vessel's location at Builder's expense. If the Vessel is more than 200 nautical miles from Portsmouth, Rhode Island, return will be deemed "impractical" within the meaning of the preceding sentence. If Builder fails in its obligation, Owner may, after notice to Builder sufficient to allow Builder to inspect the claimed defect, perform the necessary repairs at Owner's own facilities or at other competent facilities. Builder shall reimburse Owner for all reasonable and necessary cost directly incurred for this repair or replacement. Whenever repairs or replacement are to be made outside of Builder's facility and at or



nearer the Vessel's location, Builder and Owner shall cooperate in designating an appropriate repair facility.

12. **Taxes:** No charges for taxes, boxing, packaging, crating or returnable containers will be allowed and paid by Owner unless separately stated hereon. All sales, use, excise or similar taxes to be paid by Owner must be itemized separately hereon and on invoices. Owner is exempt from payment of Federal Excise Tax under Certificate No. 95 -73 0502K and none shall be charged to the Owner.

13. **Waiver:** Waiver by either party of any default or defaults of the other shall not be construed as a waiver of any subsequent default; and the acceptance by Builder of overdue payments shall not constitute a waiver of any default except with respect to the payments so accepted. No extension of time of payment or other indulgence granted to the Owner shall operate as a waiver of any of Builder's rights hereunder.

14. **Force Majeure:**

A. Any delays in or failure of performance by Builder shall not constitute a default or give rise to any Claim for damages if, and to the extent that, any such delay or failure of performance is caused by the occurrence of a Force Majeure event (defined below).

B. "Force Majeure" means any cause whatsoever beyond the reasonable control and without the fault of Builder, which Builder is unable to mitigate or prevent by exercise of due diligence; however, Builder shall have no obligation to incur significant costs in its efforts to mitigate or prevent such causes. Force Majeure shall include, without prejudice to the generality of the foregoing, delay or failure of performance caused by pandemics, COVID, Acts of God (including hurricanes, earthquakes, lightning, floods or extraordinarily severe wind or weather); strikes or other industrial disturbances; explosions, fires, and vandalism; riots, insurrections, acts or threats of terrorism, sabotage, blockades, and embargoes; material shortages of skilled workers; any regulatory body whose approvals or documents are required; government priorities; civil, Naval or military authorities; import or export restrictions; delay caused by the US Government or any other foreign or domestic government acting in its capacity as sovereign; interruption or curtailment of utility services; Force Majeure delays in other contracts being performed by either party, where such delay results from causes herein described that in turn delay the Work under the Agreement; delays by land, sea or air carriers; and discovery of any unanticipated damage, defect or other problem with the Vessel that precludes completion of the Work on or before a scheduled delivery date.

15. **Disputes; Arbitration:** Any controversy or claim arising out of or related to this Agreement, or the breach thereof, including as to the jurisdiction of the arbitrator(s), shall be resolved by arbitration in accordance with Title 9 of the United States Code and the General Maritime Law of the United States and pursuant to the Arbitration Rules of the Maritime Arbitration Association of the United States. The matter in dispute shall be referred to arbitration before three persons one to be appointed by each of the parties hereto, and the third by the two so chosen; their decision or that of any two of them, shall be final, and for purposes of enforcing any award, this Agreement may be made a ruling of the Court. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. The substantially prevailing party in such proceedings shall be entitled to an award of its reasonable attorneys' fees, costs, and expenses in such proceedings and all judicial procedures related to this Agreement or the Work. Such arbitration is to be conducted by remote electronic conferencing in accordance with procedures established by the Maritime Arbitration Association. This Paragraph shall not adversely affect the right of any party to exercise nonjudicial remedies or to seek injunctive relief. Neither party shall be entitled to an award for lost profits or other consequential damages for breach of this Agreement, or in connection with any tort or other claim with respect to this Agreement, the Work, or the Vessel. All rights and remedies of the parties are cumulative, and may be exercised, wholly or in part, or their

exercise may be commenced and abandoned, from time to time, as often, and in any order the exercising party chooses.

16. **Governing Law:** This Agreement shall be governed by U.S. federal maritime law, and in any respects in which such law does not apply, the laws of the State of California exclusive of its choice of law principles.

17. **Notices:** All notices, requests, demands, directions and other communications between the parties hereto that are contemplated herein shall be in writing and delivered by hand, sent by overnight courier, or by fax, or mailed by certified mail, return receipt requested (postage prepaid) to the applicable party at the addresses indicated for them in Paragraph 1 of Part A, or, as to each party, at such other address as shall be designated by such party on written notice to the other party otherwise complying as to form and delivery with terms of this Paragraph. Fax and other electronic communications sent in accordance with this Paragraph shall constitute written communications. All such notices, requests, demands, directions and other communications shall be effective on actual delivery, or, when mailed, shall be effective on the third calendar day after being deposited in the U.S. mail, or, when sent by overnight courier, on the next business day after being delivered to such overnight courier, or when transmitted by fax or other electronic means, shall be effective on transmission.

18. **Interpretation:** In this Agreement, (a) the terms "include," "including" and similar terms shall be construed as if followed by the words "but not limited to," and (b) references to this Agreement, the Specifications, or the Change Orders include those documents as duly amended or replaced by the parties from time to time.

19. **Miscellaneous:**


- A. No amendment, modification, termination, or waiver of any provision of any of the Contract Documents or consent to any departure therefrom shall be effective except by means of a writing signed by the party against which the amendment, modification, termination, waiver, or consent is sought to be enforced. Waivers or consents shall be effective only in the specific instances and for the specific purposes for which they are given. The Contract Documents shall not be deemed amended, modified, qualified, or supplemented by any course of dealing.
- B. No assignment, delegation or other transfer of this Agreement, or of any rights or obligations under this Agreement, in whole or in part, directly or indirectly, whether voluntarily, involuntarily or by operation of law, may be made by any party without the prior written consent of the other party, which consent can be withheld in its absolute discretion. Any purported assignment, transfer, or delegation in violation of this section shall be void. Subject to the foregoing limits on assignment and the provisions of Paragraph 10 of Part B, this Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
- C. This Agreement, including all exhibits, schedules, and all additional documents herein or therein incorporated by reference expresses the complete understanding and agreement of the parties hereto with respect to its subject matter, all prior oral and written agreements to the contrary notwithstanding, and all contemporaneous oral agreements notwithstanding.

D. Each individual who purports to execute this Agreement in a representative capacity represents and warrants that he or she is duly authorized to do so. This Agreement may be executed in one or more counterparts, all of which together shall constitute one agreement, and each of which separately shall constitute an original document. Delivery by a party of a signed counterpart, or an execution page of this Agreement by telephone facsimile transmission, imaged attachment to an email, or a photocopy thereof, shall be as effective as delivery of a manually signed counterpart of this Agreement that is executed by such party.

In witness whereof this Vessel Construction Contract was executed as of the day and date first set forth above.

**BUILDER**

SHM NEB, LLC d/b/a  
Safe Harbor New England Boatworks

  
By: SCOTT O'CONNOR  
Its: GENERAL MANAGER

**OWNER**

City of Long Beach, a municipal corporation

\_\_\_\_\_  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Approved as to form and content.**

\_\_\_\_\_  
Name: \_\_\_\_\_  
Attorney for Owner

D. Each individual who purports to execute this Agreement in a representative capacity represents and warrants that he or she is duly authorized to do so. This Agreement may be executed in one or more counterparts, all of which together shall constitute one agreement, and each of which separately shall constitute an original document. Delivery by a party of a signed counterpart, or an execution page of this Agreement by telephone facsimile transmission, imaged attachment to an email, or a photocopy thereof, shall be as effective as delivery of a manually signed counterpart of this Agreement that is executed by such party.

In witness whereof this Vessel Construction Contract was executed as of the day and date first set forth above.

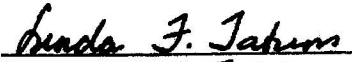
**BUILDER**

SHM NEB, LLC d/b/a  
Safe Harbor New England Boatworks

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**OWNER**

City of Long Beach, a municipal corporation

  
By: LINDA F. TATUM  
Its: ASST. CITY MANAGER

Approved as to form and content.

  
Name: MONICA J. KILAITA  
Attorney for Owner

**EXHIBIT 1**  
***TO VESSEL CONSTRUCTION AGREEMENT***

**SPECIFICATIONS**

ESTIMATE



Version#: 14  
Date: 5/8/2020

Safe Harbor New England Boatworks  
1 Lagoon Rd  
Portsmouth, RI 02871  
Phone: 401-683-4000

IFIC  
5 PARK CENTER COURT  
SUITE 300  
OWINGS MILLS, MD 21117

Estimate Name:  
LONG BEACH NAIAD for POLICE NAIAD

See last page for Estimate Totals

Estimate (#4956) LONG BEACH NAIAD

0001-Haul, Wash & Block (After Sea Trials)

Haul, wash, & block \$380.00  
Total for 0001-Haul, Wash & Block (After Sea Trials) \$380.00

0003-Launch for Sea Trials

Launch \$304.00  
Total for 0003-Launch for Sea Trials \$304.00

0500-CLEANING

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	12.0000	95.0000	\$1,140.00
Labor	MEP	10.0000	95.0000	\$950.00
Total Labor				\$2,090.00
Total for 0500-CLEANING				\$2,090.00

0100-Machinery Time

01 Crane, Manlift, Lull or Forklift w/Operator

For the removal and installation of any assemblies, hatches, etc to assist in the completion of the vessel.

Type	Description	Quantity	Unit Price	Extension
Labor	Yard	8.0000	150.0000	\$1,200.00
Total Labor				\$1,200.00
Total for 0100-Machinery Time				\$1,200.00

1100-Deck Hardware

Type	Description	Quantity	Unit Price	Extension
Labor	Metal	8.0000	95.0000	\$760.00
Labor	Metal	18.0000	95.0000	\$1,710.00
Parts				\$2,137.50
Total Labor				\$2,470.00
Total Parts				\$2,137.50
Total Tax				\$149.63
Total for 1100-Deck Hardware				\$4,757.13

3100-HVAC

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	65.0000	95.0000	\$6,175.00
Parts				\$4,423.00
Total Labor				\$6,175.00
Total Parts				\$4,423.00
Total Tax				\$309.61

Total for 3100-HVAC

\$10,907.61

3300-General Mechanical

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	34.0000	95.0000	\$3,230.00
Labor	MEP	14.0000	95.0000	\$1,330.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	18.0000	95.0000	\$1,710.00
Labor	MEP	18.0000	95.0000	\$1,710.00
Parts				\$6,491.24
Total Labor				\$13,680.00
Total Parts				\$6,491.24
Total Tax				\$454.39
Total for 3300-General Mechanical				\$20,625.63

3301-Engine Installation

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	30.0000	95.0000	\$2,850.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	28.0000	95.0000	\$2,660.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	44.0000	95.0000	\$4,180.00
Labor	MEP	100.0000	95.0000	\$9,500.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	36.0000	95.0000	\$3,420.00
Parts				\$23,541.58
Total Labor				\$36,290.00
Total Parts				\$23,541.58
Total Tax				\$1,647.92
Total for 3301-Engine Installation				\$61,479.50

3301-Generator Install

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	24.0000	95.0000	\$2,280.00
Parts				\$3,410.00
Total Labor				\$2,280.00
Total Parts				\$3,410.00
Total Tax				\$238.70
Total fo- 3301-Generator Install				\$5,928.70

3304-Steering

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	8.0000	95.0000	\$760.00
Parts				\$3,192.20
Total Labor				\$4,560.00
Total Parts				\$3,192.20
Total Tax				\$223.45
Total for 3304-Steering				\$7,975.65

3305-Plumbing

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	8.0000	95.0000	\$760.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Parts				\$7,805.07

Total Labor	\$21,280.00
Total Parts	\$7,805.07
Total Tax	\$546.37
<b>Total for 3305-Plumbing</b>	<b>\$29,631.44</b>

**3400-General Electrical**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Labor	MEP	80.0000	95.0000	\$7,600.00
Labor	MEP	120.0000	95.0000	\$11,400.00
Parts				\$20,100.89
Total Labor				\$41,420.00
Total Parts				\$20,100.89
Total Tax				\$1,407.07
<b>Total for 3400-General Electrical</b>				<b>\$62,927.96</b>

**3401-Batteries & Charging**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Parts				\$3,797.43
Total Labor				\$6,840.00
Total Parts				\$3,797.43
Total Tax				\$265.83
<b>Total for 3401-Batteries &amp; Charging</b>				<b>\$10,903.26</b>

**3500-Sea Trials & Commissioning**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Total Labor				\$3,800.00
<b>Total for 3500-Sea Trials &amp; Commissioning</b>				<b>\$3,800.00</b>

**4700-General Paint Work**

Type	Description	Quantity	Unit Price	Extension
Labor	Paint	24.0000	95.0000	\$2,280.00
Labor	Paint	24.0000	95.0000	\$2,280.00
Parts				\$1,406.58
Total Labor				\$4,560.00
Total Parts				\$1,406.58
Total Tax				\$98.46
<b>Total for 4700-General Paint Work</b>				<b>\$6,065.04</b>

**6100-Modifications**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	46.0000	95.0000	\$4,370.00
Labor	MEP	46.0000	95.0000	\$4,370.00
Total Labor				\$8,740.00
<b>Total for 6100-Modifications</b>				<b>\$8,740.00</b>

**6200-Fabrication - Metal**



<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Labor	Metal	24.0000	95.0000	\$2,280.00
Parts				\$437.50
Total Labor				\$2,280.00
Total Parts				\$437.50
Total Tax				\$30.63
Total for 6200-Fabrication - Metal				\$2,748.13

**6500-Structure**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Labor	Metal	80.0000	95.0000	\$7,600.00
Parts				\$5,000.00
Total Labor				\$7,600.00
Total Parts				\$5,000.00
Total Tax				\$350.00
Total for 6500-Structure				\$12,950.00

**8000-Outfitting**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Parts				\$7,074.74
Total Parts				\$7,074.74
Total Tax				\$495.24
Total for 8000-Outfitting				\$7,569.98

**9000-Designing & Planning**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Labor	MEP	100.0000	95.0000	\$9,500.00
Total Labor				\$9,500.00
Total for 9000-Designing & Planning				\$9,500.00

**9010-General Engineering**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Labor	Engineering	100.0000	95.0000	\$9,500.00
Labor	Engineering	80.0000	95.0000	\$7,600.00
Total Labor				\$17,100.00
Total for 9010-General Engineering				\$17,100.00

**8090-General Sub-contract**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Fixed Price	Labor			\$4,500.00
Total Labor				\$4,500.00
Total for 8090-General Sub-contract				\$4,500.00

**8090-General Sub-contract**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Fixed Price	Labor			\$3,750.00
Total Labor				\$3,750.00
Total for 8090-General Sub-contract				\$3,750.00

**8090-General Sub-contract**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Labor	Sub-contractor	8.0000	115.0000	\$920.00

Total Labor \$920.00  
 Total for 8090-General Sub-contract \$920.00

**8090-General Sub-contract**

**01 Windshield & Materials**

Type	Description	Quantity	Unit Price	Extension	
Parts	WINDSHIELD 25.5X64.5 10 MM	1.0000	1,078.1900	\$1,078.19	
				Total Parts	\$1,078.19
				Total Tax	\$75.47
				<b>Total for 8090-General Sub-contract</b>	<b><u>\$1,153.66</u></b>

**8090-General Sub-contract**

**01 Cockpit Enclosure**

Type	Description	Quantity	Unit Price	Extension	
Parts	11.8 x 5 section enclosure	1.0000	7,125.0000	\$7,125.00	
				Total Parts	\$7,125.00
				Total Tax	\$498.75
				<b>Total for 8090-General Sub-contract</b>	<b><u>\$7,623.75</u></b>

**8090-General Sub-contract**

**01 Fire Suppression System**

Type	Description	Quantity	Unit Price	Extension	
Parts	Materials supply and piping installation	1.0000	15,000.0000	\$15,000.00	
				Total Parts	\$15,000.00
				Total Tax	\$1,050.00
				<b>Total for 8090-General Sub-contract</b>	<b><u>\$16,050.00</u></b>

**8090-General Sub-contract**

**01 Electronics Package & Installation**

Type	Description	Quantity	Unit Price	Extension	
Labor	Sub-contractor	16.0000	126.5000	\$2,024.00	
Labor	Sub-contractor	10.0000	126.5000	\$1,265.00	
Labor	Sub-contractor	80.0000	126.5000	\$10,120.00	
Parts	Digital Antenna 4' AIS antenna	1.0000	206.2800	\$206.28	
Parts	Digital Antenna 4' VHF, 528-VW, White, 15m cable	1.0000	215.7400	\$215.74	
Parts	DRSAX 6kW UHD Digital Radar	1.0000	4,462.3000	\$4,462.30	
Parts	FA170 Class A AIS Transponder w 4.3" Screen	1.0000	3,905.1200	\$3,905.12	
Parts	Furuno 4ft Open Array	1.0000	1,246.3200	\$1,246.32	
Parts	Furuno GP330B GPS Sensor, NMEA 2000	1.0000	439.8800	\$439.88	
Parts	Furuno NavNet 14" MPD	1.0000	6,055.6200	\$6,055.62	
Parts	Furuno PG700 NMEA 2000 Rate compensated heading sensor	1.0000	972.6200	\$972.62	
Parts	Furuno SC70 4.3" Color LCD display and sat compass	1.0000	4,950.8300	\$4,950.83	
Parts	ICOMM605 VHF/Hailer DSC Black	1.0000	915.6900	\$915.69	
Parts	s/s Ratchet laydown mount	2.0000	51.7500	\$103.50	
Parts	Simrad NSS9 evo3 with Insight Charts	1.0000	2,511.6600	\$2,511.66	
Parts	Simrad StructureScan 3D Module/Transom Mount xdcr	1.0000	1,148.8500	\$1,148.85	
Parts	Whelen 100 Watt Amplifier for hailer	1.0000	396.7500	\$396.75	
Parts	Whelen 100 Watt speaker	2.0000	293.2500	\$586.50	
Parts	Whelen Loudhailer control head & Mic,	1.0000	432.2500	\$432.25	
				Total Labor	\$13,409.00
				Total Parts	\$28,549.91
				Total Tax	\$1,998.49
				<b>Total for 8090-General Sub-contract</b>	<b><u>\$43,957.40</u></b>

**8090-General Sub-contract**

01 Fender Cover Lettering

*Graphics for fenders. "Long Beach Police"*

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Parts	Fender cover lettering	1.0000	562.5000	\$562.50
Total Parts				\$562.50
Total Tax				\$39.38
Total for 8090-General Sub-contract				\$601.88

**Totals For Estimate (#4966) LONG BEACH NAIAD**

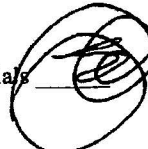
Total Labor	\$214,444.00
Total Parts	\$141,133.33
Subtotal Charges	\$684.00
Total Tax	\$9,879.39
<b>Estimate Total</b>	<b>\$366,140.72</b>

Thank you for considering SHM NEB. Please note that this is an estimate only, all work will be billed on a time and materials basis. Estimate does not include applicable freight, equipment or environmental fees.

A deposit of 100% for materials and 50% for labor is required to begin work.

This estimate is valid for 30 days.

Estimate accepted by \_\_\_\_\_ Owner/Captain Date \_\_\_\_\_



ESTIMATE



Version#: 14  
Date: 5/8/2020

Safe Harbor New England Boatworks  
1 Lagoon Rd  
Portsmouth, RI 02871  
Phone: 401-683-4000

IFIC  
5 PARK CENTER COURT  
SUITE 300  
OWINGS MILLS, MD 21117

Estimate Name:  
LONG BEACH NAIAD for POLICE NAIAD

See last page for Estimate Totals

Estimate (#4966) LONG BEACH NAIAD

0001-Haul, Wash & Block (After Sea Trials)

Haul, wash, & block \$380.00  
Total for 0001-Haul, Wash & Block (After Sea Trials) \$380.00

0003-Launch for Sea Trials

Launch \$304.00  
Total for 0003-Launch for Sea Trials \$304.00

0500-CLEANING

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	12.0000	95.0000	\$1,140.00
Labor	MEP	10.0000	95.0000	\$950.00
Total Labor				\$2,090.00
Total for 0500-CLEANING				\$2,090.00

0100-Machinery Time

01 Crane, Manlift, Lull or Forklift w/Operator

*For the removal and installation of any assemblies, hatches, etc to assist in the completion of the vessel.*

Type	Description	Quantity	Unit Price	Extension
Labor	Yard	8.0000	150.0000	\$1,200.00
Total Labor				\$1,200.00
Total for 0100-Machinery Time				\$1,200.00

1100-Deck Hardware

Type	Description	Quantity	Unit Price	Extension
Labor	Metal	8.0000	95.0000	\$760.00
Labor	Metal	18.0000	95.0000	\$1,710.00
Parts				\$2,137.50
Total Labor				\$2,470.00
Total Parts				\$2,137.50
Total Tax				\$149.63
Total for 1100-Deck Hardware				\$4,757.13

3100-HVAC

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	65.0000	95.0000	\$6,175.00
Parts				\$4,423.00
Total Labor				\$6,175.00
Total Parts				\$4,423.00
Total Tax				\$309.61

Total for 3100-HVAC \$10,907.61

**3300-General Mechanical**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	34.0000	95.0000	\$3,230.00
Labor	MEP	14.0000	95.0000	\$1,330.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	18.0000	95.0000	\$1,710.00
Labor	MEP	18.0000	95.0000	\$1,710.00
Parts				\$6,491.24
Total Labor				\$13,680.00
Total Parts				\$6,491.24
Total Tax				\$454.39
<b>Total for 3300-General Mechanical</b>				<b>\$20,625.63</b>

**3301-Engine Installation**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	30.0000	95.0000	\$2,850.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	28.0000	95.0000	\$2,660.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	44.0000	95.0000	\$4,180.00
Labor	MEP	100.0000	95.0000	\$9,500.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	36.0000	95.0000	\$3,420.00
Parts				\$23,541.58
Total Labor				\$36,290.00
Total Parts				\$23,541.58
Total Tax				\$1,647.92
<b>Total for 3301-Engine Installation</b>				<b>\$61,479.50</b>

**3301-Generator Install**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	24.0000	95.0000	\$2,280.00
Parts				\$3,410.00
Total Labor				\$2,280.00
Total Parts				\$3,410.00
Total Tax				\$238.70
<b>Total for 3301-Generator Install</b>				<b>\$5,928.70</b>

**3304-Steering**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	8.0000	95.0000	\$760.00
Parts				\$3,192.20
Total Labor				\$4,560.00
Total Parts				\$3,192.20
Total Tax				\$223.45
<b>Total for 3304-Steering</b>				<b>\$7,975.65</b>

**3305-Plumbing**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	8.0000	95.0000	\$760.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Parts				\$7,805.07

Total Labor	\$21,280.00
Total Parts	\$7,805.07
Total Tax	\$546.37
<b>Total for 3305-Plumbing</b>	<b>\$29,631.44</b>

**3400-General Electrical**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	60.0000	95.0000	\$5,700.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Labor	MEP	24.0000	95.0000	\$2,280.00
Labor	MEP	16.0000	95.0000	\$1,520.00
Labor	MEP	80.0000	95.0000	\$7,600.00
Labor	MEP	120.0000	95.0000	\$11,400.00
Parts				\$20,100.89
Total Labor				\$41,420.00
Total Parts				\$20,100.89
Total Tax				\$1,407.07
<b>Total for 3400-General Electrical</b>				<b>\$62,927.96</b>

**3401-Batteries & Charging**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	32.0000	95.0000	\$3,040.00
Labor	MEP	40.0000	95.0000	\$3,800.00
Parts				\$3,797.43
Total Labor				\$6,840.00
Total Parts				\$3,797.43
Total Tax				\$265.83
<b>Total for 3401-Batteries &amp; Charging</b>				<b>\$10,903.26</b>

**3500-Sea Trials & Commissioning**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	40.0000	95.0000	\$3,800.00
Total Labor				\$3,800.00
<b>Total for 3500-Sea Trials &amp; Commissioning</b>				<b>\$3,800.00</b>

**4700-General Paint Work**

Type	Description	Quantity	Unit Price	Extension
Labor	Paint	24.0000	95.0000	\$2,280.00
Labor	Paint	24.0000	95.0000	\$2,280.00
Parts				\$1,406.58
Total Labor				\$4,560.00
Total Parts				\$1,406.58
Total Tax				\$98.46
<b>Total for 4700-General Paint Work</b>				<b>\$6,065.04</b>

**6100-Modifications**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	46.0000	95.0000	\$4,370.00
Labor	MEP	46.0000	95.0000	\$4,370.00
Total Labor				\$8,740.00
<b>Total for 6100-Modifications</b>				<b>\$8,740.00</b>

**6200-Fabrication - Metal**

Type	Description	Quantity	Unit Price	Extension
Labor	Metal	24.0000	95.0000	\$2,280.00
Parts				\$437.50
Total Labor				\$2,280.00
Total Parts				\$437.50
Total Tax				\$30.63
Total for 6200-Fabrication - Metal				\$2,748.13

**6500-Structure**

Type	Description	Quantity	Unit Price	Extension
Labor	Metal	80.0000	95.0000	\$7,600.00
Parts				\$5,000.00
Total Labor				\$7,600.00
Total Parts				\$5,000.00
Total Tax				\$350.00
Total for 6500-Structure				\$12,950.00

**8000-Outfitting**

Type	Description	Quantity	Unit Price	Extension
Parts				\$7,074.74
Total Parts				\$7,074.74
Total Tax				\$495.24
Total for 8000-Outfitting				\$7,569.98

**9000-Designing & Planning**

Type	Description	Quantity	Unit Price	Extension
Labor	MEP	100.0000	95.0000	\$9,500.00
Total Labor				\$9,500.00
Total for 9000-Designing & Planning				\$9,500.00

**9010-General Engineering**

Type	Description	Quantity	Unit Price	Extension
Labor	Engineering	100.0000	95.0000	\$9,500.00
Labor	Engineering	80.0000	95.0000	\$7,600.00
Total Labor				\$17,100.00
Total for 9010-General Engineering				\$17,100.00

**8090-General Sub-contract**

Type	Description	Quantity	Unit Price	Extension
Fixed Price	Labor			\$4,500.00
Total Labor				\$4,500.00
Total for 8090-General Sub-contract				\$4,500.00

**8090-General Sub-contract**

Type	Description	Quantity	Unit Price	Extension
Fixed Price	Labor			\$3,750.00
Total Labor				\$3,750.00
Total for 8090-General Sub-contract				\$3,750.00

**8090-General Sub-contract**

01 Jet Impeller Resizing				
Type	Description	Quantity	Unit Price	Extension
Labor	Sub-contractor	8.0000	115.0000	\$920.00

Total Labor \$920.00  
 Total for 8090-General Sub-contract \$920.00

8090-General Sub-contract

01 Windshield & Materials

Type	Description	Quantity	Unit Price	Extension
Parts	WINDSHIELD 25.5X64.5 10 MM	1.0000	1,078.1900	\$1,078.19
Total Parts				\$1,078.19
Total Tax				\$75.47
Total for 8090-General Sub-contract				\$1,153.66

8090-General Sub-contract

01 Cockpit Enclosure

Type	Description	Quantity	Unit Price	Extension
Parts	11.8 x 5 section enclosure	1.0000	7,125.0000	\$7,125.00
Total Parts				\$7,125.00
Total Tax				\$498.75
Total for 8090-General Sub-contract				\$7,623.75

8090-General Sub-contract

01 Fire Suppression System

Type	Description	Quantity	Unit Price	Extension
Parts	Materials supply and piping installation	1.0000	15,000.0000	\$15,000.00
Total Parts				\$15,000.00
Total Tax				\$1,050.00
Total for 8090-General Sub-contract				\$16,050.00

8090-General Sub-contract

01 Electronics Package & Installation

Type	Description	Quantity	Unit Price	Extension
Labor	Sub-contractor	16.0000	126.5000	\$2,024.00
Labor	Sub-contractor	10.0000	126.5000	\$1,265.00
Labor	Sub-contractor	80.0000	126.5000	\$10,120.00
Parts	Digital Antenna 4' AIS antenna	1.0000	206.2800	\$206.28
Parts	Digital Antenna 4' VHF, 526-VW, White, 15m cable	1.0000	215.7400	\$215.74
Parts	DRSAX 6kW UHD Digital Radar	1.0000	4,462.3000	\$4,462.30
Parts	FA170 Class A AIS Transponder w 4.3" Screen	1.0000	3,905.1200	\$3,905.12
Parts	Furuno 4ft Open Array	1.0000	1,246.3200	\$1,246.32
Parts	Furuno GP330B GPS Sensor, NMEA 2000	1.0000	439.8800	\$439.88
Parts	Furuno NavNet 14" MPD	1.0000	6,055.6200	\$6,055.62
Parts	Furuno PG700 NMEA 2000 Rate compensated heading sensor	1.0000	972.6200	\$972.62
Parts	Furuno SC70 4.3" Color LCD display and sat compass	1.0000	4,950.8300	\$4,950.83
Parts	ICOMM605 VHF/Hailer DSC Black	1.0000	915.6900	\$915.69
Parts	s/s Ratchet laydown mount	2.0000	51.7500	\$103.50
Parts	Simrad NSS9 evo3 with Insight Charts	1.0000	2,511.6600	\$2,511.66
Parts	Simrad StructureScan 3D Module/Transom Mount xdcr	1.0000	1,148.8500	\$1,148.85
Parts	Whelen 100 Watt Amplifier for hailer	1.0000	396.7500	\$396.75
Parts	Whelen 100 Watt speaker	2.0000	293.2500	\$586.50
Parts	Whelen Loudhailer control head & Mic,	1.0000	432.2500	\$432.25
Total Labor				\$13,409.00
Total Parts				\$28,549.91
Total Tax				\$1,998.49
Total for 8090-General Sub-contract				\$43,957.40

8090-General Sub-contract



01 Fender Cover Lettering

**Graphics for fenders. "Long Beach Police"**

<u>Type</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extension</u>
Parts	Fender cover lettering	1.0000	562.5000	\$562.50
Total Parts				\$562.50
Total Tax				\$39.38
Total for 8090-General Sub-contract				\$601.88

**Totals For Estimate (#4966) LONG BEACH NAIAD**

Total Labor	\$214,444.00
Total Parts	\$141,133.33
Subtotal Charges	\$684.00
Total Tax	\$9,879.39
Estimate Total	\$366,140.72

Thank you for considering SHM NEB. Please note that this is an estimate only, all work will be billed on a time and materials basis. Estimate does not include applicable freight, equipment or environmental fees.

A deposit of 100% for materials and 50% for labor is required to begin work.

This estimate is valid for 30 days.

Estimate accepted by \_\_\_\_\_ Owner/Captain Date \_\_\_\_\_

**EXHIBIT 2**  
***TO VESSEL CONSTRUCTION AGREEMENT***

**OWNER-FURNISHED EQUIPMENT**

**None**

---

**EXHIBIT 3**  
***TO VESSEL CONSTRUCTION AGREEMENT***

**PRICE AND PAYMENT TERMS**

1. The not to exceed cost for the project is Three Hundred Sixty Three Thousand Dollars and 00/100 (\$363,000.00), inclusive of taxes and fees.
2. Within five business days of the execution of this Agreement by Owner and Builder, Owner will pay to Builder a deposit totaling Two Hundred Thirty Thousand Dollars and 00/100 (\$230,000.00).
3. Owner will pay Builder One Hundred Thirty Three Thousand Dollars and 00/100 (\$133,000.00) on successful completion of Sea Trials and acceptance of the Vessel by Owner representing the final payment.
4. The agreed cost does not include the cost of shipping the Vessel from the Builder's facility to Long Beach, California, which will be handled through a separate agreement.

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the "AGREEMENT") is entered into by and between Allegheny Casualty Company ("Allegheny") and the City of Long Beach ("City") with reference to the matter as set forth herein.

### RECITALS

- A. On or about July 10, 2014, Allegheny executed, as Surety, a BOND FOR FAITHFUL PERFORMANCE, Bond Number BOACSU 061210 in the amount of Seven Hundred Fifteen Thousand Three Hundred Seventy Nine and 00/100 Dollars (\$715,379.00) (the "BOND").
- B. The Bond was issued to the City as security for the completion of a Patrol Vessel (Multi-Use) for Police Department (the "Boat") by Contractor/Principal Naiad Inflatables of Newport Inc. ("NAIAD")
- E. The parties hereto desire to enter into this AGREEMENT in order to mutually release each other from any obligations of the City or Allegheny under the Bond or otherwise, to each other only, concerning the construction and/or the completion of the construction of the Boat.

*Now therefore,*

### **1. Release and Discharge**

For and in consideration of the payment of Two Hundred Fifty One Thousand Eight Hundred Fifty Two and 00/100 Dollars (\$251,852) by Allegheny to the City and their mutual agreement set forth the herein, each party to this AGREEMENT, Allegheny and the City completely release and forever discharges the other party and its respective successors, successors-in-interest, assigns, subsidiaries, affiliated or related legal entities, shareholders, officers, directors, council members, staff, principals, agents, employees, servants, representatives, and all persons, firms, associations, and corporations connected with them, including without limitation their insurers, sureties, underwriters, reinsurers and attorneys of and from any and all claims, demands, causes of action, obligations, liens, damages, losses, costs, attorneys' fees, and expenses of every kind and nature whatsoever, known and unknown, fixed or contingent, including without limitation any claims for alleged breach of the implied covenant of good faith and fair dealing, which the Allegheny and the City have or may hereafter have against each other by reason of any matter, cause, or thing arising out of the terms of the Bond and/or the construction and/or completion of the construction of the Boat.

The releases set forth herein shall extend to every type of claim, whether based on a tort, contract, or other theory of recovery that City and Allegheny now have, or that may hereafter accrue or otherwise be acquired, by reason of any matter, cause, or thing arising out of the Bond, and/or the construction and/or the completion of the construction of the Boat, including, without limitation, any and all known or unknown claims.

Allegheny and the City acknowledge and agree that the releases and discharges set forth herein constitute a general release as to all claims arising out of the Bond, and/or the construction and/or the completion of the construction of the Boat. Allegheny and the City expressly waive and assume the risk of any and all claims for damages that exist as of this date, but of which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect their respective decisions to enter into this AGREEMENT. Allegheny and the City further agree that they have accepted and agreed to the consideration herein as a complete compromise of matters involving any disputed issues of law and fact. Allegheny and the City assume the risk that the law or facts may be other than what they believe. Allegheny and the City understand and agree that this AGREEMENT is a compromise and the payment set forth herein is not to be construed as an admission of liability on the part of the Allegheny and the City, who expressly deny liability.

Allegheny and the City acknowledge that they have had the benefit of legal counsel, and have been advised of, understand, and knowingly and specifically waive their rights under California Civil Code section 1542, which provides:

A general release does not extend to the claims which the creditor does not know or suspect to exist in his or her favor at the time of executing a release, which if known by him or her must have materially affected his or her settlement with the debtor.

**2. Payment**

Payment of the agreed amount may be made by delivery of a check in good funds payable to City of Long Beach and delivered by messenger or delivered by registered mail or the equivalent to John Giffin c/o Keesal Young & Logan, 400 Oceangate Long Beach, CA 90801 or by wire transfer as follows:

California Bank & Trust  
17752 E. Seventeenth St.  
Tustin, CA 92780  
A.BA Number: 122232109  
Swift Code: ZFNBUS55 (appears as "Zion's First National Bank")  
Account Name: Keesal, Young Logan  
Account Number: 5793172395  
Ref: 4028-23

**3. Others**

The terms of this AGREEMENT are solely for the benefit of Allegheny and the City. Nothing in this AGREEMENT is to be construed as a benefit to or a release of liability of any other person or entity.

**4. Indemnity**

Allegheny agrees to hold harmless, indemnify and defend the City from any and all claims, cross claims and lawsuits arising from Allegheny's pursuit of recovery of any kind against NAIAD and/or others with regard to the Boat.

**5. Attorneys' Fees and Costs**

Each party to this AGREEMENT shall bear its respective attorneys' fees and costs arising out of or connected in any way with this AGREEMENT, the Bond and/or the construction and/or the completion of the construction of the Boat.

**6. Dismissal of Litigation with Prejudice**

Upon the execution of this AGREEMENT by Allegheny and the City each agrees to dismiss, with prejudice any litigation in any forum against the other concerning the Bond and/or the construction and/or the completion of the construction of the Boat.

**7. Warranty of Authorized Signatories**

Each signatory hereto warrants and represents that she or he is competent and authorized to enter into this AGREEMENT on behalf of the party for which such signatory purports to sign.

**8. Entire Agreement and Successors in Interest**

This AGREEMENT is the final expression of Allegheny's and the City's agreement on the compromise and settlement concerning the Bond and/or the construction and/or the completion of the construction of the Boat and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors, council members, staff and assigns of each Allegheny and the City.

9. **Governing Law**

This AGREEMENT shall be interpreted in accordance with and governed in all respects by the laws of the State of California and any dispute under this AGREEMENT shall be determined in the Superior Court of the State of California in the County of San Francisco (Central District) and each party agrees to submit to such jurisdiction, solely with respect to any dispute arising under this AGREEMENT.

10. **Severability**

If any provision of this AGREEMENT shall for any reason be held to be invalid or unenforceable, then the remainder of this AGREEMENT shall be unaffected thereby and remain in full force and effect.

11. **Effective Date**

This AGREEMENT shall be effective on the date that it has been signed by all parties.

12. **Counterparts**

The parties may sign this AGREEMENT in counterparts, and each signed counterpart shall become part of the final AGREEMENT and shall have the same force and effect thereof. A copy of any signature on a signature page, whether by facsimile, e-mail, or otherwise, shall be as valid and binding as an original signature.

*On Behalf Of Allegheny Casualty Company*

DATED: 10/7/2020

  
By: KYLE P. MURPHY

Its: AVP, CLAIMS COUNSEL

*On Behalf Of City of Long Beach*

DATED: 10/1/20

  
By: Monica Kilaita

Its: Deputy City Attorney