

October 7, 2011

Revised from October 3, 2011

Mr. Andrew H. Smyth

CH2M Hill

6410 5th Street, Suite 2A

Key West, Florida 33040

Phone: 305.294.1645/Cell: 305.509.2930/Fax: 305.294.4913/Email: asmith@ch2m.com

Re: City of Key West: Mallory Square T-Pier, Zero Duval Seawall, Ferry Terminal Dock Extension, Ferry Terminal Floating Docks, Tarpon Pier
Key West, Florida

Dear Mr. Smyth:

On behalf of Nutting Engineers of Florida, Inc., (NEF) thank you for the opportunity to submit our proposal to provide geotechnical exploration/engineering services for the referenced project.

Please find enclosed our proposal for the multiple sites and other documents requested in Section 5 and Section 12 of the Request for Proposals. The breakdown of the proposed fees (including the addition of Splitting Tensile Strength on Rock Cores) per site is as follows:

Site 1: Mallory Square T-Pier:	\$21,210.00-26,610.00
Site 2: Zero Duval Seawall:	\$10,360.00
Site 3: Ferry Terminal Dock Extension:	\$14,710.00
Site 4: Ferry Terminal Floating Docks:	\$26,110.00
Site 5: Tarpon Pier:	<u>\$14,810.00</u>
Total:	\$87,200.00-\$92,600.00

If you have any questions or require clarification on the enclosed proposal please do not hesitate to contact either of the undersigned.

Respectfully Submitted,
NUTTING ENGINEERS OF FLORIDA, INC.

Scott Ersland
Division Manager- Geotechnical Services

James J. Flaig, PE
Principal/Chief Engineer

October 7, 2011

Revised from September 28, 2011

(Revisions bolded and italicized)

Mr. Andrew H. Smyth

CH2M Hill

6410 5th Street, Suite 2A

Key West, Florida 33040

Phone: 305.294.1645/Cell: 305.509.2930/Fax: 305.294.4913/Email: asmith@ch2m.com

Re: Proposal/Agreement for Geotechnical Exploration Services- revised
City of Key West: Mallory Square T-Pier, Zero Duvall Seawall, Ferry Terminal Dock Extension, Ferry
Terminal Floating Docks, Tarpon Pier
Key West, Florida

Dear Mr. Smyth:

Submitted herein is Nutting Engineers of Florida, Inc. (NE)'s ***revised*** proposal/agreement for performing geotechnical engineering services at the referenced projects.

Per our conversation on September 23, 2011, our past site visit conducted on September 24, 2010 regarding the Zero Duvall Seawall aspect, and review of the Request for Proposals (RFP) received September 23, 2011, we understand there are multiple aspects of the project, as outlined below in the Project Descriptions, Scope of Work and proposed Fee Schedules

Objective

NE will perform a geotechnical exploration to identify features and subsurface conditions. The information collected will be used for the design and constructability of the new structures.

Project Description, Scope of Work and Fee Schedule- Revised

Site 1: Mallory Square T-Pier at the cruise ship berthing area at Mallory Square in Key West

There is an existing T-Pier structure extending off the Mallory Square wharf. A new berthing dolphin will be installed at the north end of the existing T-pier structure. The water depth at the project site is about 25 feet, with a maximum tidal variation of about 4 feet.

This aspect of the overall project consists of constructing a new mooring dolphin on the north end of the existing T-pier. A minimum of two soil borings are requested to a depth of -110' with the ability to go to -200'. Nutting Engineers will coordinate with the CH2M Hill project engineer to identify test locations prior to the start of field exploration activities.

Scope of Work and Fee Schedule: Site 1

We will perform two (2) SPT borings to a depth of one hundred and ten (110) feet (minimum) as close as possible to the existing T-pier on the waterside. To accomplish the aforementioned test borings, a spud barge with four hydraulic leveling legs/feet will be utilized. The leveling legs/feet are lowered to the bay bottom elevating the barge a few feet above the water line. This eliminates the up and down action created by boat wakes and tidal influences.

Split spoon sampling shall be conducted at 5 feet intervals within the soil profiles. NX rock coring will be continued when drilling refusal is encountered. For estimating purposes, we anticipate 10-20 feet of coring at the bore location.

Based on previous experience we do not anticipate that any thin wall undisturbed samples (Shelby tubes) will be necessary for this project.

Each boring location will be properly abandoned utilizing neat grout slurry. The slurry will be tremied from the bottom of the bore hole to the top, and allowed to set up prior to the removal of the surface casing. The drill cuttings from the field exploration will be containerized and deposited at a designated City of Key West location.

Very little laboratory analysis is anticipated due to the lithologic conditions anticipated (medium to very hard limestone). However, we do anticipate performing unconfined compressive strength testing on rock core samples collected during the drilling process. For estimating purposes, we anticipate two to four cores at each boring location will be collected for testing.

At the completion of the field work, the soil samples will be returned to our laboratory. We will provide an engineering report including a description of our findings. The report will also include graphic logs of the test borings and a test boring location plan. Each SPT location will be identified with a temporary buoy and subaqueous utilities will be cleared by Call Sunshine prior to our performing the field work.

The above-indicated scope of work will be performed for an estimated cost of **\$21,210-26,610.00** based on the following rates and quantities:

Mobilization/ demobilization (drill rig & crew, including barge set-up)		\$600.00
SPT boring (water surface, including casings, rock coring and grouting of bore hole)		
	220 - 400 l.f. @ \$30.00/l.f.	\$6,600-12,000.00
Daily rate of Spud Barge	3 days @ \$3000.00/day	\$9,000.00
Marine insurance	Lump Sum	\$500.00
Per Diem	3 nights @ \$400.00/nt.	\$1,200.00
Site visit, boring layout, utility clearance	6 hours @ \$50.00/hour	\$300.00
Project Engineer	20 hours @ \$85.00/hour	\$1,700.00
Principal Engineer	2 hours @ \$105.00/hour	\$210.00
Soil Classification/ Lab Analysis	Lump Sum	\$300.00
Unconfined compressive strength	4 tests @ \$100.00/test	\$400.00
Splitting Tensile Strength on Rock Cores	4 tests @ \$100.00/test	\$400.00

Site 2: Zero Duval Seawall at the terminus of Duval Street in Key West

There is an existing bulkhead structure and large stormwater outfall penetration. A new sheet pile wall will be constructed outside of the existing wall. The water depth at the project site is about 10 feet, with a maximum tidal variation of about 4 feet. The existing bulkhead is approximately 54'-0" long.

This aspect of the project will consist of constructing a new sheet pile bulkhead waterside of the existing bulkhead. In addition, the small building, dock and sun screen will be moved and reinstalled in the same location as previous. Two soil borings are requested to a depth of -45'. Nutting Engineers will coordinate with the CH2M Hill project engineer to identify test locations prior to the start of field exploration activities.

Scope of Work and Fee Schedule: Site 2

We will perform one (1) land side Standard Penetration Test (SPT) boring in accordance with ASTM D-1586 specifications to a depth of forty five (45) feet utilizing a truck mounted drill rig. This test boring will be located approximately 15 feet back of the existing bulkhead. Additionally, we will perform one (1) SPT boring to a depth of forty five (45) feet as close as possible to the existing bulkhead on the waterside. To accomplish the aforementioned test boring, a spud barge with four hydraulic leveling legs/feet will be utilized. The leveling legs/feet are lowered to the bay bottom elevating the barge a few feet above the water line. This eliminates the up and down action created by boat wakes and tidal influences.

Split spoon sampling shall be conducted at 5 feet intervals within the soil profiles. NX rock coring will be continued when drilling refusal is encountered. For estimating purposes, we anticipate 10 feet of coring at each bore location.

Based on previous experience we do not anticipate that any thin wall undisturbed samples (Shelby tubes) will be necessary for this project.

Each boring location will be properly abandoned utilizing neat grout slurry. The slurry will be tremied from the bottom of the bore hole to the top, allowed to set up prior to the removal of the surface casing. The drill cuttings from the field exploration will be containerized and deposited at a designated City of Key West location.

Very little laboratory analysis is anticipated due to the lithologic conditions anticipated (medium to very hard Limestone). However, we do anticipate performing unconfined compressive strength testing on rock core samples collected during the drilling process. For estimating purposes, we anticipate two to four cores from each boring location will be collected for testing.

At the completion of the field work, the soil samples will be returned to our laboratory. We will provide an engineering report including a description of our findings. The report will include graphic logs of the test borings and a test boring location plan. We assume the landside boring is accessible to truck mounted drilling equipment and that underground utilities will be cleared by Call Sunshine prior to our performing the field work. The waterside boring will be identified with a temporary buoy and subaqueous utilities cleared by Call Sunshine.

The above-indicated scope of work will be performed for an estimated cost of **\$10,360.00** based on the following rates and quantities:

Mobilization/ demobilization (drill rig & crew including barge set-up)		\$600.00
SPT boring (Landside, including casing, rock coring and grouting of borehole)		
	45 l.f. @ \$20.00/l.f.	\$900.00
SPT boring (water surface, including casings, rock coring and grouting of bore hole)		
	45 l.f. @ \$30.00/l.f.	\$1,350.00
Daily rate of Spud Barge	1 day @ \$3000.00/day	\$3,000.00
Marine insurance	Lump Sum	\$500.00
Per Diem	2 nights @ \$400.00/nt.	\$800.00
Site visit, boring layout, utility clearance	6 hours @ \$50.00/hour	\$300.00
Project Engineer	20 hours @ \$85.00/hour	\$1,700.00
Principal Engineer	2 hours @ \$105.00/hour	\$210.00
Soil Classification/ Lab Analysis	Lump Sum	\$200.00
Unconfined compressive strength	4 tests @ \$100.00/test	\$400.00
Splitting Tensile Strength on Rock Cores	4 tests @ \$100.00/test	\$400.00

Site 3: Ferry Terminal Dock Extension at the Key West Ferry Terminal at the intersection of Caroline Street and Grinnell Street in Key West

There is an existing concrete dock that is planned for extension. The water depth at the project site varies from 15 to 18 feet, with a maximum tidal variation of about 4 feet. The existing concrete dock is approximately 180' long.

This aspect of the overall project will consist of constructing a ~121' extension to the existing dock. Two soil borings are requested to a depth of -60'. Nutting Engineers will coordinate with the CH2M Hill project engineer to identify test locations prior to the start of field exploration activities.

Scope of Work and Fee Schedule: Site 3

We will perform two (2) SPT borings to a depth of sixty (60) feet as close as possible to the existing concrete dock on the waterside. To accomplish the aforementioned test borings, a spud barge with four hydraulic leveling legs/feet will be utilized. The leveling legs/feet are lowered to the bay bottom elevating the barge a few feet above the water line. This eliminates the up and down action created by boat wakes and tidal influences.

Each boring will be conducted to approximately 60 feet deep from land/water surface.

Split spoon sampling shall be conducted at 5 feet intervals within the soil profiles. NX rock coring will be continued when drilling refusal is encountered. For estimating purposes, we anticipate 10 feet of coring at each bore location.

Based on previous experience we do not anticipate that any thin wall undisturbed samples (Shelby tubes) will be necessary for this project.

Each boring location will be properly abandoned utilizing neat grout slurry. The slurry will be tremied from the bottom of the bore hole to the top, allowed to set up prior to the removal of the surface casing. The drill cuttings from the field exploration will be containerized and deposited at a designated City of Key West location.

Very little laboratory analysis is anticipated due to the lithologic conditions anticipated (medium to very hard limestone). However, we do anticipate performing unconfined compressive strength testing on rock core samples collected during the drilling process. For estimating purposes, we anticipate two to four cores from each boring location will be collected for testing.

At the completion of the field work, the soil samples will be returned to our laboratory. We will provide an engineering report including a description of our findings. The report will also include graphic logs of the test borings and a test boring location plan. Each SPT location will be identified with a temporary buoy and subaqueous utilities will be cleared by Call Sunshine prior to our performing the field work.

The above-indicated scope of work will be performed for an estimated cost of **\$14,710.00** based on the following rates and quantities:

Mobilization/ demobilization (drill rig & crew including barge set-up)		\$600.00
SPT boring (water surface, including casings, rock coring and grouting of bore hole)		
	120 l.f. @ \$30.00/l.f.	\$3,600.00
Daily rate of Spud Barge	2 days @ \$3000.00/day	\$6,000.00
Marine insurance	Lump Sum	\$500.00
Per Diem	2 nights @ \$400.00/nt.	\$800.00
Site visit, boring layout, utility clearance	6 hours @ \$50.00/hour	\$300.00
Project Engineer	20 hours @ \$85.00/hour	\$1,700.00
Principal Engineer	2 hours @ \$105.00/hour	\$210.00
Soil Classification/ Lab Analysis	Lump Sum	\$200.00
Unconfined compressive strength	4 tests @ \$100.00/test	\$400.00
<i>Splitting Tensile Strength on Rock Cores</i>	<i>4 tests @ \$100.00/test</i>	<i>\$400.00</i>

Site 4: Ferry Terminal Floating Docks at the Key West Ferry Terminal at the intersection of Caroline Street and Grinnell Street in Key West

The City is planning to install a 204 ft dock with 50 ft extensions along Trumbo Road. The water depth at the project site is about 10 feet, with a maximum tidal variation of about 4 feet.

This aspect of the overall project consists of constructing a new floating dock system along 204' of the waterside of Trumbo Road with 50' extensions.

Four soil borings are requested to a depth of -60'. Nutting Engineers will coordinate with the CH2M Hill project engineer to identify test locations prior to the start of field exploration activities.

Scope of Work and Fee Schedule: Site 4

We will perform four (4) SPT borings to a depth of sixty (60) feet perpendicular to the existing concrete seawall on the waterside. To accomplish the aforementioned test borings, a spud barge with four hydraulic leveling legs/feet will be utilized. The leveling legs/feet are lowered to the bay bottom elevating the barge a few feet above the water line. This eliminates the up and down action created by boat wakes and tidal influences.

Split spoon sampling shall be conducted at 5 feet intervals within the soil profiles. NX rock coring will be continued when drilling refusal is encountered. For estimating purposes, we anticipate 10 feet of coring at each bore location.

Based on previous experience we do not anticipate that any thin wall undisturbed samples (Shelby tubes) will be necessary for this project.

Each boring location will be properly abandoned utilizing neat grout slurry. The slurry will be tremied from the bottom of the bore hole to the top, allowed to set up prior to the removal of the surface casing. The drill cuttings from the field exploration will be containerized and deposited at a designated City of Key West location.

Very little laboratory analysis is anticipated due to the lithologic conditions anticipated (medium to very hard limestone). However, we do anticipate performing unconfined compressive strength testing on rock core samples collected during the drilling process. For estimating purposes, we anticipate two to four cores from each boring location will be collected for testing.

At the completion of the field work, the soil samples will be returned to our laboratory. We will provide an engineering report including a description of our findings. The report will also include graphic logs of the test borings and a test boring location plan. Each SPT location will be identified with a temporary buoy and subaqueous utilities will be cleared by Call Sunshine prior to our performing the field work.

The above-indicated scope of work will be performed for an estimated cost of **\$26,110.00** based on the following rates and quantities:

Mobilization/ demobilization (drill rig & crew including barge set-up)		\$600.00
SPT boring (water surface, including casings, rock coring and grouting of bore hole)		
	240 l.f. @ \$30.00/l.f.	\$7,200.00
Daily rate of Spud Barge	4 days @ \$3000.00/day	\$12,000.00
Marine insurance	Lump Sum	\$500.00
Per Diem	4 nights @ \$400.00/nt.	\$1,600.00
Site visit, boring layout, utility clearance	6 hours @ \$50.00/hour	\$300.00
Project Engineer	20 hours @ \$85.00/hour	\$1,700.00
Principal Engineer	2 hours @ \$105.00/hour	\$210.00
Soil Classification/ Lab Analysis	Lump Sum	\$400.00
Unconfined compressive strength	8 tests @ \$100.00/test	\$800.00
Splitting Tensile Strength on Rock Cores	8 tests @ \$100.00/test	\$800.00

Site 5: Tarpon Pier, Garrison Bight at the intersection of North Roosevelt and Palm Ave in Key West

The City is planning on replacing the existing Tarpon Pier. The water depth at the project site is about 8 feet, with a maximum tidal variation of about 4 feet. The existing pier is approximately 400' long.

This aspect of the overall project consists of replacement of the existing Tarpon Pier at Garrison Bight.

Two soil borings are requested to a depth of -60'. Nutting Engineers will coordinate with the CH2M Hill project engineer to identify test locations prior to the start of field exploration activities.

Scope of Work and Fee Schedule: Site 5

We will perform two (2) SPT borings to a depth of sixty (60) feet alongside and within 10'-15' of the existing pier.

To accomplish the aforementioned test borings, a spud barge with four hydraulic leveling legs/feet will be utilized. The leveling legs/feet are lowered to the bay bottom elevating the barge a few feet above the water line. This eliminates the up and down action created by boat wakes and tidal influences.

Split spoon sampling shall be conducted at 5 feet intervals within the soil profiles. Nx rock coring will be continued when drilling refusal is encountered. For estimating purposes, we anticipate 10 feet of coring at each bore location.

Based on previous experience we do not anticipate that any thin wall undisturbed samples (Shelby tubes) will be necessary for this project.

Each boring location will be properly abandoned utilizing neat grout slurry. The slurry will be tremied from the bottom of the bore hole to the top, allowed to set up prior to the removal of the surface casing. The drill cuttings from the field exploration will be containerized and deposited at a designated City of Key West location.

Very little laboratory analysis is anticipated due to the lithologic conditions anticipated (medium to very hard limestone). However, we do anticipate performing unconfined compressive strength testing on rock core samples collected during the drilling process. For estimating purposes, we anticipate two to four cores from each boring location will be collected for testing.

At the completion of the field work, the soil samples will be returned to our laboratory. We will provide an engineering report including a description of our findings. The report will also include graphic logs of the test borings and a test boring location plan. Each SPT location will be identified with a temporary buoy and subaqueous utilities will be cleared by Call Sunshine prior to our performing the field work.

The above-indicated scope of work will be performed for an estimated cost of **\$14,810.00** based on the following rates and quantities:

Mobilization/ demobilization (drill rig & crew including barge set-up)		\$600.00
SPT boring (water surface, including casings, rock coring and grouting of bore hole)		
	120 l.f. @ \$30.00/l.f.	\$3,600.00
Daily rate of Spud Barge	2 days @ \$3000.00/day	\$6,000.00
Marine insurance	Lump Sum	\$500.00
Per Diem	2 nights @ \$400.00/nt.	\$800.00
Site visit, boring layout, utility clearance	6 hours @ \$50.00/hour	\$300.00
Project Engineer	20 hours @ \$85.00/hour	\$1,700.00
Principal Engineer	2 hours @ \$105.00/hour	\$210.00
Soil Classification/ Lab Analysis	Lump Sum	\$300.00
Unconfined compressive strength	4 tests @ \$100.00/test	\$400.00
<i>Splitting Tensile Strength on Rock Cores</i>	<i>4 tests @ \$100.00/test</i>	<i>\$400.00</i>

Additional Information

Per the RFP documents, we shall provide the actual survey locations using GPS or survey from monuments on land. The required horizontal accuracy is +/-2 ft or better. We understand that we are to use a survey grade level, or other approved means to determine the vertical elevation of the mud line at each borehole. The vertical accuracy shall be ± 0.1 ft or better.

We can begin this work within approximately seven to fourteen days of receiving written authorization. The field work should take approximately two weeks to complete, weather and water conditions permitting. The geotechnical report should be available within approximately two weeks after the field work is complete.

It is our understanding that CH2M Hill is reviewing the permits that may be necessary to perform the waterside borings. With this in mind, NE will not be involved in the permitting process. However, per a conversation on September 30th, 2011 between Mr. Andrew Smyth of CH2M Hill and Mr. Scott Ersland of Nutting Engineers of Florida, Inc. and review of the electronic transmission dated August 25, 2011 from Mr. Bruce Frank, Environmental Manager, Submerged Lands and Environmental Resource Program, South District Branch Office, it is our understanding that no permits are required to perform the geotechnical exploration at the five sites listed in the RFP. However, it is our understanding that in the past a "Deminimus and a Consent of Use" have been issued for similar projects and would most likely be issued for the subject project. **Nutting Engineers will submit the application for "Deminimus and a Consent of Use"**. We also understand that the City will provide access to each of the boring locations during field work explorations.

NE has been offering geotechnical engineering, environmental sciences, materials testing, and structural inspection services for 43 years in South Florida during which time we have worked on many similar projects. Our commitment to practical, cost effective solutions supported by responsive client services distinguishes our firm and enables us to solve your most demanding technical challenges. Another value added component NE brings to your project is our staff of approximately fifty experienced professionals including engineering geologists, geotechnical engineers, environmental specialists, field personnel who are certified and have been trained to provide a wide range of consulting services, and our dedicated administrative staff.

Our laboratory is checked annually by the Construction Materials Engineering Council (CMEC) and the American Association of State Highway & Transportation Officials (AASHTO) and is certified to perform geotechnical engineering and materials testing services for the Florida Department of Transportation (FDOT). Note that we carry one million dollars professional liability and one million dollars general liability insurance.

Thank you for providing us the opportunity to present this proposal/agreement. We look forward to working with you on this and future projects.

Respectfully submitted,

NUTTING ENGINEERS OF FLORIDA, INC.

Scott Ersland
Division Manager

James J. Flaig, P.E.
Principal/ Chief Engineer

Reports and invoices will be addressed to the client as listed below unless other instructions are provided in writing with this executed proposal. The undersigned, as an authorized representative of the entity listed below, approves this proposal and agrees to be bound by the terms and conditions contained in this proposal. We note that our terms are net thirty days. Any invoices over thirty days will be assessed a 1 1/2 percent service charge. If you are a first time client, we request that the fee for these services be paid at the time of report completion. Once your account is established, we will bill you on an invoice basis.

SIGNATURE: _____ DATE: _____

PRINT NAME: _____ TITLE: _____

COMPANY NAME: _____

ADDRESS: _____

PHONE: _____ FAX: _____

City of Key West Multiple Sites (CH2M HILL) GEO 10-07-11 revised

Specific Terms and Conditions

For the purpose of this project, the addressee of this proposal will be known as the Client. The client is expected to furnish NUTTING ENGINEERS OF FLORIDA, INC. ("NE"), with accurate information including sketch of survey and/or site plan, construction drawings/specifications as appropriate, details of proposed construction including the proposed structural system and loads or existing construction problem information and site accessibility information as appropriate. Other information requirements may be detailed in the enclosed proposal. IF ANY CONDITIONS CHANGE such as building layout, loading, project specifications/design or unusual site conditions are observed, NE should be notified immediately in writing about the changed condition for possible review and comment.

Delivery - Scheduled upon receipt of written authorization to proceed and deposit unless other arrangements are agreed to in writing. Additional report copies can be provided for a nominal fee to the Client. NE will exercise appropriate measures to ensure project completion within a reasonable time frame subject to existing workloads. However, NE will not be held responsible for unavailability of necessary project data and site access within the time frame agreed upon for the investigation. Project delivery may be delayed if the ENTIRE signed proposal and deposit are not received in a timely manner. The ENTIRE signed quotation should be returned along with the requested project information. This unsigned proposal is valid for 60 days.

Payment - No deposit required with signed agreement. Balance due upon delivery of report. Interest at the rate of 18% per annum from 30 days after date of invoice to date payment is received will be added to all amounts not paid within 30 days after date of invoice. In the event that any law limiting the amount of interest or other charges permitted to be collected is interpreted so that this charge violates such law for any reason, the interest charge is hereby reduced to the extent necessary to eliminate such violation. All attorney fees and expenses associated with collection of past due invoices will be paid by Client.

General Terms and Conditions

Insurance - NE maintains Workers' Compensation and Employer's Liability Insurance in conformance with state law. In addition, we maintain Comprehensive General Liability Insurance and Automobile Liability Insurance with bodily injury limits of \$1,000,000.00 and property damage limits of \$1,000,000.00. A certificate of insurance can be supplied evidencing such coverage which contains a clause providing that fifteen days written notice be given prior to cancellation.

Right-of-Entry - Unless otherwise agreed, Client will furnish right-of-entry on the property for NE to make the planned borings, surveys, and/or explorations. NE will not be responsible for removing fences, earth berms, vegetation or other obstructions for purposes of our investigation. NE will take reasonable precautions to minimize damage to the property caused by its equipment and sampling procedures, but the cost of restoration or damage which may result from the planned operations is not included in the contracted amount. If Client desires to restore the property to its former condition, NE will accomplish this and add the cost to its fee.

Damage to Existing Man-made Objects - It shall be the responsibility of the Owner or his duly authorized representative to disclose the presence and accurate location of all hidden or obscure man-made objects relative to routes of access, field tests, sampling, or boring locations. When cautioned, advised or given data in writing that reveal the presence or potential presence of underground or over-ground obstructions, such as utilities, septic tanks, etc., NE will give special instructions to its field personnel. NE may require special measures to be employed at possible additional cost for drilling operations within a twenty foot lateral distance to powerlines. As evidenced by your acceptance of this proposal, Client agrees to indemnify and save harmless NE from all claims, suits, losses, personal injuries, death and property liability resulting from unusual subsurface conditions or damages to subsurface structures, owned by Client or third parties, occurring in the performance of the proposed work, whose presence and exact locations were not revealed to NE in writing, and to reimburse NE for expenses in connection with any such claims or suits, including reasonable attorney's fees. NE will endeavor to utilize normal care in accessing drilling locations but assumes no liability for damage to the lawn, landscaping, sprinklers or other subsurface objects that occurs in the normal course of our work.

Warranty and Limitation of Liability - NE shall perform services for Client in a professional manner, using that degree of care and skill ordinarily exercised by and consistent with the standards of competent consultants practicing in the same or a similar locality as the project. In the event any portion of the services fails to comply with this warranty obligation and NE is promptly notified in writing prior to one year after completion of such portion of the services, NE will re-perform such portion of the services, or if re-performance is impracticable, NE will refund the amount of compensation paid to NE for such portion of the services.

This warranty is in lieu of all other warranties. No other warranty, expressed or implied, including warranties of merchantability and fitness for a particular purpose is made or intended by the proposal for consulting services, by furnishing an oral response of the findings made or by any representations made regarding the services included in this agreement. In no event shall NE or any of its professional employees be liable for any special, indirect, incidental or

consequential loss or damages, including but not limited to impact and delay claims. The remedies set forth herein are exclusive and the total liability of consultant whether in contract, tort (including negligence whether sole or concurrent), or otherwise arising out of, connected with or resulting from the services provided pursuant to this Agreement shall not exceed the total fees paid by Client or \$50,000.00, whichever is greater. At additional cost, Client may obtain a higher limit prior to commencement of services.

For services involving or relating to pollution, it is further agreed that the Client shall indemnify and hold harmless NE and their consultants, agents and employees from and against all claims, damages, losses and expenses, direct and indirect or consequential damages, including but not limited to fees and charges of attorneys and court and arbitration costs, arising out of or resulting from the performance of the work by NE, or claims against NE arising from the work of others. This indemnification provision extends to claims against NE which arise out of, are related to, or are based upon, the disposal, discharge, escape, release or saturation of vapors, fumes, acids, alkalis, toxic chemicals, liquids, gases or any other material, irritant, contaminant or pollutant in or into the atmosphere or on, onto, upon, in or into the surface or subsurface.

NE is to be supplied with current, applicable and approved project plans and specifications and any approved written modifications thereto in a timely manner. NE is not responsible for the "means or methods" of construction on structural inspection projects. NE accepts no responsibility for accuracy, validity or code compliance of contract documents or for any claims related to "mold" or indoor air quality. NE is not responsible for construction site safety. NE Engineers work is not intended to be used for environmental or contaminant related evaluation and should not be used or relied upon for these purposes unless otherwise explicitly stated by NE in writing. Any and all causes of action arising out of NE's performance of the Work shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than the date of NE's last invoice for the Work performed hereunder.

Sampling or Testing Location - Unless specifically stated to the contrary, the unit fees included in this proposal do not include costs associated with professional land surveying of the site or the accurate horizontal and vertical locations of tests. Field tests or boring locations described in our report or shown on our sketches are based on specific information furnished to us by others and/or estimates made in the field by our technicians. Such dimensions, depths or elevations should be considered as approximations unless otherwise stated in the report. It is understood that all drilling locations are accessible to conventional truck mounted drilling equipment unless otherwise specified by the client. If unscheduled remobilizations or use of portable or all terrain equipment is required additional charges will apply. NE will attempt to clear utilities at our excavation/test locations by manual drilling to 3' below land surface (BLS). Any utilities/obstructions present at client specified test locations or below 3' BLS will be the responsibility of the client.

Sample Handling and Retention - Generally soil test samples are retained for approximately three months after which time they will be discarded unless written instructions to the contrary are received from the client.

Joint and Several Liability - The concept of joint and several liability is explained as follows: When two or more parties are considered responsible for causing injury or damage, any one of the parties may be made to provide compensation for as much as 100% of the damages assessed. When applied to hazardous materials projects, it is possible that the concept of joint and several liability could be construed to make NE partly or wholly responsible for damages created directly or indirectly by the hazardous materials. Client agrees that it would be unfair for NE to be exposed to such an action, because NE had nothing whatsoever to do with the creation of the hazardous condition. Accordingly, Client waives any claim against NE, and agrees to defend, indemnify and save NE harmless from any claim or liability for injury or loss arising from application of a joint and several liability concept that would, in any manner, hold or seek to hold NE responsible for creating a hazardous condition or permitting one to exist. Client also agrees to compensate NE for any time spent and expenses incurred by NE in defense of any such claim, with such compensation to be based upon NE's prevailing fee schedule and expense reimbursement policy relative to recovery of direct project costs.

Legal Jurisdiction - The parties agree that any actions brought to enforce any provision of this Agreement shall only be brought in a court of competent jurisdiction located in Palm Beach County, Florida.

Force Majeure - NE shall not be held responsible for any delay or failure in performance of any part of this Agreement to the extent such delay or failure is caused by fire, flood, explosion, war, strike, embargo, government requirement, civil or military authority, acts of God, act or omission of subcontractors, carriers, client or other similar causes beyond its control.

Documents - NE shall be entitled to rely upon the accuracy and completeness of all surveys, reports and information furnished by the client. If conditions different from those described in our report are found at the site, NE should be notified in writing immediately upon discovery. NE reserves the right to revise conclusions and recommendations presented in the final report should additional information regarding the project become available. All permits will be obtained by others unless otherwise specified in this proposal or in writing to NE. NE has no liability for consequences of information not provided or unavailable or otherwise not reviewed or known from the normal sources customarily examined by NE in such investigations within the time frame allowed for this investigation under this agreement. The client, entities identified in writing on the address portion of our report, design team professionals engaged by our client and building official staff are entitled to use and rely upon NE'S reports for purposes of the current project. Other parties are not authorized to use or rely upon NE'S reports unless NE so states in writing.

NE - Specific Contract Terms and Conditions, 5_18_04

Cc: Richard C. Wohlfarth, PE, Paul Catledge, PE, Kristina Berryman

City of Key West Multiple Sites (CH2M HILL) GEO 10-07-11 revised