April 9, 2020

Proposal QTB118741

Chuck Brandel, PE
ISG, Inc.
115 Hickory Street, Suite 100
Mankato, MN 56001

Re: Proposal for a Geotechnical Evaluation
   Embankment and Outfall
   Rice Lake
   Gaylord, Minnesota

Dear Mr. Brandel:

Braun Intertec Corporation respectfully submits this proposal to complete a geotechnical evaluation for the existing embankment and outfall replacement at Rice Lake near Gaylord, Minnesota.

Our Understanding of Project

Per our correspondence with you, the Sibley County Drainage Department Repair Report, dated July 8, 2019, and the 1964 Rice Lake Outlet Structure Schematics, we understand that the sheet pile outlet structure will be replaced. In conjunction with design of the replacement, the existing embankment should also be evaluated.

The embankment and sheet pile outlet structure were apparently constructed in the mid-1960s. According to the 1964 plans, the embankment is approximately 2,300 feet long with the main portion measuring approximately 1,600 feet long. The embankment is shown to be up to 4.5 feet high with a crest elevation of 964.5 feet. The dam reportedly has a clay core which extends approximately 6 to 9 feet below the embankment foundation. The clay core width along the 14-foot wide crest is at least 4 feet with unspecified soil (random fill) extending from the clay core to the outer slopes, which reportedly are at a gradient ratio of 6 horizontal to 1 vertical (6:1) downstream and 10:1 upstream.

On July 8, 2019, the outlet structure was reported to have washed out with sediment discharged to the Judicial Ditch No. 20. Rip rap was placed to stabilize the outlet, and by July 11, 2019, “the repair is holding,” but water continued to filter through the rip rap. During October 2019, Sibley County decided to replace the outlet structure. As a result, we are proposing to complete the geotechnical work for you to complete the outlet structure replacement, which could be a sheet pile or concrete structure.

The outlet is set at elevation 961.5, which is 1.5 feet above the lowest embankment bearing elevation of 960.0 feet. The structure replacement impounds less than 2 feet of water during normal summer flow and thereby does not require a dam permit through the Minnesota Department of Natural Resources (DNR).
Purpose

The purpose of our geotechnical evaluation will be to characterize subsurface geologic conditions at the proposed outlet replacement and the existing embankment, conduct seepage and stability calculations necessary for the existing embankment or replacement and outlet structure replacement. Our proposal is based upon the premise that permitting by the DNR is not required. Should it be determined that the outlet structure and embankment require a permit, we should revise our proposal to meet permit requirements.

Scope of Services

The following tasks are proposed to help achieve the stated purpose. If unfavorable or unforeseen conditions are encountered at any point during the completion of the tasks that lead us to recommend an expanded scope of services, we will contact you to discuss the conditions before resuming work.

Site Access, Staking and Utility Clearance

Based on our review of Google Earth and our discussions with you, we propose to access exploration locations with our float-tire-mounted drill rig.

We have budgeted that Braun Intertec will conduct a site reconnaissance and stake desired exploration locations, and that ISG, Inc. will survey them upon completion and determine ground surface elevations at the boring locations. Depending on access requirements, ground conditions or potential utility conflicts, our field crew may alter the exploration locations from those proposed to facilitate accessibility.

Prior to drilling or excavating, we will contact Gopher State One Call and arrange for notification to the appropriate utility vendors to mark and clear the exploration locations of public underground utilities. You, or your authorized representative, are responsible to notify us before we begin our work of the presence and location of any underground objects or private utilities that are not the responsibility of public agencies.

Penetration Test Borings

We propose to drill 17 standard penetration test borings according to the following table:

<table>
<thead>
<tr>
<th>1964 Plans Station</th>
<th>Centerline Clay Core (feet)</th>
<th>Upstream Random Fill (feet)</th>
<th>Downstream Random Fill (feet)</th>
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<tr>
<td>190+00</td>
<td>10</td>
<td>---</td>
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</tr>
<tr>
<td>192+00</td>
<td>20</td>
<td>7 1/2</td>
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<td>200+00</td>
<td>30</td>
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<td>7 1/2</td>
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<tr>
<td>204+00</td>
<td>20</td>
<td>7 1/2</td>
<td>7 1/2</td>
</tr>
<tr>
<td>208+00</td>
<td>20</td>
<td>7 1/2</td>
<td>7 1/2</td>
</tr>
<tr>
<td>210+00</td>
<td>10</td>
<td>---</td>
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</tr>
</tbody>
</table>
We will perform standard penetration tests at 2 1/2-foot vertical intervals to the entire depths. We have also made provisions to obtain 15 thin-walled tube samples of the soils encountered for laboratory testing. If the borings encounter groundwater, we will record the observed depth on the boring logs.

If we do not penetrate through existing fill, organic materials or other structurally unfavorable soils above the intended boring termination depths, we will extend the borings to obtain at least 2 1/2 feet of penetration into more competent materials at greater depths. The additional information will help evaluate such issues as excavation depth, consolidation settlement, and embankment alternatives, among others. If we identify a need for deeper (or additional) borings, we will contact you prior to increasing our total estimated drilled footage and submit a Change Order summarizing the anticipated additional effort and the associated cost, for your review and authorization.

**MDH Environmental Well Notification**

We are planning for one of the borings to be 25 feet or deeper. Therefore, the Minnesota Department of Health (MDH) requires us to both (1) submit to them by mail a “Sealing Notification Form”, and (2) submit a Sealing Record after our completion of the borings. The Sealing Notification Form requires a signature of the current property owner, or their agent, and we need to submit this to the MDH prior to our mobilization to the site. *We have attached a copy of the Sealing Notification Form at the end of this proposal for your signature.* The fees for the MDH Sealing Notification and the Sealing Record are included in our cost.

**Borehole Abandonment**

Minnesota Well Code requires sealing environmental wells that are 15 feet deep or deeper. However because the borings will be drilled in a water-retention embankment, we will seal all of the borings, 205 feet linear feet of borehole with grout and prepare associated sealing records for submittal to the MDH. The attached Project Proposal shows the fees associated with the sealing.

**Sample Review and Laboratory Testing**

Samples will be returned to our laboratory where they will be visually classified and logged by a geotechnical engineer. After classification, we will then set up a laboratory testing schedule to establish the necessary engineering properties for our stability and engineering analyses.

For purposes of developing a project budget, we have assumed our classification and physical property testing scope will include up to:

- 50 Moisture Content Tests
- 15 Moisture and Density Tests
- 4 Mechanical Analyses through a #200 Sieve only
- 4 Full Mechanical Sieve Analyses
- 4 Atterberg Limit Tests
- 15 Unconfined Compression Tests
- 2 Standard Proctor tests

**Sheetpile, Embankment and Foundation Stability Analyses**

We will evaluate the stability for the most critical embankment cross section for the existing embankment or its replacement for end-of-construction, steady state, maximum pool at the crest and rapid drawdown conditions, including seepage analyses. In addition, we will analyze a sheet pile outlet
replacement. For evaluation of additional alternatives, we may need to charge for additional effort, and we will keep ISG, Inc. appraised of that potential.

We have included time for one meeting with you to review the results of our analyses and how they impact the project design.

**Reporting**
We will prepare a report, including:

- Sketch (es) showing site features and exploration locations.
- Log of the boring describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.
- Summary of the laboratory testing results.
- The results of our embankment stability analyses for one embankment cross section and sheet pile replacement.
- Preliminary recommendations specifically relating to the geotechnical considerations for:
  - Leaving the existing embankment in place.
  - Removing the existing embankment and constructing a replacement.
  - Reuse of the clay core and random fill for the replacement embankment.
  - Size and depth of the sheet pile for the outlet structure.
  - Allowable net bearing capacity and sliding resistance for an alternative concrete outlet structure.

One electronic copy of our report will be submitted to you. At your request, hard copies can be prepared for project team members. If you anticipate that hard copies will be needed, please request them prior to the report being completed and forwarded to you so we can prepare a copy list for the recipients and distribute the reports expediently.

**Fee**
We will furnish the services described in this proposal for a not to exceed fee of $32,361. The actual cost of the project will be based on the rates shown in the attached cost estimate.

Our work may extend over several invoicing periods. As such, for work that is performed during the course of each invoicing period, we will submit partial progress invoices.
Schedule

We anticipate the field exploration can begin within 4 to 5 weeks after receiving notice to proceed; the field exploration will take about 2 to 3 days to complete, classification and laboratory testing will likely take an additional 1 to 2 weeks. We will pass along results, however, as they are obtained and reviewed. We anticipate we can submit our report within 5 to 7 weeks after receiving notice to proceed.

If our proposed scope of services cannot be completed according to this schedule due to circumstances beyond our control, we may need to revise this proposal prior to completing the remaining tasks.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.
We appreciate the opportunity to present this proposal to you. Please sign and return a copy to us in its entirety.

We based the proposed fee on the scope of services described and the assumptions that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Bryan Ripp at 612.845.4475.

Sincerely,

BRAUN INTERTEC CORPORATION

Bryan J. Ripp, PE, CFM
Senior Engineer

Philip E. Bailey, PE
Business Unit Leader, Senior Engineer

Attachments:
Project Proposal
MDH Notification Form
General Conditions (1/1/18)

The proposal is accepted, and you are authorized to proceed.
### Project Proposal

**QTB118741**  
Rice Lake Embankment and Outlet

**Client:** ISG Inc.  
Charles Brandel  
1609 US Highway 18 East  
PO Box 715  
Algona, IA 50511  
ap@is-grp.com

**Work Site Address:**  
Rice Lake  
Gaylord, MN 55334

**Service Description:**  
Geotechnical Evaluation

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<th>Quantity</th>
<th>Units</th>
<th>Unit Price</th>
<th>Extension</th>
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<td><strong>Phase 1</strong></td>
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<tr>
<td><strong>Field Exploration</strong></td>
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<td>Activity 1.1 Field Exploration</td>
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<td>9100 Flotation Tire Drill Rig and Crew, per hour</td>
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<td>Hour</td>
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<td>Hour</td>
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## Phase 4

### Activity 4.1: Report

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**Phase 4 Total:** $8,630.00

## Phase 5

### Activity 5.1: Meetings and Project Coordination

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**Phase 5 Total:** $1,370.00

**Proposal Total:** $32,361.00
April 9, 2020

Proposal QTB118741

Chuck Brandel, PE
ISG, Inc.
115 Hickory Street, Suite 100
Mankato, MN  56001

Re:  Minnesota Department of Health Well Sealing Notification Form
    Embankment and Outfall
    Rice Lake
   Gaylord, Minnesota

Dear Mr. Brandel:

Please have the property owner, representative or agent complete the “Well Owner” section only of the Minnesota Department of Health (MDH) Well Sealing Notification form below and return it to Braun Intertec along with the signed proposal. We will complete the remainder of the form and submit it to the MDH.

NOTE: This form must be completed and returned to Braun Intertec prior to us scheduling the mobilization of our equipment and crews to the project site.

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**WELL SEALING NOTIFICATION**

WELL SEALING NOTIFICATION IS VALID FOR 18 MONTHS

Send notification form and payment (check, money order, or credit card information) to:
Minnesota Department of Health, Well Management Section, P.O. Box 64502, St. Paul, Minnesota 55164-0502.

**ATTN: CASHIER**
Well Management Section Fax Number: (651) 201-4599.

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<tr>
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<th><strong>Well Number</strong></th>
<th><strong>3-Digit Security Code</strong></th>
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<tr>
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<th><strong>Well Location Address</strong></th>
<th><strong>Well Owner Name</strong></th>
<th><strong>Well Owner Street Address</strong></th>
<th><strong>Well Owner Signature</strong></th>
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<th><strong>Section No.</strong></th>
<th><strong>Fraction</strong></th>
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<tr>
<th><strong>Well Contractor</strong></th>
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<th><strong>Date</strong></th>
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Failure to provide proper identification and fee prior to the beginning of well sealing is a violation of Minnesota Statutes, Chapter 103I, and may result in the assessment of an administrative penalty. Notification is not required to seal a boring.
Section 1: Agreement

1.1 Our agreement with you consists of these General Conditions and the accompanying written proposal or authorization (“Agreement”). This Agreement is the entire agreement between you and us. It supersedes prior agreements. It may be modified only in a writing signed by us, making specific reference to the provision modified.

1.2 The words “you,” “we,” “us,” and “our” include officers, employees, and subcontractors.

1.3 In the event you use a purchase order or other documentation to authorize our scope of work (“Services”), any conflicting or additional terms are not part of this Agreement. Directing us to start work prior to execution of this Agreement constitutes your acceptance. If, however, mutually acceptable terms cannot be established, we have the right to terminate this Agreement without liability to you or others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

Section 2: Our Responsibilities

2.1 We will provide Services specifically described in this Agreement. You agree that we are not responsible for services that are not expressly included in this Agreement. Unless otherwise agreed in writing, our findings, opinions, and recommendations will be provided to you in writing. You agree not to rely on oral findings, opinions, or recommendations without our written approval.

2.2 In performing our professional services, we will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of our profession practicing in the same locality. If you direct us to deviate from our recommended procedures, you agree to hold us harmless from claims, damages, and expenses arising out of your direction. If during the one year period following completion of Services it is determined that the above standards have not been met and you have promptly notified us in writing of such failure, we will perform, at our cost, such corrective services as may be necessary, within the original scope in this Agreement, to remedy such deficiency. Remedies set forth in this section constitute your sole and exclusive recourse with respect to the performance or quality of Services.

2.3 We will reference our field observations and sampling to available reference points, but we will not survey, set, or check the accuracy of those points unless we accept that duty in writing. Locations of field observations or sampling described in our report or shown on our sketches are based on information provided by others or estimates made by our personnel. You agree that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. You accept the inherent risk that samples or observations may not be representative of things not sampled or seen and further that site conditions may vary over distance or change over time.

2.4 Our duties do not include supervising or directing your representatives or contractors or commenting on, overseeing, or providing the means and methods of their services unless expressly set forth in this Agreement. We will not be responsible for the failure of your contractors, and the providing of Services will not relieve others of their responsibilities to you or to others.

2.5 We will provide a health and safety program for our employees, but we will not be responsible for contractor, owner, project, or site health or safety.

2.6 You will provide, at no cost to us, appropriate site safety measures as to work areas to be observed or inspected by us. Our employees are authorized by you to refuse to work under conditions that may be unsafe.

2.7 Unless a fixed fee is indicated, our price is an estimate of our project costs and expenses based on information available to us and our experience and knowledge. Such estimates are an exercise of our professional judgment and are not guaranteed or warranted. Actual costs may vary. You should allow a contingency in addition to estimated costs.

Section 3: Your Responsibilities

3.1 You will provide us with prior environmental, geotechnical and other reports, specifications, plans, and information to which you have access about the site. You agree to provide us with all plans, changes in plans, and new information as to site conditions until we have completed Services.

3.2 You will provide access to the site. In the performance of Services some site damage is normal even when due care is exercised. We will use reasonable care to minimize damage to the site. We have not included the cost of restoration of damage in the estimated charges.

3.3 You agree to provide us, in a timely manner, with information that you have regarding buried objects at the site. We will not be responsible for locating buried objects at the site. You agree to hold us harmless, defend, and indemnify us from claims, damages, losses, and expenses, including attorney fees, relating to the discovery or release of contaminants at the site.

3.4 You agree to notify us of any knowledge or suspicion of the presence of hazardous or dangerous materials present on any work site or in a sample provided to us. You agree to provide us with information in your possession or control relating to such materials or samples. If we observe or suspect the presence of contaminants not anticipated in this Agreement, we may terminate Services without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

3.5 Neither this Agreement nor the providing of Services will operate to make us an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous substances. You agree to hold us harmless, defend, and indemnify us from any damages, claims, damages, penalties or losses resulting from the storage, removal, hauling or disposal of such substances.

3.6 Monitoring wells are your property, and you are responsible for their permitting, maintenance, and abandonment unless expressly set forth otherwise in this Agreement.

3.7 You agree to make all disclosures required by law. In the event you do not own the project site, you acknowledge that it is your duty to inform the owner of the discovery or release of contaminants at the site. You agree to hold us harmless, defend, and indemnify us from claims, damages, penalties, or losses and expenses, including attorney fees, related to failures to make disclosures, disclosures made by us that are required by law, and from claims related to the informing or failure to inform the site owner of the discovery of contaminants.

Section 4: Reports and Records

4.1 Unless you request otherwise, we will provide our report in an electronic format.

4.2 Our reports, notes, calculations, and other documents and our computer software and data are instruments of our service to you, and they remain our property. We hereby grant you a license to use the reports and related information we provide only for the related project and for the purposes disclosed to you. You may not transfer our reports to others or use them for a purpose for which they were not prepared without our written approval. You agree to indemnify, defend, and hold us harmless from claims, damages, losses, and expenses, including attorney fees, arising out of such a transfer or use.

4.3 If you do not pay for Services in full as agreed, we may retain work not yet delivered to you and you agree to return to us all of our work that is in your possession or under your control.

4.4 Samples and field data remaining after tests are conducted and field and laboratory equipment that cannot be adequately cleansed of contaminants are and continue to be your property. They may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

4.5 Electronic data, reports, photographs, samples, and other materials provided by you or others may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

General Conditions
Section 5: Compensation

5.1 You will pay for Services as stated in this Agreement. If such payment references our Schedule of Charges, the invoicing will be based upon the most current schedule. An estimated amount is not a firm figure. You agree to pay all sales taxes and other taxes based on your payment of our compensation. Our performance is subject to credit approval and payment of any specified retainer.

5.2 You will notify us of billing disputes within 15 days. You will pay undisputed portions of invoices upon receipt. You agree to pay interest on unpaid balances beginning 30 days after invoice dates at the rate of 1.5% per month, or at the maximum rate allowed by law.

5.3 If you direct us to invoice a third party, we may do so, but you agree to be responsible for our compensation unless the third party is creditworthy (in our sole opinion) and provides written acceptance of all terms of this Agreement.

5.4 Your obligation to pay for Services under this Agreement is not contingent on your ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, your successful completion of any project, receipt of payment from a third party, or any other event. No retainer will be withheld.

5.5 If you do not pay us in accordance with this Agreement, you agree to reimburse all costs and expenses for collection of the moneys invoiced, including but not limited to attorney fees and staff time.

5.6 You agree to compensate us in accordance with our Schedule of Charges if we are asked or required to respond to legal process arising out of a proceeding related to the project and to which we are not a party.

5.7 If we are delayed by factors beyond our control, or if project conditions or the scope or amount of work changes, or if changed labor conditions result in increased costs, decreased efficiency, or delays, or if the standards or methods change, we will give you timely notice, the schedule will be extended for each day of delay, and we will be compensated for costs and expenses incurred in accordance with our Schedule of Charges.

5.8 If you fail to pay us in accordance with this Agreement, we may consider the default a total breach of this Agreement and, at our option, terminate our duties without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

5.9 In consideration of our providing insurance to cover claims made by you, you hereby waive any right to offset fees otherwise due us.

Section 6: Disputes, Damage, and Risk Allocation

6.1 Each of us will exercise good faith efforts to resolve disputes without litigation. Such efforts will include, but not be limited to, a meeting(s) attended by each party’s representative(s) empowered to resolve the dispute. Before either of us commences an action against the other, disputes (except collections) will be submitted to mediation.

6.2 Notwithstanding anything to the contrary in this Agreement, neither party hereto shall be responsible or held liable to the other for punitive, indirect, incidental, or consequential damages, or liability for loss of use, loss of business opportunity, loss of profit or revenue, loss of product or output, or business interruption.

6.3 You and we agree that any action in relation to an alleged breach of our standard of care or this Agreement shall be commenced within one year of the date of the breach or of the date of substantial completion of Services, whichever is earlier, without regard to the date the breach is discovered. Any action not brought within that one year time period shall be barred, without regard to any other limitations period set forth by law or statute. We will not be liable unless you have notified us within 30 days of the date of such breach and unless you have given us an opportunity to investigate and to recommend ways of mitigating damages. You agree not to make a claim against us unless you have provided us at least 30 days prior to the institution of any legal proceeding against us with a written certificate executed by an appropriately licensed professional specifying and certifying each and every act or omission that you contend constitutes a violation of the standard of care governing our professional services. Should you fail to meet the conditions above, you agree to fully release us from any liability for such allegation.

6.4 For you to obtain the benefit of a fee which includes a reasonable allowance for risks, you agree that our aggregate liability for all claims will not exceed the fee paid for Services or $50,000, whichever is greater. If you are unwilling to accept this allocation of risk, we will increase our aggregate liability to $100,000 provided that, within 10 days of the date of this Agreement, you provide payment in an amount that will increase our fees by 10%, but not less than $500, to compensate us for the greater risk undertaken. This increased fee is not the purchase of insurance.

6.5 You agree to indemnify us from all liability to others in excess of the risk allocation stated herein and to insure this obligation. In addition, all indemnities and limitations of liability set forth in this Agreement apply however the same may arise, whether in contract, tort, statute, equity or other theory of law, including, but not limited to, the breach of any legal duty or the fault, negligence, or strict liability of either party.

6.6 This Agreement shall be governed, construed, and enforced in accordance with the laws of the state in which our servicing office is located, without regard to its conflict of laws rules. The laws of the state of our servicing office will govern all disputes, and all claims shall be heard in the state or federal courts for that state. Each of us waives trial by jury.

6.7 No officer or employee acting within the scope of employment shall have individual liability for his or her acts or omissions, and you agree not to make a claim against individual officers or employees.

Section 7: General Indemnification

7.1 We will indemnify and hold you harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by our negligent acts or omissions or those negligent acts or omissions of persons for whom we are legally responsible. You will indemnify and hold us harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by your negligent acts or omissions or those negligent acts or omissions of persons for whom you are legally responsible.

7.2 To the extent it may be necessary to indemnify either of us under Section 7.1, you and we expressly waive, in favor of the other only, any immunity or exemption from liability that exists under any worker compensation law.

7.3 You agree to indemnify us against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by you or by others on your behalf.

Section 8: Miscellaneous Provisions

8.1 We will provide a certificate of insurance to you upon request. Any claim as an Additional Insured shall be limited to losses caused by our negligence.

8.2 You and we, for ourselves and our insurers, waive all claims and rights of subrogation for losses arising out of causes of loss covered by our respective insurance policies.

8.3 Neither of us will assign or transfer any interest, any claim, any cause of action, or any right against the other. Neither of us will assign or otherwise transfer or encumber any proceeds or expected proceeds or compensation from the project or project claims to any third person, whether directly or as collateral or otherwise.

8.4 This Agreement may be terminated early only in writing. You will compensate us for fees earned for performance completed and expenses incurred up to the time of termination.

8.5 If any provision of this Agreement is held invalid or unenforceable, then such provision will be modified to reflect the parties’ intention. All remaining provisions of this Agreement shall remain in full force and effect.

8.6 No waiver of any right or privilege of either party will occur upon such party’s failure to insist on performance of any term, condition, or instruction, or failure to exercise any right or privilege or its waiver of any breach.