

RESOLUTION 2026-2-5

A RESOLUTION OF HUNTSVILLE TOWN, UTAH, TO ENTER INTO AN AGREEMENT WITH SUNRISE ENGINEERING, FOR TRANSMISSION LINE SERVICES

WHEREAS, Huntsville Town (hereafter “Town”) is a municipal corporation duly organized and existing under the laws of the State of Utah;

WHEREAS, the Town Council is the municipal legislative body;

WHEREAS, Huntsville Town collected bids through a public bidding process and Sunrise Engineering was selected as the top bid;

WHEREAS, the Town Council desires contract with quality engineering services to assist with design and engineering needs in the water transmission line services;

WHEREAS, the Town Council has entered into an agreement with Sunrise Engineering and desires to ratify the agreement set forth;

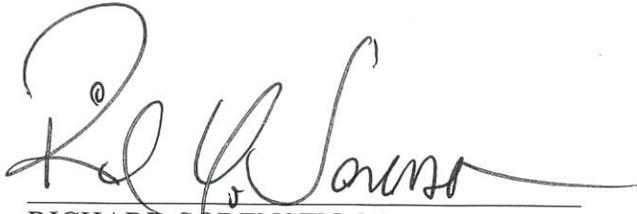
NOW, THEREFORE, BE IT RESOLVED by the Huntsville Town Council as follows;

Section 1. Ratification. That the Agreement between Huntsville Town and Sunrise Engineering attached hereto as Exhibit “A” and incorporated herein by this reference is hereby ratified by the Town Council and shall continue in full force and effect according to the terms of the Agreement.

Section 2. Effective Date. This Resolution is effective immediately upon adoption by the Town Council.

| VOTES | AYE | NAY | RECUSED | EXCUSED |
|------------------------|-----|-----|---------|---------|
| Mayor Richard Sorensen | X | | | |
| CM Bruce Ahlstrom | X | | | |
| CM Sandy Hunter | X | | | |
| CM Lewis Johnson | X | | | |
| CM James Truett | X | | | |

PASSED AND ADOPTED by the Town Council on this 5th day of February 2026.


RICHARD SORENSEN, Mayor



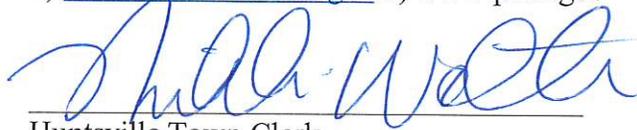
ATTEST:


TOWN CLERK

RECORDED this 5th day of February 2026.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953 as amended, I, the municipal clerk of Huntsville Town, hereby certify that foregoing resolution was duly passed and published, or posted at 1) Town Hall 2) www.huntsvilleutah.gov 3) www.pmn.gov


Huntsville Town Clerk

DATE: 2/18/2026



Salt Lake City Office

6875 South 900 East, Midvale, Utah 84047 | TEL 801.523.0100 | FAX 801.523.0990

January 30, 2026

Huntsville Town
PO Box 267
Huntsville, Utah 84317

Attn: Jared Andersen, P.E.

Subject: Huntsville Transmission Line Project

Sunrise Engineering, LLC (SE) is pleased to provide the following proposal to provide professional services for Huntsville Town (hereinafter referred to as "CLIENT"). SE agrees, upon receipt of your acceptance to this proposal, to perform the following identified services in accordance with the compensation described herein.

Project Background.

Analysis of the Water Line Failure in Huntsville

The town of Huntsville has been facing ongoing issues with its 12-inch High Density Polyethylene (HDPE) water distribution line, which is vital for the town's water transmission system. This pipeline connects the town's culinary water treatment plant to its storage reservoirs, serving as a primary conduit for water distribution across the area. The recurring leaks and breaks have prompted the town to consider replacing a specific section of the pipeline to ensure reliability and reduce maintenance costs.

Location and Scope of Replacement

The targeted section for replacement is situated along 1800 South, extending from the water treatment facility at 1800 South 9490 East westward on the north side of 1800 South to the intersection with 8900 East. This segment measures approximately 3,600 feet and has been identified as the most cost-effective option for long-term operation, considering the frequent repairs required due to failures.

Causes of Pipeline Failures

The analysis of the causes of failure indicates a combination of factors:

- **Seam Failures:** Manufacturing defects or weaknesses along the seams of the HDPE pipe have contributed to leaks and breaks.
- **Mechanical Impacts:** Rocks embedded in the soil have caused physical damage, especially in areas with cobbly terrain near the chlorination facility.
- **Installation Issues:** The pipeline was installed using non-engineered trenches filled with native material, which may have compromised the structural integrity. Poor fusion quality during installation and lack of construction oversight further exacerbated failure rates.

Material and Construction Specifications

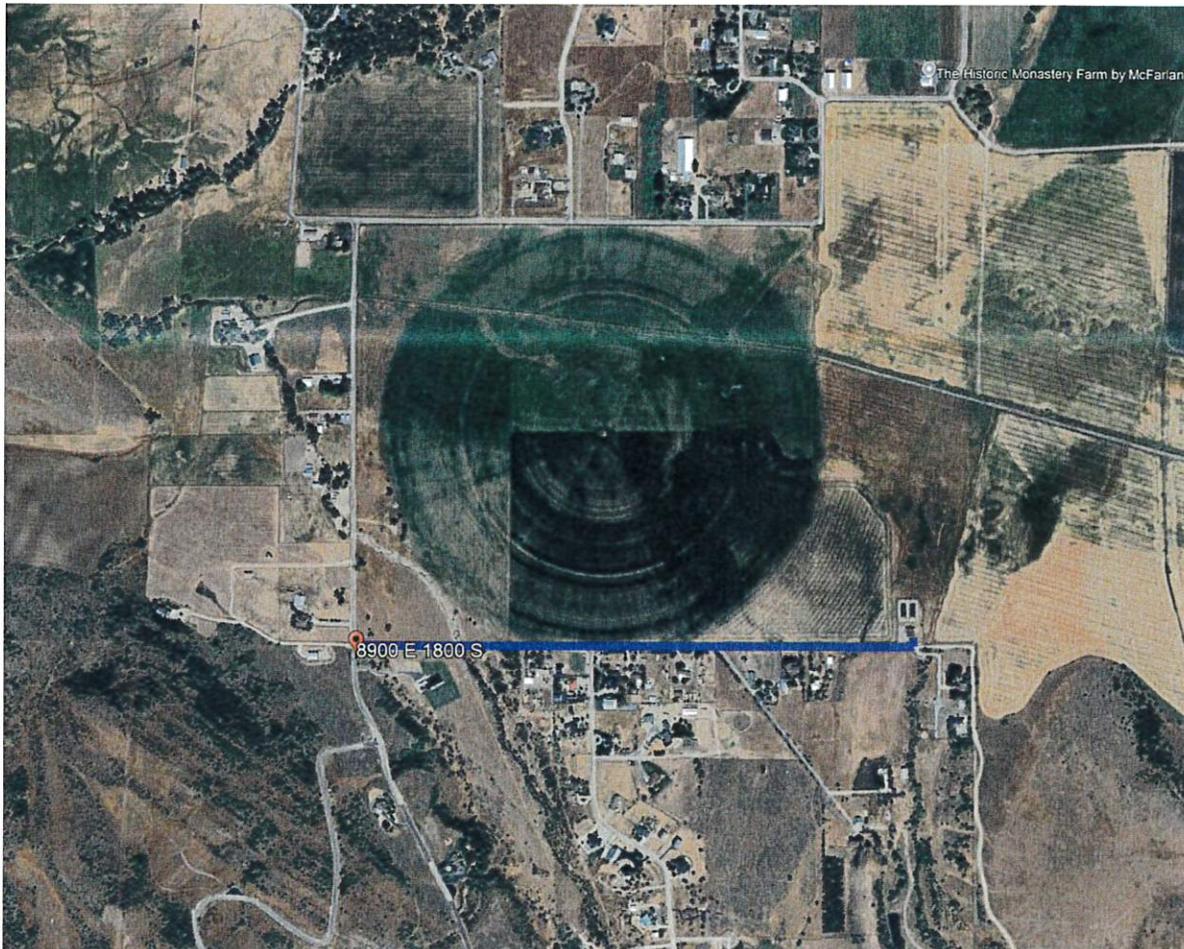
The existing HDPE pipe was classified as DR17, indicating the minimum thickness suitable for this application. However, the combination of material properties and installation practices has led to premature failures. The presence of native soil fill and non-engineered trenching methods has contributed to instability and susceptibility to damage.

Recommendations for Future Design

Understanding the root causes of the current failures is essential for designing a more durable and reliable replacement pipeline. Recommendations include:

- Utilizing higher-grade materials or thicker pipe (e.g., DR11 or above) to enhance durability.
- Implementing engineered trenching techniques with proper bedding and backfill to provide better support and reduce soil-related impacts.
- Ensuring quality control during fusion and installation processes through rigorous oversight.

By addressing these issues, the town can improve the longevity of its water transmission infrastructure, minimize future maintenance costs, and ensure a reliable water supply for its residents.





Key Issues in Pipeline Project Planning

Pipe Material Selection

Choosing the appropriate pipeline material is a fundamental aspect of designing an efficient and durable transmission line. The selection process involves evaluating various material options based on factors such as durability, cost, compatibility with existing infrastructure, and environmental considerations. Sunrise Engineering possesses comprehensive knowledge of all types of water line materials, including ductile iron, PVC, HDPE, and concrete pipes. Their expertise extends to understanding the common causes of failure in existing pipelines, which informs their recommendations for future material choices. The engineering team will prepare a detailed analysis of the advantages and disadvantages of each material type, facilitating an informed decision-making process. Discussions with Huntsville Town operators will focus on selecting the most suitable materials that balance performance, longevity, and cost-effectiveness for the proposed transmission line.

Pipeline Alignment Strategy

The alignment of the pipeline is a critical factor influencing project success. An optimal alignment minimizes construction costs, reduces environmental impact, and avoids conflicts with existing utilities and infrastructure. Sunrise Engineering emphasizes the importance of a well-planned alignment to ensure project efficiency and sustainability. With extensive experience in pipeline replacement projects, the firm has developed specialized methods to identify the most advantageous route. These methods include detailed site assessments, utility conflict analysis, and easement planning. The goal is to select an alignment that not only meets technical requirements but also aligns with community and environmental considerations, thereby ensuring a smooth construction process and long-term operational success.

Stakeholder Engagement and Work Sessions

Effective stakeholder engagement is essential for the successful execution of pipeline projects. It is vital that the needs and concerns of all involved parties—property owners, business owners, utility companies, canal operators, and municipal staff—are heard and addressed. Sunrise Engineering incorporates a dedicated Public Involvement specialist into the project team to facilitate clear and

consistent communication. This specialist assists in organizing work sessions, public meetings, and consultations to gather input, provide updates, and mitigate potential conflicts. The proactive engagement approach aims to foster transparency, build trust, and ensure that project objectives align with community interests. By prioritizing stakeholder involvement, the project team can identify and resolve issues early, reducing delays and enhancing overall project.

Canal Crossing



Scope of Work

Phase 0001 Survey

- Task 001 Basemap Survey
SE will fly the project area using a drone survey to produce the topographic survey with high resolution photography. Along with the drone survey, SE surveyors will shoot and identify all visible utilities along with invert elevations and 360-degree photos of all manholes, and canal crossings.
- Task 002 Utility Location Survey
SE will contact all utility providers in the area to obtain copies of all the utility as-builts for the area. SE will identify potential conflicts and reduce the number of potholes required for the project. The scope of work identifies potentially 10 potholes.
- Task 003 Project "Alignment" Survey
SE will prepare a record of survey and prepare any easements required for the project. It appears that 1800 South is not a dedicated roadway and the proposed pipeline will need an easement, unless the proposed alignment falls within the existing easement. For budget purposes for this scope of work, it is assumed that proposed easement will be for the single property owner to the north.
- Task 004 Control Survey
SE will set (3) horizontal and vertical control points to be set throughout the project.

Phase 0002 Design Services

- Task 001 Preliminary Engineering
SE will review the prepared basemap and identify a concept alignment. SE will also prepare a technical memo on different pipe materials, costs, and discuss with the CLIENT the "best" material for their project. The preliminary engineering will also include all design criteria for the project, and it will dictate the rest of the project design.
- Task 002 Construction Drawings
SE will design and prepare construction documents. The design will be submitted and reviewed at three (3) stages: 50%, 75% and 90%. These plans are anticipated to include:
1. Cover Sheet
 2. Legend, Index & Notes
 3. Water Line Plan/Profile Sheets
 4. Detail Sheets

All plan submittals will consist of a plan set in PDF format.

Task 003 Utility Coordination

SE will identify existing utility conditions around the project area. This shall include identifying known existing utilities and as-built information (wet and dry utility providers). This information will be used to help identify potential conflict areas in design and construction.

Task 004 Technical Specifications

SE will prepare Technical Specifications for the 90% and 100% (Final) submittals. These specifications will be included in the Towns Bid Documents (General Conditions, Instructions to Bidders, Contract Form, Bond Forms, etc. prepared by the Town). If the Town does not have its own Bid Documents, Engineer Joint Contract Documents Committee EJCDC Contract Documents will be used.

Task 005 Cost Estimates

SE will prepare an Engineer's Preliminary Opinion of Probable Costs for the 100% (Final) submittals.

Task 006 QA/QC

SE will prepare a QC Plan that requires the checking and reviewing of all documents and supporting data in their final format before they are submitted to the CLIENT. The construction documents will be reviewed by a qualified individual other than the originator to ensure a high level of quality to ensure that the plans are accurate, concise, and clearly convey the intent to the contractor(s).

Task 007 Project Team Meetings

SE will communicate with property owners and attend three (3) Town Work Sessions.

Phase 0003 Bidding

Task 001 Bidding

SE will conduct the pre-bid meeting, respond to requests for information (RFI's), prepare any addenda necessary, conduct the bid opening, prepare bid tabulations, and recommend of award to the owner.

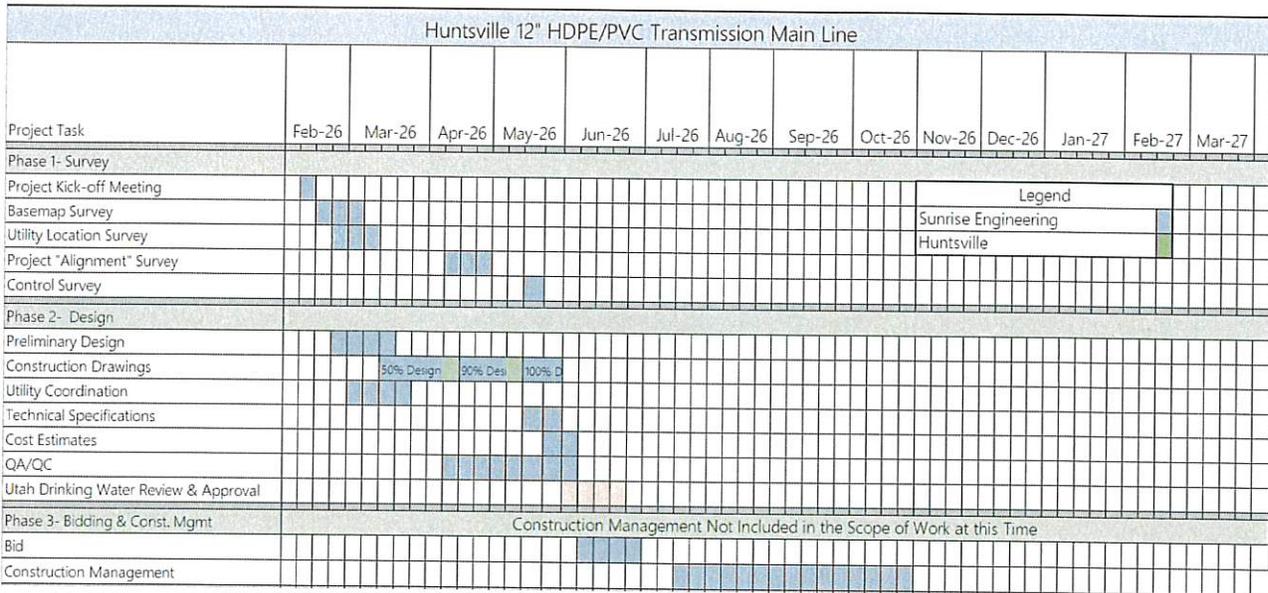
Phase 0003 Potholing

Task 001 Potholing

SE will contract with a sub utility contractor to pothole pot any utilities that appear to conflict with the proposed transmission line.

Schedule

It is anticipated to have the project constructed this construction season, as a late summer early fall project. Below is the projected schedule for the project with design being completed by June 1st, bidding in July, and constructing the project August to November 2026.



Compensation

The CLIENT agrees to compensate SE for services provided in the Scope of Work above on a Time and Materials (T&M) basis as summarized in the Fee Summary below, Attachment A – Cost Summary, and Attachment B – Fee Schedule

Fees Summary

| Phase/Task | Work Task Description | Budget/Fee | *Fee Type |
|-------------|---------------------------|-----------------|-----------|
| 0001 | Survey | | |
| 001 | Basemap Survey | \$4,100 | T&M, NTE |
| 002 | Utility Location Survey | \$1,700 | T&M, NTE |
| 003 | Project Alignment Survey | \$8,300 | T&M, NTE |
| 004 | Control Survey | \$1,000 | T&M, NTE |
| | Survey Subtotal | \$15,100 | |
| 0002 | Design | | |
| 001 | Preliminary Engineering | \$6,300 | T&M, NTE |
| 002 | Construction Drawings | \$36,200 | T&M, NTE |
| 003 | Utility Coordination | \$2,100 | T&M, NTE |
| 004 | Technical Specifications | \$3,300 | T&M, NTE |
| 005 | Cost Estimates | \$1,400 | T&M, NTE |
| 006 | QA/QC | \$2,800 | T&M, NTE |
| 007 | Project Team Meetings | \$5,600 | T&M, NTE |
| | Design Subtotal | \$57,700 | |
| 0003 | Bidding | | |
| 001 | Bidding | \$7,100 | T&M, NTE |
| | Bidding Subtotal | \$7,100 | |
| 0004 | Potholing | | |
| 001 | Potholing (10) | \$17,300 | T&M, NTE |
| | Potholing Subtotal | \$17,300 | |
| | Total Budget/Fee | \$97,200 | |

*Lump Sum = Fixed Fee; T&M = Time & Materials; NTE = Not to Exceed

*T&M (Time and Materials) Not to Exceed is a budgeted amount that will not be exceeded without Client approval and does not guarantee the tasks will be completed within this amount.

Any additional services requested by CLIENT, not listed above, and agreed to by SE, will be

performed on a Time and Materials basis at the rates in the attached fee schedule.

If you are interested in having SE complete the services, please execute the agreement below, make a copy for your files, and return the original to us. We look forward to providing these and other requested services.

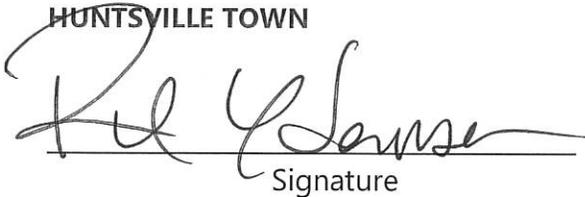
Sincerely,



Cliff Linford, P.E.
Vice President
Sunrise Engineering, LLC

Accepted and Agreed:

HUNTSVILLE TOWN



Signature

RICHARD L. SORENSON

Printed Name

MAYOR

Title

2/13/26

Date



Attachment A – Cost Summary Manhour Take-off

| Phase Task | Work Task Description | PERSONNEL | | | | | | | | | | | | | Handling Fee | 15% | Rounded Totals for Summary Sheet | Fee Type |
|-------------------|--------------------------|-----------------|------------|------------------------|--------------|-------------|-----------------|--------------------|-------------|-----------------|----------------|---------------------|--------------------|---------------------|--------------|-----|----------------------------------|----------|
| | | PI Specialist I | PI Manager | Engineer Intern (R111) | Engineer III | Engineer IV | Senior Engineer | Principal Engineer | Survey Tech | Survey CAD Tech | Survey Manager | Registered Surveyor | Principal Surveyor | One Man Survey Crew | | | | |
| Personnel Name(s) | | | | | | | | | | | | | | | | | | |
| Hourly Rate | | \$113 | \$158 | \$125 | \$168 | \$182 | \$239 | \$249 | \$99 | \$139 | \$188 | \$203 | \$225 | \$165 | | | | |
| 0001 | Survey | | | | | | | | | | | | | | | | | |
| 001 | Basemap Survey | | | | | | | | | 12 | | 2 | | 12 | | | \$4,000 | |
| 002 | Utility Location Survey | | | | | | | | | 5 | | 1 | | 5 | | | \$1,700 | |
| 003 | Project Alignment Survey | | | | | | | | | 10 | | 8 | 19 | 6 | | | \$8,000 | |
| 004 | Control Survey | | | | | | | | | 3 | 3 | | | | | | \$1,000 | |
| | | | | | | | | | | | | | | | | | \$15,900 | |
| 0002 | Design | | | | | | | | | | | | | | | | | |
| 001 | Preliminary Engineering | | | 8 | 16 | 4 | 6 | 2 | | | | | | | | | \$4,300 | |
| 002 | Construction Drawings | | | 80 | 120 | 4 | 20 | 2 | | | | | | | | | \$34,200 | |
| 003 | Utility Coordination | | | 4 | 8 | 8 | | | | | | | | | | | \$2,000 | |
| 004 | Technical Specifications | | | 8 | 8 | 2 | | | | | | | | | | | \$2,300 | |
| 005 | Cost Estimates | | | 4 | 4 | 1 | | | | | | | | | | | \$1,400 | |
| 006 | QA/QC | | | 8 | 8 | 4 | 2 | | | | | | | | | | \$2,800 | |
| 007 | Project Team Meetings | 8 | 8 | | 12 | | 6 | | | | | | | | | | \$5,600 | |
| | | | | | | | | | | | | | | | | | \$57,700 | |
| 0003 | Bidding | | | | | | | | | | | | | | | | | |
| 001 | Bidding | | | 16 | 16 | | 8 | 2 | | | | | | | | | \$7,000 | |
| | | | | | | | | | | | | | | | | | \$7,000 | |
| 0004 | Pertholing | | | | | | | | | | | | | | | | | |
| 001 | Pertholing (10) | | | | | | | | | | | | | | | | \$18,000 | |
| | | | | | | | | | | | | | | | | | \$17,300 | |
| | Sub-Total | 8 | 8 | 108 | 188 | 24 | 47 | 8 | 0 | 30 | 3 | 11 | 19 | 23 | | | \$18,000 | |
| | Contingency | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | - | |
| | Total | 8 | 8 | 108 | 188 | 24 | 47 | 8 | 0 | 30 | 3 | 11 | 19 | 23 | | | \$18,000 | |
| | Hourly Rate | \$113 | \$158 | \$125 | \$168 | \$182 | \$239 | \$249 | \$99 | \$139 | \$188 | \$203 | \$225 | \$165 | | | - | |
| | Total Dollars | \$904 | \$1,264 | \$13,500 | \$31,584 | \$4,368 | \$11,233 | \$1,992 | \$0 | \$4,170 | \$564 | \$2,233 | \$4,275 | \$3,795 | | | \$17,250 | |
| | Sub-Total Dollars | | | | | | | | | | | | | | | | \$18,000 | |
| | Handling Fee % | | | | | | | | | | | | | | | | 15% | |
| | Handling Fee | | | | | | | | | | | | | | | | \$2,250 | |
| | Total Dollars | | | | | | | | | | | | | | | | \$17,250 | |
| | | | | | | | | | | | | | | | | | \$97,200 | |

Attachment B Fee Schedule

SUNRISE ENGINEERING

FEE SCHEDULE*

| Labor Code | Work Classification | Hourly Rate | Labor Code | Work Classification | Hourly Rate |
|------------|---------------------------|-------------|------------|--------------------------|-------------|
| 51 | Administrative I | \$62 | 301 | Engineering Tech I | \$95 |
| 52 | Administrative II | \$82 | 302 | Engineering Tech II | \$109 |
| 53 | Administrative III | \$105 | 303 | Engineering Tech III | \$127 |
| 54 | Administrative IV | \$129 | 304 | Engineering Tech IV | \$142 |
| 91 | PI Specialist I | \$113 | 305 | Engineering Tech V | \$158 |
| 95 | PI Manager | \$158 | 401 | CAD Drafter I | \$98 |
| 100 | Engineer Student Intern | \$110 | 402 | CAD Drafter II | \$117 |
| 101 | Engineer Intern (EIT) I | \$125 | 403 | CAD Drafter/Designer III | \$129 |
| 102 | Engineer Intern (EIT) II | \$139 | 404 | CAD Drafter/Designer IV | \$145 |
| 103 | Engineer Intern (EIT) III | \$154 | 405 | CAD Drafter/Designer V | \$161 |
| 104 | Engineer III | \$168 | 500 | Funding Specialist | \$156 |
| 105 | Engineer IV | \$182 | 921 | Survey Tech | \$99 |
| 106 | Engineer V | \$196 | 930 | Survey CAD Tech | \$139 |
| 107 | Senior Engineer | \$239 | 940 | Survey Manager | \$188 |
| 108 | Engineer VI | \$210 | 945 | Registered Surveyor | \$203 |
| 109 | Engineer VII | \$225 | 950 | Principal Surveyor | \$225 |
| 110 | Principal Engineer | \$249 | 955 | One Man Survey Crew | \$165 |

REIMBURSABLE EXPENSE SCHEDULE*

| Expense | Rate |
|-------------------------|-------------|
| Mileage | \$0.67/Mile |
| Per Diem | \$59/Day |
| Field Vehicle (On-Site) | \$250/Day |
| UTV (On-Site) | \$200/Day |
| Nuclear Density Gauge | \$150/Day |

*Fees automatically change after the beginning of each year and are subject to change on other occasions.

*Subconsultant and other direct expenses will be invoiced as cost incurred plus 15% handling fee.

*A convenience fee of 4% will be applied to all payments made with a credit card.

Sunrise Base 02-2025

TERMS AND CONDITIONS

1. SERVICES TO BE PROVIDED. These Terms and Conditions are enclosed with, attached to and/or incorporated by referenced into a proposal or agreement (the "Proposal/Agreement") prepared by Sunrise Engineering, LLC ("SE") offering/agreeing to provide the consulting services described in the Proposal/Agreement as such consulting services are changed by agreement of the Parties (hereinafter, the "Services"). SE agrees to provide the Services for the sole and exclusive use and benefit of the person or entity described in the Proposal/Agreement to be SE's client for the provision of the Services (the "Client"). If the Proposal/Agreement does not expressly identify the Client, the Client shall be the person or entity to whom SE provides the Services. The Proposal/Agreement shall become binding on SE and Client upon its written acceptance by Client, or Client's acceptance of the performance by SE of the Services without written objection to the terms of the Proposal/Agreement, whichever first occurs. In the absence of Design Professional receiving from Client a signed copy of this Agreement or other fully executed contract, Client's written notice or authorization to proceed shall constitute Client's tacit agreement to the terms of the Agreement. Once Design Professional receives written notice or authorization to proceed and Design Professional begins providing the services required by the Agreement the Agreement shall become valid and enforceable. SE may use the services of subconsultants in the performance of the Services ("SE's Consultants") when, in SE's sole discretion, it is appropriate to do so. For purposes of the Proposal/Agreement and these Terms and Conditions, the "Parties" are SE and Client, and their successors and permitted assignees.

2. EFFECT OF TERMS AND CONDITIONS. If any of the Services are performed by SE or SE's Consultants prior to the acceptance by Client of the Proposal/Agreement, such Services shall be governed by these Terms and Conditions the same as if they had been performed after the acceptance by Client of the Proposal/Agreement. These Terms and Conditions shall be binding upon the Parties except to the extent these Terms and Conditions directly conflict with the Proposal/Agreement. In the event of direct conflict between the Proposal/Agreement and these Terms and Conditions, the Proposal/Agreement shall supersede and replace these Terms and Conditions.

3. PAYMENT TERMS. Payment on account of Services rendered, including fees and Reimbursable Expenses, shall be made monthly upon presentation of SE's statement of services. No deductions shall be made from SE's compensation on account of penalty, liquidated damages, or other sums withheld from payments to contractors ("Contractor") performing all or a portion of the work or services (the "Work") for the construction of improvements designed by SE or SE's Consultants, or on account of the cost of changes in the Work other than those for which SE has been adjudicated to be liable. If payment is not received within thirty (30) calendar days from the invoice date

(i) Client agrees to pay interest on the past due amount at the rate of 18% per annum until paid in full; (ii) Client agrees to pay reasonable attorneys' fees and collection costs incurred by SE to collect or obtain an award or judgment to collect all or any portion of the past due amount; (iii) SE reserves the right to suspend all Services until payment of the past due amount is received in full; and (iv) SE may terminate the Proposal/Agreement for cause if payment of the past due amount is not received in full within forty-five (45) calendar days of the date it is due. A convenience fee of 4% will be applied to all payments made with a credit card.

**Please remit all check payments to:
SUNRISE ENGINEERING, LLC
DEPT # 880835
PO Box 29650
PHOENIX, AZ 85038-9650**

4. TERMINATION/SUSPENSION OF PROPOSAL/AGREEMENT Either Party may terminate the Proposal/Agreement for cause if the other Party shall fail substantially to perform in accordance with its terms through no fault of the Party initiating the termination upon ten (10) calendar days prior written notice and failure of the Party in default to cure the default within such ten (10)-day period. Either Party may terminate the Proposal/Agreement without cause and for convenience upon delivery to the other Party of a written notice of termination for convenience. Either Party may suspend all or a portion of the Services upon written notice to the other Party, provided that (i) Client shall compensate SE for extra fees and costs due to such suspension of the Services; and (ii) SE may terminate the Proposal/Agreement for cause if the Services or any portion of the Services are suspended in the aggregate for more than one hundred twenty (120) calendar days due to suspensions of the Services for Client's convenience. In the event of a termination of the Proposal/Agreement for any or no reason, SE shall be compensated for the Services performed prior to termination, together with Reimbursable Expenses then due and all expenses directly attributable to the termination. In the event of a termination of the Proposal/Agreement for cause, the terminating Party shall be entitled to recover from the defaulting Party all damages caused by the defaulting Party's breach of the Proposal/Agreement.

5. STANDARD OF SKILL AND CARE. The Services (whether performed by SE or SE's Consultants) shall be performed in accordance with the standard of skill and care ordinarily exercised by licensed professionals of the same discipline in the state in which the Project is located on projects of similar size and scope and under like circumstances. SE disclaims that any warranties, expressed or implied, are made or intended by SE regarding the quality, fitness, accuracy, suitability or completeness of the Services or the Instruments of Service, or regarding any other matter.

6. INSURANCE. SE shall maintain the following insurance coverages with insurance limits not less than specified below:

- a) Worker's Compensation Insurance – statutory limits;
- b) Employer's Liability Insurance – \$1,000,000;
- c) Automobile Liability – Combined single limits per accident, \$1,000,000;
- d) Commercial General Liability Insurance – Combined single limits per occurrence, \$1,000,000;
- e) Professional Liability – \$1,000,000 per claim

7. LIMITATION OF LIABILITY. Client agrees that the liability of SE and SE's Consultants, and their former and current officers, directors, employees and agents to Client, and any third party, due to any negligent acts, errors or omissions, breach of contract or breach of any other legal duty shall be limited in the aggregate to the lesser of \$50,000, the total fee paid to SE for the Services, or SE's actual costs to cure it or its Consultants' alleged negligent acts, errors or omissions, breach of contract or breach of any other legal duty if SE determines, in its sole discretion, to cure the same. Client shall indemnify, defend, and hold harmless SE and SE's Consultants, and their past and current officers, directors, employees, and agents, and each of them, from and against any liability arising or resulting from liabilities in excess of the applicable aggregate limit of liability of SE and SE's Consultants for the Services.

8. SITE OBSERVATIONS AND SOIL CONDITIONS. SE shall have access to the Project site and to all areas where the Work is performed or located. Client shall procure all permits, licenses, rights-of-entry and access for SE to enter upon and to perform Services at any public or private property required for SE to perform the Services.

By virtue of entering into this Agreement or providing the Services, SE does not assume control of or responsibility for the Project site or the persons at the Project site, or undertake responsibility for reporting to any federal, state or local public agencies any conditions at the Project site that may present a potential danger to public health, safety or the environment.

Unless SE provides a soils report or conducts soils testing as Services under the Proposal/Agreement, SE makes no representations concerning soils conditions and is not responsible for any claims, damages, liabilities, losses, or expenses that may arise out of the making or failure to make soils investigations or reports, or soils testing.

If a Contractor is involved in the Project, Client agrees that Contractor will be solely and completely responsible for the conditions at all locations where the Work is performed, including the safety of all persons and property during performance of the Work, and compliance with OSHA regulations. These requirements will apply continuously and will not be limited to normal working hours. It is agreed that SE will not be responsible for job or site safety on the Project.

Client acknowledges and agrees that SE is not responsible for the performance of the Work by third parties, including, but not limited to, the Contractor and the Contractor's subcontractors, sub-subcontractors of any tier and suppliers. Client further agrees to indemnify, defend and hold harmless SE and SE's

Consultants, and their officers, directors, employees and agents from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees and costs and expenses of dispute resolution) arising out of or based in whole or in part upon the operations of such third parties in the performance of the Work unless such claims, liabilities, damages, costs or expenses are adjudicated to be caused by the sole negligence or other fault of SE and/or SE's Consultants.

9. RELIANCE ON CLIENT FURNISHED INFORMATION. SE and SE's Consultants shall be entitled to rely upon the accuracy and completeness of services and information furnished by Client and Client's consultants, agents and representatives, and SE and SE's Consultants shall have no duty to investigate the accuracy or completeness of such services or information.

10. UNKNOWN CONDITIONS. Conditions or occurrences may be encountered during the performance of the Services and/or the Work that require changes in the Services or impose risk to SE and/or SE's Consultants, or their employees or agents, in the performance of the Services not known to SE when the Proposal/Agreement was entered ("Unknown Conditions"). If Unknown Conditions are encountered, SE shall notify Client of the Unknown Conditions and the probable impact of the Unknown Conditions on the Services and the Work, and SE shall consult with Client regarding possible actions, including:

- a) Suspend the Services and/or the Work until the Unknown Conditions are further studied by Client and the additional risks imposed by the Unknown Conditions are eliminated by Client or are reduced by Client to levels acceptable to both SE and Client;
- b) Complete the Services in accordance with the scope of Services described in the Proposal/Agreement, if to do so is agreed by both SE and Client to be practical;
- c) Agree to a change in the Services; or
- d) Agree to a termination of the Proposal/Agreement for Client's convenience.

11. HAZARDOUS MATERIALS. Client agrees to give written disclosure to SE prior to the execution of the Proposal/Agreement of any hazardous material or toxic substances existing in, on or near the Project site known to Client that may present a potential for harm to human health, the environment or equipment. Unless otherwise included in the Services, SE and SE's Consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site, unless the hazardous materials or toxic substances were brought to the Project site by SE or SE's Consultants.

In the event SE or any other person or entity encounters hazardous materials or toxic substances at the Project site, or should it become known that such materials or substances are present at the Project site or its adjacent areas that may affect the performance of SE's Services, SE may, at its option, and without liability for consequential or other damages, suspend performance of the Services until Client retains appropriate specialist consultants or contractors to identify, abate and/or remove the hazardous materials or toxic substances and such

consultants represent that such hazardous materials or toxic substances have been rendered harmless. Client shall indemnify, defend and hold harmless SE and SE's Consultants and their past and current officers, directors, employees and agents, and each of them, from and against all claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees and costs and expenses of dispute resolution) arising out of or based in whole or in part upon any hazardous materials or toxic substances in any form at the Project site, including claims, damages, costs and expenses caused by the negligence or fault of the persons or entities being indemnified, unless such claims, liabilities, damages, costs or expenses are adjudicated to be caused by the hazardous materials or toxic substances brought to the Project site by SE or SE's Consultants.

12. INDEMNITY. To the fullest extent permitted by law, Client agrees to indemnify and hold harmless SE and SE's Consultants, and their past and current officers, directors, employees and agents, and each of them, from and against any and all claims, demands, suits, losses, costs and damages for injuries to persons (including bodily injury and death), damage to tangible property and economic loss caused by any negligent act, error or omission or intentionally wrongful conduct of Client or Client's consultants or their employees or agents.

13. INSTRUMENTS OF SERVICE. Drawings, specifications, reports, and other documents, including those in electronic form, prepared by SE and SE's Consultants for the Project are Instruments of Service for use solely with respect to the Project. SE and SE's Consultants shall be deemed the authors and Clients of their respective Instruments of Service and shall retain all common law, statutory and other reserved rights, including copyrights. SE grants to Client a nonexclusive license to reproduce SE's Instruments of Service solely for the purpose of constructing, using, and maintaining the Project, provided that Client shall comply with all obligations, including prompt payment to SE of all consideration when due under the Proposal/Agreement. Except for the license granted in this Paragraph 13, no other license or right shall be deemed granted or implied under the Proposal/Agreement.

Client shall not use the Instruments of Service for future additions or alterations of the Project or for other projects, unless Client obtains the prior written agreement of SE and SE's Consultants. Any unauthorized use or modification of the Instruments of Service shall be at Client's sole risk and without liability to SE or SE's Consultants.

To the fullest extent permitted by law, Client shall indemnify, defend and hold harmless SE and SE's Consultants and their past and current officers, directors, employees and agents, and each of them, from and against any and all claims, liabilities, damages, costs and expenses (including reasonable attorneys' fees and costs and expenses of dispute resolution) arising out of or based in whole or in part upon any unauthorized use or modification of the Instruments of Service by Client or any person or entity that obtain the Instruments of Service from or through Client or Client's agents or representatives.

14. OPINIONS OF COST. If the Services include the evaluation of Client's budgets for construction costs or include providing SE's opinions of probable construction costs, Client understands that SE has no control over regional economies, availability of

materials or labor or the competitive climate existing at the time of bidding or negotiation, over the costs or the prices of labor, equipment or materials, or over Contractor's methods of pricing, and that the evaluations of Client's budgets and/or opinions of probable construction costs provided by SE are SE's professional judgment as a design professional familiar with the construction industry. SE makes no warranty, expressed or implied, as to the accuracy of such opinions or evaluations as compared to bids or negotiated prices or actual construction costs, and SE does not represent or warrant that bids or negotiated prices or actual construction costs will not vary from Client's budget for the Project or from opinions of probable construction costs or from evaluations of Client's budgets prepared or agreed to by SE.

15. PROVIDING EVIDENCE. If SE or an employee of SE is requested by Client or is compelled by subpoena or other legal process by Client or a third party to provide testimony, documents or evidence in relation to the Services and in connection with any public hearing, dispute resolution proceeding or legal proceeding in which SE is not a party, Client agrees to compensate SE on the basis of hourly rates and Reimbursable Expenses according to SE's Rate Schedule then in effect for the time and expenses reasonably incurred by SE in providing such evidence, provided that SE is not compensated in full for such reasonable time and expenses by the party compelling or requesting the evidence.

16. SEVERABILITY. In the event that any provision of these Terms and Conditions is found to be unenforceable, the other provisions shall remain in full force and effect.

17. SURVIVAL. All obligations arising prior to the termination of the Proposal/Agreement and all provisions of these Terms and Conditions allocating responsibility or liability between Client and SE shall survive the completion of the Services and the termination of the Proposal/Agreement, and Paragraphs 5, 6, 7, 9, 11, 12, 13, and 15 shall survive the completion of the Services and the termination of the Proposal/Agreement.

18. INTEGRATION. The Proposal/Agreement and these Terms and Conditions incorporated therein constitute the entire agreement between the Parties and cannot be changed except by written instrument signed by both Parties.

19. GOVERNING LAW. The Proposal/Agreement and these Terms and Conditions incorporated therein shall be governed in all respects by the laws of the state in which the Project is located.

20. THIRD PARTY FEES. SE shall pay the fees and costs specifically required by the Proposal/Agreement and these incorporated Terms and Conditions. Unless specifically required by the Proposal/Agreement, SE shall not be required to pay the fees and costs of the checking and/or inspection of the Instruments of Service and/or the Work by persons or entities other than SE or SE's Consultants, zoning and annexation application fees, assessment fees, soils engineering fees, soils testing fees, aerial topography fees, and all other fees, permits, bond premiums, title insurance charges, costs of reproductions of the Instruments of Service or other documents, and other charges not specifically required to be paid by SE by the Proposal/Agreement.

21. THIRD PARTY BENEFICIARIES. Nothing contained in the Proposal/Agreement and these incorporated Terms and Conditions shall create a contractual relationship with or a cause of action in favor of a third party against either Client or SE. SE's Services under the Proposal/Agreement are being performed solely for Client's benefit, and no other person or entity shall have any claim against SE arising under the Proposal/Agreement or arising from the performance or non-performance of the Services.

22. EMPLOYMENT FEES. In the event Client hires directly any employee of SE within one (1) year after final payment is due to SE for the Services, Client agrees to reimburse SE a monetary amount equal to six (6) months' wages for the employee so hired by Client as an employment fee. The employment fee shall be calculated as six (6) times the gross monthly full-time wages of the employee immediately prior to the hiring.

23. ASSIGNMENTS. Neither Client nor SE shall assign the Proposal/Agreement or any right, interest or claim for damages arising under the Proposal/Agreement without the written consent of the other, except that Client may make a conditional collateral assignment of the Proposal/Agreement to an institutional lender providing financing for the Project, conditioned on Client's default in its obligations to such lender regarding the financing for the Project. In the event the condition of such collateral assignment is satisfied, the lender shall assume Client's rights and obligations under the

Proposal/Agreement. If SE's Services are affected or delayed by Client's default or the assignment of the Proposal/Agreement to the lender, SE's fees for the remaining Services of the Project and the time schedules for performance of the remaining Services of the Project shall be equitably adjusted.

24. CONSEQUENTIAL DAMAGES WAIVER. SE and Client mutually waive as to one another and as to the present and current officers, directors, partners, members, employees, agents, and consultants of one another, any and all consequential damages for claims, disputes or other matters in question arising out of or relating to the Proposal/Agreement or the performance or non-performance of the Services. This mutual waiver is applicable, without limitation, to all consequential damages due to either Parties' termination of the Proposal/Agreement or suspension of the Services.

25. DISPUTE RESOLUTION. All claims, counterclaims, disputes and other matters in question between Client and SE arising out of or relating to the Proposal/Agreement or these incorporated Terms and Conditions, or the breach of the Proposal/Agreement or these incorporated Terms and Conditions, or the Services performed pursuant thereto, shall be decided in such dispute resolution proceedings as Client and SE shall mutually agree upon in writing after the dispute arises or, in the absence of mutual agreement, in a court of competent jurisdiction within the State in which the Project is located.