

RESOLUTION NO. R2010-31

A RESOLUTION AUTHORIZING THE TOWN MANAGER TO SIGN A CONTRACT WITH ARCADIS IN AN AMOUNT NOT TO EXCEED NINETEEN THOUSAND AND 0/100 (\$19,000) DOLLARS FOR PROFESSIONAL ENGINEERING SERVICES CONCERNING A WATER DISTRIBUTION SYSTEM MODEL EVALUATION FOR THE TOWN OF SIGNAL MOUNTAIN.

WHEREAS, proposals for professional engineering services have been received by the Town for a Water Distribution System Model Evaluation for the Town of Signal Mountain and interviews for such proposals were held by a panel; and

WHEREAS, the panel selected Arcadis Engineering as the most qualified firm to provide engineering services for the job; and

WHEREAS, Arcadis Engineering has agreed to perform professional engineering services concerning a Water Distribution System Model Evaluation for the Town in an amount not to exceed \$19,000.00.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SIGNAL MOUNTAIN, TENNESSEE, That the Town Manager is authorized to enter into a contract with Arcadis Engineering to perform professional engineering services and recommend water system improvements concerning a Water Distribution System Model Evaluation for the Town in an amount not to exceed \$19,000.00.



MAYOR



RECORDER

3/15/10

DATE

3-15-10

DATE

DRAFT

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is entered into and made effective as of this 12th day of March, 2010 (the "Effective Date").

1. PARTIES (individually a "Party" and collectively the "Parties")

CLIENT

Name: Town of Signal Mountain (the "Client")
Address 1: 1111 Ridgeway Avenue
Address 2:
City: Signal Mountain State: TN Zip: 37377

ARCADIS

Name: ARCADIS U.S., Inc. ("ARCADIS")
Address 1: 1210 Premier Drive, Suite 200
Address 2:
City: Chattanooga State: TN Zip: 37421

The parties hereto acknowledge and agree that when individual work authorizations are necessary hereunder, all such work authorizations will be issued and executed by the appropriate ARCADIS entity authorized and licensed to perform work in the respective state, country or province where the work is being performed.

2. PARTY REPRESENTATIVES

CLIENT REPRESENTATIVE

Mail Originals:

Town of Signal Mountain
1111 Ridgeway Avenue
Signal Mountain, TN 37377
Attention: Honna Rogers
Telephone: 423.886.2177
Fax: 423.886.2939

With Copies To:

Attention:
Telephone No.:
Facsimile No.:

ARCADIS REPRESENTATIVE

Mail Originals:

ARCADIS
1210 Premier Drive, Suite 200
Chattanooga, TN 37421
Attention: David Bible, PE
Telephone: 423.756.7193
Fax: 423.756.7197

With Copies To:

Attention:
Telephone No.:
Facsimile No.:

3. GENERAL TYPES OF SERVICES TO BE PERFORMED

Check each appropriate box:

Environmental Infrastructure Other:

Services performed under this Agreement are detailed in the Scope of Services and may also be detailed in Work Authorizations approved by the Client and ARCADIS in the form attached hereto as Exhibit E.

4. SPECIAL TYPES OF SERVICES TO BE PERFORMED

Check each appropriate box:

Field Phase I ESA
Asbestos & Other Hazardous Materials
PM / CM
Other or Not Applicable

5. AGREEMENT

The following documents, as applicable, are attached and are incorporated into this Agreement:

- Exhibit A: General Scope of Services
Exhibit B: Payment Terms
Exhibit C: General Terms and Conditions for Professional Services
Exhibit E: Work Authorization

6. EXECUTION

In witness hereof, and in consideration of the promises and covenants set forth herein, and for other good and valuable consideration, the receipt, adequacy, and legal sufficiency of which are hereby acknowledged, the Parties have caused this Agreement to be executed on the day and year first set forth above.

CLIENT

ARCADIS

By:

By:

[Signature] 3-12-2010

Name:

Name: Robert C. Borneman, PE, BCBE

Title:

Title: Vice President

For review by Phil.

EXHIBIT A
GENERAL SCOPE OF SERVICES

1. SERVICES TO BE PERFORMED

ARCADIS shall perform the professional Consulting Services required under this Agreement in accordance with standard of care, skill, training, diligence and judgment normally provided by competent professionals who perform work of a similar nature, in the same geographical regions as the work described in this Agreement and any Work Authorization. No other warranty or guarantee is expressed or implied, and no other provision of this Agreement will impose any liability upon ARCADIS in excess of this standard of care.

Services performed under this Agreement may be more fully described in specific detail in individual Work Authorizations approved by the Client and ARCADIS in the form attached hereto as Exhibit E, which shall constitute a part of this Agreement.

ARCADIS shall have no obligation to commence the Services as stipulated in this Agreement and/or any associated Work Authorization until both this Agreement and the applicable Work Authorization are fully executed and delivered to ARCADIS. Any schedule requirements applicable to ARCADIS Services will be set forth in this Exhibit or Work Authorization.

ARCADIS agrees to correct, at its own expense, any Service provided under this Agreement that does not conform to the standard of care herein for a period of one (1) year following the completion of that Service.

2. DESCRIPTION OF GENERAL SERVICES

ARCADIS will perform general engineering consulting services for the Town of Signal Mountain as described in the subsequent Work Authorizations.

EXHIBIT B
PAYMENT TERMS

1. PAYMENT OF SERVICES

Client agrees to pay for the Services performed by ARCADIS in accordance with this Agreement and any approved Work Authorization. Payment for Services is set forth and shall be subject to the ARCADIS standard invoicing practices, which are incorporated herein. Payment Terms shall specify any required Mobilization Fee or other Retainer, Lump Sum Fees, Hourly Billing Rates, and Reimbursable Expenses, and provide for interest on payments not timely made, and for the suspension of work and attorneys' fees in the event that payments are not made by the Client.

2. PAYMENT TERMS

ARCADIS shall invoice the Client for Services in accordance with ARCADIS standard invoicing practices. ARCADIS reserves the right, in its sole discretion, to invoice the Client in advance and/or bi-weekly. Invoices are due and payable on receipt and should be remitted by check or wire transfer of immediately available funds as follows:

WELLS FARGO BANK NA

Lockbox: ARCADIS U.S., Inc., Dept 547,
Denver, Colorado 80291-0547.

By Wire: ABA 121000248, Account No.
1018164751, ARCADIS U.S., Inc. Lockbox.

By ACH: ABA 102000076, Account No.
1018164751, ARCADIS U.S., Inc. Lockbox.

If Client fails to make any payment due ARCADIS for services and expenses within thirty (30) days after receipt of invoice, the amounts due ARCADIS will be increased at the rate of 1.5% per month, or the maximum rate of interest permitted by law for accounts not paid within thirty (30) days.

If Client reasonably objects to any portion of an invoice, the Client shall provide written notification to ARCADIS of Client's objection and the basis for such objection within fifteen (15) days of the date of receipt of the invoice, and the Parties immediately shall make every effort to settle the *disputed* portion of the invoice. Client shall waive any objections to ARCADIS invoice if it fails to timely provide such written notice to ARCADIS. The *undisputed* portion shall be paid immediately and Client shall not offset amounts due ARCADIS under a Work Authorization for any credit or disputes arising under a different Work Authorization. If payment of *undisputed* invoices by Client is not maintained on a current basis, ARCADIS may, after giving seven (7) days' written notice to Client, suspend further performance until such payment is restored to a current basis. All suspensions shall extend the time for performance by a length of time equal to the duration of the suspension, and ARCADIS shall be paid for Services performed and charges incurred prior to the suspension date, plus suspension charges. Suspension charges shall include, without limitation, putting of documents and analyses in order, personnel and equipment rescheduling or reassignment adjustments, additional insurance/bonding coverage, extended overhead and costs, and all other related costs and charges incurred and attributable to suspension.

In the event of litigation or other proceeding to enforce performance of this Agreement or any payment obligation under this Agreement, the prevailing Party shall be entitled to recover from the other Party attorneys' fees and costs as may be reasonably incurred by reason of the litigation.

EXHIBIT C
GENERAL TERMS AND CONDITIONS
FOR INFRASTRUCTURE SERVICES

1. TERM OF AGREEMENT

- 1.1 This Agreement shall remain in effect until terminated in accordance with the specifications noted in Section 3, herein.

2. CHANGES IN THE WORK

- 2.1 At any time after execution of this Agreement, Client may request changes in ARCADIS Services consisting of additions, deletions, and revisions within the general scope of services being performed by ARCADIS under this Agreement and/or any applicable Work Authorizations. Whenever a change in the scope and/or time for performance of services occurs, or if Client has notified ARCADIS of a change, ARCADIS shall submit to Client within a reasonable time a written estimate of the changes in cost and/or schedule, with supporting calculations and pricing. Pricing shall be in accordance with the pricing structure of this Agreement.
- 2.2 Notwithstanding the above, Client may direct ARCADIS in writing to perform the change prior to approval of price and schedule adjustments by Client. If so directed, ARCADIS shall not suspend performance of this Agreement during the review and negotiation of such change, as long as the change is a reasonably foreseeable alteration of the Services originally contemplated. In the event Client and ARCADIS are unable to reach agreement regarding changes in price and/or time associated with a change order, the matter shall be submitted to mediation as provided in Paragraph 13 of this Agreement.

3. TERMINATION OF AGREEMENT

- 3.1 Termination for Convenience - Either Party may terminate this Agreement and any associated Work Authorizations for its convenience after giving five (5) days' written notice to the other Party. However, ARCADIS shall not have the right to terminate this Agreement, without cause, prior to completion by ARCADIS of all Services required under the Agreement or any outstanding Work

Authorizations. In the event Client terminates ARCADIS services without cause and/or for Client's convenience, Client shall be liable to promptly pay ARCADIS for all work performed through the date of termination, all of ARCADIS expenses directly attributable to the termination, including fair and reasonable sums for overhead and profit for work performed, and all costs incurred by ARCADIS in terminating any contracts entered into in connection with the performance of its Services.

- 3.2 Termination for Cause - Either Party may terminate this Agreement for Cause. Termination for cause shall be by written "Termination Notice" from the terminating Party, delivered to the defaulting Party. The defaulting Party shall have thirty (30) days from receipt of the Termination Notice within which to cure the alleged default, or if the cure requires a period of time in excess of thirty (30) days the cure period shall be extended by mutual agreement so long as the defaulting Party has undertaken such reasonably diligent efforts to cure such default. Any termination for cause shall be without prejudice to any claims that either Party may have against the other Party, its agents or subcontractors.

4. CONFLICT OF INTEREST

- 4.1 ARCADIS shall not perform, or enter into any agreement for, services for any other person, corporation or entity, except with prior written consent of Client, if, in the sole discretion of ARCADIS, the performance of the services could result in a conflict with ARCADIS obligations under this Agreement. ARCADIS represents that it has reasonably evaluated potential conflicts and has disclosed to Client in writing any prior or existing relationships which present, or could appear to present, a conflict with the Services to be performed.

5. USE OF DOCUMENTS

- 5.1 All documents provided by ARCADIS pursuant to this Agreement are instruments of service of ARCADIS, and ARCADIS shall retain an ownership and property interest therein

(including the right of reuse) until Client has made full payment to ARCADIS for such documents pursuant to this Agreement. All documents generated by ARCADIS pursuant to this Agreement are not intended or represented to be suitable for reuse by Client or others on any other project, or other purposes other than that for which the same were created. Client agrees not to reuse said reports or materials on any other project, or for any other purpose other than that for which they were created, without the prior written consent of ARCADIS. Reuse of said reports or other material by Client for any other purpose or on other projects without written permission or adaptation by ARCADIS for the specific purposed then intended shall be at the Client's and user's sole risk, without any liability whatsoever to ARCADIS, and Client agrees to indemnify and hold harmless ARCADIS from all claims, damages and expenses, including attorneys' fees, arising out of such unauthorized reuse by Client.

5.2 The Parties agree that reports prepared by or on behalf of ARCADIS pertaining to site conditions, including but not limited to geotechnical engineering or geologic reports (hereinafter collectively "Site Condition Reports"), are prepared for the exclusive use of the Client and its authorized agents, and that no other party may rely on Site Condition Reports unless ARCADIS agrees in advance to such reliance in writing. Site Condition Reports are not intended for use by others, and the information contained therein is not applicable to other sites, projects or for any purpose except the one originally contemplated in the Services. The Client acknowledges that the Site Condition Reports are based on conditions that exist at the time a study is performed and that the findings and conclusions of the Site Condition Reports may be affected by the passage of time, by manmade events such as construction on or adjacent to the site, or by natural events such as floods, earthquakes, slope instability or groundwater fluctuations, among others. The Parties agree that interpretations of subsurface conditions by ARCADIS or its subcontractors may be based on limited field observations including, without limitation, from widely spaced sampling locations at the Site. The Client acknowledges that site exploration by ARCADIS or its subcontractors will only identify subsurface conditions at those points where subsurface tests are conducted or samples are taken. The Parties agree that ARCADIS or its

subcontractors may review field and laboratory data and then apply professional judgment to render an opinion about subsurface conditions at the Site and that the actual subsurface conditions may differ, sometimes significantly, from those indicated by ARCADIS or its subcontractors. The Client agrees that any report, conclusions or interpretations will not be construed as a warranty of the subsurface conditions by ARCADIS or its subcontractors. The Parties further agree that no warranty or representation, express or implied, is included or intended in any reports, conclusions, or interpretations prepared by or on behalf of ARCADIS pertaining to site conditions.

6. RECORD RETENTION

6.1 Any and all files, data, records, reports and other information or work product generated in connection with or related to ARCADIS Services, shall be retained and stored by ARCADIS in hard copy and/or electronic form for a period of ten (10) years from the completion of Services or such other period as specified by the client. If Client decides to retain said records, it must notify ARCADIS no later than thirty (30) days prior to the expiration of the period. Any additional expense of retaining documents or transfer of documents to Client at the end of such ten (10) year period will be at Client's expense. Provided however, that this provision shall not apply to drafts of plans, specifications, drawings or reports that shall be destroyed immediately upon being superseded in the project.

7. PROPRIETARY RIGHTS OF ARCADIS

7.1 Client acknowledges that ARCADIS has developed proprietary systems, processes, apparatus, analytical tools and methods which ARCADIS uses in its business. Such systems, processes, apparatus, analytical tools and methods, including software, patents, copyrights and other intellectual property, and all derivations, enhancements or modifications thereof made by ARCADIS, including those made as a result of work performed by ARCADIS for Client hereunder ("Intellectual Property"), shall be and shall remain the property of ARCADIS. This Agreement does not confer any grant of a license to any such ARCADIS Intellectual Property, nor any right of use by the Client independently or by other Client contractors.

8. INDEMNIFICATION

8.1 ARCADIS shall indemnify, defend and hold harmless Client, its directors, officers, employees, shareholders and affiliates from and against any and all liabilities, losses, damages, costs and expenses (including attorneys' fees and court costs) which Client and its directors, officers, employees and agents hereafter may suffer in connection with any claim, demand, action or right of action (whether at law or in equity) brought or asserted by any third party because of any personal injury (including death) or property damage to the extent caused as a result of negligent acts, errors, omissions, or willful misconduct on the part of ARCADIS. ARCADIS shall not be liable to the extent that any liability, loss, damage, costs, and expense results from an act or omission, negligence or willful misconduct by Client or its directors, officers, employees or agents, or by any other person or entity not acting on ARCADIS' behalf or under ARCADIS' right of direction or control.

8.2 The Parties shall at all times remain entirely responsible for the results and consequences of their own negligence and agree to indemnify and hold harmless the other Party from and against any and all claims, losses, damages, costs and expenses, including attorneys' fees, which may arise or result from such Party's negligence.

8.3 The Client agrees that it will obtain indemnification of ARCADIS from any contractors hired or retained by Client for claims arising from or related to the contractor's acts or omissions in performing any work that is the subject matter of this Agreement and any Work Authorizations.

9. LIMITATION OF LIABILITY

9.1 The Parties recognize the risks associated with the Services, that ARCADIS has not and cannot reasonably calculate the cost of unlimited liability in its cost proposal, and in consideration of the mutual benefits received by both parties, have agreed to the limitations noted herein. Therefore, to the fullest extent permitted by law, the total liability, in the aggregate of ARCADIS and its directors, officers, employees, agents, associates or subcontractors, and any of them, to Client or anyone claiming by, under or through the Client, for any and all injuries, claims, losses, expenses, including attorneys' fees, expert fees,

or court costs and damages whatsoever arising out of or in any way related to ARCADIS Services under this Agreement, from any cause or causes whatsoever, including but not limited to, negligent acts or omissions, professional negligence, breach of contract, strict liability, errors or omissions of ARCADIS, or the employees, directors, officers, agents, associates of subcontractors of ARCADIS, or any of them, will be limited to the total amount of fees paid to ARCADIS under this Agreement. In no event, however, shall any such liability exceed the amount of applicable insurance that ARCADIS has agreed to procure and maintain under this Agreement.

9.2 The Client and ARCADIS waive incidental, indirect, or consequential damages, loss revenues or profits from claims, disputes or other matters in question arising out of or relating to this Agreement, whether such claims arise from negligence, breach of contract, or strict liability. This mutual waiver is applicable, without limitation, to all consequential damages due to either Party's termination.

10. INSURANCE

10.1 ARCADIS shall maintain for the term of this Agreement insurance policies covering:

- Worker's Compensation and Employer's Liability insurance, statutory limits.
- Comprehensive General Liability insurance, a total of \$1,000,000 each occurrence and \$2,000,000 in aggregate.
- Comprehensive Automobile Liability insurance, a total of \$1,000,000 each occurrence and \$2,000,000 in aggregate.
- Professional errors and omissions insurance with a per claim limit of not less than \$3,000,000

11. CONFIDENTIALITY

11.1 In order to protect the Client's confidential and proprietary commercial and financial information, any documents records, data or communications provided by Client or produced by ARCADIS for Client shall be treated as confidential. Such information shall not be disclosed to any third party, unless necessary to perform the Services. Information will not be considered confidential if: (i) the information is required to be disclosed as a part of the Services, hereunder; (ii) information is in the public domain through no

action of ARCADIS in breach of the Agreement; (iii) information is independently developed by ARCADIS; (iv) the information is acquired by ARCADIS from a third party not delivered to ARCADIS in breach of any known confidentiality agreements; or (v) disclosure is required by law, court order or subpoena. In the event ARCADIS believes that it is required by law to reveal or disclose any information, prior to disclosure or production ARCADIS shall first notify Client in writing.

12. NOTICES

12.1 All notices shall be either: (i) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail; (ii) sent by overnight delivery using a nationally recognized overnight courier, in which case it shall be deemed delivered one business day after deposit with such courier; or (iii) sent by personal delivery. Addresses may be changed by written notice to the other Party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice.

13. MEDIATION

13.1 If any dispute arises out of or relates to this Agreement, or the breach thereof, and the dispute cannot be settled through direct discussions by the representatives of the Parties, the Parties agree then to submit the matter to mediation under the Construction Industry Mediation Rules of the American Arbitration Association before having recourse to a judicial forum. No written or oral representation made during the course of any settlement negotiations or mediation shall be deemed a party admission.

14. CONSTRUCTION COST ESTIMATES

14.1 The Client shall advise ARCADIS in writing before design commencement of any budgetary limitations for the overall cost of construction. ARCADIS will endeavor to work within such limitations and will, if requested and included within the scope of services, submit to Client an opinion of probable construction cost. Opinions of probable construction cost will represent ARCADIS' reasonable judgment as a design

professional familiar with the construction industry, but does not represent that bids or negotiated prices will not vary from budgets or opinions of probable cost. Client acknowledges that neither ARCADIS nor Client has control over the cost of labor, materials or methods by which contractors determine prices for construction.

15. PLAN INFORMATION

15.1 If the scope of services provide for the preparation of plans or drawings by ARCADIS, ARCADIS makes no representations that all existing utilities are shown or that any utilities shown thereon are accurately depicted.

16. GENERAL PROVISIONS

16.1 **Entire Agreement** - This Agreement constitutes the entire agreement between the Parties with respect to the Services, and supersedes all prior negotiations, representations or agreements relating thereto, written or oral, except to the extent they are expressly incorporated herein. Unless otherwise provided for herein, no amendments, changes, alterations or modifications of this Agreement shall be effective unless in writing, executed by Client and ARCADIS.

16.2 **No Third Party Beneficiaries** - The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the Client and ARCADIS, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreement. It is the express intention of the Client and ARCADIS that sub consultants and any other person other than the Client or ARCADIS receiving any benefits from this Agreement shall be deemed to be incidental beneficiaries only.

16.3 **Force Majeure** - Neither Party shall be liable to the other for failure to perform its obligations hereunder if and to the extent that such failure to perform is caused by forces beyond its reasonable control, including without limitation, strikes, lockouts, or other industrial disturbances, acts or omissions of subcontractors, compliance with any regulations, civil disturbances, fires, floods, earthquakes, acts of God, acts of a public enemy or terrorism, epidemics or pandemics.

16.4 **Severability and Waiver** – If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible, the remainder of this Agreement shall be deemed valid and operative, and effect shall be given to the intent manifested by the portion held invalid or inoperative. The failure by either Party to enforce against the other Party any term or provision of this Agreement shall be deemed not to be a waiver of such Party's right to enforce against the other party the same or any other such term or provision.

16.5 **Governing Law** – The laws of the State in which the Project is located shall govern this Agreement and the legal relations of the Parties.

16.6 **Compliance with Law** – ARCADIS and Client will use reasonable care to comply with applicable laws in effect at the time the Services are performed hereunder, which to the best of their knowledge, information and belief; apply to their respective obligations under this Agreement. Client shall cooperate with ARCADIS in obtaining any permits or licenses required for the performance of the Services.

16.7 **Delegation and Assignment** – Party may at any time delegate, orally or in writing, this Agreement, or any portion thereof, with the prior written consent of the other Party. No such delegation shall operate to relieve the Party of its responsibilities hereunder.

16.8 **Headings** – Headings of particular paragraphs are inserted only for convenience and are in no way to be construed as a part of this Agreement or as a limitation of the scope of the paragraphs to which they refer.

17. ACCESS TO PREMISES

17.1 During the term of this Agreement, Client shall grant to or cause to be made available to ARCADIS reasonable and necessary nonexclusive access to any location as necessary for purpose of allowing ARCADIS to perform the Services and fulfill its obligations under this Agreement. Client shall immediately notify ARCADIS if Client is unable to obtain necessary access within a timely manner. Should ARCADIS be obstructed or delayed in the commencement, performance or completion of the Work, without fault on its part, by reason of not having full access to the location, and then ARCADIS will be entitled to an adjustment in

compensation and/or an extension in the completion time requirements.

18. SITE CONDITIONS

18.1 ARCADIS shall not be liable for: (i) damage or injury to any subterranean structures (including, but not limited to, utilities, mains, pipes, tanks, and telephone cables) or any existing subterranean conditions; or the consequences of such damage or injury, if (with respect to this clause) (i) such structures or conditions were unknown and were not identified or shown, or were incorrectly shown, in information or on plans furnished to or obtained by ARCADIS in connection with the Services; (ii) concealed conditions encountered in the performance of the Services; (iii) concealed or unknown conditions in an existing structure at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iv) unknown physical conditions below the surface of the ground that differ materially from those ordinarily encountered and are generally recognized as inherent in work of the character provided under this Agreement.

18.2 Client shall provide to ARCADIS all plans, maps, drawing and other documents identifying the location of any subterranean structures on the Site. Prior to location of any drilling or excavation below the ground surface, ARCADIS shall obtain the concurrence of the Client as to the location for such drilling or excavation. Should: (i) concealed conditions be encountered in the performance of the Services; (ii) concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the Scope of Services or Work Authorization; or (iii) unknown physical conditions below the ground differ materially from those ordinarily encountered and generally recognized as inherent in work of the character provided under this Agreement; then the amount of this Agreement and/or time for performance shall be equitably adjusted by change order upon claim by either Party made within twenty (20) days after the first observance of the conditions

**EXHIBIT E
WORK AUTHORIZATION
NO. 1**

This Work Authorization is entered into by and between ARCADIS U.S., Inc., a Delaware corporation ("ARCADIS") and Town of Signal Mountain, Tennessee ("Client"). This Work Authorization incorporates by reference the Professional Service Agreement entered into by the Parties dated March 12, 2010 (the "Services Agreement"). The Services Agreement is hereby amended and supplemented as follows:

1. GENERAL DESCRIPTION OF BASIC SERVICES

1.1 Client hereby authorizes ARCADIS to perform the following general scope of Basic Services:

ARCADIS will perform the following tasks in evaluating the Town of Signal Mountain's water distribution system.

Existing System Evaluation

1. Meet with the Town to kick off the project, confirm the scope, project, approach, scheduling and identify key contact persons, etc.
2. Gather all existing information available concerning the mapping of the distribution system, including: GIS piping database, elevations from Hamilton County GIS-based contour data; pump and tank sizes, capacities, and flow and level charts; and any other pertinent information such as types of piping and years installed for mains in the distribution system. The data utilized to develop the original system will be relied on where possible.
3. Conduct a review of records of water purchased from Tennessee-American Water Company. A list of the larger water consumption customers will be provided to permit high accuracy of spatially allocating the demands across the water distribution system.
4. Review hydrant flow test and pressure readings. Utilizing this data, calibrate the preliminary model to reasonably reflect and simulate the water distribution system's condition. No additional field testing of the water distribution system flows are anticipated.
5. Confirm system peaking factors, fire flow requirements in accordance with local community standards, and apply various flow conditions and fire flow simulations to the model to identify potential system deficiencies.
6. Summarize problem areas through simulation of existing WDS and analyze the system to determine required system improvements for distribution and storage.
7. Model recommendations, approximate 5 to 10, for system improvements (to address identified deficiencies) showing residual pressure and fire flow contours.

Engineering Report

1. Based upon the model of the existing WDS, prepare an engineering report that outlines system deficiencies and recommends key improvements.
2. Develop a preliminary opinion of probable construction cost in current dollars for the recommended improvements.

3. Evaluate impacts of possible connections with other municipal systems.
4. Review the report with the Town, address comments and finalize report within 30 days after receipt of draft report comments. Furnish the Town with five copies of the final engineering report.

2. COMPENSATION FOR SERVICES

2.1 Direct Labor Cost Times a Factor Method:

2.1.1 Client shall pay ARCADIS for Basic Services on a cost-plus basis as follows:

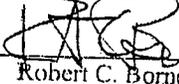
Cost-plus services shall be reimbursed at salary cost plus one hundred ten percent (110%) of salary cost plus direct non-salary expenses billed at cost plus ten percent (10%).

Salary costs shall be defined as salaries and wages paid to all ARCADIS personnel engaged directly on the project, including but not limited to, engineers, architects, surveyors, designers, drafters, specifications writers, estimators, other technical and business personnel; plus the cost of customary and statutory benefits, including but not limited to social security, unemployment, and other payroll taxes; health and retirement benefits; sick leave; vacation and holiday pay; and other group benefits. Direct non-salary expenses include subcontract, computer and CADD services charges, communications, field supplies, reproduction, and other project-related expenses.

2.1.2 The not-to-exceed amount that will become payable for Basic Services under this Work Authorization is \$19,000.

3. SCHEDULE FOR SERVICES

ARCADIS shall perform the Basic Services described above within 60 days of the Notice to Proceed.

CLIENT	ARCADIS
By:	By: 
Title:	Title: Robert C. Borneman, PE, BCEE
Date:	Date: Vice President
	Date: March 12, 2010