

We will specify the types of analyses and Quality Assurance/Quality Control measures with respect to the Safe Drinking Water Act Primary and Secondary Standards. The report will include as-built drawing of the well, laboratory data reports and quality assurance/quality control logs, calculations, our assessments of water quality and quantity, and overall performance of the well.

### ESTIMATED COSTS

Estimated costs to conduct the above-described scope of services for Well 14 are presented in the table below.

		<u>Professional Services</u>	<u>Outside Services</u>
<b>Phase 1 – Specifications, Test Hole Drilling &amp; Sampling</b>			
Task 1 -- Test Hole Drilling and Lithologic Logging		\$ 9,500	
Task 2 -- Geophysical Logging and Assessment		\$ 1,900	
Task 3 -- Collection of Sidewall Core Samples		\$ 1,400	\$3,000
Task 4 -- Zone Testing & Sampling		\$ 8,500	\$6,900
Task 5 -- Qualitative Production Assessment		<u>\$ 2,150</u>	
	Subtotal	\$ 24,450	\$9,900
<b>Total Phase 1</b>	<b>\$33,350</b>		
<b>Phase 2 -- Well Production Design, Construction, and Testing</b>			
Task 1 -- Production Well Design		\$ 2,600	
Task 2 -- Well Construction and Production Testing			
Subtask 1 -- Test Hole Reaming and Caliper Log		\$ 2,750	
Subtask 2 -- Construction		\$ 11,750	
Subtask 3 -- Development & Production Testing		<u>\$ 11,700</u>	\$5,500
	Subtotal	\$ 28,800	\$5,500
<b>Total Phase 2</b>	<b>\$34,300</b>		
<b>Phase 3 -- Final Well Report</b>			
Well Completion Report		<u>\$ 4,800</u>	
	Subtotal	\$ 4,800	
<b>Total Phase 3</b>	<b>\$4,800</b>		
<b>PROJECT TOTAL</b>		<b>\$72,450</b>	

Attendance at additional meetings not included in this proposal, review of additional plans and specifications, preparation of supplemental reports/letters or other services not described in the scope of services is not included in this cost estimate.

An invoice for our services will be submitted upon completion of our report or on an end-of-the month basis, whichever occurs first. If our field investigation indicates conditions are present which may require additional study or a revised approach, we will discuss the situation with you and revise our schedule and fees accordingly.

#### SCHEDULE AND AUTHORIZATION

We are prepared to proceed immediately with the above-described scope of services pending your written authorization. If there is a need for any change in the scope of services or schedule described in the proposal, please call us immediately. Changes may require revision of the proposed fee, which will be communicated to you upon assessment of the requested changes' effect on the fee.

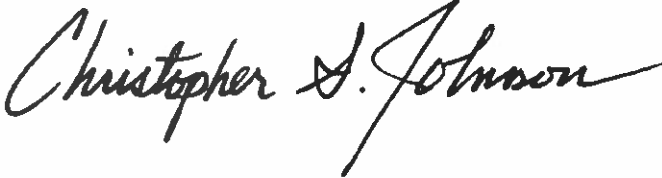
Our agreement for professional services is attached for your review. Please indicate your approval of the proposal by signing one original of the agreement and returning the entire document to our office. One original is for your records. At this time, Aegis understands that this is a prevailing wage project. We do not anticipate deploying personnel to this job such that prevailing wages will apply.

#### LIMITATIONS

Aegis offers various levels of investigative and water resources services to suit the varying needs of different clients. Although risk can never be eliminated, more detailed and extensive investigation yields more information, which may help understand and manage the level of risk. Since detailed investigation and analysis involves greater expenses, our clients participate in determining levels of service, which provide adequate information for their purposes at acceptable levels of risk. Acceptance of this proposal will indicate you have reviewed the scope of services and determined you do not need or want a greater level of service than that being provided. Any exceptions should be noted and may result in higher fees. No warranty is expressed or implied.

If you have any questions, please do not hesitate to call us at (559) 801-1604.

Aegis Groundwater Consulting, LLC

A handwritten signature in black ink that reads "Christopher S. Johnson". The signature is written in a cursive style with a large, sweeping initial 'C'.

Christopher S. Johnson, PG, CHG  
Principal Hydrogeologist

Attachments

# AEGIS Groundwater Consulting Consultant Services Agreement

**PARTIES**

This Agreement, entered into at Fresno, Fresno County, California is made this \_\_\_ day of \_\_\_\_\_, 2010 between:

Quad Knopf  
5110 West Cyprus Avenue  
Visalia, CA 93277

and Aegis Groundwater Consulting  
3003 East Cornell  
Fresno, CA 93703

hereinafter called "Client"

hereinafter called "Consultant"

**PROJECT**

Professional hydrogeologic and water well observation services, as described in the Aegis March 25, 2010 proposal to Quad Knopf for services related to the drilling and completion of City of Lemoore Well 14, in Lemoore, California.

**SCOPE OF SERVICES**

Consultant agrees to perform services in accordance with AEGIS's scope of work outlined in attached March 25, 2010 proposal.

Client agrees that all services not expressly included are excluded from Consultant's Scope of Services.

**COMPENSATION**

Client agrees to compensate Consultant for such services on a time and materials basis not to exceed \$72,450 in accordance with the attached March 25, 2010 proposal prepared by AEGIS.

**Client and Consultant acknowledge that each has read and agrees to the General Conditions printed on the reverse side of this document which are incorporated herein and made a part of this Agreement and apply to all services performed by Consultant regardless of whether such services are included in the Scope of Services above.**

Client: \_\_\_\_\_

Consultant: **AEGIS Groundwater Consulting**

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

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

Christopher S. Johnson, PG, CHg

Title: \_\_\_\_\_

Title: President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## GENERAL CONDITIONS

1. Invoices for Consultant's services shall be submitted, at the consultant's option, either upon completion of such services or on a monthly basis. Invoices shall be paid within 30 days after the invoice date. If the invoice is not paid within 30 days, Consultant may, without waiving any claim or right against the client, and without liability whatsoever to the client, terminate the performance of the service. Retainers shall be credited on the final invoice.

2. Accounts unpaid 60 days after the invoice date may be subject to a monthly service charge of 1.5% (or the legal rate) on the then unpaid balance. In the event any portion or all the account remains unpaid 90 days after the invoice date the client shall pay all costs of collection, including reasonable attorney's fees.

3. Consultant shall perform its services in a manner consistent with the standard of care and skill ordinarily exercised by members of the profession practicing under similar conditions in the geographic vicinity and at the time the services are performed. This Agreement neither makes nor intends a warranty or guarantee, express or implied, nor does it create a fiduciary responsibility to Client by Consultant.

4. Consultant shall sign certifications only if Consultant approves the form of such certification prior to the commencement of services, and provided such certification is limited to a statement of professional opinion and does not constitute a warranty or guarantee, express or implied.

5. Services provided under this Agreement, including all reports, information or recommendations prepared or issued by Consultant, are for the exclusive use of the Client for the Project specified. No other use is authorized under this Agreement. Client will not distribute or convey Consultant's reports or recommendations to any person or organization other than those identified in the Project description without Consultant's written authorization. Client releases Consultant from liability and agrees to defend, indemnify, protect and hold harmless Consultant from any and all claims, liabilities, damages or expenses arising, in whole or in part, from such unauthorized distribution.

6. Consultant's reports, boring logs, maps, field data, drawings, test results and other similar documents are instruments of professional service, not products. Consultant reserves the right to copyright such documents; however, such copyright is not intended to limit the Client's use of the services provided under this Agreement other than as described in paragraph 5.

7. Client will make available to Consultant all information regarding existing conditions, including the existence of hazardous or dangerous materials, and proposed uses of the Project site. Client will transmit immediately to Consultant any new information that becomes available or any change in plans. Client releases Consultant from liability for any incorrect advice, judgment or decision based on any inaccurate information furnished by Client or others. Client agrees to defend, indemnify, protect and hold harmless Consultant from any and all claims, liabilities, damages or expenses arising, in whole or in part, from such information.

8. Unless otherwise stated, Consultant shall have access to the site for activities necessary to perform the services. Consultant will take precautions to minimize damage due to these activities, but has not included in the fee any costs to restore any resulting damage.

9. Client shall be responsible for correctly designating the location of all property lines of the Project site and all subsurface installations, such as pipes, tanks, cables, electrical lines, telephone lines and utilities within the Project site, unless otherwise agreed in writing.

10. Consultant is not responsible for the completion or quality of work that is dependent upon or performed by the Client or third parties not under the direct control of Consultant, nor is Consultant responsible for their acts or omissions or for any damages resulting therefrom.

11. Neither Client nor any other person may change or modify Consultant's work product without Consultant's written authorization. Client releases Consultant from liability and agrees to defend, indemnify, protect and hold harmless Consultant from any and all claims, liabilities, damages or expenses arising, in whole or in part, from such unauthorized changes or modifications.

12. Client waives any claim against Consultant and agrees to defend, indemnify, protect and hold harmless Consultant from any and all claims, liabilities, damages or expenses, including but not limited to delay of the Project, reduction of property value, fear of or actual exposure to or release of toxic or hazardous substances, and any consequential damages of whatever nature, which may arise directly or indirectly as a result of the services provided by Consultant under this Agreement, unless such injury or loss is caused by the sole negligence or willful misconduct of Consultant.

13. Client agrees to limit Consultant's liability due to professional negligence and to any liability arising out of or relating to this Agreement to fifty thousand dollars (\$50,000) or the amount of Consultant's fee, whichever is greater. This limit applies to all services on this Project, whether provided under this or subsequent agreements, unless modified in writing, agreed to and signed by authorized representatives of the parties.

14. All disputes between Consultant and Client shall be subject to non-binding mediation. Either party may demand mediation by serving a written notice stating the essential nature of the dispute and the amount of time or money claimed, and requiring that the mediation proceed within sixty (60) days of service of notice. The mediation shall be administered by the American Arbitration Association or by such other person or organization as the parties may agree upon. No action or suit may commence unless the mediation does not occur within ninety (90) days after service of notice, the mediation occurred but did not resolve the dispute, or a statute of limitation would elapse if suit were not filed prior to sixty (60) days after service of notice.

15. Consultant is protected by Workers' Compensation Insurance, Employers' Liability Insurance, General Liability Insurance and Automobile Liability Insurance for bodily injury and property damage and will furnish evidence thereof upon request. Consultant assumes the risk of damage to its own supplies and equipment.

16. Client shall be responsible for jobsite safety, except for Consultant's employees, subcontractors or subconsultants.

17. All samples shall remain the property of the Client, and Client shall be responsible for and promptly pay for the removal and lawful disposal of samples, cuttings and hazardous materials, unless otherwise agreed in writing. If appropriate, Consultant shall preserve samples obtained for the Project for not longer than sixty (60) days after the issuance of any document that includes the data obtained from those samples.

18. Client solely shall be responsible for notifying all appropriate municipal, regional, state or federal agencies and prospective buyers of the existence of any hazardous or dangerous materials located on or in the Project site, or discovered during the performance of this Agreement, as may be required by such agencies.

19. In the event Consultant's work is interrupted due to delays other than delays caused by Consultant, Consultant shall be compensated equitably (based on Consultant's current Schedule of Charges) for the additional labor or other charges associated with maintaining its work force for Client's benefit during the delay, or at the option of the Client, for charges incurred by Consultant for demobilization and subsequent remobilization.

20. If, during the course of performance of this Agreement, conditions or circumstances are discovered which were not contemplated by Consultant at the commencement of this Agreement, Consultant shall notify Client in writing of the newly discovered conditions or circumstances, and Client and Consultant shall renegotiate, in good faith, the terms and conditions of this Agreement. If amended terms and conditions cannot be agreed upon within thirty (30) days after notice, Consultant may terminate this Agreement and be compensated under paragraph 21 in this Agreement.

21. This Agreement may be terminated by either party upon ten (10) days written notice sent first class mail, return receipt requested. In the event of a termination, Client shall pay for all reasonable charges for work performed and demobilization by Consultant through the tenth (10th) day after mailing the notice of termination. The limitation of liability and indemnity obligations of this Agreement shall be binding notwithstanding any termination of this Agreement.

22. Except for actions, such as for enforcement of mechanic's liens, which are required by statute to be brought in a specific venue, in the event that litigation is instituted under the terms of this Agreement, the same is to be brought and tried in the judicial jurisdiction of the court of the county in which this Agreement is signed. Client waives the right to have the suit brought, or tried in, or removed to, any other county or judicial jurisdiction.

23. Neither Client nor Consultant shall assign its interest in this Agreement without the written consent of the other.

24. This Agreement, including attachments incorporated herein by reference, represents the entire agreement and understanding between the parties. The terms of this agreement will prevail over any different or additional terms in Client's purchase order or other forms unless agreed in writing by Consultant. Any modifications to this Agreement shall be in writing and signed by authorized representatives of the parties. One or more waivers of any term, condition or covenant by either party shall not be construed as a waiver of any other term, condition or covenant.