



February 13, 2013

MM Construction, LLC
68073 Highway 59
Mandeville, Louisiana 70471

Attn: Mr. Mike Sarona
P: [662] 288 6080
E: mike38668@yahoo.co.uk

Re: Proposal for Geotechnical Engineering Services
LaQuinta Inns & Suites
Hattiesburg, Mississippi
Terracon Proposal No. PEB130028

Dear Mr. Sarona:

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal to provide geotechnical engineering services for the above referenced project. The purpose of this study will be to evaluate the pertinent geotechnical conditions at the site and to develop geotechnical parameters, which will assist in the design and construction of foundations and pavements and other building and site development elements. This proposal outlines our understanding of the project and scope of services, and provides a lump sum fee for our services.

A. PROJECT INFORMATION

Site Location

ITEM	DESCRIPTION
Location	Lundy Lane, near N 40 th Avenue in Hattiesburg, Mississippi
Current ground cover	Bare soil and short manicured grass
Existing topography	Unknown at time of the proposal



Project Description

ITEM	DESCRIPTION
Structures	Four-story hotel building with a proposed footprint of approximately 46,860 square feet with a pool and associated pavements
Maximum loads	Columns: 120 kips (assumed) Walls: 3 klf (assumed) Slabs: 125 psf max (assumed)
Maximum allowable movement	Total: 1-inch (assumed) Differential: ¾ inch over 40 feet (assumed)
Grading	Unknown at time of the proposal

Should any of the above information or assumptions be inconsistent with the planned construction, please let us know so that we may make any necessary modifications to this proposal.

B. SCOPE OF SERVICES

The services to be provided by Terracon are summarized in the following paragraphs.

Field Program

The field investigation will include a reconnaissance of the site by the project engineering technician and the execution of a soil boring program. The site reconnaissance will allow the observation of the site from a geotechnical perspective; including aspects of surface topography, drainage, existing structures, vegetation, and surface soils.

The soil boring program will include eleven (11) borings or Cone Penetrometer Test (CPT) soundings to depths ranging from approximately 6 to 24 feet each.

- Three (3) soil borings will be drilled within the proposed building and pool footprint to a depth of approximately 10 feet below existing grade.
- Two (2) CPT soundings will be advanced to a depth of 24 feet in the building foot print.
- Six (6) soil borings will be drilled in the proposed pavement areas to a depth of approximately 6 feet below existing grade.

Sampling will be in general accordance with industry standard procedures wherein Shelby tube samples or split-spoon samples are obtained. Five (5) samples will be obtained in the upper 10 feet of each boring. In addition, we will observe and record groundwater levels during and after drilling. Once the samples have been collected and classified in the field, they will be placed in appropriate sample containers for transport to our laboratory.

For safety purposes, prior to the initiation of field work, the Terracon field operation team will conduct a tailgate safety meeting. This meeting will identify all potential on-site hazards, as well as allow for the development of a site specific safety plan.

Conditions/Items to be provided by Client

Items to be provided by the client include the right of entry to conduct the exploration and an awareness and/or location of any private subsurface utilities existing in the area. We will contact State One Call Service (SOCS) for location of utilities in public easements. Location of private lines on the property is not part of the SOCS or Terracon scope. All private lines should be marked by others prior to commencement of drilling.

Terracon will take reasonable efforts to reduce damage to the property, such as rutting of the ground surface. However, it should also be understood that in the normal course of our work some such disturbance could occur. We have not budgeted to restore the site beyond backfilling our boreholes. If there are any restrictions or special requirements regarding this site or exploration, these should be known prior to commencing field work.

Our fee is based on the site being accessible to our track-mounted drilling equipment and Terracon providing layout of the borings; additional costs may result if this is not the case. It does not include services associated with site clearing, wet ground conditions, tree or shrub clearing, damage of existing landscape or location of underground utilities beyond contacting a "one-call" locate service. If such conditions are known to exist on the site, Terracon should be notified so that we may adjust our scope of services and fee, if necessary.

For safety purposes, all borings will be backfilled immediately after their completion. Excess auger cuttings would be disposed of on the site. Because backfill material often settles below the surface after a period of time, we recommend the boreholes be checked periodically and backfilled if necessary. All borings will be backfilled in accordance with Mississippi State Regulations upon completion.

Laboratory Testing

The samples will be tested in our laboratory to determine physical engineering characteristics. Testing will be performed under the direction of a geotechnical engineer and will include visual classification, moisture content, dry density, Atterberg limit, and strength tests (unconfined compression/calibrated penetrometer), as appropriate.

Engineering Analysis and Report

The results of our field and laboratory programs will be evaluated by a professional geotechnical engineer licensed in the State of Mississippi. Based on the results of our evaluation, an engineering report will be prepared that details the results of the testing performed, provides logs of the borings and a diagram of the site/boring layout. The report will include the following:

- Computer generated boring /CPT logs with soil stratification based on visual soil classification.
- Summarized laboratory data.
- Groundwater levels observed during and after completion drilling.
- Boring location plan.
- Subsurface exploration procedures.
- Encountered soils conditions.
- Design values for allowable bearing capacity for shallow foundations.
- Estimated movement of foundations.
- Seismic Site Classification.
- Soil subgrade parameters for pavement design.
- Subgrade preparation/ earthwork recommendations.

Schedule

We can generally begin the field exploration program within about one (1) to two (2) weeks after receipt of our signed Agreement for Services, if site and weather conditions permit. We estimate the final geotechnical report can be completed within two (2) weeks after the soil borings are completed. We estimate that the final report can be provided to you within four (4) weeks of your notice to proceed. In situations where information is needed prior to submittal of our report, we can provide verbal information or recommendations for specific project requirements after we have completed our field and laboratory programs.

C. COMPENSATION

For the scope of geotechnical services outlined in this proposal that includes drilling, laboratory testing and an engineering report, the lump sum total fee would be **\$5,250.00**. We will issue one electronic copy of the Report of Geotechnical Investigation as the initial deliverable for this project. Hard copies can be provided upon request. Unless instructed otherwise, the invoice will be sent to your attention at the above address.

Should it be necessary to expand our services beyond those outlined in this proposal, we will notify you, then send a supplemental proposal stating the additional services and fee. We will not proceed without your authorization, as evidenced by your signature on the Supplement Agreement form.

D. AUTHORIZATION

This proposal may be accepted by executing the attached Agreement for Services and returning one copy along with this proposal to Terracon. This proposal is valid only if authorized within 60 days from the listed proposal date.

We appreciate the opportunity to provide this proposal and look forward to the opportunity of working with you.

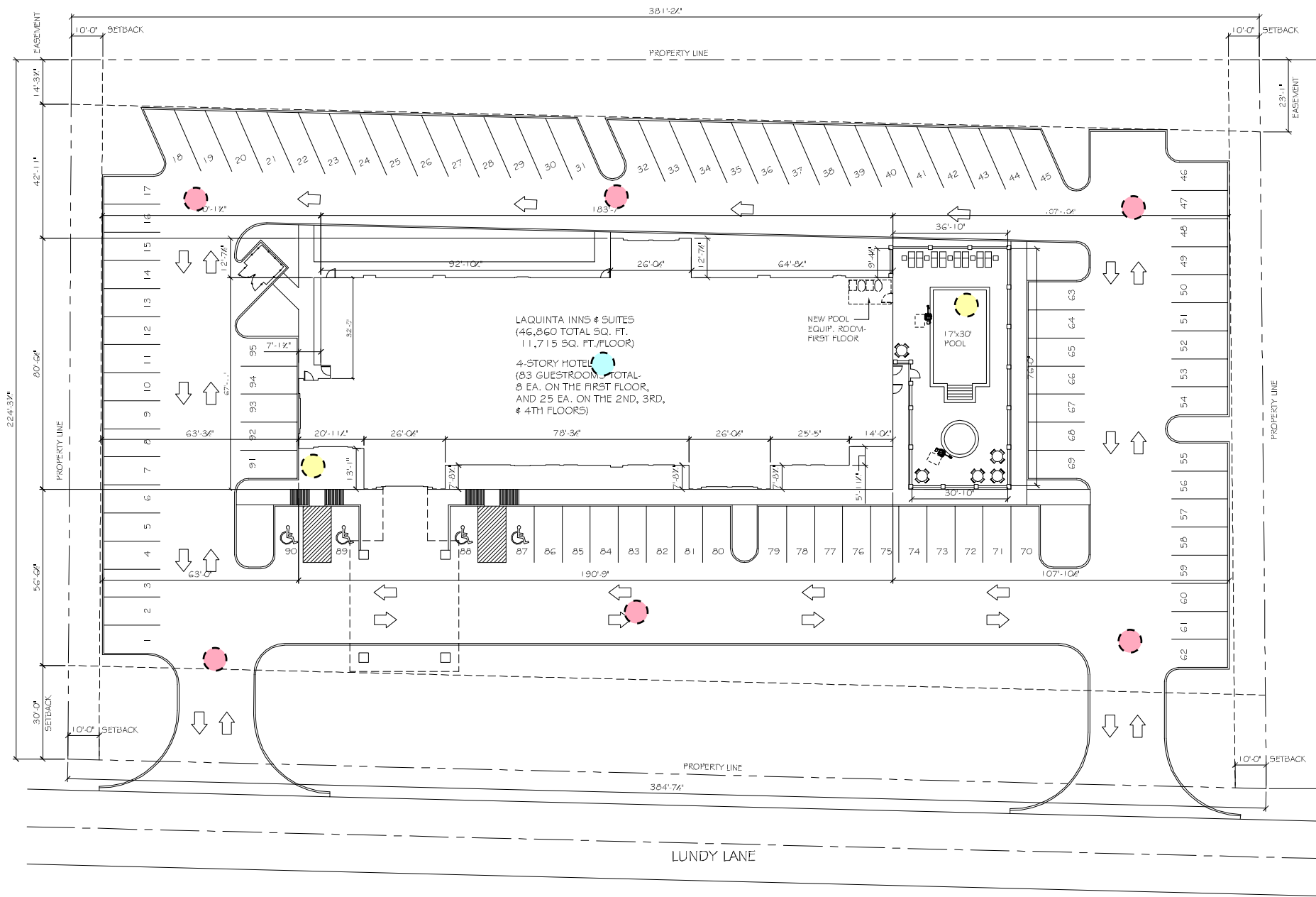
Sincerely,
Terracon Consultants, Inc.

Adrienne Spencer
Staff Engineer
Geotechnical Services

Ryan P. Steiner, P.E.
Staff Engineer
Geotechnical Services

Peer Reviewed by: Stephen E. Greaber, P.E. (LA) – Principal

*Attachments: Proposed Boring Location Plan
Agreement for Services*



NEW PROPERTY - SCHEME "E"

SITE PLAN - SCHEME "E"
 SCALE: 1"=20'-0"

PARKING REQUIREMENTS:
 1.1 SPACE PER GUESTROOM AND 1 PER FIVE EMPLOYEES,
 83 GUESTROOMS x 1.1 = 91.3 OR 91 SPACES + 1 = 92
 TOTAL SPACES NEEDED, 95 PROVIDED.

Legend

- 10-ft Soil Boring & CPT Sounding
- 10-ft Soil Boring
- 6-ft Soil Boring

PRELIMINARY (NOT FOR CONSTRUCTION)

LAQUINTA INNS & SUITES

#	DESCRIPTION	DATE

HATTISER, INC. - MICHELE RUFFI
 JOB No: 2158 DATE: 02-05-2013
 DRAWN BY: JTL CHECKED BY: -

NEW SITE PLAN SCHEME "E"

SHEET No:
C2



CHIEF ENGINEER: FANNETT DAMMON, P.E.
 554 OLD SPANBIT TRAIL
 SUDBURY, LA 70458

dammone@dammon.com
 dammoneng@earthlink.net
 PHONE: 905-649-5432
 FAX: 905-641-5950

AGREEMENT FOR SERVICES

This AGREEMENT is between MM Construction LLC ("Client") and Terracon Consultants, Inc. ("Consultant") for Services to be provided by Consultant for Client on the LaQuinta Inns & Suites project ("Project"), as described in the Project Information section of Consultant's Proposal dated February 13, 2013 ("Proposal") unless the Project is otherwise described in Exhibit A to this Agreement (which section or Exhibit is incorporated into this Agreement).

1. **Scope of Services.** The scope of Consultant's services is described in the Scope of Services section of the Proposal ("Services"), unless Services are otherwise described in Exhibit B to this Agreement (which section or exhibit is incorporated into this Agreement). Portions of the Services may be subcontracted. Consultant's Services do not include the investigation or detection of, nor do recommendations in Consultant's reports address the presence or prevention of biological pollutants (e.g., mold, fungi, bacteria, viruses, or their byproducts) or occupant safety issues, such as vulnerability to natural disasters, terrorism, or violence. If Services include purchase of software, Client will execute a separate software license agreement. Consultant's findings, opinions, and recommendations are based solely upon data and information obtained by and furnished to Consultant at the time of the Services.
2. **Acceptance/ Termination.** Client agrees that execution of this Agreement is a material element of the consideration Consultant requires to execute the Services, and if Services are initiated by Consultant prior to execution of this Agreement as an accommodation for Client at Client's request, both parties shall consider that commencement of Services constitutes formal acceptance of all terms and conditions of this Agreement. Additional terms and conditions may be added or changed only by written amendment to this Agreement signed by both parties. In the event Client uses a purchase order or other form to administer this Agreement, the use of such form shall be for convenience purposes only and any additional or conflicting terms it contains are stricken. This Agreement shall not be assigned by either party without prior written consent of the other party. Either party may terminate this Agreement or the Services upon written notice to the other. In such case, Consultant shall be paid costs incurred and fees earned to the date of termination plus reasonable costs of closing the project.
3. **Change Orders.** Client may request changes to the scope of Services by altering or adding to the Services to be performed. If Client so requests, Consultant will return to Client a statement (or supplemental proposal) of the change setting forth an adjustment to the Services and fees for the requested changes. Following Client's review, Client shall provide written acceptance. If Client does not follow these procedures, but instead directs, authorizes, or permits Consultant to perform changed or additional work, the Services are changed accordingly and Consultant will be paid for this work according to the fees stated or its current fee schedule. If project conditions change materially from those observed at the site or described to Consultant at the time of proposal, Consultant is entitled to a change order equitably adjusting its Services and fee.
4. **Compensation and Terms of Payment.** Client shall pay compensation for the Services performed at the fees stated in the Compensation section of the Proposal unless fees are otherwise stated in Exhibit C to this Agreement (which section or Exhibit is incorporated into this Agreement). If not stated in either, fees will be according to Consultant's current fee schedule. Fee schedules are valid for the calendar year in which they are issued. Fees do not include sales tax. Client will pay applicable sales tax as required by law. Consultant may invoice Client at least monthly and payment is due upon receipt of invoice. Client shall notify Consultant in writing, at the address below, within 15 days of the date of the invoice if Client objects to any portion of the charges on the invoice, and shall promptly pay the undisputed portion. Client shall pay a finance fee of 1.5% per month, but not exceeding the maximum rate allowed by law, for all unpaid amounts 30 days or older. Client agrees to pay all collection-related costs that Consultant incurs, including attorney fees. Consultant may suspend Services for lack of timely payment. It is the responsibility of Client to determine whether federal, state, or local prevailing wage requirements apply and to notify Consultant if prevailing wages apply. If it is later determined that prevailing wages apply, and Consultant was not previously notified by Client, Client agrees to pay the prevailing wage from that point forward, as well as a retroactive payment adjustment to bring previously paid amounts in line with prevailing wages. Client also agrees to defend, indemnify, and hold harmless Consultant from any alleged violations made by any governmental agency regulating prevailing wage activity for failing to pay prevailing wages, including the payment of any fines or penalties.
5. **Third Party Reliance.** This Agreement and the Services provided are for Consultant and Client's sole benefit and exclusive use with no third party beneficiaries intended. Reliance upon the Services and any work product is limited to Client, and is not intended for third parties. For a limited time period not to exceed three months from the date of the report, Consultant will issue additional reports to others agreed upon with Client, however Client understands that such reliance will not be granted until those parties sign and return Consultant's reliance agreement and Consultant receives the agreed-upon reliance fee.
6. **LIMITATION OF LIABILITY. CLIENT AND CONSULTANT HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING CONSULTANT'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE ASSOCIATED RISKS. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF CONSULTANT (AND ITS RELATED CORPORATIONS AND EMPLOYEES) TO CLIENT AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE GREATER OF \$50,000 OR CONSULTANT'S FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF CONSULTANT'S SERVICES OR THIS AGREEMENT. UPON WRITTEN REQUEST FROM CLIENT, CONSULTANT MAY NEGOTIATE A HIGHER LIMITATION FOR ADDITIONAL CONSIDERATION. THIS LIMITATION SHALL APPLY REGARDLESS OF AVAILABLE PROFESSIONAL LIABILITY INSURANCE COVERAGE, CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. THIS LIMITATION SHALL NOT APPLY TO THE EXTENT THE DAMAGE IS PAID UNDER CONSULTANT'S COMMERCIAL GENERAL LIABILITY POLICY.**
7. **Indemnity/Statute of Limitations.** Consultant and Client shall indemnify and hold harmless the other and their respective employees from and against legal liability for claims, losses, damages, and expenses to the extent such claims, losses, damages, or expenses are legally determined to be caused by their negligent acts, errors, or omissions. In the event such claims, losses, damages, or expenses are legally determined to be caused by the joint or concurrent negligence of Consultant and Client, they shall be borne by each party in proportion to its own negligence under comparative fault principles. Neither party shall have a duty to defend the other party, and no duty to defend is hereby created by this indemnity provision and such duty is explicitly waived under this Agreement. Causes of action arising out of Consultant's services or this Agreement regardless of cause(s) or the theory of liability, including negligence, indemnity or other recovery shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than the date of Consultant's substantial completion of services on the project.
8. **Warranty.** Consultant will perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same locale. **EXCEPT FOR THE STANDARD OF CARE STATED ABOVE, CONSULTANT MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, RELATING TO CONSULTANT'S SERVICES AND CONSULTANT DISCLAIMS ANY IMPLIED WARRANTIES OR WARRANTIES IMPOSED BY LAW, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

9. Insurance. Consultant represents that it now carries, and will continue to carry: (i) workers' compensation insurance in accordance with the laws of the states having jurisdiction over Consultant's employees who are engaged in the Services, and employer's liability insurance (\$1,000,000); (ii) commercial general liability insurance (\$1,000,000 occ / \$2,000,000 agg); (iii) automobile liability insurance (\$1,000,000 B.I. and P.D. combined single limit); and (iv) professional liability insurance (\$1,000,000 claim / agg). Certificates of insurance will be provided upon request. Client and Consultant shall waive subrogation against the other party on all general liability and property coverage.
10. **CONSEQUENTIAL DAMAGES. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR LOSS OF PROFITS OR REVENUE; LOSS OF USE OR OPPORTUNITY; LOSS OF GOOD WILL; COST OF SUBSTITUTE FACILITIES, GOODS, OR SERVICES; COST OF CAPITAL; OR FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR EXEMPLARY DAMAGES.**
11. Dispute Resolution. Client shall not be entitled to assert a Claim against Consultant based on any theory of professional negligence unless and until Client has obtained the written opinion from a registered, independent, and reputable engineer, architect, or geologist that Consultant has violated the standard of care applicable to Consultant's performance of the Services. Client shall provide this opinion to Consultant and the parties shall endeavor to resolve the dispute within 30 days, after which Client may pursue its remedies at law. This Agreement shall be governed by and construed according to Mississippi law.
12. Subsurface Explorations. Subsurface conditions throughout the site may vary from those depicted on logs of discrete borings, test pits, or other exploratory services. Client understands Consultant's layout of boring and test locations is approximate and that Consultant may deviate a reasonable distance from those locations. Consultant will take reasonable precautions to reduce damage to the site when performing Services; however, Client accepts that invasive services such as drilling or sampling may damage or alter the site. Site restoration is not provided unless specifically included in the Services.
13. Testing and Observations. Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Consultant will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive, and are conducted to reduce - not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for requesting services, and notifying and scheduling Consultant so Consultant can perform these Services. Consultant is not responsible for damages caused by services not performed due to a failure to request or schedule Consultant's services. Consultant shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and Consultant's performance of testing and observation services shall not relieve Client's contractor in any way from its responsibility for defects discovered in its work, or create a warranty or guarantee. Consultant will not supervise or direct the work performed by Client's contractor or its subcontractors and is not responsible for their means and methods.
14. Sample Disposition, Affected Materials, and Indemnity. Samples are consumed in testing or disposed of upon completion of tests (unless stated otherwise in the Services). Client shall furnish or cause to be furnished to Consultant all documents and information known or available to Client that relate to the identity, location, quantity, nature, or characteristic of any hazardous waste, toxic, radioactive, or contaminated materials ("Affected Materials") at or near the site, and shall immediately transmit new, updated, or revised information as it becomes available. Client agrees that Consultant is not responsible for the disposition of Affected Material unless specifically provided in the Services, and that Client is responsible for directing such disposition. In the event that test samples obtained during the performance of Services (i) contain substances hazardous to health, safety, or the environment, or (ii) equipment used during the Services cannot reasonably be decontaminated, Client shall sign documentation (if necessary) required to ensure the equipment and/or samples are transported and disposed of properly, and agrees to pay Consultant the fair market value of this equipment and reasonable disposal costs. In no event shall Consultant be required to sign a hazardous waste manifest or take title to any Affected Materials. Client shall have the obligation to make all spill or release notifications to appropriate governmental agencies. The Client agrees that Consultant neither created nor contributed to the creation or existence of any Affected Materials conditions at the site. Accordingly, Client waives any claim against Consultant and agrees to indemnify and save Consultant, its agents, employees, and related companies harmless from any claim, liability or defense cost, including attorney and expert fees, for injury or loss sustained by any party from such exposures allegedly arising out of Consultant's non-negligent performance of services hereunder, or for any claims against Consultant as a generator, disposer, or arranger of Affected Materials under federal, state, or local law or ordinance.
15. Ownership of Documents. Work product, such as reports, logs, data, notes, or calculations, prepared by Consultant shall remain Consultant's property. Proprietary concepts, systems, and ideas developed during performance of the Services shall remain the sole property of Consultant. Files shall be maintained in general accordance with Consultant's document retention policies and practices.
16. Utilities. Client shall provide the location and/or arrange for the marking of private utilities and subterranean structures. Consultant shall take reasonable precautions to avoid damage or injury to subterranean structures or utilities. Consultant shall not be responsible for damage to subterranean structures or utilities that are not called to Consultant's attention, are not correctly marked, including by a utility locate service, or are incorrectly shown on the plans furnished to Consultant.
17. Site Access and Safety. Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the Services and will execute any necessary site access agreement. Consultant will be responsible for supervision and site safety measures for its own employees, but shall not be responsible for the supervision or health and safety precautions for any other parties, including Client, Client's contractors, subcontractors, or other parties present at the site.

Consultant: Terracon Consultants, Inc.
By: _____ Date: 02/13/2013
Name/Title: Ryan Steiner, P.E. / Staff Engineer
Address: 859 Pear Orchard Road
Ridgeland, Mississippi 39157
Phone: 601.956.4467 Fax: 601.956.9533

Client: MM Construction, LLC
By: _____ Date: _____
Name/Title: Mr. Mike Sarona
Address: 68073 Highway 59
Mandeville, Louisiana
Phone: 662.288.6080 Fax: _____

Reference Number: PEB130028