

PROFESSIONAL ENGINEERING SERVICES CONTRACT

THIS CONTRACT (the “Contract”) is made and entered into effective as of the 15th day of February, 2022 (“Effective Date”) by and between the Port of Corpus Christi Authority of Nueces County, Texas (“Authority”), and Anchor QEA, LLC (“Engineer”), each a “Party” and collectively as “Parties”.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. CONTRACT: Authority hereby engages the Engineer and the Engineer hereby accepts its engagement for the purpose of providing to Authority the engineering services (“Services”) as are generally described in the “Scope of Services” set forth in Exhibit A to this Contract which is incorporated herein by reference. Engineering designs, reports, drawings and specifications prepared hereunder will be sealed by a Registered Professional Engineer licensed to practice in the State of Texas and in accordance with applicable provisions of the Texas Engineering Practice Act and Rules of the Texas Board of Professional Engineers.

2. PERIOD OF SERVICE: The Engineer shall complete the Services on or before June 30, 2023 (the “Deadline”), unless the Authority agrees to extend the Deadline for good reason; provided, however, that the Authority may terminate this Contract at any time in accordance with Section 14. There will be no obligation established between Authority and the Engineer for performance of the Services until Authority provides the Engineer with a written notice to proceed which shall be issued upon execution of this Contract and receipt by the Authority of appropriate Certificates of Insurance and other documentation as may be required herein. The term of this Contract (“Term”) shall begin on the Effective Date and shall end on the first to occur of the following: (1) the Deadline, as the same may have been extended by the Authority, (2) the date on which, in the opinion of Authority, all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 14, or (4) the date on which this Contract is terminated by the Engineer pursuant to Section 14.

3. COORDINATION OF SERVICES BY AUTHORITY: Authority shall designate a Project Representative who will, on behalf of Authority, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities with the Project Representative.

For the purposes of this Contract, the Project Representative shall be:

Harrison McNeil
Supervisor of Environmental Permitting
Port of Corpus Christi Authority
400 Harbor Drive
Corpus Christi, Texas 78401
Contact Number (361) 885-6672
E-mail: hmcneil@pocca.com

Authority may change the Project Representative at any time by giving the Engineer written notice of such change.

4. NOTICES: Notices, demands, requests or other formal communication related to the Contract shall be deemed to have been given when received, whether delivered personally or mailed. E-mail communications may be considered as formal notification provided the e-mail message states the message is intended as a formal notice and the receiving Party acknowledges receipt of the message as a formal notification. Notices shall be addressed as follows:

If to the Authority: Sean Strawbridge
Chief Executive Officer
Port of Corpus Christi Authority
400 Harbor Drive
Corpus Christi, Texas 78401
E-mail: ssstrawbridge@pocca.com

If to the Engineer: Dan Opdyke, Ph.D., P.E.
Project Manager
Anchor QEA, LLC
901 S. Mopac Expressway
Barton Oaks Plaza V, Suite 150
Austin, TX 78746
Phone: (512) 306-3705
E-mail: dopdyke@anchorqea.com

Either Party may change the mailing or E-mail address for notifications by providing written notice of such change to the other Party.

5. CHANGES: This Contract may be changed or modified at the request of either the Engineer or the Authority, provided both Parties agree to the requested change, and a written amendment or modification of this Contract is prepared and executed by the Parties.

5.1 Changes to Contract Requested by Engineer. Should an event or condition occur after notice to proceed that, in the opinion of the Engineer, will result in a change in scope, schedule and/or budget, the Engineer will provide timely written notice to the Authority stating: the nature of the event or condition; detailing the impact on scope, schedule and/or, budget; and providing the Engineer's recommendation or request for modification of the Contract. Such notice will be provided upon recognition of the event or condition and prior to the completion of the services stated in the Contract. The Authority will not consider a request for an increase in the compensation that is submitted after completion of the services stated in the Contract if the Authority determines, in its sole discretion, that the event or condition cited as the cause for the increase in the compensation was, or could reasonably have been, known in time to submit a change request prior to completion of the services stated in the Contract. The Authority will review the Engineer's

recommendation or request and provide a written response agreeing with the requested recommendation or request or not accepting said recommendation or request. Any changes or modification to the scope, schedule and/or budget will be detailed in a written modification to the Contract (Exhibit D - "Scope Change Request Form"). No changes to the Services shall be made by Engineer except with the Authority's prior written agreement.

6. ENGINEER'S RESPONSIBILITIES: In addition to all other obligations contained herein, the Engineer agrees, warrants, and represents that:

6.1 The Engineer will furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services, except as otherwise mutually agreed by the Parties;

6.2 The Engineer shall perform the Services with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license;

6.3 The Engineer will comply with the provisions of all federal, state, and local laws, regulations, ordinances, requirements and codes which are applicable to its performance of Services;

6.4 The Engineer is not and will not be bound by any agreement and has not assumed nor will assume any obligation which would, in any way, restrict its ability to perform the Services or be inconsistent with the Services;

6.5 In performing the Services, the Engineer will not use any third party's confidential or propriety information, or infringe the rights of another party, nor will the Engineer disclose to the Authority, or bring onto the Authority's premises, or induce the Authority to use any third party's confidential or proprietary information;

6.6 The Engineer does not have the authority to act for the Authority, bind the Authority in any respect, or incur any debts or liabilities in the name of or on behalf of the Authority, except as otherwise expressly authorized in writing by the Authority;

6.7 Engineer's Opinions of probable cost or other forms of cost estimates will be based on the Engineer's experience, the design, and current market conditions to the extent practicable. Authority hereby acknowledges that Engineer cannot warrant that estimates of probable cost provided by Engineer will not vary from actual market prices obtained by Authority;

6.8 Engineer is an independent contractor for the performance of his duties under this Contract. Accordingly, the Engineer shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Engineer's activities in accordance with this Contract. Engineer is responsible for payment of the compensation, including any withholding, Social Security, or other taxes on such compensation, of any subcontractors

retained by Engineer, or Engineer's employees performing Services consistent with its status as an independent contractor and in compliance with all applicable laws and regulations;

6.9 Engineer has and hereby retains full control of any supervision over the Engineer's obligations hereunder and over any persons employed or subcontracted by the Engineer for performing Services hereunder;

6.10 Engineer will in no way be considered an agent, partner, joint venturer, or employee of Authority at any time during the Term. Engineer will not undertake to commit Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority in writing;

6.11 As of the Effective Date and at all times while providing Services hereunder, the Engineer shall possess and maintain in good standing any and all licenses or other authorizations and approvals necessary to perform the Services;

6.12 Engineer may, with prior written approval of Authority, use representations of designs or other engineering services provided hereunder for promotional purposes. Authority reserves the right to review and approve, in advance of any publication or use, promotional materials containing reference to or images related to the work produced under this Contract;

7. COMPENSATION: The compensation to be paid Engineer for providing the Services shall be the compensation described in Exhibit B attached hereto, which is incorporated herein by reference; provided, however, the total amount paid to Engineer for the Services (including reasonable travel expense and other expenses) shall not exceed Two Hundred Twenty-Seven Thousand Dollars (\$227,000). Engineer will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such expenses.

8. INVOICE PROCEDURE AND PAYMENT: Engineer shall submit invoices monthly to the Authority for work performed during the preceding calendar month. Such invoices shall be due and payable by Authority on or before thirty (30) days from receipt by Authority. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the Fee Schedule included in Exhibit B. Invoices shall also describe any work performed by subcontractors retained by Engineer and reimbursable costs. Subcontractor cost mark-up shall not exceed five percent (5%). Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At the Authority's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by Authority.

Engineer will provide written notice to Authority when the sum of previous payments and its current invoice meets or exceeds 70% of the approved compensation under the Contract. Engineer will include a statement that the remaining budget is sufficient to complete the services or provide an estimate of cost to complete including an explanation of

the need for additional funding and a request for a modification to the Contract (Exhibit D – “Scope Change Form”).

9. INSURANCE: Engineer shall procure and maintain at its sole expense, for as long as Engineer is obligated to provide Services under this Contract, the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C to protect Engineer from claims which may arise out of or result from Engineer’s Services pursuant to this Contract, whether such operations be by Engineer, by any subcontractor of Engineer, by anyone directly or indirectly employed by Engineer or Engineer’s subcontractor, or by anyone for whose acts Engineer or Engineer’s subcontractor may be liable. At least five (5) days prior to execution of this Contract, Engineer will provide to Authority’s Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to Authority. The requirement to provide acceptable certificates of insurance is a material condition of this Contract, and work under this Contract will not commence until certificates of insurance have been received, reviewed, and accepted by Authority. The minimum limits of liability and coverage for the insurance required are set forth in Exhibit C attached hereto, which is incorporated herein by reference.

10. INDEMNIFICATION AND RELEASE. Engineer hereby releases and discharges Authority and its agents, servants, representatives, employees, officers, directors, and Port Commissioners (collectively, the “Authority Parties”) from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer. To the fullest extent allowed by law, Engineer shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable and attorneys’ fees and the cost of defense), in connection with any action, proceeding, demand or claim but only to the extent caused by the negligent acts, errors, or omissions of the Engineer, its employees, agents, or subconsultants, or others for whom the Engineer is legally liable, in the performance of the Services under this Contract. The Engineer is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Engineer’s indemnity obligations under this Section 10 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers’ or workmen’s compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Engineer under this Section 10 shall survive the end of the Term of the Contract.

11. LIMITATION OF LIABILITY: Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

12. DISCLOSURE OF INTERESTED PARTIES: Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, “Certificate of Interested Parties” and submitting the signed form to Authority at the time Engineer submits the signed contract to Authority. This provision will only apply to contracts approved by the Port of Corpus Christi Authority Port Commission.

13. ASSIGNMENT: Neither Authority nor Engineer will assign or transfer its interest in this Contract without the written consent of the other.

14. SUSPENSION OR TERMINATION: Authority may suspend or terminate this Contract for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Contract in accordance with this paragraph, Authority will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Contract. **Under no circumstances may Engineer claim or recover consequential damages from Authority.**

In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by Authority. Suspension of the Services for reasons other than the Engineer’s negligence or failure to perform shall not affect the Engineer’s compensation as provided for in this Contract. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to this Contract to reflect the suspension.

Either Party may terminate this Contract by giving written notice to the other Party if the other Party (“Defaulting Party”): (a) materially breaches any term, condition or provision of this Contract and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

15. DISPUTES: Each Party agrees that any dispute between the Parties relating to this Contract will first be submitted in writing to a panel of two senior executives of the Authority and Engineer, who shall promptly meet and confer in an effort to resolve such dispute through good faith consultation and negotiation. Each Party’s executive shall be identified by notice to the other Party, and may be changed at any time thereafter also by notice to the other. Any decisions of the executives will be final and binding on the Parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation.

If the Parties refer to mediation any controversy or claim arising out of or relating to this Contract or the existence, validity, breach or termination thereof, whether during or after its term, they shall select a mutually acceptable mediator within forty-five (45) days thereafter. Neither Party shall unreasonably withhold consent to the selection of a mediator. The Parties shall share equally the costs of mediation. If the Parties agree, they may substitute other forms of alternative dispute resolution. Any mediation shall not extend beyond thirty (30) days after the appointment

of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available at law or in equity.

16. ATTORNEY'S FEES, DEFAULT: In the event Engineer or Authority breach any of the terms of this Contract and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

17. STAFFING: Engineer will designate in writing to Authority its project representative, and the manner in which it will provide staff support for the project, which must be approved by Authority. Engineer must notify Authority's Project Representative of any change in key personnel assigned to perform work under this Contract, and the Authority's Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Authority's Project Representative shall also have the right to require the removal of the Engineer's previously assigned personnel, including Engineer's project representative, provided sufficient cause for such removal exists. The criteria for requesting removal of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position's qualifications, failure to perform, poor attendance, ethics violation, unsafe work habits, or damage to Authority or other property. Upon notice for removal, Engineer shall replace such personnel with personnel substantially equal in ability and qualifications for the positions and shall submit the proposed replacement personnel qualification and abilities to the Authority, in writing, for approval.

18. OWNERSHIP OF WORK PRODUCT: Studies, plans, reports, surveys, drawings, specifications, computations and other information (collectively "Work Product") and documents prepared by the Engineer, subconsultants, and/or suppliers under this Contract will remain the Authority's property upon completion. This provision does not apply to pre-existing proprietary information of Engineer, subconsultants, and/or suppliers. Any reuse or modification of Work Product without written verification or adaptation by Engineer will be at Authority's sole risk and without liability or legal exposure to Engineer.

19. CONFIDENTIAL INFORMATION: It is understood that information developed by or communicated to Engineer in the performance of this Contract, as well as any and all information in whatever form or medium supplied to Engineer in connection herewith which is not generally available to the public is proprietary to the Authority and constitutes confidential information of the Authority. Engineer will make no oral or written disclosure of such information to third parties either during or after the term of this Contract, except as approved in writing by the Authority's Project Representative or as otherwise required by law. In the event the Engineer becomes aware that confidential information must be disclosed under a legal requirement, Engineer will notify Authority of the requirement and the affected information.

20. FORCE MAJEURE: Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is delayed by any cause beyond the reasonable control of the affected Party. In the event of such a delay, the time for performance for the affected Party shall be extended for a period equal to the time lost during

the delay, or the Contract may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the Authority.

21. SEVERABILITY and WAIVER: If any part of this Contract is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Contract, and this Contract shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Contract. Further, the failure of either Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Contract or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms, provisions or options on any future occasion.

22. GOVERNING LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The Parties agree that venue of all claims and lawsuits arising out of this Contract shall lie in Nueces County, Texas.

23. OPEN RECORDS: The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Contract and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Engineer agrees that the disclosure of this Contract or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Engineer.

24. NO ORGANIZATIONAL CONFLICT OF INTEREST: Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. “Organizational Conflict of Interest” means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to Authority or the Engineer’s objectivity in performing the services under this Contract is or might otherwise be impaired. An “Organizational Conflict of Interest” also exists if an owner, director, manager, trustee, or employee of the Engineer publicly opposes, works against, or takes a position adverse to the project, permit, or objectives for which the Engineer is engaged hereunder. Engineer agrees to immediately notify Authority of any actual or potential Organizational Conflict of Interest that develops or occurs during the term of this Contract. Engineer agrees that Authority may terminate this Contract immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Contract.

25. SECTION 2271.002, TEXAS GOVERNMENT CODE: To the extent required by Section 2271.002 of the Texas Government Code, Engineer represents that Engineer does not boycott Israel and will not boycott Israel through the term of this Contract. For purposes of this representation, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or

in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

26. DEFAMATION: The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

27. HEADINGS: All Section headings or other titles used in this Contract are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Contract.

28. ENTIRETY OF CONTRACT: This writing embodies the entire Contract and understanding between the Parties hereto, and there are no other contracts or understandings, oral or written, between them with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change, or modification of the terms of this Contract shall be valid unless made in writing and signed by both Parties hereto.

[Signature page follows this page]

IN WITNESS WHEREOF, this Contract is made effective as of the Effective Date.

**PORT OF CORPUS CHRISTI AUTHORITY OF
NUECES COUNTY, TEXAS**

By: _____
Name: Sean Strawbridge
Title: Chief Executive Officer
Date: _____

“Authority”

ANCHOR QEA, LLC

By: _____
Name: John Laplante
Title: Principal-in-charge
Date: 02/09/22

“Engineer”

EXHIBIT A

SCOPE OF SERVICES

The Engineer will perform the following services in accordance with the terms and conditions set forth in this Contract:

This project entails the development of 30% designs, 60% designs, and permit application packages for the beneficial use of dredged material. The number of designs and permit application packages will be determined by Authority, as will the site locations and design concepts. All work will be performed by Engineer and subconsultant(s) and in accordance with Engineer's standard specifications and templates.

Task 1 - 30% Designs

- Work with Authority to select BU sites for 30% design and cost estimates from list of sites with a 10% design
- Work with Authority to identify data collection needs at the selected sites, to be performed by the Authority or their preferred outside contractor
- Develop 30% design and cost estimates for each selected site using publicly available data and data collected by Authority

The 30% design will include up to four (4) drawings and a technical specification outline. Drawings will be provided in CAD and PDF format.

Authority anticipates selection of up to three (3) sites for 30% design development.

Task 2 - 60% Designs

- Work with Authority to select BU sites for 60% design and cost estimates from sites with a 30% design
- Develop 60% design and cost estimates for each selected site using publicly available data and data collected by Authority

The 60% design will include up to six (6) drawings and relevant technical specifications but will not include construction contract (Division 0) or general conditions (Division 1) language.

Costs are not included for collection of geotechnical data, structural engineering, geotechnical engineering, or preparation of a new 2-dimensional hydrodynamic model for any site. It is assumed that the 60% designs can be prepared without these detailed assessments. If, during 60% design, the need for such assessments is identified, such assessments will be identified in the cost estimate memo as a data gap.

Authority anticipates selection of up to two (2) sites for 60% design development.

Optional Task 3 - Permit application packages

- Work with Authority to select BU sites for preparation of permit application packages
- Prepare permit application packages for each selected site
- This scope does not include submittal of permit application packages to USACE

Note – This task will only be undertaken upon specific request and will include a maximum of two sites. The sites for permitting will be selected from the 60% design.

Task 4 - Final Report

- Incorporate information from selected sites into project final report

Schedule

| Task | Deadlines |
|---|--------------------|
| 30% design site selection | February 18, 2022 |
| Authority provides data from field program for each selected site | March 18, 2022 |
| Draft 30% design and cost estimate memos for each selected site | June 20, 2022 |
| Final 30% design and cost estimate memos for each selected site | June 30, 2022 |
| Draft 60% design and cost estimate memos for each selected site | September 20, 2022 |
| Final 60% design and cost estimate memos for each selected site | September 30, 2022 |
| Draft permit application packages for each selected site | December 20, 2022 |
| Final permit application packages for each selected site | December 31, 2022 |
| Draft final report | March 1, 2023 |
| Final report | March 31, 2023 |

Note: The schedule mirrors the schedule of the joint project between Ducks Unlimited, Authority, and the Texas General Land Office (GLO). As such, the due dates identified in this scope of work represent dates for submittal of deliverables to GLO.

Project Team

For this project, the Engineer team will consist of the following individuals.

| Employee Name | Title |
|----------------------|---------------------------|
| Dan Opdyke | Project Manager |
| John Laplante | Principal in charge |
| Alex Freddo | Staff 2 |
| Hayden Smith | Staff 1 |
| Renee Robertson | Senior Managing Engineer |
| Ray Newby, | Senior Managing Scientist |
| Adrienne Accardi | Project Coordinator |
| Dehlia McCobb | Technical Editor |
| Josef Hoffmann | Staff 3 Engineer |
| Ram Mohan | Principal Engineer |
| Matt Henderson | Principal Engineer |

Engineer will utilize the following subconsultants to complete this scope of work:

| Company Name | Role |
|--------------------------|--|
| Sarosdy Consulting, Inc. | Stakeholder coordination, writing support for non-engineering sections |

EXHIBIT B

FEE SCHEDULE

The Engineer will perform the Services described in Exhibit A in accordance with the terms and conditions of this Contract on a fixed rate; provided, however, that the total amount paid to the Engineer for Services (including reasonable travel expense and other expenses) rendered under this Contract will not exceed without Authority's written approval, the following unit cost schedule:

- 30% design (each): \$39,000
- 60% design (each): \$39,000
- Permit application package (each): \$16,000

The Engineer will not be held to the individual budgets identified above but will rather be held to the total fee agreed upon (i.e., fee per service times number of sites). The number of sites will be determined by the Authority and communicated in writing to the Engineer in a timely manner. Services provided by Engineer will be billed as specified in Exhibit B. These fees will cover all of Engineer's overhead costs, including but not limited to office rent, long distance telephone charges, postage, payroll, and copying charges.

The Authority agrees to reimburse the Engineer for certain authorized and approved travel expenses incurred by the Engineer during the Term and directly resulting from the Engineer's performance of the Services under this Contract.

Authority will also reimburse the Engineer for certain authorized and approved expenses incurred by the Engineer in performing the Services. The Engineer shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Engineer's actual cost.

No later than the tenth (10th) day of each calendar month, Engineer shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Contract during the prior calendar month. The invoices shall describe the Services performed during the prior month, approved Direct Costs, milestone achievements, and tasks performed or completed. Authority shall review the invoices and notify Engineer in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Engineer will be paid all fees earned up to the termination date and any approved direct expenses incurred.

EXHIBIT C
INSURANCE

Without limiting the indemnity obligations or liabilities of Engineer or its insurers, Engineer agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

| | <u>TYPE OF INSURANCE</u> | <u>MINIMUM LIMITS</u> |
|----|------------------------------|---|
| A. | Workers' Compensation | Statutory |
| B. | Employer's Liability | \$1,000,000 per Occurrence \$1,000,000 Aggregate |
| C. | Commercial General Liability | \$1,000,000 per Occurrence \$2,000,000 Aggregate |

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

| | | |
|----|------------------------|-----------------------|
| D. | Professional Liability | \$1,000,000 per Claim |
|----|------------------------|-----------------------|

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Contract.

Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Professional Liability. In the event that the work of Engineer's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

Each policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

Without limiting any of the other obligations or liabilities of Engineer, Engineer shall require each Subcontractor performing work under the Contract, at Subcontractor's own expense, to maintain during the term of the Contract, the same stipulated minimum insurance as shown

herein. As an alternative, Engineer may include its Subcontractors as additional insureds on its own coverage as prescribed under these requirements. Engineer's certificate of insurance shall note in such event that Subcontractors are included as additional insureds and that Engineer agrees to provide workers' compensation for Subcontractors and their employees. Engineer shall obtain and monitor the certificates of insurance from each Subcontractor in order to assure compliance with the insurance requirements. Engineer must retain the certificates of insurance for the duration of the Contract plus five (5) years and shall have the responsibility of enforcing these insurance requirements among its Subcontractors. PCCA shall be entitled, upon request and without expense, to receive copies of these certificates.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII". Engineer's liability shall not be limited to the specified amounts of insurance required herein.