



June 30, 2017

PROPOSAL (225)

Att: Mr. Jeffrey Epstein

Great St. Jim, LLC

6100 Red Hook Quarter B3

St. Thomas, VI 00802-1348

c/o: Ms. Daphne Wallace

Via email: [REDACTED]

Tel: [REDACTED]

RE: Proposal for the performance of a geotechnical exploration at the site of the proposed pool at Great St. James Island, St. Thomas, USVI.

Greetings,

As requested, we are pleased to submit our proposal for the performance of a geotechnical exploration at the referenced project.

Based on the provided information, we propose a total of *two* (2) test borings within the site of the proposed study. Subsurface exploration will be achieved as per ASTM D 1586 using a trailer mounted drill rig. Boring depth is estimated to be 15 - 20 ft beneath existing ground surface.

At the completion of both, field and laboratory testing, a report will be submitted containing the soil and index properties of the subsoil at the location of the borings, geotechnical recommendations for the structure's foundation system and guidelines for earthwork operations.

In case an unexpected subsoil condition is encountered, the owner or representative will be notified to obtain an order to proceed with the additional exploration required, and the cost will not be exceeded without his approval.

This proposal considers that work will be performed during regular work hours.

We shall not be responsible for damages caused to underground structures not shown on plans submitted to us. Underground utility clearance is not included in the scope of work provided in this proposal.

Jaca & Sierra Engineering, PSC
PO Box 363116, San Juan, PR 00936-3116
Road 850 Km 0.2 Las Cuevas Ward, Trujillo Alto, PR 00976
TEL. 787-761-2570 FAX. 787-748-6970 www.jacasierra.com

EFTA00807188



The estimated costs for the investigation and engineering report will be as follows:

Description	UM	Units	Rate	Cost (US)
<i>Exploratory Program</i>				
Mobilization and demobilization of drilling equipment and crew (SJU-STT) including airfare	lump sum	1	\$ 3,000.00	\$ 3,000.00
Drilling in overburden with split spoon sampling method	ln. ft.	40	\$ 35.00	\$ 1,400.00
Per diem and lodging (including setup days)	days	3	\$ 600.00	\$ 1,800.00
<i>Laboratory Tests</i>				
General laboratory testing (visual/manual description, moisture content, spring tests, soil classifications)	lump sum	1	\$ 900.00	\$ 900.00
<i>Professional Services</i>				
Engineering time for site visit, coordination, boring log description and report preparation	lump sum	1	\$ 5,000.00	\$ 5,000.00
Subtotal				\$ 12,100.00
USVI Gross Receipt Tax (5%)				\$ 605.00
Total				\$ 12,705.00

Payment Terms and Conditions:

1. An advance commitment fee of \$ 5,000.00 is required prior to mobilization of equipment.
2. The remaining balance of \$ 7,705.00 must be paid after conclusion of drilling and before submittal of report.

Notes:

1. Underground utility clearance is not included in the scope of work. These services can be provided using Ground Penetration Radar (GPR) for an **additional cost of \$2,500.00**. This cost covers travel expenses, mobilization of equipment, per diem and lodging of the personnel performing the GPR survey and the utility clearance at the location of the proposed ten boreholes.



Equipment Limitations:

1. Soil attenuation may restrict the use of GPR to shallow depths in profiles where clay is present.
2. The GPR Antenna beam width is broad making it difficult for radar to discriminate between closely spaced objects.
3. In disturbed ground the radar may detect the walls of a trench but not the pipe it contains.
4. Performance is limited by signal scattering in heterogeneous conditions (e.g. presence of rocky soils) and responds differently to changes in soil type, density, water content, as well as many other buried objects; which can make unique identification of the desired target difficult. GPR cannot see through metal plates, fine metal mesh and or pan decking.

ACCREDITATION STATUS:

Jaca & Sierra Engineering, PSC in Trujillo Alto, PR is accredited by the **AASHTO Accreditations Program (AAP)** for soil, construction materials and aggregates testing. We can provide evidence of status of accreditation with a list of accredited standards, upon request. We are also an US Army Corps of Engineers approved soil testing laboratory. Our laboratory is AAP compliant with the following general quality standards:

- ASTM D3740: Standard Practice for Minimum Requirements for Agencies Engaged in the Testing and/or Inspection of Soil and Rock as Used in Engineering Design and Construction
- ASTM E329: Standard Specification for Agencies Engaged in the Testing and/or Inspection of Materials Used in Construction
- AASHTO R18: Quality System
- ASTM 1077: CCRL Quality Systems

GENERAL TERMS AND CONDITIONS:

I. SCOPE OF WORK

Jaca & Sierra Engineering, PSC (J&S) shall perform the services described in this contract and shall invoice the Client at the associated unit rates described in this proposal. This estimate is based on the assumed schedule, scope of work and documents provided at the time this bid was developed. Any changes in the scope or design may result in additional fees. J&S will provide additional services under the contract, if requested by the Client, and invoice the Client for those additional services in accordance with the rates in the contract or at

rates negotiated at the time of the request of the additional services. Services not expressly set forth in writing in the contract are excluded from J&S scope of work, and J&S assumes not duty to the Client to perform such services or provide professional opinions related to such services.

II. STANDARD OF CARE

Services performed by J&S under this contract will be conducted in accordance with the industry standards and generally accepted

Jaca & Sierra Engineering, PSC

TEL 787-761-2570 FAX 787-748-6970 www.jacasierra.com

June 30, 2017

professional practices in the same or similar localities related to the nature of the work accomplished at the time the services are performed. No other warranty, express or implied, is made.

III. RIGHT TO ENTRY

The Client shall be fully responsible for obtaining the necessary authorization to allow J&S, its agents, subcontractors and representatives to have access to the site and buildings thereon, including interiors, at reasonable times throughout performance of work by J&S. J&S will take reasonable precautions to minimize damage to the site from use of the equipment, but unavoidable damage or alteration to the site prior to conducting the scope of services described in this contract. If the site contains wooded land or areas of significant undergrowth, J&S will not perform clearing of vegetation that could be considered impassable by the individual(s) performing the site work, unless otherwise stated in the contract.

IV. DELAYS IN WORK

J&S will pursue the work in an efficient and expeditious manner, consistent with good quality practices. J&S will not be responsible for delays in the work caused by the Client or its agents, consultants, contractors or sub contractors. Stand-by or non-productive time for delays in J&S's work caused by others will be charged as work time, in accordance with the rates in the contract or at rates negotiated at the time of the delay.

V. SAFETY

J&S is only responsible for the on-site safety of its own employees. However, this shall not be conducted to relieve the Client or any of its contractors from their responsibilities for maintaining a safe job site. Neither the professional activities of J&S, nor the presence of J&S's employees, shall be construed to imply J&S has any responsibility for the safety of on-site personnel other than J&S employees.

VI. OWNERSHIP OF DOCUMENTS/RELIANCE

Client will furnish J&S such reports, data, studies, plans, specifications, documents, and other information necessary for proper performance of J&S's services. J&S may rely upon documents provided by the Client or other third parties in performing the service under this contract; however, J&S will not conduct an independent evaluation of the accuracy or completeness of such information, and shall not be responsible for any errors or omissions contained in such information. Unless requested by the Client, J&S will retain the documents provided by the Client. Reports, recommendations and other materials resulting from J&S's services are intended for the sole use of the Client. The Client may provide the reports, recommendations, and other materials generated by J&S to outside parties; however, the contents thereof may not be used or relied upon by any other party, without the express written consent and authorization of J&S. Drawings, sketches, reports and other documents, including those in electronic format, which are prepared by J&S, are Instruments of Service to which J&S retains the exclusive common law, statutory copyright and ownership. As long as the Client is not in breach of its obligations pursuant to this proposal or agreement, J&S grants to the Client a nonexclusive license to use such Instruments of Service for the project for which the services are rendered and for no other project. J&S will retain all pertinent records relating to services performed for a minimum period of 1 year following submission of a report, during which period the records will be made available to the Client at all reasonable times.



Normal report distribution is three (3) copies to the Client. There may be a charge if additional report copies are requested, either at the original time of completion of the report or after, to cover the costs of color copies, shipping and labor (e.g., retrieval of archived files, re-assembly of reports, copying of report, etc.). The distribution of reports to a party other than the Client does not infer reliance on the report by that third party, unless expressed in writing by J&S.

VII. UNAUTHORIZED CHANGES

In the event the Client, the Client's contractors or subcontractors, or anyone for whom the Client is legally liable makes or permits to be made any changes to any reports, plans, specifications or other construction documents prepared by the Consultant without obtaining the Consultant's prior written consent, the Client shall assume full responsibility for the results of such changes. Therefore the Client agrees to waive any claim against the Consultant and to release the Consultant from any liability arising directly or indirectly from such changes.

In addition, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes.

In addition, the Client agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any subcontractors of any tier from making any changes or modifications to the Consultant's construction documents without the prior written approval of the Consultant and that further requires the Contractor to indemnify both the Consultant and the Client from any liability or cost arising from such changes made without such proper authorization.

VIII. CONSTRUCTION OBSERVATION

The Consultant shall visit the site at intervals appropriate to the stage of construction, or as otherwise agreed to in writing by the Client and the Consultant, in order to observe the progress of the Work completed by the Contractor. Such visits and observation are not intended to be an exhaustive check or a detailed inspection of the Contractor's work but rather are to allow the Consultant, as an experienced professional, to become generally familiar with the Work in progress and to determine, in general, if the Work is proceeding in accordance with the consultant recommendations. Based on this general observation, the Consultant shall keep the Client informed about the progress of the Work and shall endeavor to guard the Client against deviations of our recommendations. If the Client desires more extensive project observation or fulltime project representation, the Client shall request that such services be provided by the Consultant as Additional Services in accordance with the terms of this Agreement. The Consultant shall not inspect, supervise, direct or have control over the Contractor's work nor have any responsibility for the construction means, methods, techniques, sequences or procedures selected by the Contractor nor for the Contractor's safety precautions or programs in connection with the Work. These rights and responsibilities are solely those of the Contractor. The purpose of the project inspector is to assure that the construction is made according to the Plans and Specifications; this is not the purpose of the consultant field observation. The consultant does not occupy or exercise constructive control over the job site. The consultant renders professional opinions, an intangible consulting service, for the benefit of the client. The Consultant shall not be responsible for any acts or omissions of the

**Great St. James Island, USVI
PROPOSAL (225)**

June 30, 2017

Contractor, subcontractor, any entity performing any portions of the Work, or any agents or employees of any of them. The Consultant does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform its Work in accordance with the consultant recommendations or Contract Documents, applicable laws, codes, rules or regulations.

IX. FAILURE TO FOLLOW RECOMMENDATIONS

J&S will not be held liable for problems that may occur if J&S recommendations are not followed or if J&S is instructed not to provide recommendations. Accordingly, the Client waives any claim against J&S, and agrees to defend, indemnify and hold J&S harmless from any claim or liability for injury or loss, including attorney's fees, that results from failure to implement J&S's recommendations, or from implementation of J&S's recommendations in a manner that is not in strict accordance with them, or from the use/reliance of a report which did not include recommendations, per the request of the Client. The Client also agrees to compensate J&S for any time spent and expresses, including attorney's fees, incurred by J&S in defense of any such claim, with such compensation to be based upon J&S's prevailing fee schedule and expense reimbursement policy.

X. STATUTES OF REPOSE AND LIMITATION

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. The substantial completion is the geotechnical report date. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the Consultant's services are completed or terminated.

XI. INSURANCE/GENERAL LIABILITY

J&S represents and warrants that it and its agents, staff, and consultants are protected by workers' compensation insurance, and that J&S has such coverage under public liability and property damage insurance policies, which J&S deems to be adequate. Certificates for all such policies of insurance shall be provided to the Client upon request in writing. J&S shall not be responsible for any loss, damage or liability arising from acts by the Client, its agents, staff and other consultants employed by the Client.

XII. INDEMNIFICATION

In addition, and notwithstanding any other provisions of this Agreement, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant, its officers, directors, employees and subconsultants (collectively, Consultant) against all damages, liabilities or costs including reasonable attorneys' fees and defense costs, arising out of or in any way connected with this Project or the performance by any of the parties above named of the services under this Agreement, excepting only those damages, liabilities or costs attributable to the negligent acts or negligent failure to act by the Consultant.

XIII. CONFIDENTIALITY

The findings of the project and any information provided to J&S will be kept confidential, except to the extent that revelation is required by state or federal regulations. In such case, J&S would contact the Client prior to notification to any regulatory agency. In the event of receipt of a subpoena for the records pertaining to the project, J&S will release



the documents in accordance with the subpoena, but will notify the Client that the documents are being released. Any associate copying and labor fees will be billed to the Client. If the Client claims that an attorney-client or work product privilege exists with respect to the documents, it is the responsibility of the Client and its legal counsel to file any necessary motions with the court system and provide J&S with a copy of the approve ruling that a privilege does exist and that the documents do not have to be released.

XIV. SPECIAL OR CONSEQUENTIAL DAMAGES

The Client and J&S agree that, to the fullest extent permitted by law, J&S shall not be liable to Client for any special, indirect or consequential damages whatsoever, whether caused by J&S negligence, errors, omissions, strict liability, breach of contract, breach of warranty or other cause or causes whatsoever.

XV. CONFLICTS

Should any element of these General Terms and Conditions be deemed in conflict with any element of the contract, unless the contract clearly voids the conflicting element in the General Terms and Conditions, wording of the General Terms and Conditions shall govern. Any element of this agreement later held to violate a law or regulation shall be deemed void, but all remaining provisions shall continue in force.

XVI. DISPUTE RESOLUTION

Claims, disputes or other matters in controversy between the parties arising out of or relating to this agreement or breach thereof which involve, either individually or in the aggregate, monetary claims less than or equal to fifty thousand dollars (\$50,000.00), shall be subjected to and decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. Claims in excess of such amount shall be subjected to litigation in a court of competent jurisdiction in the Commonwealth of Puerto Rico.

XVII. ASSIGNMENT

Neither the Client nor J&S may delegate, assign, sublet or transfer its duties or interest in this contract without the written consent of the other party.

XVIII. TERMINATION

Either party may terminate this contract by seven (7) days written notice in the event of substantial failure to perform in accordance with the terms of the contract by the other party though no fault of the terminating party. If this contract is terminated, it is agreed that J&S shall be paid for total charges for labor performed to the termination notice date plus reimbursable charges.

XIX. GOVERNING LAW

The terms and conditions of this contract are to be governed by the laws of the Commonwealth of Puerto Rico.

XX. CLAIMS AGAINST J&S

If the Client asserts a claim against J&S but fails to prove such claim, the Client shall pay all costs incurred by J&S including counsel and expert fees, in the defense of such action. Any liability on the part of J&S with others shall be joint and not several.

Great St. James Island, USVI

PROPOSAL (225)

June 30, 2017

XXI. LIMITATIONS OF LIABILITY

In order to obtain the benefit of a lower fee from consultant, among other benefits, the owner agrees that, to the fullest extent permitted by law, consultant's total liability to owner is limited to \$50,000.00 for any and all injuries, damages, claims, losses, expenses, or claim expenses (including, attorney's fees) arising out of this agreement from any cause or causes. Such causes include, but are not limited to,

consultant's negligence, errors, omissions, negligent misrepresentation, strict liability, breach of contract, or breach of warranty.

XXII. UNPAID BALANCES

Any unpaid balances for other than disputed charges will draw interest at the lesser of one and one-half percent per month or the highest rate allowed by law commencing thirty days after date of invoice.

We wish to thank you very much for the opportunity of submitting our proposal for the performance of the above described work.

Respectfully submitted,

JACA & SIERRA ENGINEERING, PSC



Manuel E. Candelario Cosme, MSCE, PE
Geotechnical Engineer

Please return a signed copy if in agreement with fees, terms and conditions

Signed

Name Print: _____
Contact person
for billing: _____
Email: _____
Phone: _____
Phone (2): _____

Date

Fax: _____
Billing Address: _____

