

PRELIMINARY ENGINEERING AGREEMENT

This Preliminary Engineering Agreement (this “**Agreement**”) is made as of _____, 20____, by and between CSX TRANSPORTATION, INC., a Virginia corporation with its principal place of business in Jacksonville, Florida (“CSXT”), and **City of Kingsport**, a body corporate and political subdivision of the **State of Tennessee** (“Agency”).

EXPLANATORY STATEMENT

1. Agency wishes to facilitate the development of the proposed **Construction of bicycle/pedestrian bridge across CSXT to connect Centennial Park to Brickyard Park in Kingsport, Sullivan County, TN; at DOT: 243972R, MP: Z94.93 in the Southern West Zone, Kingsport Subdivision** (the “**Project**”).
2. Agency has requested that CSXT proceed with certain necessary engineering and/or design services for the Project to facilitate the parties’ consideration of the Project.
3. Subject to the approval of CSXT, which approval may be withheld for any reason directly or indirectly related to safety or CSXT operations, property, or facilities, the Project is to be constructed, if at all, at no cost to CSXT, under a separate construction agreement to be executed by the parties at a future date.
4. Agency will agree to close the highway-rail at grade crossing on Cherokee Street with a DOT# 243972D as per the terms of the *Crossing Closure Agreement* entered into by the parties.

NOW, THEREFORE, for and in consideration of the foregoing Explanatory Statement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. Scope of Work

- 1.1. Generally. The work to be done by CSXT under this Agreement shall consist of: (i) the preparation or review and approval of preliminary and final engineering and design plans, specifications, drawings, agreements and other documents pertaining to the Project, (ii) the preparation of cost estimates for CSXT's work in connection with the Project, and (iii) the review of construction cost estimates, site surveys, plats, legal descriptions, assessments, studies, easements, agreements and related construction documents submitted to CSXT by Agency for the Project (collectively, the “**Engineering Work**”). Engineering Work may also include office reviews, field reviews, attending hearings and meetings, and preparing correspondence, reports, and other documentation in connection with the Project. Nothing contained in this Agreement shall oblige CSXT to perform work which, in CSXT’s opinion, is not relevant to CSXT’s participation in the Project.
- 1.2. Effect of CSXT Approval or Preparation of Documents. By its review, approval or preparation of plans, specifications, drawings or other documents pursuant to this Agreement (collectively, the “**Plans**”), CSXT signifies only that the Plans and the Project proposed to be constructed in accordance with the Plans satisfy CSXT’s requirements. CSXT expressly disclaims all other representations and warranties in connection with the Plans, including, but not limited to, the

integrity, suitability or fitness for the purposes of Agency or any other persons of such Plans or the Project constructed in accordance with the Plans.

2. Project Construction. Nothing contained in this Agreement shall be deemed to constitute CSXT's approval of or consent to the construction of the Project, which approval or consent may be withheld for any reason directly or indirectly related to safety or CSXT operations, property, or facilities. The Project if constructed is to be constructed, if at all, under a separate construction agreement to be executed by the parties at a future date.
3. Reimbursement of CSXT Expenses.
 - 3.1. Reimbursable Expenses. Agency shall reimburse CSXT for all costs and expenses incurred by CSXT in connection with the Engineering Work, including, without limitation: (i) all out of pocket expenses, (ii) travel and lodging expenses, (iii) telephone, facsimile, and mailing expenses, (iv) costs for equipment, tools, materials and supplies, (v) sums paid to consultants and subcontractors, and (vi) labor, together with labor overhead percentages established by CSXT pursuant to applicable law (collectively, the “**Reimbursable Expenses**”).
 - 3.2. Estimate. CSXT has estimated the total Reimbursable Expenses for the Project to be approximately **\$36,095.00** (the “**Estimate**” as amended or revised). In the event CSXT anticipates that actual Reimbursable Expenses may exceed such Estimate, it shall provide Agency with the revised Estimate of total Reimbursable Expenses for Agency's approval and confirmation that sufficient funds have been appropriated to cover the total Reimbursable Expenses as reflected in the revised Estimate. CSXT may elect, by delivery of notice to Agency, to immediately cease all further Engineering Work, unless and until Agency provides such approval and confirmation.
 - 3.3. Payment Terms.
 - 3.3.1. Advance Payment in Full. Upon execution and delivery of this Agreement by Agency, Agency will deposit with CSXT a sum equal to the Reimbursable Expenses, as shown by the Estimate. Agency shall pay CSXT for Reimbursable Expenses in the amount set forth in **CSXT Schedule PA** attached hereto, a copy of which shall accompany the advance payment. If CSXT anticipates that it may incur Reimbursable Expenses in excess of the deposited amount, CSXT will request an additional deposit equal to the then remaining Reimbursable Expenses which CSXT estimates that it will incur. CSXT shall request such additional deposit by delivery of invoices to Agency. Agency shall make such additional deposit within thirty (30) days following delivery of such invoice to Agency.
 - 3.3.2. Following completion of all Engineering Work, CSXT shall reconcile the total Reimbursable Expenses incurred by CSXT against the total payments received from Agency and shall submit to Agency a final invoice if required. Agency shall pay to CSXT the amount by which actual Reimbursable Expenses exceed total payments, as shown by the final invoice, within thirty (30) days following delivery to Agency of the final invoice. CSXT will provide a refund of any unused deposits if the deposit exceeds the incurred Reimbursable Expenses for the Project.

- 3.3.3. In the event that Agency fails to pay CSXT any sums due CSXT under this Agreement: (i) Agency shall pay CSXT interest at the lesser of 1.0% per month or the maximum rate of interest permitted by applicable law on the delinquent amount until paid in full; and (ii) CSXT may elect, by delivery of notice to Agency: (A) to immediately cease all further work on the Project, unless and until Agency pays the entire delinquent sum, together with accrued interest; and/or (B) to terminate this Agreement.
- 3.4. Effect of Termination. Agency's obligation to pay CSXT Reimbursable Expenses in accordance with this Section shall survive termination of this Agreement for any reason.
4. Appropriations. Agency represents to CSXT that: (i) Agency has obtained appropriations sufficient to reimburse CSXT for the Reimbursable Expenses encompassed by the initial Estimate; (ii) Agency shall use its best efforts to obtain appropriations necessary to cover Reimbursable Expenses encompassed by subsequent Estimates approved by Agency; and (iii) Agency shall promptly notify CSXT in the event that Agency is unable to obtain such additional appropriations.
5. Termination.
- 5.1. By Agency. Agency may terminate this Agreement, for any reason, by delivery of notice to CSXT. Such termination shall become effective upon the expiration of fifteen (15) calendar days following delivery of notice to CSXT or such later date designated by the notice.
- 5.2. By CSXT. CSXT may terminate this Agreement (i) as provided pursuant to Section 3.3.3., or (i) upon Agency's breach of any of the terms of, or its obligations under, this Agreement and such breach continues without cure for a period of ninety (90) days after written notification from CSXT to Agency of such breach.
- 5.3. Consequences of Termination. If the Agreement is terminated by either party pursuant to this Section or any other provision of this Agreement, the parties understand that it may be impractical to immediately stop the Engineering Work. Accordingly, both parties agree that, in such instance a party may continue to perform Engineering Work until it has reached a point where it may reasonably and/or safely suspend the Engineering Work. Agency shall reimburse CSXT pursuant to this Agreement for the Engineering Work performed, plus all costs reasonably incurred by CSXT to discontinue the Engineering Work and all other costs of CSXT incurred as a result of the Project up to the time of full suspension of the Engineering Work. Termination of this Agreement or Engineering Work on the Project, for any reason, shall not diminish or reduce Agency's obligation to pay CSXT for Reimbursable Expenses incurred in accordance with this Agreement. In the event of the termination of this Agreement or the Engineering Work for any reason, CSXT's only remaining obligation to Agency shall be to refund to Agency payments made to CSXT in excess of Reimbursable Expenses in accordance with Section 2.
6. Subcontracts. CSXT shall be permitted to engage outside consultants, counsel and subcontractors to perform all or any portion of the Engineering Work.
7. Notices. All notices, consents and approvals required or permitted by this Agreement shall be in writing and shall be deemed delivered (i) on the expiration of three (3) days following mailing by first class U.S. mail, (ii) on the next business day following mailing by a nationally recognized overnight carrier, or (iii) on the date of transmission, as evidenced by written confirmation of successful transmission, if

by facsimile or other electronic transmission if sent on a business day (or if not sent on a business day, then on the next business day after the date sent), to the parties at the addresses set forth below, or such other addresses as either party may designate by delivery of prior notice to the other party:

If to CSXT: CSX Transportation, Inc.
 1590 Marietta BLVD NW
 Atlanta, GA 30318
 ATTN: Todd Allton

If to Agency: City of Kingsport
 415 Broad St.
 Kingsport, TN 37660
 ATTN: Michael Thompson

Entire Agreement. This Agreement embodies the entire understanding of the parties, may not be waived or modified except in a writing signed by authorized representatives of both parties, and supersedes all prior or contemporaneous written or oral understandings, agreements or negotiations regarding its subject matter. In the event of any inconsistency between this Agreement and the Exhibits, the more specific terms of the Exhibits shall be deemed controlling.

8. Waiver. If either party fails to enforce its respective rights under this Agreement, or fails to insist upon the performance of the other party's obligations hereunder, such failure shall not be construed as a permanent waiver of any rights or obligations in this Agreement.
9. Assignment. CSXT may assign this Agreement and all rights and obligations herein to a successor in interest, parent company, affiliate, or future affiliate. Upon assignment of this Agreement by CSXT and the assumption by CSXT's assignee of CSXT's obligations under this Agreement, CSXT shall have no further obligations under this Agreement. Agency shall not assign its rights or obligations under this Agreement without CSXT's prior written consent, which consent may be withheld for any reason.
10. Applicable Law. This Agreement shall be governed by the laws of the **State of Tennessee**, exclusive of its choice of law rules. The parties further agree that the venue of all legal and equitable proceedings related to disputes under this Agreement shall be situated in Kingsport, Tennessee, and the parties agree to submit to the personal jurisdiction of any State or Federal court situated in Sullivan County, Tennessee.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate, each by its duly authorized officers, as of the date of this Agreement.

CSX Transportation, Inc.

City of Kingsport, Tennessee

**William Roseborough
Director Project Development**

Patrick W. Shull, Mayor

Attest:

Angela Marshall, Deputy City Recorder

Approved as to form:

Rodney B. Rowlett, III, City Attorney

CSXT Schedule PA

PAYMENT SUBMISSION FORM

Project Description: _____

CSXT OP# _____ (To be filled in by CSXT)

Mail this form, along with your paper check (do not send the Agreement) to the following address:

**CSX Transportation, Inc.
P.O. Box 530192
Atlanta, GA 30353-0192**

Send a **photocopy** of the check and this form via email/mail to:

**Todd Allton
Project Manager II - Public Projects
1590 Marietta Blvd
Atlanta, GA 30318
Todd.Allton@csx.com
Phone# 904-588-8861**

Please CC: ahenry@crouchengineering.com

Send Payment(s)

For Paper Checks, ACH and Wires:

CSXT Govt. Billing
P.O. Box 530192
Atlanta, GA 30353-0192

**Acct# 1219082172
ACH ABA# 267084199**

Please email this form to Todd Allton
when payment goes out.

Payment due prior to work commencing

(All information below to be completed by Agency providing Payment)

<u>Sponsor Name</u>	<u>Payment Date</u>	<u>Check #</u>	<u>Amount</u>
_____	_____	_____	_____

ESTIMATE SUBJECT TO REVISION AFTER: 4/30/2024 **DOT NO.:** 243972R
CITY: Kingsport **COUNTY:** Sullivan **STATE:** TN
DESCRIPTION: Kingsport, Sullivan County, TN - Construction of 10' wide pedestrian bridge over CSXT; DOT 243972R, Southern West Zone, Kingsport Subdivision, MP# 00Z 93.94.
ZONE: Southern West **SUB-DIV:** Kingsport **MILE POST:** 00Z 93.94
AGENCY PROJECT NUMBER: 131049.00

PRELIMINARY ENGINEERING:

212	Contracted & Administrative Engineering Services - Crouch Engineering	\$	22,200
212	Contracted & Administrative Engineering Services - CSXT Real Estate Research Fee	\$	-
212	Contracted & Administrative Engineering Services - CSXT	\$	2,500
	Subtotal	\$	24,700

CONSTRUCTION ENGINEERING/INSPECTION:

212	Contracted & Administrative Engineering Services - Crouch Engineering	\$	-
212	Contracted & Administrative Engineering Services - CSXT	\$	-
	Subtotal	\$	-

FLAGGING SERVICE: (Contract Labor)

70	Labor (Conductor-Flagman)	0	Days @	\$ 350.00	\$	-
50	Labor (Foreman/Inspector)	7	Days @	\$ 504.00	\$	3,528
70	Additive	187.00%	(Transportation Department)		\$	-
50	Additive	223.00%	(Engineering Department)		\$	7,867
	Subtotal				\$	11,395

SIGNAL & COMMUNICATIONS WORK:

\$ -

TRACK WORK:

\$ -

PROJECT SUBTOTAL:

\$ 36,095

900	<u>CONTINGENCIES:</u>	0.00%		\$	-
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PROJECT TOTAL:

\$ 36,095

CURRENT AUTHORIZED BUDGET:

\$ -

TOTAL SUPPLEMENT REQUESTED:

\$ 36,095

DIVISION OF COST:

Agency	100.00%	\$	36,095
Railroad	0.00%	\$	-
		\$	36,095

NOTE: Estimate is based on FULL CROSSING CLOSURE during work by Railroad Forces.

This estimate has been prepared based on site conditions, anticipated work duration periods, material prices, labor rates, manpower and resource availability, and other factors known as of the date prepared. The actual cost for CSXT work may differ based upon the agency's requirements, their contractor's work procedures, and/or other conditions that become apparent once construction commences or during the progress of the work

Office of Chief Engineer Public Projects--Jacksonville, Florida

Estimated prepared by: M Moawad, Crouch Engineering Approved by: CTA CSXT Public Project Group
 DATE: 05/19/22 REVISED: 05/01/23 DATE: 06/13/22