

July 24, 2020

Kris Pinero
Royal Investors Group, LLC
15821 Ventura Boulevard
Encino, California 91436
818-981-3000 x 110
kris@royalllc.com

RE: Proposed Residential Development
20th Street East & Nugent Street
Lancaster, California 93535
Proposal Number: 20-288247

Dear Kris Pinero:

Partner Engineering and Science, Inc. (Partner) is pleased to submit this proposal for the indicated services.

PROPERTY DESCRIPTION

According to information provided, we understand that the above-referenced subject property is a vacant land; APN 3150-008-072.

PURPOSE OF PROPOSAL AND USE OF REPORTS

We understand that the purpose of the proposed services is to provide information to facilitate completion of due diligence in support of property acquisition. Reports and other information generated during the completion of the proposed services are not transferrable and will serve no other use.

PROPOSAL TERMS

This proposal shall be valid for ten (10) business days. Unless otherwise agreed, the total contract amount will be due upon receipt of invoice. Attached are the Authorization to Proceed, Scope of Work and Terms and Conditions that govern the proposed services, each of which is incorporated by reference into this agreement. Together with documents expressly incorporated by reference, the executed proposal shall constitute a contract for services.

SCOPE OF SERVICES

The proposed services will be performed utilizing methods and procedures consistent with good commercial or customary practices designed to conform to acceptable industry standards. The independent conclusions will represent our professional judgment based upon the available information and data. Specific description of the applicable scope(s) of work is included as an attachment to this proposal and incorporated by reference.

CLIENT RESPONSIBILITIES

The Client (defined as the addressee) is responsible for the proper definition, identification and confirmation of the subject property and desired scope of work. Additionally, the Client is responsible for understanding the proposed entire agreement including all incorporated and referenced documents as well as the applicable industry standards to which the work is performed. By signing this agreement, the Client confirms that s/he has read and accepted the Terms and Conditions.

The Client agrees to provide prompt, safe access to the subject property and coordinate access with the identified site contact. The Client agrees to disclose and provide known relevant information and documentation necessary to support our completion of the work. This information will vary depending on the proposed scope of work, but typically includes prior reports, CAPEX plans, offering memorandums,

ALTA Surveys, Tax Parcel ID's, rent rolls, zoning verification letters, Certificates of Occupancy, third-party inspection reports, municipal approvals, permits, and correspondence. Revision of issued reports to incorporate information that is provided after report delivery may require additional costs.

FEE QUOTE AND SCHEDULE

The cost for providing these services is listed below:

Phase I Environmental Site Assessment \$1,900

Total \$1,900

Total fee is based on the provided property information. Field conditions that significantly differ from the referenced information may warrant additional costs.

A 100% retainer will be due upon authorization of the project.

Project activities will commence upon receipt of completed and signed authorization form. Electronic versions of the report will be delivered within **12 business days**, provided that site access is granted without delay. Hard copies are available upon request at a cost of \$75.00 per copy.

We appreciate the opportunity to assist with this project. Please review this entire document, especially the information above to confirm that the assets to be assessed are correctly described and identified. In addition to the proposed assessment, we can assist with services such as pre-demolition hazardous building material surveys, indoor air quality analysis, mechanical, electrical and plumbing design, structural evaluation and retrofit design, zoning, land use and accessibility studies, civil engineering and land surveying. If I can be of any other assistance, please don't hesitate to contact me via telephone at **559-917-9700** or e-mail at **ctaylor@partneresi.com**.

Sincerely,



Cody Taylor
National Client Manager

Authorization to Proceed

Please sign and return via email ctaylor@partneresi.com.

Proposal Details

Proposal Number: 20-288247

Proposal Cost: \$1,900

Proposal Schedule: 12 business days

Site Contact Information

Name: _____ Relationship to property: _____

Phone: _____ Email: _____

Notes: _____

Billing Information

Name: _____ Relationship to property: _____

Phone: _____ Email: _____

Address: _____

City: _____ ST: _____ Zip: _____

Additional Subject Property Information

(Additional information that substantially changes the provided scope of the project may result in an increase in cost)

Address: _____

Property Type: _____

APN (s): _____

Square Footage: _____ Year Built: _____ # of unit(s): _____

Notes: _____

Authorization to Proceed Signature

I have read and verified the accuracy of the information set forth above, including, without limitation, the legal name of the Client. I hereby certify that I am authorized to sign this contract on behalf of the Client and accept full responsibility for payment of the proposed fees. By my signature below, I hereby accept the Proposal, including the attached Terms and Conditions, establishing a contract for services and payment and authorizing Partner to proceed with the services as described herein. Should any project information change, I understand that additional fees may accrue, and the due date may be extended. I acknowledge that the provided Site Contact shall be deemed an agent of the Client for the purposes of providing access and conveying information pertaining to the subject property. Changes to this proposal will be valid only after written agreement of all parties.

By: _____

Client Signature / Client Authorized Representative

Print Name: _____

Date: _____

Please remit payment to Partner Corporate Lockbox:

Partner Assessment Corporation, P.O. Box 207428, Dallas, TX 75320-7428

Payment options are attached for your convenience.

Services Provided by Partner:

- Property Condition Assessments (PCA)
- Seismic/Probable Maximum Loss (PML)
- ALTA Land Title Surveys
- Zoning Reports
- Energy Audits/Disclosures
- Phase I/II Environmental Site Assessments
- Asbestos/Lead Paint/Radon/Mold Sampling
- Construction Risk Management Services
- Construction Cost Review
- Geotechnical Investigations

Phase I Environmental Site Assessment

Partner will perform a Phase I Environmental Site Assessment (ESA) in conformance with ASTM International (ASTM) Standard E1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process. The ESA will be performed under the responsible charge of an Environmental Professional and will include the following components:

- **Historical sources** including building department records, historical aerial photographs, local street directories, fire insurance maps, and other credible sources of past uses or occupancies shall be reviewed.
- **Regulatory Records** including local, state, tribal and federal databases will be reviewed according to the current search distances within ASTM E1527-13.
- **Review of Regulatory Files or Interview** of state and local government officials will be conducted in person, by telephone, or in writing to obtain information on permits and compliance history associated with hazardous substances and petroleum products, and information indicating recognized environmental conditions in connection with the property.
- **Owner/Occupant Interviews** including past and present owners, occupants, neighbors, and/or other persons who are familiar with the property shall be attempted in person, by telephone, or in writing regarding the history, operations, management, waste management practices, and other environmental considerations for the property as those persons are available and open to an interview.
- **Site Reconnaissance** will be performed. This shall include a reasonable observation of the property and structures, the periphery of the property, the interior common areas of structures, and a representative sample of occupant spaces. Items such as current and past uses of the property and adjoining properties; obvious geologic, hydrogeologic, and topographic conditions; structures; roads; potential hazardous substances and petroleum products; storage tanks; odors; pools of liquid; drums; containers; surface waters; suspected fill materials; stained soil or pavement; stressed vegetation; solid waste; waste water; wells; and septic systems shall be noted as reasonably and visibly observed.
- **Other Observations** are considered as a service to our clients. Unless otherwise instructed, research of additional issues including radon and oil and gas exploration activities, observation for the presence of lead-based paint, asbestos-containing building materials, and mold will be conducted as part of this project. *Testing, sampling and analysis of these items is not included in this proposal unless specifically stated within the scope of work.*
- **Report of Findings** will be presented in a manner consistent with good commercial practice.

TERMS AND CONDITIONS

A. **ENTIRE AGREEMENT.** These Terms and Conditions, in combination with those documents incorporating them by reference, constitute the entire agreement (the "Agreement") between Partner Engineering and Science, Inc. ("Partner") and Client to perform the described services (the "Services"), and all subsequent, mutually-agreed change orders. This Agreement supersedes all prior proposals or negotiations between the parties with respect to the subject Services. These terms and conditions will also apply to any contract or purchase order document issued by the Client for future services, whether or not it is expressly incorporated. In the event of any conflict between these terms and conditions and the provisions of any purchase order or other document, these terms and conditions shall control unless the conflicting document expressly supersedes specific provisions hereof. This Agreement may not be modified except in a writing executed by both parties.

B. **SERVICES.** The Services will be performed in material compliance with the provisions of the Agreement. Client has reviewed the Agreement in detail and agrees that the Services are appropriate to meet Client's needs and requirements. Unless specified elsewhere in the Agreement, Partner shall furnish all technical and professional services, including labor, material, supplies, equipment, transportation, accommodation, subsistence and supervision of Partner personnel, to perform the Services. Client acknowledges that Partner may utilize third-party service providers in the performance of its obligations hereunder. Partner shall at all times be an independent contractor and no persons involved in connection herewith shall be considered employees of the Client for any purpose.

C. **FEES, INVOICING AND PAYMENT.** Charges for all services shall be invoiced and paid in accordance with the Lump Sum Price or the Fee Schedule contained in the Agreement. Unless otherwise specified, invoices will be submitted to Client at time of report delivery. Payment is due upon receipt of the invoice and Client agrees that payments shall be made within thirty (30) days of presentation of the invoice. Should cancellation of the project occur after a verbal report of the findings has been provided, Client agrees to make a payment of 80% of the total cost due at the time of cancellation. Amounts not paid within thirty (30) days shall be subject to a late payment charge equal to the lesser of one and one-half percent (1½%) per month or the maximum amount allowed by applicable law. Should any invoice be in dispute, only that portion of the invoice in dispute may be held in abeyance until the dispute is resolved. Partner may suspend or terminate further performance under this or other agreements with Client upon reasonable notice for the non-payment of invoices. Partner shall have no responsibility or liability in connection with the Services, and Client shall have no right to rely on any report or other materials delivered, until all invoices have been paid in full. Partner shall be entitled to all legal fees, including but not limited to attorney's fees associated with any attempt to collect on unpaid invoices associated with the Services.

D. **CONFIDENTIALITY.** Information which the Client identifies as confidential upon provision to Partner and which is not publicly available will be treated as confidential in accordance with industry customs or standards. However, Partner shall have no liability to Client or any third party for disclosure of confidential information in notifications or reports which reveal potential issues related to the health, safety or welfare of the general public; subject to court order or other mandate; and/or further subject to public policy considerations. Partner shall have no liability to Client or any third party for notifications or reports made in accordance with such laws or orders and Client shall defend, indemnify and hold harmless Partner from and against any and all claims, demands, liabilities, costs and expenses, including reasonable attorney's fees, incurred by Partner in connection with such notifications or reports.

E. **LIMITATION OF LIABILITY. NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, ANY LOSS OF INCOME, PROFITS OR DATA OR DIMINUTION OF VALUE, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF, OR HAD REASON TO KNOW OF, THE POSSIBILITY OF SUCH DAMAGES. CLIENT AND PARTNER AGREE THAT PARTNER'S AGGREGATE LIABILITY TO THE CLIENT AND ALL THIRD PARTIES IN CONNECTION WITH THE SERVICES SHALL BE LIMITED TO GENERAL MONEY DAMAGES NOT TO EXCEED TWENTY THOUSAND DOLLARS (\$20,000.00). THIS LIMITATION SHALL APPLY REGARDLESS OF THE CAUSE OF ACTION OR LEGAL THEORY PLED OR ASSERTED. THE PARTIES ACKNOWLEDGE THAT THEY HAVE CONSIDERED THE ALLOCATION OF RISK PRESENTED BY THE PROVISIONS OF THIS PARAGRAPH AND THAT THE ALLOCATION IS REASONABLE UNDER ALL FACTS AND CIRCUMSTANCES SURROUNDING THE AGREEMENT.**

F. **WARRANTY.** Partner warrants that the Services will be performed in a good and workmanlike manner in accordance with prevailing standards and practices applicable to the Services. PARTNER EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

G. **SAMPLING.** Client recognizes and agrees that Partner is acting as a bailee and at no time assumes title to samples collected in completion of the work and acknowledges that the act of sampling may affect, alter or damage the property, terrain, vegetation, and/or building, structures and improvements at, in or upon the site. Client accepts such risk. Partner will exercise reasonable efforts to limit such alteration or damage. Unless otherwise specifically agreed, Partner will not be responsible for the cost of any required repair or restoration. Partner may discard any and all samples immediately following analysis. Client may request, in writing, that any such samples be retained beyond such date, and in such case, Partner will ship such samples to the location designated by Client, at Client's expense. Partner may, upon written request, arrange for storage of samples at mutually agreed storage charges. This is the only notice of intention to discard samples that will be given.

H. **RELIANCE.** No party shall be allowed to use or rely on any report(s) or information generated in the completion of this project until payment in full is made to Partner for any outstanding invoices related to the Services rendered. Client understands that Services governed by this Agreement are strictly for their sole use and benefit. The parties expressly agree that no third party, including, but not limited to, any heirs, devisees, representatives, successors, assigns, affiliates, and subsidiaries of the parties or any partnership, corporation or other entity controlled by the parties or which control the parties, may rely on or raise any claim relating to the Services or this Agreement.

I. **INDEMNIFICATION.** In the event that Client permits a third-party to rely upon this Agreement, the Services, and/or reports provided by Partner in breach of Paragraph H of this Agreement and said third-party files a claim or lawsuit against Partner relating to this Agreement, the Services, and/or reports provided by Partner, Client agrees to indemnify and hold Partner harmless from any damages, losses, liabilities, and costs, including, but not limited to, reasonable attorney fees, costs, and expert witness fees, arising from any such third-party claim or lawsuit.

J. **NON-SOLICITATION.** Client shall not hire nor solicit for employment any of Partner's employees for a period of one (1) year subsequent to any services rendered by Partner for Client. In the event of Client's breach of this covenant, Partner may seek any and all remedies including but not limited to an injunction; attorney fees and costs to enforce this provision; and monetary damages based upon the employee's previous annual salary and all costs related to training.

K. **TERMINATION.** This Agreement may only be terminated prior to substantial completion of the services by Partner, by mutual consent, or by notice by either party in writing. In the event of termination prior to completion of the Services (i) by Client for any reason, or (ii) by Partner due to the breach of this Agreement by Client, Partner reserves the right to complete such analyses and records as are necessary to place its files in order and, where considered by Partner as necessary to protect its professional reputation, to complete a report on Services performed to date. Partner shall have the right to receive a reasonable termination charge to cover such costs and to be compensated for all Services performed prior to and in connection with such termination. In the event of termination, client shall have no rights of use or reliance upon the work. Paragraphs A, C, D, E, F, I, J, K, L, M, N, O, P, Q and R shall survive termination.

L. **RESOLUTION OF DISPUTES.** This Agreement shall be governed by, subject to, and construed in accordance with the laws of the state of California, without regard to its conflict of law provisions or the conflict of law provisions of any other jurisdiction. With the exception of disputes arising from failure to pay any invoices or fees for services rendered, any claim, controversy, or action arising out of, or related to, this Agreement or the alleged breach thereof, shall be submitted to mandatory non-binding mediation through a third-party mediator to be agreed upon by the Partner and the moving party. A "Notice of Mediation" shall be served by any party to commence the mediation process. The service of the Notice of Mediation shall stay the running of the limitations period set forth in Paragraph M herein for a period of 60 days unless a longer or shorter period of time is agreed to by the parties. In the event that the parties cannot reach a resolution through mediation, the parties may proceed to litigate their claims in Court. Any litigation so instituted shall be filed and litigated in the State Court of California, County of Los Angeles in accordance with the laws of the State of California, and subject to Paragraph L herein. With the exception of disputes arising from failure to pay invoices or fees for services rendered, each party shall pay the fees of its own attorneys, and the expenses of its witnesses and all other expenses connected with the presentation of its case.

M. **LIMITATIONS PERIOD.** Neither party shall initiate any claim or action against the other more than eighteen (18) months after the date from which all final reports for services performed by Partner are submitted by Partner to Client. The parties further expressly agree that this Limitations Period is reasonable, unambiguous and shall not be subject to modification or the delayed discovery rule unless expressly agreed to by the parties in writing.

N. **CORPORATE PROTECTION.** It is intended by the parties to this Agreement that Partner's services in connection with the project shall not subject Partner's employees, officers, or directors to any personal legal exposure for risks associated with this project. Therefore, the Client agrees that as Client's sole and exclusive remedy, any claim, demand or action shall be directed and/or asserted only against Partner, a California corporation, and not against any of Partner's employees, officers, or directors.

O. **NO WAIVER.** The failure of either party to exercise any right or remedy hereunder or to take any action permitted on a breach by the other party shall not be deemed a waiver of such right or remedy or of any other rights or subsequent breach of a like or different nature.

P. **SEVERABILITY.** The provisions of this Agreement are severable. The invalidity of any part of this Agreement shall not invalidate the remainder of the Agreement or the remainder of any portion hereof.

Q. **RETENTION OF PARTNER'S DOCUMENTS.** With the exception of Partner submittals to Client, all documents, including, without limitation, historical research, field data, field notes, laboratory test data, calculations and analyses prepared as instruments of service shall remain the property of Partner. Partner will retain all pertinent records relating to the services performed for a period of eighteen months following the completion of Partner's services. After this period, they may be discarded.

R. **NO ASSIGNMENT.** Neither party shall assign their rights under this Agreement to any third party, including, but not limited to, any heirs, devisees, representatives, successors, assigns, affiliates, and subsidiaries of the parties or any partnership, corporation or other entity controlled by the parties or which control the parties without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. Each party, and the person executing on behalf of such party, represent and warrant that such person has the full power and authority to bind the party represented.

Advance Payment Options

For your convenience and the security of your financial information, Partner offers the following payment options for processing payment on authorization. If you have been requested to make a payment upon engagement, please initiate your payment in one of the following manners.

1. Payment by ACH

Please send remittance advice to AR@partneresi.com and direct payment to the following account.

Beneficiary Name: Partner Assessment Corporation

Bank Name: Wells Fargo Bank, N.A.

Bank Routing Number: 121000248

Bank Account Number: 4280477522

2. Payment by Wire

To ensure proper credit to your account, please include project/proposal number(s) in the information/reference for beneficiary field.

Beneficiary Name: Partner Assessment Corporation

Bank Name: Wells Fargo Bank, N.A.

Bank Routing Number: 121000248

Bank Account Number: 4280477522

3. Check Payments

Please send check payments by mail and include project number(s) on the check. Note that no FedEx / UPS packages are accepted at this location.

Partner Assessment Corporation

PO Box 207428

Dallas, TX 75320-7428

4. Credit Card Payments

Please visit https://www.partneresi.com/payment_form to initiate a payment by credit card. A 3% convenience fee may apply.