



March 21, 2022

Michael Bender
 Hunton Andrews Kurth LLP
 600 Travis Street
 Suite 4200
 Houston, TX 77002

Re: Proposal for Phase 1 Environmental Site Assessment

Horizon Montessori Public Schools
 2319 N Grand Blvd, Pearland, TX 77581

Dear Michael Bender:

In response to your request for technical reports for the above referenced site, AEI Consultants (AEI) is pleased to present this proposal with our attached Terms and Conditions to complete a Phase 1 Environmental Site Assessment. AEI will follow the scopes of work as stated in the American Society for Testing and Materials (ASTM) to complete these technical requirements.

AEI understands the property consists of the following:

Property Description	
Property Type or Use	Educational
Purpose of Assessment	Equity: Acquisition
Date of Construction	1937
Lender Name	TBD
Number of Buildings / Stories	8 / 1
Number of Units / Tenants	/
Gross Building Area / Land Area	59,657 / 3.73
Assessor Parcel Number's (APN)	546473

Proposed Fees:

AEI will complete the below stated scopes of work for the following fees:

Requested	Service(s)	Fee per Service
<input type="checkbox"/>	Phase I Environmental Site Assessment	\$2,400.00

The total cost of the project will be adjusted based on the above selected services. If all services are selected, the total project will be \$2,400.00.

Schedule:

The project will be completed within 20 working days of receiving the signed Authorization to Proceed. Due to the number of days allotted to complete this investigation, responses from some regulatory agencies may not be received prior to the report due date. As such, the report may contain limitations pertaining to the lack of agency responses to the Freedom of Information Act requests and/or records review. The project turnaround time is based on receiving the signed Authorization to Proceed within 2 working days from the date of this proposal.

Client should be aware that AEI will respect any client or site contact wishes pertaining to health and safety, and

Client Initials: _____ Date: _____



AEI staff will follow our internal Health & Safety Protocols with respect to COVID-19. Access limitations may apply due to COVID-19; and any delays will be communicated with our client as soon as possible. The turnaround time quoted is subject to delay due to potential access restrictions.

Payment Terms and Deliverables:

An invoice for the full contract amount will be issued within 1 to 2 working days after Authorization to Proceed has been received. All invoices are due upon receipt. AEI will deliver one electronic draft copy of each report within the stated schedule above and after full receipt of payment. Upon receipt of comments, AEI will deliver one electronic final copy of each report. Hard copies of the reports are available upon request.

In the event that the client cancels the contract, then the client will be responsible for payment of incurred costs up to the cancellation notice date. If the project is placed on hold for longer than a 90-day period, AEI will cancel the project and the client will be responsible for incurred costs up to the hold date. Hold projects may be re-initiated at any time, and additional fees may apply.

Please review our proposal and if you have any questions, please do not hesitate to contact me. To initiate this contract, please sign the Authorization to Proceed, initial and date each page and return to AEI. Thank you for the opportunity to be of service.

Sincerely,

Rovin Narine
Vice President, National Accounts
AEI Consultants
333 Camino Gardens Boulevard, Suite 302
Boca Raton, FL 33432
Phone:
Email: rnarine@aeiconsultants.com

Enclosed: Scope of Work
 Terms and Conditions
 Authorization to Proceed



Scope of Work

Phase I Environmental Site Assessment (ESA) ASTM E1527-13: The Phase I ESA will be performed in conformance with the scope and limitations of ASTM Standard Practice E1527-13 and the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (40 CFR Part 312). The Phase I ESA will be conducted under the charge of an Environmental Professional and will include the following:

- Site visit and walk-through of the property and structures, readily accessible interior common areas, and a representative sample of occupant spaces. Items such as current and past uses of the property and adjoining properties; property boundaries; observable topographic geologic, hydrogeologic conditions; structures or other improvements; roads; source and location of potable water; wells; surface water; potential hazardous substances and/or petroleum products; storage tanks; abnormal odors; pools of liquid; drums and containers; suspected fill materials; stain soil or pavement; stressed vegetation; solid waste; waste water discharges; floor drains, sumps or clarifiers; septic systems shall be noted as reasonably and visibly observed.
- Search of local, state, tribal and federal databases in accordance with current ASTM and AAI standard search distances.
- Contact local and state agencies, such as environmental health departments, fire prevention bureaus, and building and planning departments to identify any current or previous reports of hazardous materials use, storage, and/or unauthorized releases that may have impacted the subject property. In addition, information pertaining to Activity and Use Limitations (AULs), defined as legal or physical restrictions, or limitations on the use of, or access to, a site or facility, is requested.
- Site history and land use review, including reasonably ascertainable agency records, aerial photographs, historical city directories, fire insurance maps, and other applicable sources.
- Interviews with knowledgeable persons (i.e. past and present owners, property managers, tenants, neighbors), as available and open to interview, regarding the history, operations, waste management, and other environmental considerations for the property.
- Additional observations, though generally outside the scope of a Phase I ESA, but provided as a service to our clients unless otherwise instructed, include EPA-determined radon zone, visual inspection of asbestos-containing building materials, lead-based paint, and mold.
- AEI's limited radon screening, if included, is intended to provide a preliminary screening to evaluate the potential presence of elevated radon concentrations at the site. The proposed scope is not intended to define the full extent of the presence of radon at the subject property. As such, the results should be used for lending purposes only. The recommendations and conclusions presented as a result of the limited preliminary radon screening apply strictly to the property conditions existing at the time the sampling was performed. The sample analytical results are only valid for the time, place, and condition of the site at the time of collection and AEI does not warrant that the results will be repeatable or are representative of past or future conditions.
- Report includes findings, opinions and conclusions, photographs, site map, historical sources, and qualifications in a manner consistent with standard practices.

Environmental Liens Search is not included in the Phase I ESA scope of work unless it is specifically requested.



TERMS AND CONDITIONS

1. **Billings, Payment and Credit.** The Client shall pay All Environmental Inc. d/b/a AEI Consultants (AEI) for the services (the "Services") performed in accordance with the prices set forth in the proposal to which these terms and conditions are attached (the "Proposal"), and together with these terms and conditions the "Agreement"). Invoices shall be submitted in accordance with the Proposal. Payment of the AEI invoices shall be the primary, absolute and non-contingent obligation of the Client, and shall not be conditioned upon the closing of a loan transaction or any other event. PAYMENT IS DUE UPON RECEIPT. If AEI does not receive payment in full within thirty (30) calendar days of the date of the invoice, the account shall be deemed delinquent. Unpaid delinquent balances shall bear interest from the invoice date at one and one-half percent (1.5%) per month, or at the maximum lawful interest rate (whichever rate is less). The Client shall be liable to AEI for all costs and expenses of collection of delinquent balances, including reasonable attorney and other fees, and court costs. Time is of the essence with respect to this provision. AEI's non-exercise of any rights or remedies, whether specified herein or as otherwise provided by law, shall not be deemed a waiver of any rights or remedies, nor preclude AEI from the future exercise of such rights or remedies. If a third party is accepting a Proposal as agent for the Client, such third party represents and warrants to AEI that it is legally authorized to bind the Client to the terms of the Agreement and guarantees payment for services.

2. **Right of Entry: Force Majeure.** The Client shall arrange for the right of entry to the subject property ("Site") by AEI, its agents, employees, consultants, contractors and subcontractors, for the purpose of performing all acts as may be reasonably necessary to complete the Services within the agreed scope of work. AEI may require that an authorized, knowledgeable representative of the Site owner be present at the Site as a condition of the performance of the Services and may require that Site personnel operate major building systems and equipment at the time the Services are performed. AEI's ability to comply with the schedule for performance described in the Proposal is contingent upon timely and complete Site access. AEI shall not be responsible for damages or delays in performance caused by force majeure, acts of God, events beyond the control of AEI, or events that could not have been reasonably foreseen and prevented.

3. **Documents/Samples.** All field notes, calculations, estimates and other documents, data or information prepared by or on behalf of AEI in connection with the performance of its Services (collectively, "Documents"), shall remain the sole property of AEI. All Documents prepared by AEI for the Client with respect to any Site shall be used solely for the intended purposes described in the Proposal, and solely with respect to the Site. Unless otherwise agreed, AEI shall retain all Documents for three (3) years following submission of AEI's report to the Client. In its sole discretion and without prior notice to the Client, AEI may dispose of all field samples within thirty (30) calendar days after submission of AEI's report to the Client.

4. **Matters Known to Client.** The Client, itself or through the Site owner, shall provide AEI with any and all information known to the Client, or suspected by the Client, which pertains to: (a) the existence or possible existence at, on, under or in the vicinity of the Site, any hazardous materials, pollutants, lead-based paint, radon or asbestos; (b) any conditions at, on, under or in the vicinity of the Site, which might represent a potential safety hazard or danger to human health or the environment; (c) any permit, manifest, title record, or other record of compliance or non-compliance with any federal, state or local laws, or court or administrative order or decrees; (d) any known or suspected deficiencies or adverse conditions associated with structures or other physical improvements on Site; or (e) any modifications or changes from the original plans and specifications of Site improvements which could affect the recommendations or conclusions reached by AEI in the performance of its Services.

5. **Preliminary Findings.** Preliminary findings (often referred to as "verbals") can be provided to the Client in order to quickly apprise them of preliminary data obtained as a result of AEI's visual observations at the project Site. They are not intended to be exhaustive or conclusive or to substitute for the final written report, as they do not include information obtained from a number of other important and necessary components of the overall assessment. AEI recommends against making any decisions based upon such limited, preliminary, verbal information.

6. **PERFORMANCE STANDARDS. IN PERFORMING THE SERVICES, AEI SHALL EXERCISE THE DEGREE OF SKILL AND CARE NORMALLY EXERCISED BY CONSULTANTS IN THE SAME COMMUNITY PROVIDING THE SAME OR SIMILAR SERVICES FOR PROJECTS OF COMPARABLE SIZE, COMPLEXITY, BUDGET, SCHEDULE AND OTHER CHARACTERISTICS OF THE PROJECT (THE "STANDARD OF CARE"). EXCEPT AS SET FORTH IN THE IMMEDIATELY PRECEDING SENTENCE, AEI MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES OR ANY OF ITS ORAL OR WRITTEN REPORTS. CLIENT ACKNOWLEDGES AND AGREES THAT (I) THE SERVICES MAY REQUIRE JUDGMENTS TO BE MADE BY AEI THAT ARE BASED UPON LIMITED DATA RATHER THAN UPON SCIENTIFIC CERTAINITIES; (II) AEI'S APPROACH, RECOMMENDATIONS, AND ASSOCIATED COST ESTIMATES, IF ANY, ARE BASED ON INDUSTRY PRACTICES AND AVERAGES; (III) PROFESSIONAL OPINIONS ARE RENDERED WITH RESPECT TO OBSERVATIONS MADE AND DATA OBTAINED AT THE TIME OF ASSESSMENT; AND (IV) ULTIMATE OUTCOMES COULD BE INCONSISTENT WITH THE CONCLUSIONS, RESULTS AND PROJECTIONS OF AEI. ALL INFORMATION REGARDING OPERATIONS, PLANS, SPECIFICATIONS, CONDITIONS OR OTHER DATA WHICH IS PROVIDED TO AEI BY CLIENT, OWNERS OR THIRD PARTIES (INCLUDING WITHOUT LIMITATION, ANY POINT OF CONTACT AT THE SITE), IS DEEMED BY AEI TO BE CORRECT AND COMPLETE WITHOUT INDEPENDENT VERIFICATION. AEI ASSUMES NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND SHALL NOT BE LIABLE IF RELIANCE ON SUCH INFORMATION RESULTS IN INCORRECT CONCLUSIONS OR RESULTS.**

7. **INDEMNIFICATION AND LIMITATION OF LIABILITY. AEI AGREES TO INDEMNIFY AND HOLD HARMLESS (BUT NOT DEFEND) CLIENT, ITS DIRECTORS, OFFICERS AND EMPLOYEES AGAINST ANY LOSSES, LIABILITY, DAMAGES, COSTS AND EXPENSES TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS, ERRORS, OR OMISSIONS OF AEI, ITS EMPLOYEES, SUBCONTRACTORS OR ANYONE FOR WHOM AEI IS LEGALLY LIABLE, IN THE PERFORMANCE OF SERVICES HEREUNDER. IN NO EVENT SHALL AEI BE LIABLE FOR LATENT OR HIDDEN CONDITIONS, CONDITIONS NOT ACTUALLY OBSERVED BY AEI WITHIN THE LIMITED SCOPE OF WORK, THE POTENTIAL CONSEQUENCES OF OBSERVABLE CONDITIONS, CONDITIONS OF WHICH CLIENT HAD KNOWLEDGE OF AT THE TIME OF THE ASSESSMENT, OR ANY UNAUTHORIZED ASSIGNMENT OF OR RELIANCE UPON THE REPORTS. THE LIABILITY OF AEI, AND THAT OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND SUBCONTRACTORS, TO CLIENT OR TO ANY THIRD PARTY CLAIMING BY OR THROUGH CLIENT, INCLUDING ANY COMPANY AFFILIATED WITH CLIENT, OR ANY OFFICER, DIRECTOR, EMPLOYEE, AGENT, SUBCONTRACTOR, SUCCESSOR, OR ASSIGN OF SUCH PARTIES, FOR ANY LOSSES, WHETHER IN CONTRACT OR TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), RELATED TO THE SERVICES, THE AGREEMENT OR OTHERWISE, SHALL NOT EXCEED THE AGGREGATE SUM OF TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00). IN NO EVENT SHALL AEI BE LIABLE TO CLIENT FOR ANY EXEMPLARY, PUNITIVE, INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) ARISING FROM OR IN ANY WAY CONNECTED WITH ITS PERFORMANCE OR FAILURE TO PERFORM UNDER THE AGREEMENT, EVEN IF THE AFFECTED PARTY HAS KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES.**

8. **Dispute Resolution.** This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of California. Any controversy, claim or action arising out of, or related to, this Agreement, the breach thereof, or the coverage of this arbitration provision may be settled by arbitration and will be based on the rules in effect on the date of delivery of demand for arbitration. The arbitrator(s) shall apply California substantive law to the proceedings, except to the extent Federal substantive law would apply to the claim. The arbitrator(s) shall prepare in writing and provide to the parties an award including actual findings and the reasons on which their decision is based. The arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error. The arbitration of such issues, including the determination of the amount of any damages suffered by either party hereto by reason of the acts or omissions of the other, shall be to the exclusion of any court of law except for enforcement of an arbitrated award. The decision of the arbitrators, or a majority of them, shall be final and binding on both parties and their respective successors and assigns. If the arbitrators determine that a party has initiated a recovery action on a basis inconsistent with the provisions of this Agreement, the initiating party shall, without exception, be assessed all costs incurred by the responding party. Except as identified above, 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. The costs of the arbitration, including the cost of the record or transcripts thereof, if any, administrative fees, fees of the arbitrators, and all other fees and cost shall be borne as determined by the arbitrators.

9. **Reliance and Assignment. AEI'S WRITTEN REPORT SHALL CONTAIN AEI'S STANDARD RELIANCE LANGUAGE UNLESS ALTERNATE LANGUAGE HAS BEEN PRE-APPROVED BY AEI. IF NO PRE-APPROVED ALTERNATE LANGUAGE EXISTS, THE SERVICES, THE REPORTS AND OTHER RELATED WORK PRODUCT PROVIDED BY AEI MAY BE RELIED UPON BY THE CLIENT, ITS SUCCESSORS AND ASSIGNS WITH RESPECT TO A LOAN SECURED BY THE SITE, AND ANY RATING AGENCY RATING, OR ANY ISSUER OR PURCHASER OF, ANY SECURITY COLLATERALIZED OR OTHERWISE BACKED BY SUCH LOAN. NO OTHER PERSON OR ENTITY MAY RELY ON THE REPORT WITHOUT THE ADVANCE WRITTEN CONSENT OF AEI, AND NO OTHER THIRD PARTY BENEFICIARIES ARE INTENDED. EXCEPT AS DESCRIBED ABOVE, THE CLIENT SHALL NOT ASSIGN THE AGREEMENT, ANY REPORT OR ANY RELATED WORK PRODUCT, WITHOUT THE PRIOR WRITTEN CONSENT OF AEI. ANY UNAUTHORIZED REUSE OR REDISTRIBUTION OF AEI'S WORK PRODUCT OR REPORTS SHALL BE AT THE CLIENT'S AND RECIPIENT'S SOLE RISK, WITHOUT LIABILITY TO AEI. CLIENT WILL HOLD AEI HARMLESS FROM ANY AND ALL LIABILITY, OBLIGATION, COST AND EXPENSE ARISING FROM OR RELATED TO ANY UNAUTHORIZED DISTRIBUTION OR USE BY CLIENT OF AEI'S WORK PRODUCT OR REPORTS. AEI SHALL NOT ASSIGN ITS OBLIGATIONS UNDER THE PROPOSAL; HOWEVER, AEI MAY EMPLOY, BY SUBCONTRACT, SUITABLY TRAINED PERSONS OR ENTITIES ACCEPTABLE TO AEI TO PERFORM THE SERVICES.**

10. **Confidentiality.** AEI shall not disclose information regarding the Proposal, the Services or any Documents, except to the Client, employees, consultants, subcontractors, or other persons engaged by AEI to perform the Services, third parties designated by the Client (subject to the reliance limitations described herein), or as required by law. Notwithstanding the terms of this Section, AEI shall comply with all judicial orders, government directives, and laws, regulations and ordinances, regarding the reporting to appropriate public agencies of potential dangers to public health, safety or the environment.

11. **Miscellaneous.** AEI is an independent contractor of Client, and not Client's agent, employee or partner. The Agreement shall be governed by the laws of the State of California and the parties irrevocably consent to the jurisdiction of the courts of the State of California and of the United States District Court for the District of Northern California if a basis for federal jurisdiction exists. In the event a dispute relating to an AEI report results in litigation, and the claimant does not prevail at trial, then the claimant shall pay all costs incurred by AEI in the defense of the claim, including reasonable attorney's fees. Each provision of the Agreement shall be considered separable, and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not affect those portions of this Agreement that are valid. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the Services to be provided pursuant to this Agreement. The provisions of the Agreement may only be modified by a written instrument signed by an authorized representative of each party.

12. **Hazardous Waste and Reporting.** The Client understands and agrees that human health and safety is a priority in implementing any investigation or assessment. AEI and Client agree that the discovery of hazardous materials, suspect hazardous materials or petroleum products, or unexpected conditions may constitute a change in the condition of the job Site mandating a renegotiation of the scope of work or termination of the project and may make it necessary for AEI to take immediate measures to protect human health and safety. AEI agrees to notify Client as soon as practicable if such materials are encountered. Client encourages AEI to take any and all measures, that in AEI's professional opinion, are justified to protect AEI's personnel and the public. Client agrees to waive any claim against AEI and to indemnify, defend and hold harmless AEI from any and all claims arising out of AEI's encountering unanticipated hazardous materials or suspected hazardous materials. Client agrees to compensate AEI for all costs associated with such an event based upon AEI's prevailing fee schedule.

13. **Utilities.** If AEI is expressly engaged to perform soil boring or other invasive testing, AEI shall not be responsible for damages to underground or aboveground utilities, for unmarked or mismatched utilities or other features, or for damage that occurs to such utilities or features. The Client is responsible for providing information to AEI regarding the location of intra-Site utilities. Client recognizes that the use of exploration equipment may unavoidably affect, alter or damage existing structures, vegetation and terrain at the Site. AEI, including subcontractors, will take reasonable precautions to limit damage. However, Client recognizes that such damage is inherent in the normal course of the contracted scope of work and the cost of the repair for any damages is not part of the contracted services. In the event of damage to the property as a result of such work and specifically stated above, Client will hold harmless, AEI, including subcontractors, for damage caused during the course of the agreed upon scope of work.

14. **Conflict of Interest.** To the best of AEI's knowledge, AEI has no actual, potential or apparent conflict of interest pertaining to this Agreement, except as has been previously disclosed to Client in writing, and AEI covenants and agrees that it shall promptly advise Client of any other actual, potential or apparent conflicts of interest, whether existing as of the execution date of this Agreement or arising in the future, upon discovering the same.



AUTHORIZATION TO PROCEED
Proposal for Phase 1 Environmental Site Assessment
2319 N Grand Blvd, Pearland, TX 77581

Client Authorization and Billing Information:

I hereby accept the proposal and authorize AEI to proceed with the scope of work as described herein. AEI reserves the right to suspend or delay work for late payment. Should any project information change, I understand that additional fees may accrue and the due date may be extended. Should the agreement be terminated by either party upon written notice through no fault of the party initiating termination, compensation shall be paid for all services performed and expenses incurred to the date of termination.

Name: _____

Title: _____

Company: _____

Address*: _____

City, ST Zip: _____

Email: _____

Phone: _____ **Fax:** _____

Signature: _____ **Date:** _____

** Please note that AEI cannot accept a P.O. Box for a report delivery address.*

Site Contact Information:

Name: _____ **Phone Number:** _____

Title: _____ **Email Address:** _____

Company: _____ **Relation to Project:** _____

Billing Options: AEI will invoice the project in accordance with our proposal terms. Please select one of the following methods of payment so that we may invoice accordingly.

- Credit Card:** AEI accepts Visa and MasterCard.
A processing fee of 2.00% of the total amount paid will incur for charges over \$10,000.00
- Check:** Check must be received by the date established in the proposal terms.
- Corporate Account:** For established corporate accounts only.

Client Responsibilities: *It is our client's responsibility to provide adequate information for AEI to complete the requested scope of services. This includes sufficient information to identify property boundaries, the arrangement of complete site access and identifying a knowledgeable site contact. If there are known copies of prior reports or other relevant documentation, the client will assist AEI in obtaining them prior to the completion of our assessment.*



Additional Information Datasheet

Loan Specific Information:

Client Reference #: _____ Project Name: _____
 Report Format: _____ Purpose of Assessment: _____
 Loan Term: _____ Reserve Term: _____

The below section of this table is for SBA Loans Only

7a loan OR 504 loan

CDC Name: _____ Borrower Name: _____
 CDC Address: _____ CDC Point of Contact: _____
 CDC City, ST, Zip: _____ Contact Phone Number: _____

Check here if Entity should also be included on the report cover

Report Delivery (if same as billing, please leave blank):

Contact Name: _____ Address: _____
 Title: _____ City, State, Zip: _____
 Company Name: _____ Phone Number: _____
 Email Address: _____

Services Offered by AEI include:

- Phase I Environmental Site Assessments
- Environmental Transaction Screens
- Phase II Subsurface Investigations
- Asbestos/Lead Based Paint Surveys
- Vapor Intrusion Studies
- Operation & Maintenance and Moisture Management Plans
- Property Condition Assessments
- Seismic Risk Assessments (PML)
- Energy Audits
- Mold Surveys
- Remediation Services
- Zoning Reports
- ALTA Surveys
- Construction Monitoring
- Radon Surveys
- Construction Consulting Services