

PROPOSAL FOR A PHASE II ENVIRONMENTAL SITE ASSESSMENT, BASELINE ENVIRONMENTAL ASSESSMENT, AND DOCUMENTATION OF DUE CARE COMPLIANCE

**For Former Dealership Property and Residential Property Located at 6094
Michigan Avenue and 2992 Textile Road in Pittsfield Township, Michigan
PM Environmental, Inc. Proposal No. 01020455**

PM Environmental, Inc. (PM) is pleased to present this proposal and cost estimate for a Phase II Environmental Site Assessment (ESA), Baseline Environmental Assessment (BEA), and Documentation of Due Care Compliance (DDCC) of the Former Dealership Property and Residential Property located at 6094 Michigan Avenue and 2992 Textile Road in Pittsfield Township, Michigan (subject property).

This proposal includes a scope of work, costs, schedule for completion of work, and the terms and conditions of the agreement. After reviewing the Scope of Work and Terms and Conditions, please initial each page in the boxes provided, complete the information in the Acceptance of Proposal section, and return it to our attention. PM requires written authorization to proceed prior to commencing a project.

BASIS FOR ASSESSMENT

The Phase II ESA scope of work is intended to address the recognized environmental condition (REC) identified with the subject property in the Phase I ESA report completed by PM (PM project number 01-13570-0-0001) dated November 3, 2021.

The following on-site REC was identified within the Phase I ESA:

- Review of historical assessing records documents the former dwelling located on the eastern parcel (historically identified as 6040 Michigan Avenue) was heated with fuel oil. No additional information was provided, including location, capacity, or storage aboveground or below ground of the former fuel oil. Additionally, PM observed a suspect vent pipe in the vicinity of the former dwelling. The suspect pipe may or may not be associated with historical fuel oil use and/or orphan fuel oil USTs. PM was unable to determine the heat source for the former building in the southwestern portion of the eastern parcel between at least 1949 and the 1960s or the current dwelling on the western parcel prior to 1975. Based on the documented fuel oil use in the vicinity, the current and former buildings may have also utilized fuel oil. The potential exists for orphan USTs to be present on the property and/or for a release to have occurred.

No adjoining and/or nearby RECs were identified.

SCOPE OF WORK

PM proposes the following scope of work:

- Conduct a geophysical survey using ground penetrating radar (GPR) to determine the potential presence of orphaned USTs on the subject property and clear the proposed soil boring locations of private subsurface utilities. If anomalies are encountered, possibly indicative of USTs, a hand auger soil boring would be drilled at the anomalies. If evidence of a UST is encountered (i.e., top of UST encountered with a hand auger), it may be necessary to properly close the UST. The cost to remove and sample a potential orphan UST is not included in this proposal.

- Based upon records reviewed within the Phase I ESA, local geology is expected to consist of clay, and, and gravel, with groundwater present within 30.0 feet of the ground surface. Based on the RECs identified, anticipated local geology and depth to groundwater, PM will advance up to two soil borings using a Geoprobe® drill rig and/or stainless-steel hand auger to a maximum depth of 20.0 feet below ground surface (bgs). In the event that groundwater is encountered at a depth shallower than 20.0 feet bgs and/or refusal is encountered, soil borings may be terminated prior to reaching the intended terminal depth of the boring (i.e., 20.0 feet bgs), if the REC can be appropriately assessed without advancing the boring to 20.0 feet bgs.
- A Geoprobe® and/or hand auger will be utilized to collect soil samples. Soils will be examined for physical evidence of contamination and classified by a PM field scientist. Soil sample selection will be based upon field screening for the highest PID readings, visual contamination and depths likely to encounter contamination based upon the RECs identified.
- Polyvinyl chloride (PVC) temporary well installation materials will be installed in the annulus of borehole from which groundwater samples are to be collected, if groundwater is encountered in sufficient quantities for sampling. These well materials will be removed from the subject property following completion of the Phase II ESA.
- All soil and groundwater samples will be sealed in appropriate sample containers, placed in ice-packed coolers for transportation, and stored in a refrigerator to await pick-up for laboratory analysis under chain of custody (COC) procedures.
- Soil and/or groundwater samples, if groundwater is encountered, will be collected from each boring and chemically analyzed by an independent laboratory for analysis of volatile organic compounds (VOCs), and polynuclear aromatic compounds (PNAs).
- A Phase II ESA Report will be prepared documenting the geology encountered, chemical analytical results, and comparisons to applicable cleanup criteria. If contamination is detected exceeding the generic cleanup criteria, the subject property will be classified as a “facility” and PM will complete a BEA and DDCC for the purchaser in lieu of a Phase II ESA Report. The BEA process is explained below.

BEA Process Explained

The objective of a BEA is to evaluate existing environmental conditions at the time of purchase, occupancy, or foreclosure of any property identified as a “facility” or “site” (i.e., contaminated). Parts 201 and 213 of NREPA, PA 451 of 1994, as amended, provide certain liability protections to a person who becomes an owner or operator of Part 201 contaminated “facility” on or after June 5, 1995, and March 16, 1996, for a Part 213 (leaking UST regulations) contaminated “site” (the effective date of the amendments to the law).

For the BEA to be used as a basis for an exemption of liability, it must be completed prior to or within 45 days of purchase, occupancy, or foreclosure and submitted to EGLE within six months of purchase, occupancy, or foreclosure. If clients closing is delayed, PM is not responsible to complete follow-up correspondence after completion of the project. It is the client’s responsibility to sign the BEA submittal form and submit along with the BEA to EGLE within this timeline. PM will provide the submittal form with the environmental professional signature executed by PM to the client. PM, as a courtesy, will offer to hand deliver or send certified mail upon completion if authorized to do so but the submittal is ultimately the responsibility of the client.

Based upon the concentrations and/or location of site contaminants, additional site investigation outside of this scope of work may be required to satisfy the requirements of the BEA and DDCC in accordance with Part 201 of NREPA, PA 451 of 1994, as amended. PM will advise the client, once the analytical results are received and evaluated, on whether additional investigation is necessary.

Although a BEA will provide liability protection from existing contamination, an owner of a property that is a “facility” or “site,” must exercise due care, including the following.

1. Undertake measures to prevent exacerbation.
2. Exercise due care by undertaking response activity necessary to mitigate unacceptable exposure to hazardous substances, mitigate fire and explosion hazards due to hazardous substances, and allow for the intended use of the subject property in a manner that protects the public health and safety.

3. Take reasonable precautions against the reasonably foreseeable acts or omissions of a third party and the consequences that could result from those acts or omissions.
4. Provide reasonable cooperation, assistance, and access to the persons that are authorized to conduct response activities at the facility, including the cooperation and access necessary for the installation, integrity, operation, and maintenance of any complete or partial response activity at the subject property.
5. Comply with any land use or resource use restrictions established or relied on in connection with the response activities at the subject property.
6. Not impede the effectiveness or integrity of any land use or resource restriction employed at the subject property in connection with response activities.

As indicated in the Scope of Work section above, if the subject property is classified as a "facility," PM will prepare a DDCC that documents the activities necessary to maintain compliance with the due care obligations listed above.

COST TABLE*

Field Activities		
Ground Penetrating Radar Survey		\$1,325
Drilling and operations (2 soil borings)		\$2,325
Laboratory Analytical		
Laboratory Analysis of three samples for VOCs and PNAs		\$450
Project Management and Reporting		
Data evaluation, project management, and Phase II ESA report preparation if the subject property is not a "facility"		\$3,250
If the subject property is a "facility," Prepare a BEA and DDCC in lieu of a Phase II ESA	add	\$1,250
TOTAL LUMP SUM COSTS		\$7,350 to \$8,600

SCHEDULE

Activity	Turnaround Time*
Schedule and complete field activities	20-30 business days
Request clearing of public utilities with the state one-call center	3 business days prior to scheduled field activities
Standard turnaround of laboratory analytical results	7 business days from final day of field activities
Data evaluation and preparation of either a Phase II ESA Report or BEA and DDCC	10-15 business days after receipt of analytical results
Submittal of BEA Report to EGLE (client's responsibility)	Within 6 months of closing

*The turnaround times and costs included above are contingent on engagement within 7 business days of the proposal date. Turnaround times and costs can change and if not engaged within 7 business days, it may be necessary for PM to provide a new proposal with updated turnaround times and costs.

ASSUMPTIONS AND CLIENT RESPONSIBILITY

- PM will include an electronic copy of the report within the lump sum fee. PM can provide one hard copy of the report within the lump sum fee, at the request of the client. Additional hard copies of the report can be provided for an additional \$100 per copy at the request of the client.
- The scope herein includes up to two hours of consultation after the final report has been submitted to the client. Additional time for consultation services will be billed on a time and materials basis.
- The current owner will be cooperative in providing site access and allow soil borings to be advanced on the subject property and within the subject building.
- Note that if contamination at the subject property is determined to be subject to corrective action under the federal Resource Conservation and Recovery Act (RCRA) or Michigan Part 111, a BEA will not provide liability protection or negate the purchaser's responsibility for obligations and cleanup under RCRA or Part 111.
- Property access must be granted to allow PM's employees freedom of movement to perform all necessary on-site tasks. Our GPR units are relatively equivalent to a push lawn mower in size and physical shape. The same limitations of terrain and accessibility existing with a lawn mower would apply to the GPR unit. All areas to be scanned must be dry and free of debris, tall vegetation and snow in advance of the technician arriving on site. All site preparation is by others and not included in this quote. Traffic control, permits, scaffolding, etc. is the responsibility of others. PM makes no warranty that the targets marked are the only potential targets located in the area of investigation.
- Assumes a legal survey is not required. If the property meets any of the following criteria a legal survey will be required: the property is greater or less than the legal property description(s); or if the property description is complex, has recently changed, includes multiple parcels, or other situations where the exact property the BEA covers may be an issue when relying on the BEA for liability protection in the future.
- The generic volatilization to indoor air inhalation criteria in Michigan are based upon several default assumptions (homogenous soils, depth of groundwater, building construction, etc.), which may not be representative of subject property conditions. For locations where generic volatilization to indoor air inhalation criteria do not apply, a request to EGLE to develop site-specific volatilization to indoor air criteria (VIAC) must be made, or site-specific criteria can be developed independently and submitted to EGLE for approval prior to use.

Timelines/schedules for EGLE VIAC development requests and/or approvals of plans, reports, or site-specific criteria submitted to EGLE cannot be guaranteed by PM.

Services Not Included

Any document review outside of the records review noted above, meetings and consultations or report revisions by third parties will be billed when requested on a time and materials basis at PM's current billing rates. Overnight Delivery Costs will be billed at cost plus 15%.

TERMS AND CONDITIONS

These Terms and Conditions, including any Additional Provisions which are or may become applicable to the services described in this Proposal dated November 23, 2021, and shall also be incorporated by reference into any agreement under which services are to be performed by PM Environmental, Inc. (PM) for the Client. No agreement or understanding which in any way modifies or waives these Terms and Conditions shall be binding on PM, whether contained in this proposal or otherwise, unless it is made in writing and executed by PM's authorized representative.

1. **PARTIES & SCOPES OF SERVICES:** (a) PM Environmental, Inc. (PM) shall include the company, or its particular division, subsidiary, subcontractor or affiliate, performing the work. This "Agreement" consists of PM's Proposal, PM's Standard Billing Rates and these Terms and Conditions. "Client" refers to the person or business entity ordering the work to be done by PM. If Client is ordering the work on behalf of another, Client represents and warrants that Client is the authorized agent of the party for the purpose of ordering and directing the work and in such case the item "Client" also includes the principal for whom the work is being performed. Prices quoted and charged by PM for its work are predicated upon the conditions and the allocation of risks and obligations expressed in this Agreement. (b) The definitions of services that PM will provide are specifically described in the Proposal dated November 23, 2021.

2. **PERFORMANCE:** For all services performed hereunder, PM will strive to conduct services under this agreement in a manner consistent with that level of care and skill ordinarily exercised by members of PM's profession currently practicing in the same locality under similar conditions where such services are performed.
3. **TERMINATION:** This Agreement may be terminated by either party, with or without cause, by providing ten (10) days prior written notice to the non-terminating party. In the event of termination, PM shall be paid all costs and fees for all work authorized and performed as of the effective date of termination, plus any additional charges, agreeable to Client, to cover any final work necessary to bring ongoing work to a logical conclusion. Any rights provided by this Section are in addition to all other rights and remedies that belong to either party.
4. **PAYMENT:** The lump sum is due upon completion of services/production of written documentation. PM shall bill for services rendered and reimbursable costs incurred on a monthly basis. Each invoice shall be due upon receipt. Invoices over thirty (30) days past due will be charged a service charge at the rate of One and One-half percent (1½%) per month on the unpaid balance. PM may, after ten (10) days written notice to Client, suspend performance of services until all past due amounts are paid.
5. **INDEMNITY:** Client shall indemnify, protect and hold PM and its officers, directors, shareholders, and agents harmless from and against all liability, claims, demands, losses, damages, expenses and costs (including reasonable attorney fees), to the extent caused by negligence or willful acts or omissions of client; provided, however, that Client shall not be obligated to indemnify PM and its officers, directors, shareholders, and agents for any injury or to the extent caused by the negligent acts or willful misconduct of PM. PM shall indemnify, protect and hold Client harmless from and against all liability, claims, demands, losses, damages, expenses, and costs to the extent caused by negligent or willful acts, errors, or omissions of PM, subject to all limitations, exceptions and exclusions in this Agreement.
6. **DISCLOSURE OF HAZARDOUS CHEMICALS:** To the extent in Client's possession and as required by federal, state and local regulations to be possessed by client, Client shall provide PM with a list of hazardous chemicals in the work place to which employees or subcontractors of PM may be exposed while executing the services governed by this Agreement. Client shall provide a listing of appropriate protective measures in case exposure occurs.
7. **HAZARDOUS MATERIALS:** Client understands and acknowledges that PM and its subcontractors have played no role in the generation, disposal, creation or any release or threat of release of a substance, waste, compound or material, hazardous or non-hazardous, which may exist at the site. Nothing contained within this Agreement shall be construed or interpreted as requiring PM to assume the status of generator, transporter, or disposal facility nor as one who stores or treats as those terms appear within Resource Conservation and Recovery Act ("RCRA") or within any Federal, State, or Local statute or regulation governing the generation, transportation, treatment, storage and disposal of pollutants. Client assumes full responsibility for compliance with the provisions of RCRA and any other Federal, State or local statute or regulation governing the handling, treatment, storage and disposal of pollutants.
8. **SCHEDULING OF SERVICES:** The services set forth in PM's proposal and Client's acceptance will be accomplished in a timely and workmanlike manner by PM. If PM is required to delay any part of its work to accommodate the requests or requirements of Client, regulatory agencies, or third parties or due to any causes beyond the direct reasonable control of PM, additional charges shall be assessed with Client's written approval.
9. **ACCESS TO SITE:** Client will arrange and provide access to each site upon which it will be necessary for PM to perform its work. In the event work is required on any site not owned by Client, Client represents and warrants to PM that Client has obtained all necessary permission and authority, in writing, for PM to enter upon the site and conduct its work. Client shall, upon request, provide PM with evidence of such permission as well as acceptance of the other terms and conditions set forth by Client(s) and tenant(s), if applicable, of such site(s) in a form acceptable to PM. Client further recognizes that knowledge of such suspected or actual conditions may result in a reduction in a property's value and may provide incentive to Clients or properties affected to initiate legal action against Client and/or others. Any work performed by PM with respect to obtaining permission to enter upon and do work on the lands of others, as well as any work performed by PM pursuant to this Agreement, shall be deemed as being done on behalf of Client and Client agrees to assume all such risks. PM shall take reasonable measures and precautions to minimize damage to each site and any improvements located thereon as the result of its work and the use of its equipment; however, PM has not included in its fee the cost for restoration of damage which may occur. If Client desires or requires PM to restore site to its former conditions, upon written request of Client, PM will perform such additional work as is necessary to do so and Client shall pay to PM any such cost.
10. **CLIENT'S DUTY TO NOTIFY ENGINEER:** Client shall provide PM with all known information required to enable PM to perform its service as proposed and represents and warrants that it has advised PM in writing of any known or suspected hazardous materials, utility lines, pollutants and subsurface objects, structures, lines, or conduits located at, on or under any site at which PM is to do work.
11. **LIMITATIONS OF PROCEDURES, EQUIPMENT AND TESTS/ASSUMPTION OF RISK:** Information obtained from inspections, analysis and testing of sample materials shall be accurately reported on boring logs. Such information is considered evidence with respect to the detection, quantification and identification of pollutants, but any inference or conclusion based thereon is necessarily an opinion based upon engineering judgment and shall not be construed as a representation of fact. Groundwater levels and composition may vary due to seasonal and climatological changes and extrinsic conditions and, unless samples and testing are conducted over an extended period of time, pollutants may or may not be found to exist at a specific time of inspection. Client understands that, due to intervening causes such as natural groundwater flows or human intervention, such sampling and analysis may indicate the presence of contamination. There is a risk that sampling techniques may themselves result in contamination of certain subsurface areas such as when a probe or boring device moves through a contaminated area linking it to an aquifer, underground stream or other hydrous body not previously contaminated and capable of transporting pollutants. **BECAUSE THE RISKS SET FORTH IN THIS SECTION ARE UNAVOIDABLE AND BECAUSE THE SAMPLING TECHNIQUES TO BE EMPLOYED ARE A NECESSARY ASPECT OF PM'S WORK ON CLIENT'S BEHALF, CLIENT AGREES TO ASSUME THESE RISKS.** The discovery of certain pollutants may make it necessary for PM to take immediate measures to protect human health and safety. PM shall notify Client as soon as reasonably possible should such pollutants be suspected or discovered. Client agrees to reimburse PM for the reasonable cost of implementing such measures under the circumstances.
12. **SOIL AND SAMPLE DISPOSAL** Unless otherwise agreed in writing, soils known at the time to be contaminated will be placed in containers, labeled and left on the site for proper disposition by Client, and samples removed by PM to its laboratory may, upon completion of testing, be disposed by PM in an approved manner. PM reserves the right to discard samples immediately after testing. Upon request, samples can be shipped, (shipping charges collected) or stored at the rate indicated in PM's current standard fee schedule.
13. **LIMITATION OF LIABILITY: PM'S LIABILITY TO THE CLIENT AND TO ALL THE CLIENT'S CONTRACTORS AND SUBCONTRACTORS ON THE PROJECT FOR ANY AND ALL CLAIMS, LOSSES, COSTS, DAMAGES, OR CLAIMS EXPENSES FROM ANY CAUSE OR CAUSES, SO THAT THE TOTAL AGGREGATE LIABILITY OF PM TO ALL THOSE NAMED SHALL NOT EXCEED \$1 MILLION.** Such causes, include, but are not limited to, negligence, professional errors or omissions, strict liability, and breach of contract or warranty..
14. **WITNESS FEES:** PM's employees shall not be retained as expert witnesses except by separate, written agreement. Client shall pay PM pursuant to PM's then current fee schedule for any PM employee subpoenaed by any party as an occurrence or material witness as a result of PM's work.
15. **ENTIRE AGREEMENT:** This Agreement contains the entire understanding between the parties. Client acknowledges that no representations, warranties, undertakings or promises have been made other than those contained in this Agreement. This Agreement may be amended, modified or terminated only by a written instrument signed by Client and PM.
16. **SEVERABILITY:** In the event that any provision of this Agreement shall be deemed invalid or unenforceable, the other provisions shall remain in full force and effect and binding upon the parties.
17. **SURVIVAL:** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating responsibility or liability between the Client and PM shall survive the completion of services and the termination of this Agreement.
18. **FORCE MAJEURE:** If PM is delayed or prevented from completing its work by reason or acts of God, strikes, lockouts, labor troubles, inability to procure labor or materials, fire, accident, riot, civil commotion, laws or regulations of general applicability, acts of Client, or other cause without its

fault and beyond its control (financial inability excepted), completion will be excused for the period of the delay and the period for completion will be extended for a period equal to the period of such delay.

19. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.
20. **CONSENT TO INGHAM COUNTY JURISDICTION:** Client agrees that in the event of suit for non-payment or other breach of the terms herein, jurisdiction shall lay in Ingham County, Michigan. The above agreed upon jurisdiction shall be deemed to be in Ingham County, Michigan regardless of the location of the subject property or residency of client. Further, the client agrees to be responsible for any reasonable attorney fees and costs incurred by PM as a result of non-payment by client.
21. **WRITTEN NOTICE:** Except as otherwise provided in this Agreement, written notice shall be deemed to have been duly served if delivered in person to the individual or a member of the firm or entity or to an officer of the corporation for which it was intended, or if delivered at or sent by registered or certified mail to the last business address known to the party giving notice.
22. **PRECEDENCE OF CONDITIONS:** Should any conflict exist between the Terms and Conditions set forth in this Agreement and any other document, including the Proposal, Additional Provisions, work authorization, purchase order, confirmation, invoice or other relevant document, the Terms and Conditions set forth in this Agreement shall prevail, unless the parties expressly agree otherwise in writing.
23. **CONFIDENTIALITY:** PM agrees that it shall consider all work performed for the Client, and all results of that work, including, but not limited to, any reports or test results, as well as any and all information provided to PM in connection with this Agreement ("confidential information") as confidential to the client, to be shared only with the Client, and the Client's legal counsel. Notwithstanding the above, PM may comply with all legally-binding judicial orders or governmental directives and federal, state, and local laws, rules, regulations and ordinances which mandates reports to appropriate public agencies of PM's knowledge of, or findings, which indicate an existing danger to the public health, safety and environment; provided, however, that if PM determines that it is required to disclose confidential information, it shall notify the Client, in writing, or by facsimile, prior to disclosure.
24. **RELIANCE BY THIRD PARTIES:** Any written documents, including but not limited to data, reports, findings, summaries or recommendations, prepared by PM for the Client in the course of performing the services under this Agreement may not be relied upon by any person or entity other than the Client without PM's prior written consent.

ACCEPTANCE OF PROPOSAL

PM has presented this proposal for your acceptance. Your acceptance of this proposal indicates that the terms, conditions, and provisions of this proposal are understood, including payment to PM upon receipt of the invoice, unless specifically arranged or otherwise in writing. The terms, conditions, and provisions of this proposal are for the client that the proposal is addressed to in the header. If a different client executes the proposal, PM retains the right to update the terms, conditions, and provisions of the proposal and request re-authorization. Of course, should you wish to discuss the terms and conditions of this proposal, we would be pleased to do so at your earliest convenience. Please initial each page in the boxes provided, complete the acknowledgement section below, and return it to our attention. PM requires written authorization to proceed prior to commencing a project.

Client Provided Information for BEA	
Earliest date of purchase, occupancy, or ownership through foreclosure (if known)	
Entity name which will be on property title and/or which will occupy property	
If a separate entity will own the property and operate on the property, and you would like liability protection for both entities, please include occupant name also. Each additional entity will require a separate BEA, and PM will provide the client with a change order for the additional reporting.	
Submittal of BEA Report to EGLE (client's responsibility) within 6 months of closing (initial to acknowledge client understanding of requirement)	

TOTAL ESTIMATED PROJECT COST BASED ON SCOPE OF WORK
\$7,350-\$8,600

Should a project change status at any time during the billing stage then the following conditions apply:

- If the project is canceled/placed on hold prior to the completion of field work, time and material (T&M) will be billed to the client.
- If the project is canceled/placed on hold after the completion of field work but prior to samples being submitted to the laboratory, then 100% of the field work cost is owed and T&M of the project management/reporting cost is owed.

- If the project is canceled/placed on hold after the completion of field work and after the samples have been submitted to the laboratory, then 100% of the field work cost and 100% of the laboratory analytical cost is owed and T&M of the project management/reporting cost is owed.
- If the project is canceled/placed on hold prior to finalizing the report, then 100% of the total project fee is owed.

ACKNOWLEDGEMENT AND AUTHORIZATION TO PROCEED			
Company Name			
Authorized Person Name		Federal Tax I.D. Number	
Title		Phone Number	
Signature		Date	
Mailing Address			
Billing Contact (if different than above; Name, Phone, Email and Address)			

PM looks forward to assisting you with this project. Please contact us at 800-313-2966 or email at hack@pmenv.com with any questions related to the project or this proposal.

Sincerely,
PM ENVIRONMENTAL, INC.



Tonia Hack
Staff Geologist