

Epic Land Solutions, Inc.

16496 Bernardo Center Drive, Suite 207
San Diego, CA 92128
Phone: (619) 573-6048

December 10, 2018

Cesar L. Vega
Calexico Unified School District
901 Andrade Avenue
Calexico, CA 92231
Tel.: 760.768.3888
E-Mail: cvega@cusdk12.org

RE: School Site in Calexico
North side of E. Cole Road, west of G. Cleveland Avenue, Calexico, CA
APN: 059-170-003 (Portion of)

Dear Mr. Vega,

Thank you for considering Epic Land Solutions, Inc. for the assignment regarding the property identified above and as outlined in this Professional Service Agreement. If acceptable, please sign where indicated and return it to me, thereby authorizing Epic to proceed with this Appraisal and acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICES AGREEMENT ("Agreement")

Project:	Appraisal of School Site in Calexico ("Appraisal")
Location:	North side of E. Cole Road, west of G. Cleveland Avenue, Calexico, CA, 92231 APN: 059-170-003 (Portion of)
Parties:	Epic Land Solutions, Inc. ("EPIC") and Calexico Unified School District ("Client").
Intended User/Use:	The appraisal service will be prepared for the Client. The Appraisal is intended to be used by the Client to acquire the property. The Appraisal is not intended for any other use such as procuring a loan, appealing real estate taxes, settling an estate, etc.
Rights Appraised:	Fee Simple.
Date of Value:	Current.

Epic will provide the Appraisal and accompanying analysis in accordance with the following:

- 1) Uniform Standards of Professional Appraisal Practice (USPAP)
- 2) The Code of Ethics of the Appraisal Institute
- 3) All State Licensing Laws
- 4) IRS code of regulations

Scope of Work/Service:

Epic will provide the property owner an opportunity to inspect the property and perform the inspection, research relevant market data, and perform analysis to the extent necessary to produce credible appraisal results. All applicable approaches to value will be considered and if used, will be properly applied and reported.

Type of Report: Appraisal Report

Number of Reports: 1 pdf copy and 2 hard copies if requested by the client

Delivery Date: 45 days from receipt of a signed engagement letter.

Professional Fee:

\$5,500. This Fee represents the cost of the basic Appraisal service. Any additional work requested such as additional analysis, meetings, presentations, testimony at deposition or trial, and preparation for testimony, will be paid based on time expended. Hourly Rates are as follows: \$75 for administrative support, \$250 per hour for associate time, and \$450 per hour for principal appraiser.

Retainer

None. The entire fee is due and payable upon submission of the Appraisal report or the conclusion of the Service.

Items needed for the Assignment:

Following is a list of items many of which are needed to begin our analysis. Please forward the applicable items as soon as possible, if available. A delay in receiving the requested items could delay delivery of the appraisal report. If you are unsure of what is being requested, or if something requested is unavailable, please call.

<input type="checkbox"/> Contact information for inspection	<input type="checkbox"/> Current property tax bill
<input type="checkbox"/> Title report and underlying documents relating to any exclusions	<input type="checkbox"/> Details on any sale, lease, contract, offers or listings of the property in the past 5 years
<input type="checkbox"/> Survey of the property	<input type="checkbox"/> Previous appraisals
<input type="checkbox"/> Engineering studies, soils tests, environmental assessments	<input type="checkbox"/> Name, address, telephone number and e-mail address for the party responsible for payment of the fee
<input type="checkbox"/> Architectural plans, renderings, floor plans and/or site plan of the existing building(s)	<input type="checkbox"/> Marketing plan and/or competitive study
<input type="checkbox"/> Copies of all occupancy leases	<input type="checkbox"/> Copy of the ground lease
<input type="checkbox"/> Detailed, current rent roll indicating each suite, tenant name, current rent, start and end dates, increases, etc.	<input type="checkbox"/> Operating expense statements for the past two years and the current year-to-date
<input type="checkbox"/> Occupancy report for the past two years and current year-to-date	<input type="checkbox"/> Details regarding concessions currently being offered to new or renewing tenants
<input type="checkbox"/> Details regarding any pending, known changes to the rent roll	<input type="checkbox"/> Capital improvements history for 5 years and budget for future capital items.
<input type="checkbox"/> Contact information for the leasing agent	<input type="checkbox"/> Contact information for the property manager
<input type="checkbox"/> Information on maintenance contracts, management contracts, etc.	<input type="checkbox"/> Detailed list of personal property items (FF&E)
<input type="checkbox"/> Copy of the complaint	<input type="checkbox"/> Copy of the Resolution of Necessity
<input type="checkbox"/> Copy of the Notice of Deposit of Just Compensation	<input type="checkbox"/> Complete engineering plans for the public project including existing and proposed improvements
<input type="checkbox"/> Copy of the construction contract bid documents	<input type="checkbox"/> Plat maps and legal descriptions for the larger parcel, part taken and remainder parcel
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

In addition to the items requested above, please forward any additional materials you consider relevant in the analysis of the subject property.

Our ability to honor the terms of this Agreement will require Client's response within five (5) business days. If you have questions regarding the enclosed, please feel free to contact me. Epic appreciates this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Respectfully Submitted,



Epic Land Solutions, Inc.
Kent J. Carpenter, MAI
Senior Appraiser
Main 619-573-6048
Mobile 619-787-7891
E-mail kcarpenter@epicland.com

Accepted and Agreed:

_____ Date: _____
Cesar Vega Calexico Unified School District

**PROFESSIONAL SERVICES AGREEMENT
TERMS AND CONDITIONS ("T&Cs")**

- 1) Any capitalized, non-defined words herein shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 2) **Payment Terms.** CLIENT shall be responsible for payment of the Fee stipulated in the Agreement. Payment of the Fee is not contingent on the appraised value(s) or the outcome of the Appraisal. Additional fees will be charged on an hourly basis for any work that may exceed the scope of the Agreement, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition testimony, trial testimony or travel that may exceed the time allotted by EPIC for an assignment of this nature. If EPIC is requested to cease working on the Appraisal for any reason prior to the completion of the Appraisal, EPIC will be entitled to bill the CLIENT for the time spent to date at EPIC'S Hourly Rates for the personnel involved. If the CLIENT delays completion of the assignment beyond ninety (90) days, the Fee may be renegotiated. This may result in the total fee exceeding the originally agreed-upon Fee, and the CLIENT shall be responsible for payment of this renegotiated Fee, whether or not it has been increased. The Fee is due upon delivery of the final Appraisal, or within thirty (30) days of CLIENT'S receipt of a draft Appraisal, whichever is sooner.

CLIENT agrees to pay all fees and expenses, including attorneys' fees, incurred by EPIC in connection with the collection or attempted collection of the Fee. In the event CLIENT fails to pay the Fee when due and payable, then, from the date the Fee is due and payable until the date the Fee is paid in full, the due and payable Fee shall increase by the greater of the amount of interest accrued at the rate of 1.5% per month, or the maximum rate permitted in the State of California.

- 3) **Information Provided by Client.** CLIENT shall provide EPIC with any materials necessary to perform the Appraisal as requested by EPIC and which materials are in the possession or under the control of CLIENT. EPIC does not make any representation or warranty, express or implied, as to the state of affairs of the Property, or to the accuracy or completeness of the information furnished to EPIC by CLIENT. In the event that factual information and data provided to EPIC by the CLIENT, property owner or person designated in the Agreement, as providing essential information on which the Appraisal shall be based differs, or is in conflict with, similar information obtained from other sources, CLIENT shall utilize and provide to EPIC factual information and data deemed to be the most authoritative and documented source, and which information and data may include, but shall not be limited to, legal descriptions, street addresses, assessor parcel numbers, property history, dimensions and area measurements of the Property or the site, or land, on which the Property sits, dimensions and area measurements of the building(s) which comprise the Property, physical unit counts, rent rolls, tenant lists, leases, lease abstracts, income and expense data, and any other related information or data ("Facts"). Any material or substantive discrepancy and/or error in any of the Facts could have a substantial impact on the conclusions of the Appraisal, and, therefore, CLIENT reserves the right to amend conclusions of the Appraisal, if made aware of any such discrepancy and/or error in the Facts.
- 4) **Information Gathered by EPIC.** The data gathered in the course of the Appraisal (except data furnished by CLIENT) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of EPIC. With respect to data provided by CLIENT to EPIC, such data shall be confidential, and EPIC shall not disclose any information identified as confidential. Notwithstanding the foregoing, EPIC is authorized by CLIENT to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable EPIC to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 5) **Typical Appraisal Assumptions and Limiting Conditions.** For the purposes of this Agreement, EPIC shall perform the Appraisal assignment under the following assumptions, which may be reiterated within the Appraisal report depending upon their applicability:
 - a) All statements of fact in the Appraisal, which are used as the basis of the EPIC analyses, opinions, and conclusions will be true and correct to the best of EPIC's knowledge and belief;
 - b) EPIC shall have sufficient access to the Property such that it will be possible for EPIC to perform and provide the services of the Agreement;
 - c) EPIC shall not be responsible for legal matters including the legal description provided, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed;
 - d) Title to the Property is free and clear of any and all liens or encumbrances, and is good and marketable;
 - e) The Property is owned and managed in a responsible and competent manner;
 - f) All engineering studies are correct. Any plats, plots, plans or other illustrative material in this Appraisal are included only to help the reader visualize the property;
 - g) There are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. EPIC is not responsible for such conditions or for obtaining the engineering studies that may be required to discover them;
 - h) The property is in full compliance with all applicable federal, state, and local environmental regulations and laws;
 - i) The property conforms to all applicable zoning and use regulations and restrictions;

- j) All required licenses, certificates of occupancy, consents and other legislative or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this Appraisal is based;
 - k) The use of land and improvements is confined within the boundaries or property lines of the property described, and there is no encroachment or trespass;
 - l) The Appraisal is for the sole use of the Client and any other named intended users for the specified intended use. This report may be relied upon solely by the Client and any named intended users, and no other parties. However, Client may provide only complete, final copies of the Appraisal(s) in its entirety (but not component parts) to third parties;
 - m) Possession of this Appraisal, or a copy thereof, does not carry with it the right of publication. However, EPIC hereby expressly grants to Client the right to copy the Appraisal(s) and distribute it, but only to other parties in the transaction for which each Appraisal has been prepared, including employees of Client;
 - n) In addition, no consent is given hereunder to use each Appraisal to support the value of an ownership interest different from the interest evaluated in the Appraisal;
 - o) Any allocation of the total estimated value of land and/or improvements indicated in the Appraisal shall apply only to the Intended Use as described in the Agreement. The separate values must not be used in conjunction with any other appraisal, are invalid if so used. Any opinions of value provided in the Appraisal apply to the entire Property, and any proration or division of the total into fractional interest will invalidate the opinion of value, unless such proration or division of interests has been set forth in the Appraisal; and
 - p) EPIC understands that the Property is not in need of any major or significant maintenance or repair which would require the expertise of a professional cost estimator or contractor ("Repairs"). If needed, EPIC shall defer to the expertise of professionals specifically trained in analyzing such Repairs.
- 6) Hazardous Substances / Environmental Concerns. EPIC does not assume any duty to analyze or examine the Property or any adjacent property for the possible presence of toxic and/or hazardous substances or materials, including, but not exclusive to, asbestos, urea-formaldehyde foam insulation, PCB transformers, or any other toxic, hazardous, potentially hazardous, or contaminated substances and/or underground storage tanks, any of which might cause a loss or reduction in the value of the Property ("Hazardous Materials"), or the cost of encapsulation or removal thereof, and accepts no liability regarding the issue. If such Hazardous Materials exist on the Property, EPIC shall defer to the expertise of professionals specifically trained in analyzing and estimating the cost to remediate, which cost will not be a part of the Fee. EPIC is in no way responsible for any Hazardous Materials on or in the Property, nor for possessing any expertise or engineering knowledge required to discover them.
 - 7) Americans with Disabilities Act ("ADA"). As concerns the ADA, EPIC will not perform or provide a specific compliance survey or analysis of the Property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative impact upon the value of the Property.
 - 8) Client Review of Appraisal Report. CLIENT will have up to fourteen (14) days from receipt of the Appraisal, regardless of whether such Appraisal is in draft or final version form, to review and communicate its review to EPIC. EPIC reserves the right to bill CLIENT, and CLIENT agrees to pay, for additional appraisal efforts necessary that may arise due to the CLIENT not responding within with this time period.
 - 9) Court or Deposition Testimony – Epic Personnel. Any EPIC personnel, merely due to having provided services hereunder, shall not be required, necessarily, to provide further consultation or testimony or to be in attendance in court with regard to the Property unless previous arrangements have been made. If expert witness testimony is required in connection with the Appraisal, CLIENT shall be billed, as described in the Agreement, for these services, such services including, but not limited to, court preparation, waiting and travel time, document review and preparation (excluding creation of the Appraisal, itself), and all meetings related to, and appearances to provide, court testimony.
 - 10) Subpoena – Epic Indemnitees. If any EPIC Indemnitees (defined in Paragraph 11) receive a subpoena or other judicial notification or command to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding ("Judicial Notification"), EPIC will notify the CLIENT of such Judicial Notification. However, if EPIC is not part of the lawsuit or proceedings, CLIENT agrees to compensate and/or reimburse EPIC for the professional time required or the expenses incurred, in order to respond to any such Judicial Notification, including any associated attorneys' fees, as they are incurred. EPIC is to be compensated at the Hourly Rates indicated in the Agreement of EPIC personnel responding to such Judicial Notification.
 - 11) Indemnification. CLIENT shall indemnify, defend and hold EPIC, its parent, subsidiaries, affiliates, its officers, directors, employees, agents and shareholders ("EPIC Indemnitees"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of CLIENT (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if CLIENT fails to provide complete and accurate information to EPIC, for which recovery is sought against EPIC

Indemnitees by that third party; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of EPIC. CLIENT shall indemnify and hold EPIC Indemnitees harmless from any claims, expenses, judgments or other items or costs arising as a result of the CLIENT's failure or the failure of any of the CLIENT's agents to provide a complete copy of the Appraisal to any third party.

- 12) Limitation of Liability. EPIC and CLIENT agree that the following mutual limitation of liability is agreed to in consideration of the Fees to be charged and the nature of EPIC Services under this Agreement. EPIC and CLIENT agree that to the fullest extent permitted by applicable law, each party's and its Personnel's maximum aggregate and joint liability to the other party for claims and causes of action relating to this Agreement or to Appraisals or other Services under this Agreement shall be limited to the higher of \$25,000 or the total fees and costs charged by EPIC for the Services that are the subject of the claim(s) or cause(s) of action. This limitation of liability extends to all types of claims or causes of action, whether in breach of contract or tort, including without limitation claims/causes of action for negligence, professional negligence or negligent misrepresentation on the part of either party or its Personnel, but excluding claims/causes of action for intentionally fraudulent conduct, criminal conduct or intentionally caused injury. The Personnel of each party are intended third-party beneficiaries of this limitation of liability. "Personnel," as used in this paragraph, means the respective party's staff, employees, contractors, indemnitees, members, partners and shareholders. EPIC and CLIENT agree that they each have been free to negotiate different terms than stated above or contract with other parties.
- 13) Independent Contractor. CLIENT acknowledges that EPIC is being engaged hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between CLIENT and EPIC. The Agreement shall be deemed concluded and the services hereunder completed upon delivery, whether electronic or printed, to CLIENT of the Appraisal discussed herein.
- 14) Dispute Resolution. In addition to the terms of Paragraph 12, and in the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs, including those incurred upon appeal. The Agreement shall be governed by and construed in accordance with the laws of the State of California. The venue of any action arising out of the Agreement shall be the County of Los Angeles in the State of California.

Subject to the terms of Paragraph 12 and in the event of any dispute between CLIENT and EPIC relating to this Agreement, or EPIC's or CLIENT's performance hereunder, EPIC and CLIENT agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the State of California. The arbitrator(s) shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar type damages. The prevailing party in the arbitration proceeding shall be entitled to recover from the losing party its reasonable expenses, including the costs of arbitration proceeding, and reasonable attorneys' fees.
- 15) Use of Epic Logo, Name, Etc. Without EPIC'S prior written approval and consent, the Proposal, Agreement, Appraisal, the name Epic Land Solutions, Inc., EPIC'S logo, photographs or artistic representations or personally identifying information of any EPIC Indemnitees, or any likeness thereof, in whole or in part, of any of the foregoing ("Unauthorized Materials"), may not be used by any party, for any purpose, including, but not limited to, dissemination to the public through advertising, public relations, investor relations, news, sales, or any other media, or in any form or manner, or by way of any platform or method, whether known now or created or discovered in the future, other than that which is specified in the Agreement ("Unauthorized Use"). Should the CLIENT provide Unauthorized Materials to any person or entity, for any reason whatsoever, whether or not the Agreement has expired and/or been terminated by any Party, CLIENT hereby agrees to hold EPIC Indemnitees, harmless from any and all damages, expenses, claims, costs, fees or dues, including any attorney's fees. EPIC Indemnitees shall not be liable to any recipients of any Unauthorized Materials, and disclaim all liability to any party other than the CLIENT, and only as described in the Agreement. The CLIENT acknowledges that any opinions and conclusions expressed by EPIC Indemnitees pursuant to the Proposal, Agreement or Appraisal are made as employees and not as individuals. EPIC'S responsibility is limited to the CLIENT, and only as described in the Agreement, and any Unauthorized Use by third parties shall be undertaken solely at the risk of the CLIENT and/or third parties.
- 16) Insurance. EPIC shall carry, at its own expense, the following types of insurance with limits not less than shown below:
 - a) Workers' Compensation Insurance and occupational disease insurance with statutory limits, and employers' liability insurance with a minimum limit of \$1,000,000;
 - b) Comprehensive General Liability Insurance with a combined single limit for bodily injury, personal injury, and property damage of \$1,000,000 for injuries to or death of anyone or destruction of any property, including loss of use thereof, arising out of an occurrence;
 - c) Automobile Liability Insurance, including all hired, or non-owned vehicles and equipment, with a combined single limit for bodily injury, personal injury, and property damage of \$1,000,000 for injuries to or death of anyone or destruction of any property, including loss of use thereof, arising out of an occurrence; and
 - d) Errors and Omissions Liability Insurance, specifically written to cover the professional services to be performed under this Agreement, with limits of liability of not less than \$1,000,000 per claim.