

June 1, 2023

Proposal QTB178136

Grand Rapids Economic Development Authority
C/O Mr. Robert Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

Re: Proposal to Conduct a Phase I Environmental Site Assessment
Residential and Wooded Property
2804 Airport Road
PIDs: 91-033-1406, 91-033-1410, 91-033-4120, and 91-033-4130
Grand Rapids, MN 55744

Dear Mr. Mattei:

Braun Intertec Corporation is pleased to present this proposal to conduct a Phase I Environmental Site Assessment (ESA) of the referenced site (Site). The objective of a Phase I ESA is to evaluate the Site for indications of recognized environmental conditions and to assist in satisfying All Appropriate Inquiries (AAI) criteria and requirements. The Phase I ESA will be conducted in general conformance with the scope and limitations of ASTM International Practice E1527-21 (ASTM Practice E1527-21) and 40 CFR Part 312.

Scope of Services

Site History Review

The Phase I ESA will summarize reasonably ascertainable information pertaining to former and current land-use activities at the Site. Our summary will include a review of aerial photographs, fire insurance atlases, city directories, property tax files, building records, topographic maps, and/or other historical documents to satisfy the historical-use requirements of the ASTM Practice E1527-21 and 40 CFR Part 312.

Regulatory Information Review

We will request that a national regulatory information vendor, such as Environmental Data Resources, Inc., conduct a limited file evaluation of the Site. If readily available and practically reviewable, the file evaluation will include, at a minimum, a review of the databases within the corresponding approximate minimum search distance that are indicated in the ASTM Practice E1527-21 and 40 CFR Part 312.

We will review and summarize this information, and comment on known and potential environmental hazards that may impact the Site. The scope of work does not include a detailed review of file information of identified facilities listed on the regulatory databases. However, if in our opinion a file review is warranted to evaluate the existence of a recognized environmental condition, historical recognized environmental condition, controlled recognized environmental condition, or a *de minimis* condition, we will contact you to discuss expanding the assessment to include a file review and the associated costs.

Site Reconnaissance and Interviews

The Phase I ESA will include a reconnaissance of the Site and observations of adjoining properties. During the reconnaissance we will note, if observed, the type of vegetation, exposed soils, open excavations or depressions, and Site topography. Visible indications of underground and aboveground storage tanks, dumping, spills of petroleum and chemicals, and other obvious potential sources of contamination will be noted. In addition, we will conduct interviews with Site representatives and governmental officials regarding past and current land-use activities.

Results and Reporting

A draft Phase I ESA report will be sent to you for review and comment. The Phase I ESA report will remain in draft status until we are notified by you to proceed with issuance of the final Phase I ESA report.

If we encounter indications of existing or potential sources of contamination during our assessment, we will notify you to discuss how the assessment may proceed. You may wish to discontinue the Phase I ESA or you may consider expanding the assessment to further evaluate the contamination sources that are identified. If contamination at the Site is confirmed, the property owner may be required to notify proper governmental authorities.

User-Provided Information

As part of Phase I ESA, the “User” should provide available information to Braun Intertec as the Environmental Professional to help identify the possibility of recognized environmental conditions in connection with the Site. A “User” is the party seeking to use ASTM Practice E1527-21 to complete an environmental site assessment and may include, without limitation, a potential purchaser, tenant or owner of the property, a lender, or a property manager.

The attached User questionnaire should be completed in its entirety by the User(s) and returned with the signed authorization. If multiple Users are requesting reliance on the Phase I ESA, please provide us with a questionnaire completed by each of the appropriate entities.

Assessment Limitations

Upon completion of the Phase I ESA, Braun Intertec does not guarantee qualification for Landowner Liability Protections (LLP). Our proposed scope of work is consistent with “good commercial and customary practices” (as defined by ASTM Practice E1527-21) conducted in an effort to evaluate recognized environmental conditions at a site in this area.

The assessment will not include vapor encroachment screening as defined in ASTM Practice E2600-15, *Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions*. ASTM Practice E2600-15 is not a requirement or component of AAI, and its results are not determinative of whether hazardous substances from a release are or may be present at the property for the sake of AAI or ASTM E1527-21. However, vapors present or likely present from hazardous substances or petroleum products will be considered no differently than hazardous substances or petroleum products present or likely present as a result of a release to the environment. Therefore, while a vapor encroachment screening per the ASTM Practice E2600-15 standard will not be conducted as part of this proposal, the potential for impacts to the property from vapor migration that is a result of a release of

hazardous substances and/or petroleum products to the environment will be considered when assessing for the presence of a recognized environmental condition as defined by ASTM E1527-21.

Cost

The lump-sum cost for the tasks described in this proposal is as follows.

Service Description	Lump Sum Cost
Phase I Environmental Site Assessment	\$2,700

This includes one hour of post deliverable consulting time for revisions to the draft report and/or communication with you and/or the project team. Additional requests for meetings, consulting, or modifications to the report will be billed at a rate of \$150/hr.

Schedule

We anticipate the draft Phase I ESA report will be completed within three weeks from the date of your written authorization. The Phase I ESA report will remain in draft status until we are notified by you to proceed with issuance of the final Phase I ESA report.

General Remarks

Braun Intertec appreciates the opportunity to present this proposal to you. It is being sent in an electronic version **only**. A hard copy of the proposal will be supplied upon request. ***Please return a signed copy of the proposal, the completed User Questionnaire, and the completed Client Information Request Form, in their entirety.***

The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and that others will not delay us beyond our proposed schedule.

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement.

We appreciate the opportunity to provide professional services for you on this project. If you have questions regarding the contents of this proposal, please call Aaron Volker at 320.253.9940.

Sincerely,

BRAUN INTERTEC CORPORATION



Aaron P. Volker
Project Scientist



Ted R. Hubbes, PG, CHMM
Group Manager – Senior Scientist

Attachments:

General Conditions – Phase I Assessments (1/1/18)
ASTM Practice E1527-21 User Questionnaire
Client Information Request Form

The proposal is accepted, and you are authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

General Conditions

Phase I Environmental Site Assessments and Related Services

Section 1: Agreement

1.1 Our agreement with you consists of these General Conditions and the accompanying written proposal or authorization ("Agreement"). This Agreement is the entire agreement between you and us. It supersedes prior agreements. It may be modified only in a writing signed by us, making specific reference to the provision modified.

1.2 The words "you," "we," "us," and "our" include officers, employees, and subcontractors.

1.3 In the event you use a purchase order or other documentation to authorize our scope of work ("Services"), any conflicting or additional terms are not part of this Agreement. Directing us to start work prior to execution of this Agreement constitutes your acceptance. If, however, mutually acceptable terms cannot be established, we have the right to terminate this Agreement without liability to you or others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

Section 2: Our Responsibilities

2.1 We will provide Services specifically described in this Agreement. You agree that we are not responsible for services that are not expressly included in this Agreement. Unless otherwise agreed in writing, our findings will be written and you may not rely on oral statements.

2.2 In performing our professional services, we will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of our profession practicing in the same locality. If you direct us to deviate from our recommended procedures, you agree to hold us harmless from claims, damages, and expenses arising out of your direction. If during the one year period following completion of Services it is determined that the above standards have not been met and you have promptly notified us in writing of such failure, we will perform, at our cost, such corrective services as may be necessary, within the original scope in this Agreement, to remedy such deficiency. Remedies set forth in this section constitute your sole and exclusive recourse with respect to the performance or quality of Services.

2.3 We will reference our field observations and sampling to available reference points, but we will not survey, set, or check the accuracy of those points unless we accept that duty in writing. Locations of field observations or sampling described in our report or shown on our sketches are based on information provided by others or estimates made by our personnel. You agree that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. You accept the inherent risk that samples or observations may not be representative of things not sampled or seen and further that site conditions may vary over distance or change over time.

2.4 You will provide, at no cost to us, appropriate site safety measures as to work areas to be observed or inspected by us. Our employees are authorized by you to refuse to work under conditions that may be unsafe.

2.5 Unless a fixed fee is indicated, our price is an estimate of our project costs and expenses based on information available to us and our experience and knowledge. They may not reflect current market conditions. Such estimates are an exercise of our professional judgment and are not guaranteed or warranted. You should allow a contingency in addition to estimated costs.

Section 3: Your Responsibilities

3.1 You will provide access to the site. You agree to provide us with all plans, changes in plans, and new information as to site conditions until we have completed Services.

3.2 You agree to provide us with information in your possession or control relating to contamination at the work site.

3.3 Neither this Agreement nor the providing of Services will operate to make us an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous substances. *You agree to hold us harmless, defend, and indemnify us from any damages, claims, damages, penalties or losses resulting from the storage, removal, hauling or disposal of such substances.*

3.4 You agree to make all disclosures required by law. In the event you do not own the project site, you acknowledge that it is your duty to inform the owner of the discovery or release of contaminants at the site. *You agree to hold us harmless, defend, and indemnify us from claims, damages, penalties, or losses and expenses, including attorney fees, related to failures to make disclosures, disclosures made by us that are required by law, and from claims related to the informing or failure to inform the site owner of the discovery of contaminants.*

Section 4: Reports and Records

4.1 Unless you request otherwise, we will provide our report in an electronic format.

4.2 Our reports, notes, calculations, and other documents and our computer software and data are instruments of our service to you, and they remain our property. We hereby grant you a license to use the reports and related information we provide only for the related project and for the purposes disclosed to us. You may not transfer our reports to others or use them for a purpose for which they were not prepared without our written approval. *You agree to indemnify, defend, and hold us harmless from claims, damages, losses, and expenses, including attorney fees, arising out of such a transfer or use.*

4.3 If you do not pay for Services in full as agreed, we may retain work not yet delivered to you and you agree to return to us all of our work that is in your possession or under your control.

4.4 Electronic data, reports, photographs, samples, and other materials provided by you or others may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

Section 5: Compensation

5.1 You will pay for Services as stated in this Agreement. If such payment references our Schedule of Charges, the invoicing will be based upon the most current schedule. An estimated amount is not a firm figure. You agree to pay all sales taxes and other taxes based on your payment of our compensation. Our performance is subject to credit approval and payment of any specified retainer.

5.2 You will notify us of billing disputes within 15 days. You will pay undisputed portions of invoices upon receipt. You agree to pay interest on unpaid balances beginning 30 days after invoice dates at the rate of 1.5% per month, or at the maximum rate allowed by law.

5.3 If you direct us to invoice a third party, we may do so, but you agree to be responsible for our compensation unless the third party is creditworthy (in our sole opinion) and provides written acceptance of all terms of this Agreement.

5.4 Your obligation to pay for Services under this Agreement is not contingent on your ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, your successful completion of any project, receipt of payment from a third party, or any other event. No retainage will be withheld.

5.5 If you do not pay us in accordance with this Agreement, you agree to reimburse all costs and expenses for collection of the moneys invoiced, including but not limited to attorney fees and staff time.

5.6 You agree to compensate us in accordance with our Schedule of Charges if we are asked or required to respond to legal process arising out of a proceeding related to the project and as to which we are not a party.

5.7 If we are delayed by factors beyond our control, or if project conditions or the scope or amount of work changes, or if changed labor conditions result in increased costs, decreased efficiency, or delays, or if the standards or methods change, we will give you timely notice, the schedule will be extended for each day of delay, and we will be compensated for costs and expenses incurred in accordance with our Schedule of Charges.

5.8 If you fail to pay us in accordance with this Agreement, we may consider the default a total breach of this Agreement and, at our option, terminate our duties without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

5.9 In consideration of our providing insurance to cover claims made by you, you hereby waive any right to offset fees otherwise due us.

Section 6: Disputes, Damage, and Risk Allocation

6.1 Each of us will exercise good faith efforts to resolve disputes without litigation. Such efforts will include, but not be limited to, a meeting(s) attended by each party's representative(s) empowered to resolve the dispute. Before either of us commences an action against the other, disputes (except collections) will be submitted to mediation.

6.2 *Notwithstanding anything to the contrary in this Agreement, neither party hereto shall be responsible or held liable to the other for punitive, indirect, incidental, or consequential damages, or liability for loss of use, loss of business opportunity, loss of profit or revenue, loss of product or output, or business interruption.*

6.3 You and we agree that any action in relation to an alleged breach of our standard of care or this Agreement shall be commenced within one year of the date of the breach or of the date of substantial completion of Services, whichever is earlier, without regard to the date the breach is discovered. Any action not brought within that one year time period shall be barred, without regard to any other limitations period set forth by law or statute. We will not be liable unless you have notified us within 30 days of the date of such breach and unless you have given us an opportunity to investigate and to recommend ways of mitigating damages. You agree not to make a claim against us unless you have provided us at least 30 days prior to the institution of any legal proceeding against us with a written certificate executed by an appropriately licensed professional specifying and certifying each and every act or omission that you contend constitutes a violation of the standard of care governing our professional services. Should you fail to meet the

conditions above, you agree to fully release us from any liability for such allegation.

6.4 *For you to obtain the benefit of a fee which includes a reasonable allowance for risks, you agree that our aggregate liability for all claims will not exceed the fee paid for Services or \$50,000, whichever is greater. If you are unwilling to accept this allocation of risk, we will increase our aggregate liability to \$100,000 provided that, within 10 days of the date of this Agreement, you provide payment in an amount that will increase our fees by 10%, but not less than \$500, to compensate us for the greater risk undertaken.* This increased fee is not the purchase of insurance.

6.5 *You agree to indemnify us from all liability to others in excess of the risk allocation stated herein and to insure this obligation. In addition, all indemnities and limitations of liability set forth in this Agreement apply however the same may arise, whether in contract, tort, statute, equity or other theory of law, including, but not limited to, the breach of any legal duty or the fault, negligence, or strict liability of either party.*

6.6 This Agreement shall be governed, construed, and enforced in accordance with the laws of the state in which our servicing office is located, without regard to its conflict of laws rules. The laws of the state of our servicing office will govern all disputes, and all claims shall be heard in the state or federal courts for that state. Each of us waives trial by jury.

6.7 No officer or employee acting within the scope of employment shall have individual liability for his or her acts or omissions, and you agree not to make a claim against individual officers or employees.

Section 7: General Indemnification

7.1 *We will indemnify and hold you harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by our negligent acts or omissions or those negligent acts or omissions of persons for whom we are legally responsible. You will indemnify and hold us harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by your negligent acts or omissions or those negligent acts*

or omissions of persons for whom you are legally responsible.

7.2 To the extent it may be necessary to indemnify either of us under Section 7.1, you and we expressly waive, in favor of the other only, any immunity or exemption from liability that exists under any worker compensation law.

7.3 You agree to indemnify us against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by you or by others on your behalf.

Section 8: Miscellaneous Provisions

8.1 We will provide a certificate of insurance to you upon request. Any claim as an Additional Insured shall be limited to losses caused by our negligence.

8.2 You and we, for ourselves and our insurers, waive all claims and rights of subrogation for losses arising out of causes of loss covered by our respective insurance policies.

8.3 Neither of us will assign or transfer any interest, any claim, any cause of action, or any right against the other. Neither of us will assign or otherwise transfer or encumber any proceeds or expected proceeds or compensation from the project or project claims to any third person, whether directly or as collateral or otherwise.

8.4 This Agreement may be terminated early only in writing. You will compensate us for fees earned for performance completed and expenses incurred up to the time of termination.

8.5 If any provision of this Agreement is held invalid or unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

8.6 No waiver of any right or privilege of either party will occur upon such party's failure to insist on performance of any term, condition, or instruction, or failure to exercise any right or privilege or its waiver of any breach.

ASTM Practice E1527-21 User Questionnaire

Site: Residential and Wooded Property
2804 Airport Road
PIDs: 91-033-1406, 91-033-1410, 91-033-4120, and 91-033-4130
Grand Rapids, MN 55744

Name: _____ **Date:** _____

Company: _____

In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2002 (the “Brownfields Amendment”), the User must conduct the following inquiries. The User should provide the following information to the environmental professional. Failure to conduct these inquiries could result in a determination that “all appropriate inquiries” is not complete.

(1) Environmental cleanup liens that are filed or recorded against the property.

The types of title reports that may disclose environmental liens include Preliminary Title Reports, Title Commitments, Condition of Title, and Title Abstracts. Chain-of-title reports will not normally disclose environmental liens. Did a search of *recorded land title records* (or judicial records where appropriate) identify any environmental cleanup liens filed or recorded against the *property* under federal, tribal, state or local law?

(2) Activity and use limitations (AULs) that are in place on the property or that have been filed or recorded against the property.

The types of title reports that may disclose AULs include Preliminary Title Reports, Title Commitments, Condition of Title, and Title Abstracts. Chain-of-title reports will not normally disclose AULs. Did a search of *recorded land title records* (or judicial records where appropriate) identify any AULs, such as *engineering controls*, land use restrictions, or *institutional controls* that are in place at the *property* and/or have been filed or recorded against the *property* under federal, tribal, state or local law?

(3) Specialized knowledge or experience of the person seeking to qualify for the LLP.

Do you have any specialized knowledge or experience related to the *property* or nearby properties? For example, are you involved in the same line of business as the current or former *occupants* of the *property* or an adjoining *property* so that you would have specialized knowledge of the chemicals and processes used by this type of business?

(4) Relationship of the purchase price to the fair market value of the property if it were not contaminated.

Does the purchase price being paid for this *property* reasonably reflect the fair market value of the property? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the property?

(5) Commonly known or reasonably ascertainable information about the property.

Are you aware of commonly known or *reasonably ascertainable* information about the *property* that would help the *environmental professional* to identify conditions indicative of releases or threatened releases? For example,

(a) Do you know the past uses of the *property*? If so, please explain.

(b) Do you know of specific chemicals that are present or once were present at the *property*? If so, please explain.

(c) Do you know of spills or other chemical releases that have taken place at the *property*? If so, please explain.

(d) Do you know of any environmental cleanups that have taken place at the *property*? If so, please explain.

(6) The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigation.

Based on your knowledge and experience related to the *property*, are there any *obvious* indicators that point to the presence or likely presence of contamination at the *property*? If so, please explain.

Client Information Request Form for Phase I Environmental Site Assessments

Project/Site Name: _____

So that we may serve you better, please answer the following questions concerning the project Site. If a question does not apply to the Site, write "NA." If you do not know the answer, write "Unknown."
Please return the completed form along with one copy of the signed authorization letter.

Client Objectives

A. What is your interest in the Site? Check all that apply.

- ☐ Buying property
- ☐ Refinancing
- ☐ Selling property
- ☐ Development
- ☐ Redevelopment
- ☐ Other: _____

B. In addition to the User, are there any additional entities you would like included on the report for reliance purposes?

C. A final PDF of the report will be provided. If hard copies are needed, how many? _____

D. What is the desired completion date for this project?

Date: _____

E. Do you wish to receive a verbal report before the written report is received?

☐ Yes ☐ No

F. Is confidentiality requested?

☐ Yes ☐ No

If so, to whom is it limited? _____

Site-Specific Information

A. Where is the Site located?

Address: _____

Legal Description: _____

B. Who is the current property owner?

Name: _____
Phone: _____

C. Who will provide access to the property and/or who is the Site contact?

Name: _____
Phone: _____

D. Has any previous environmental work been performed on the Site? Check all that apply.

- ☐ No previous environmental work has been performed
- ☐ Unknown
- ☐ Geotechnical/Soil borings
- ☐ Phase I Environmental Site Assessment
- ☐ Phase II Environmental Site Assessment
- ☐ Soil Vapor/Sub-slab Soil Vapor Investigation
- ☐ Radon Investigation
- ☐ Asbestos/Lead-based Paint Inspections
- ☐ Hazardous Materials Testing
- ☐ Other: _____

If previous environmental work has been performed...

When was it performed? _____

By whom?

Name: _____

Phone: _____

What were the results?

Are copies of the report(s) available?

☐ Yes ☐ No ☐ Unknown

E. Is a current Site plan available? If yes, please provide.

☐ Yes ☐ No ☐ Unknown

F. How large is the property (total acreage)?

_____ acres

G. How is the property currently used? Check all that apply.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> Undeveloped | <input type="checkbox"/> Light industrial |
| <input type="checkbox"/> Agricultural | <input type="checkbox"/> Retail |
| <input type="checkbox"/> Residential | <input type="checkbox"/> Office Building |
| <input type="checkbox"/> Parking Lot | <input type="checkbox"/> Warehouse |
| <input type="checkbox"/> Commercial | <input type="checkbox"/> Other: _____ |

H. What is the proposed use of the property?

I. Are there existing buildings on the property?

☐ Yes ☐ No ☐ Unknown

If yes:

How many buildings? _____

What year was each building originally built? _____

What year(s) was/were any subsequent addition(s) completed for each building?

What is the total square footage of each building and/or additions? _____

Are you aware of any asbestos-containing building materials in any building? _____

Give a brief description and use of each building.

J. What was the property used for in the past?

K. Are there currently or previously any aboveground or underground storage tanks located on the property?

Aboveground storage tanks: ☐ Yes ☐ No ☐ Unknown

Underground storage tanks: ☐ Yes ☐ No ☐ Unknown

If yes:

Where are they located?

What are the sizes and contents of the tanks (e.g., 500-gallon diesel)?

When were the tanks installed?

Are there any maintenance records available for the tanks?

Are the tanks currently being used?

☐ Yes ☐ No ☐ Unknown

If no:

When were the tank(s) closed? _____

Was the MPCA notified? _____

L. Have hazardous chemicals or petroleum products ever been stored at the Site?

Hazardous chemicals: ☐ Yes ☐ No ☐ Unknown

Petroleum products: ☐ Yes ☐ No ☐ Unknown

If yes, which ones? _____

M. Has the property ever been used or is the property currently used for dumping or landfilling?

Client Information Request Form
for Phase I Environmental Site Assessments

N. Utilities

Are there any wells or septic systems formerly or currently located at the Site?

Wells: ☐ Yes ☐ No ☐ Unknown

Septic systems: ☐ Yes ☐ No ☐ Unknown

Is the Site connected to city sewer and water?

Sewer: ☐ Yes ☐ No ☐ Unknown

Water: ☐ Yes ☐ No ☐ Unknown

What types of utilities service the Site? Check all that apply.

☐ Unknown

☐ Gas

☐ Electric

☐ Propane

☐ Other: _____

O. Are there any environmental concerns regarding the property or adjoining properties?

P. How are the adjacent properties used?
