

October 31, 2013

Ms. Kathryn P. Jolly, REM
Director of Environmental Management
Rowan County Government
2727-D Old Concord Road
Salisbury, NC 28146

Reference: **PROPOSAL FOR PHASE I ENVIRONMENTAL SITE ASSESSMENT**
Salisbury Mall Site
Salisbury, North Carolina
ESP Proposal No. E6-13625

Dear Ms. Jolly:

ESP Associates, P.A. (ESP), appreciates the opportunity to submit this proposal to perform a Phase I environmental site assessment (ESA) for the above referenced Salisbury Mall site. The basis of this proposal is your October 31, 2013, emails in which you attached a property plat map, a property deed, and a property tax record for Parcel No. 331-078. This proposal outlines our proposed scope of services, cost estimate for our work, and our "Fee Schedule" for our services.

PROJECT INFORMATION

The subject site (Tax Parcel Nos. 331078, 331-143, 331-176, and 331-2240001) located at the southwest corner of the intersection of W. Jake Alexander Boulevard and Statesville Boulevard in Salisbury, North Carolina. The approximate 34-acre site is the location of the partially occupied approximate 316,964-sqft Salisbury Mall. The site is comprised of the main mall structure along with three built-out outparcels and associated asphalt parking and landscaped areas. We understand that Rowan County Government requests that ESP perform a Phase I ESA on the subject site as part of their due diligence prior to purchase of the property.

SCOPE OF SERVICES

ESP will perform a Phase I ESA for the subject site in general accordance with ASTM E 1527-05. ESP understands this service is being provided as part of our client's due diligence qualifications for the "innocent land owner's defense" for a land transaction or loan modification. Opinions outlined in our report will be rendered in accordance with generally accepted professional standards but are not to be construed as guarantee or warranty as to the potential liability associated with environmental conditions or impacts at the site. The report and opinion will be based solely upon the services described herein, and will not be based on tasks or

procedures beyond the scope of described services or the time and budgetary constraints imposed. The Phase I ESA does not include services relating to delineation of regulated wetlands or other environmental services not outlined in ASTM E 1527-05.

During our assessment, the information gained from records search and review, historical research, and interviews will be used without extraordinary verification. In addition, ESP will report any and all findings directly to our client. Relaying of this information to others such as regulatory agencies, owners, etc. is the responsibility of our client.

In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001, the user must provide the information (if available) included on the attached User Questionnaire to the environmental professional. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete.

COST AND SCHEDULE

Our fee for the above services will be based on a fixed price, **lump sum amount of \$3,300**. Timely and clear access into the property is required, as well as access to all reports and data relative to the subject property. The report should be submitted to you within two weeks of project authorization.

COMPENSATION

Our services will be billed monthly, with payments due upon receipt and considered past due 30 days following the invoice date. Any services not specifically listed above can be provided at our prevailing contract hourly rates at the time the request for such services is made or under a separately negotiated contract.

AUTHORIZATION

Our "Statement of Terms and Conditions" and "Fee Schedule" are attached and incorporated as a part of this proposal. Please indicate your acceptance of our proposal by signing and returning both originals of this proposal to our office. By acceptance of this proposal, Client is guaranteeing ESP that Owner(s) has/have granted permission for ESP to access the site and perform the above tasks. Upon receipt of the signed original agreements, we will execute both originals, return one (1) original to you, and proceed with the performance of our services. This instrument contains the entire agreement between the parties and may not be altered, modified, amended, or assigned in any respect except by written instrument signed by all parties hereto. This proposal may be withdrawn by ESP if not executed within 60 days of the date of the proposal.

ESP appreciates the opportunity to submit this proposal to perform professional services for the referenced project. If you should have questions concerning this proposal, or if additional information is required, please contact us.

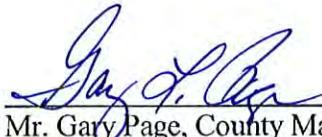
Sincerely,
ESP Associates, P.A.

Christopher J. Ward, PG
Environmental Department Manager

Attachments:

Phase I ESA User Questionnaire
Fee Schedule
Statement of Terms and Conditions

ACCEPTED AS A CONTRACT BY AND BETWEEN:



Mr. Gary Page, County Manager
Rowan County Government



Date

Mr. Edward G. Horstkamp, III, PE, Executive Vice President
ESP Associates, P.A.

Date

PHASE I ESA USER QUESTIONNAIRE
SALISBURY MALL SITE
Salisbury, North Carolina
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In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001, the user must provide the following information (if available) to the environmental professional. **Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete.**

Upon completion, please return the questionnaire to ESP for inclusion in the Phase I ESA report.

1. Are you aware of any environmental cleanup liens against the property that are filed or recorded under federal, tribal, state or local law?

Not aware of any liens. NCDENR requested permission to place (2) monitoring wells on the Mall property to determine any leaching of contaminants fr. an adjoining property owner.

2. Are you aware of any activity and use limitations (AULs), such as engineering controls, land use restrictions or institutional controls that are in place at the site and/or have been filed or recorded in a registry under federal, tribal, state or local law?

not aware of any limitations

3. As the user of this Phase I ESA 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?

No

J.P. 11/5/13
Initial and Date

PHASE I ESA USER QUESTIONNAIRE
SALISBURY MALL SITE
Salisbury, North Carolina
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4. Does the purchase price being paid for the 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 of the property?

The purchase price is fair market value.

5. Are you aware of commonly known or reasonably ascertainable information about the property that would help in the environmental professional to identify conditions indicative of releases or threatened releases? For example, as user,
- a) Do you know the past uses of the property?
 - b) Do you know of specific chemicals that are present or once were present at the property?
 - c) Do you know of spills or other chemical releases that have taken place at the property?
 - d) Do you know of any environmental cleanups that have taken place at the property?

Not aware of any issues with contamination

6. As the user of this Phase I ESA, 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?

Not aware of any, and gave a copy of the current owners Phase I performed in 2011.

G.C. 11/5/13
Initial and Date

PHASE I ESA USER QUESTIONNAIRE
SALISBURY MALL SITE
Salisbury, North Carolina
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The following additional information will aid ESP in completion of the Phase I ESA, but is not necessarily required to qualify for one of the LLPs.

7. What is the name of the current property owner(s), the property(s) physical address(es), and a telephone number(s) where the property owner(s) can be contacted?

see attached #1

8. Have you performed chain of title research? If so, please provide a copy to ESP.

Co. attorney in families with the property, and will begin closing process by the end of this week or Nov. 8th

9. Type of property transaction, for example, sale, purchase, exchange, etc.

purchase of Mall property for future Co. government office space

10. Identify all parties who will rely on the Phase I ESA report.

Rowan Co. Government. I need the Phase I completed in the next 3 weeks, for a closing on Nov. 29th, 2013

Jay D. [Signature]
Preparer's Signature

11/5/13
Date

attach. #1

LOCAL KNOWLEDGE | GLOBAL PERSPECTIVE

Prepared for:

StanCorp Mortgage Investors, LLC, or its assigns
19225 NW Tanasbourne Drive
Hillsboro, OR 97124

Property Identification

Salisbury Mall
1921-1951 Jake Alexander Blvd. W
Salisbury, NC 28147

Prepared by:

Global Realty Services Group
325 Center St., Laguna Beach, CA 92651
877 GRS CRE1 | +1 213 908 2173 | www.grs-global.com

Site Reconnaissance: May 08, 2012
Report Date: May 15, 2012
GRS Project #: 12-11785.1

RESTRICTED USE AND RELIANCE
THE USE OF AND RELIANCE UPON THIS REPORT ARE
STRICTLY LIMITED AS SET FORTH HEREIN

ESP Associates, P.A.
 Technical Services
 Fee Schedule 1203H

Engineering

Principal	\$ 185.00
Senior Managing Engineer	\$ 150.00
Senior Project Engineer II	\$ 135.00
Senior Project Engineer I	\$ 125.00
Project Engineer II	\$ 100.00
Project Engineer I	\$ 85.00
Senior Project Manager	\$ 100.00
Project Manager III	\$ 90.00
Project Manager II	\$ 75.00
Project Manager I / Engineering Intern	\$ 65.00
Senior Project Geologist II	\$ 135.00
Senior Project Geologist I	\$ 125.00
Project Geologist II	\$ 100.00
Project Geologist I	\$ 85.00

Administrative

Senior Admin. Assistant	\$ 65.00
Administrative Assistant II	\$ 55.00
Administrative Assistant I	\$ 45.00
Courier	\$ 45.00

Special Inspections

Special Inspector (Field)	\$ 60.00
Prestressed Concrete Special Inspector	\$ 60.00
Concrete Special Inspector	\$ 60.00
Post-Tension Special Inspector	\$ 60.00
Masonry Special Inspector	\$ 60.00
Structural Steel Special Inspector	\$ 75.00
Fireproofing Special Inspector	\$ 60.00
Metals Technician	\$ 70.00
NCDOT Superpave Technician	\$ 70.00
NCDOT Roadway Certified Technician	\$ 50.00
NCDOT Nuclear Density Technician	\$ 50.00
DOT Concrete Technician	\$ 48.00
DOT Soil Technician	\$ 48.00
Certified Weld Inspector	\$ 75.00
Special Inspector	\$ 125.00
Agent to Special Inspector	\$ 60.00
Designated Special Inspector	\$ 125.00
Authorized Special Inspector	\$ 60.00

Field Testing Services

Senior Engineering Technician III	\$ 54.00
Senior Engineering Technician II	\$ 49.00
Senior Engineering Technician I	\$ 45.00
Engineering Technician III	\$ 44.00
Engineering Technician II	\$ 40.00
Engineering Technician I	\$ 36.00
Senior Environmental Technician	\$ 60.00
Environmental Technician	\$ 40.00

Laboratory Testing Services

Soils

Natural Moisture Content, each	\$ 8.00
Atterberg Limits, each	\$ 75.00
Unit Weight and Moisture Determination, each	\$ 40.00
Grain Size (Wash 200 Sieve), each	\$ 50.00
Grain Size (W/Mechanical Sieve), each	\$ 80.00
Grain Size (with Hydrometer), each	\$ 120.00
Specific Gravity, each	\$ 60.00
Standard Proctor Compaction, each	\$ 140.00
Modified Proctor Compaction, each	\$ 160.00
ABC Stone Proctor (N.C.D.O.T.), each	\$ 200.00
ABC Stone Gradation (N.C.D.O.T.), each	\$ 150.00
California Bearing Ratio Tests (3 points, soaked)	\$ 330.00

ESP Associates, P.A.
 Technical Services
 Fee Schedule 1203H

Laboratory Testing Services (continued)

Soils (continued)

Expansion Index Test	\$ 200.00
Triaxial Compression Tests*	
a. unconsolidated - undrained (Q)	\$ 500.00
b. consolidated - undrained (R)	\$ 600.00
c. consolidated - undrained with pore pressure (R)	\$ 750.00
*For remolded samples, add	\$ 90.00
Permeability Testing (triaxial apparatus):	
a. Remolded, each	\$ 400.00
b. Undisturbed, each	\$ 350.00
Consolidation Test:	
a. Undisturbed, each	\$ 450.00
b. Remolded, each	\$ 500.00

Materials

Concrete cylinder compression test (6"x12")	\$ 10.00
Mortar cube compression test (2"x2")	\$ 18.00
Grout prism compression test (4"x4"x8")	\$ 18.00
Masonry unit compression test	\$ 110.00
Masonry prism compression test (8" block)	\$ 180.00
Masonry prism compression test (12" block)	\$ 210.00
Masonry sample trimming	\$ 60.00
Concrete core compression test	\$ 18.00
Concrete sample trimming	\$ 12.00
Bulk specific gravity of asphalt	\$ 45.00
Asphalt thickness determination	\$ 15.00
Cutting of concrete/masonry specimen	\$ 20.00

There is a report and handling charge of \$40.00/set for concrete cylinders made and delivered to ESP by client or contractor.

Notes with regard to field testing and inspection services

- A. Overtime rates will be 1.5 times the regular rate indicated for labor.
- B. Overtime includes all time in excess of 8 hr. per day, before 6:00 am, after 7:00 pm, Saturdays, Sundays & Holidays
- C. Minimum 3 hr. charge for part-time Engineering Technician (excluding cylinder pick up)
- D. All rates are charged "portal to portal."

Drilling Services

Mobilization of Drill Crew and Equipment, local	\$ 400.00
a. Surcharge for all terrain vehicle mounted drill	\$ 100.00
b. Boom Attachment for Access	\$ 60.00
Soil Test Borings: (ASTM D-1586); split-spoons with up to 3-1/4" ID Augers, 4 samples in upper 10 feet and at 5 foot intervals thereafter for depths 0 to 50 feet:	
a. less than 60 blows	\$ 9.50
b. greater than 60 blows	\$ 11.50
c. additional split-spoon samples and bulk samples	\$ 17.00
d. additional charge below 50 feet	\$ 4.00
e. additional charge below 75 feet	\$ 3.00
Hourly rate for Drill Rig and Crew	\$ 180.00
Auger Boring, up to 3-1/4 " ID Augers	\$ 8.00
Undisturbed Samples, 3-inch Shelby Tube	\$ 80.00
Difficult moving, clearing access, standby, hauling water or layout of borings	\$ 180.00
Subsistence:	
a. 2 man crew	\$ 200.00
b. 3 man crew	\$ 250.00
Dozer rental for clearing access to boring locations and moving drill rig	Cost + 15%
Rock Coring:	
a. Set-up	\$ 180.00
b. Casing	\$ 9.00
c. Reaming Casing	\$ 14.00
d. Coring	\$ 44.00
e. Coring (NQ Size)	\$ 45.00
Temporary standpipe, backfilled with cuttings, non-grouted for water level measurements	\$ 6.00
a. Additional charge for sand pack, bentonite seal and cuttings	\$ 10.00
Grout Bore Holes, per foot	\$ 8.80

ESP Associates, P.A.
Technical Services
Fee Schedule 1203H

Equipment

Floor Flatness Equipment, per day	\$	100.00
Photoionization Detector	\$	110.00
Disposable Bailer	\$	12.00
Conductivity, pH, Temperature Probe	\$	30.00
Dissolved Oxygen Probe	\$	60.00

Reimbursables

1. Travel and Other Miscellaneous Expenses	Cost + 15%
2. Subcontract and Specialty Services	Cost + 15%
3. Equipment Rental	Cost + 15%
4. Mileage, per mile	\$ 0.50
5. Nuclear Density Gauge per day	\$ 35.00
6. Perdiem, per person	\$ 120.00

Statement of Terms and Conditions

ATTACHMENT I

PREAMBLE: THIS CONTRACT CONTAINS LIMITATIONS OF WARRANTY AND LIABILITY, AMONG OTHER THINGS. YOU ARE ADVISED TO READ THIS DOCUMENT CAREFULLY AND TO SEEK COUNSEL REGARDING ANY QUESTIONS YOU MAY HAVE RELATED TO THE LANGUAGE CONTAINED HEREIN.

WITNESSETH: WHEREAS, Client desires to contract with Consultant to furnish Services to Client's project identified above.

WHEREAS, Consultant is engaged in the business of providing services and related labor, materials, and equipment. (herein individually and collectively referred to as Services.)

NOW, THEREFORE, in consideration of the Mutual Covenants and Promises included herein, Client and Consultant agree as follows:

OFFER ACCEPTANCE: Client hereby accepts Consultant's offer to provide services as described in Consultant's proposal for services and agrees that such services and any additional services authorized by client, shall be governed by this Agreement.

CONTRACT DOCUMENTS: "Contract Documents" shall mean this document as well as the attached proposal each of which is incorporated into the other.

PAYMENT: Client will pay Consultant for services and expenses in accordance with the Contract Documents. The current fee schedule in effect for the location providing the services shall be used as the amount to be paid by client for services provided. Consultant will submit progress invoices to Client monthly and a final invoice upon completion of its Services. Each invoice, on presentation, is due and payable by Client. Invoices are past due 30 days after the date of the invoice. Past due amounts are subject to a late payment fee of one and one-half percent per month (18 percent per annum) or the highest amount allowed by applicable law on the outstanding balance, whichever is less. Attorney's fees and other costs incurred by Consultant in collecting past due amounts shall be paid by the Client.

Consultant shall be paid in full for all services rendered under this agreement, including any additional services authorized by Client in excess of those stated in this Agreement.

The Client's obligation to pay under this Agreement is in no way dependent upon the Client's ability to obtain financing, payment from third parties, approval of governmental or regulatory agencies, or upon the Client's successful completion of the Project.

WARRANTY AND STANDARD OF CARE: Consultant and its agents, employees and subcontractors shall endeavor to perform Services for Client using that degree of care and skill ordinarily exercised by and consistent with the standards of others ordinarily providing similar services in the same or similar locality as the one where the services are performed. In the event any portion of the Services fails to substantially comply with this warranty and standard of care obligation and Consultant is promptly notified in writing prior to ninety (90) days after completion of such portion of the Services, Consultant will re-perform such portion of the

Services, or if re-performance is impractical, Consultant will refund the amount of compensation paid to Consultant for such portion of the Services.

THE REMEDIES SET FORTH HEREIN ARE EXCLUSIVE.

This **Warranty And Standard Of Care** is in lieu of all other warranties and standards of care. No other warranty or standard of care, expressed or implied, including warranties of merchantability and fitness for a particular purpose is made or intended by the proposal, by oral communications or by any representations made regarding the services included in this Agreement.

LIMITATION OF LIABILITY - Consultant and Client mutually agree that the services provided pursuant to this Agreement involve risks or liability which cannot be adequately compensated for by the payments Client will make under this Agreement. Therefore, the total cumulative liability of Consultant, its agents, employees and subcontractors whether in contract, tort including negligence (whether sole or concurrent) and strict liability, or otherwise arising out of, connected with or resulting from the services provided pursuant to this Agreement **shall not exceed the total fees paid by Client or fifty thousand dollars, whichever is greater and such shall constitute liquidated damages.** At additional cost, Client may obtain a higher limit of liability prior to commencement of services. The additional cost is compensation to Consultant for increasing the Consultant's limit of liability. The additional cost is not an insurance cost. Consultant's consideration to Client for this limit of liability is specifically reflected in Consultant's fees for services under this Agreement as such fees are less than Consultant would be paid for services under an Agreement without a limitation of liability. **Client is cautioned that this is a limited liability Agreement limiting the liability of Consultant; therefore, Client is advised to carefully review Client's risk of liability related to this contract and address such risks through Client's insurance or other means.**

DISCLAIMER OF CONSEQUENTIAL DAMAGES - **In no event shall Consultant or Client be liable to the other for any special, indirect, incidental or consequential loss or damages, including lost profits and loss of use.**

REPORTS - In connection with the performance of the Services, Consultant shall deliver to Client one or more reports or other written documents reflecting Services provided and the results of such Services. All reports and written documents delivered to Client are instruments reflecting the services provided by Consultant to Client pursuant to this agreement are provided for the exclusive use of Client, Client's agents, and employees, all instruments of service, other written documents, all original data gathered by Consultant and work papers produced by Consultant in the performance of the Services are, and shall remain, the sole and exclusive property of Consultant.

Should Client make instruments of service, including reports, available to strangers or request that Consultant address or forward copies of such to strangers, then Consultant's obligation with regard to such reports shall be to Client only, and limited to the provisions of this Agreement. Client may request that Consultant forward instruments of

Statement of Terms and Conditions

ATTACHMENT I

service to strangers or add addressees (an addressee is a stranger which receives a report prepared for Client but at Client's request such report is addressed to the stranger) to the instruments of service. Consultant reserves the right in its sole discretion to grant or deny Client's request and to charge additional fees for granting such a request. Such strangers and addressees receiving instruments of service shall as strangers to this Agreement have no recourse or basis for claim against Consultant and in consideration for receiving such, agree to look solely to Client as provider of the instruments of service. Client shall indemnify and hold harmless Consultant, its agents, employees and subcontractors from any stranger's use or costs, liabilities, claims and attorney's fees arising from any stranger's use or reliance on instruments of services when such use or reliance is with Client's knowledge.

SAFETY - With respect to the performance of the Services, Consultant shall take safety precautions required by federal, state and local laws, rules, regulations, statutes or ordinances. Should Client, or third parties be conducting activities on the Site, then each shall have responsibility for their own safety and compliance with applicable safety requirements.

CONFIDENTIALITY - Subject to any obligation Consultant may have under applicable law or regulation, Consultant will endeavor to release information relating to the Services only to its employees and subcontractors in the performance of the Services, to Client's authorized representative and to persons designated by the authorized representative to receive such information.

SAMPLES - Unless otherwise requested, test specimens or samples will be disposed of immediately upon completion of tests and analysis. Upon written request, Consultant will retain samples for a mutually acceptable storage charge and period of time. In the event that samples contain or may contain hazardous materials, Consultant shall, after completion of testing and at Client's expense, return such samples to Client or make samples available for disposal by Client's agent. Client recognizes and agrees that Consultant is acting as a bailee and at no time assumes title to said samples.

INVENTIONS - Any and all inventions or discoveries relating to the Services, including improvements and modifications to existing products or processes made or conceived by Consultant or its employees during the term of this Agreement are and shall remain the sole and exclusive property of Consultant.

REPRESENTATIONS OF CLIENT - Client warrants and covenants that sufficient funds are available upon receipt of Consultant's invoice to make payment in full for the services rendered by Consultant. Client warrants that all information provided to Consultant regarding the project and project location are complete and accurate to the best of Client's knowledge. Client agrees to furnish Consultant, its agents, employees, and subcontractors a right-to-entry onto the project site and permission to perform the services included in this Agreement.

PROJECT SITE - Reasonable precautions will be taken to minimize damage to the Project Site from Consultant's activities and use of equipment. Client recognizes that the performance of the services included in this Agreement may

cause alteration or damage to the site. Client accepts the fact that this is inherent in the work and will not look to Consultant for reimbursement or hold Consultant liable or responsible for any such alteration or damage. Should Client not be owner of the property, then Client agrees to notify the owner of the aforementioned possibility of unavoidable alteration and damage and to indemnify and hold Consultant harmless from any claims and costs including attorney's fees by the owner or persons having possession of the site through the owner which are related to such alteration or damage.

Client agrees to disclose the identity of all utilities serving the Project Site and the presence and accurate location of hidden or obscure man-made objects known to Client relative to field tests or boring locations. Client agrees to indemnify and hold harmless Consultant from all claims, suits, losses, personal injuries, death and property liability including costs and attorney's fees resulting from damage or injury to subterranean structures (pipes, tanks, telephone cables, etc.) arising from the performance of Consultant's services when the existence of such are not called to Consultant's attention in writing or the location not correctly identified in information furnished Consultant.

TERMINATION FOR CONVENIENCE - Upon written notice, Client or Consultant may terminate the performance of any further services included in this Agreement if the terminating party determines termination is in the terminating party's interest. Upon dispatch or receipt of the termination notice, Consultant shall stop work on all services included in this Agreement and deliver any instruments of service complete at that time to Client and Client shall pay Consultant for all services performed up to the dispatch or receipt of the termination notice. Upon termination for Convenience, Consultant and Client shall have no further rights or remedies other than those included herein.

UNFORESEEN OCCURRENCES - If, during the performance of service hereunder, any unforeseen hazardous substance, material, element or constituent or other unforeseen conditions or occurrences are encountered which, in Consultant's judgment significantly affects or may affect the services, Consultant will notify Client thereof. Subsequent to that notification, Consultant may; (a) If practicable, in Consultant's judgment and with approval of Client, complete the original scope of services in accordance with the procedures originally intended in the Proposal; (b) Agree with Client to modify the scope of services and the estimate of charges to include the previously unforeseen conditions or occurrences, such revision to be in writing and signed by the parties and incorporated herein; or (c) Terminate the services effective on the date of notification pursuant to the terms of **TERMINATION FOR CONVENIENCE**.

DELAYS - Should completion of any portion of the Services be delayed for causes beyond the reasonable control of or without the fault or negligence of Consultant, the time for performance shall be extended for a period equal to the delay.

INSURANCE - Consultant shall maintain at its own expense the following insurance subject to normal industry

Statement of Terms and Conditions

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exclusions: (1) Workmen's Compensation Insurance and Employer's Liability Insurance. (2) Comprehensive Automobile Liability Insurance with limits of \$1,000,000.00 Certificates can be issued upon request identifying details and limits of coverage.

INDEMNITY - Client agrees to indemnify, defend and save harmless Consultant, its agents, employees and subcontractors from and against any and all losses, liabilities, and costs and expenses of every kind (including cost of defense, investigation, settlement and reasonable attorney's fees), which Consultant may incur, become responsible for or pay out as a result of bodily injuries (including death) to any person, damage to any property or both, to the extent caused by Client's negligence or willful misconduct.

Client and Consultant shall, in the event of liability arising out of their joint negligence or willful misconduct indemnify, defend, and save harmless each other in proportion to their relative degree of fault.

NON-SOLICITATION - Client does hereby agree not to seek to influence any employee of Consultant to leave Consultant's employ and or become directly or indirectly an employee or representative for Client. Client further agrees that breach of this condition will cause Consultant substantial and irreparable damage and therefore, in the event of any such breach, in addition to such other remedies which may be available, Consultant shall have the right to seek specific performance and injunctive relief.

CAPTIONS AND HEADINGS - The captions and headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, modify, or add to the interpretation, construction, or meaning of any provisions of or scope or intent of this Agreement.

NO AMENDMENT/ WAIVER - This Contract may only be amended by the written agreement of the Consultant and the Client. No waiver by either party of any default by the other party in the performance of any provision of this Agreement shall operate as or be construed as a waiver of any future default, whether like or different in character.

LAW TO APPLY - The validity, interpretation, and performance of this Agreement shall be governed by and construed in accordance with the laws of the state of North Carolina., without giving effect to any choice or conflict of law provision or rule (whether of the State of North Carolina or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of North Carolina. Should any provision of this Agreement be deemed unenforceable by any court of competent jurisdiction, those provisions deemed unenforceable shall be severed from the body of this Agreement, so that the primary intent of this Agreement shall remain intact.

INTERPRETATION -- Since both the Consultant and Client have reviewed this Contract, the normal rule of construction that any ambiguities in this Contract are to be resolved against the drafting party shall not apply.

CONSULTANT HEREBY ADVISES CLIENT THAT ITS PERFORMANCE OF THIS AGREEMENT IS EXPRESSLY CONDITIONED ON CLIENT'S ASSENT

TO THE TERMS AND CONDITIONS DETAILED HEREIN.

ENTIRE AGREEMENT - This Agreement represents the entire understanding and agreement between the parties hereto relating to the Services and supersedes any and all prior negotiations, discussions and Agreements, whether written or oral, between the parties regarding same. TO THE EXTENT that any additional or different Provisions conflict with the Provisions of this Agreement, the Provisions of this Agreement shall govern. No amendment or modification to this Agreement or any waiver of any provisions hereof shall be effective unless in writing, signed by both parties.

FORCE MAJEURE - In the event that either party is unable to carry out its obligations under this Agreement, wholly or in part, due to circumstance beyond its control, including without limitation, fire; explosions; floods; acts of God; war or other hostilities; civil commotion; governmental acts, orders or regulations; then upon giving prompt notice of force majeure to the other party, the party so affected shall be released without any liabilities on its part from the performance of its obligations under this Agreement, but only to the extent and only for the period that its performance of said obligations is prevented by circumstance of force majeure.

COMPLIANCE WITH LAW AND EEOC COMPLIANCE - During performance hereunder, and every activity connected herewith, the client/vendor shall comply fully with all applicable laws, ordinances, rules and regulations, and if requested and/or required, shall furnish evidence satisfactory to ESP of such compliance. In addition, client/vendor shall comply with the then current provisions of the Equal Opportunity Clause at 41 CFR 60-1.4, 60-250 and 60-741.4, which are hereby incorporated by reference.

ATTORNEYS FEES - Should Consultant deem it necessary to retain an attorney or other counsel to defend and/or pursue the enforcement of this Agreement, Consultant shall be entitled to recover reasonable attorneys' fees and costs.

MATERIAL FACT WITNESS - Should parties involved with Client's project become engaged in a claim in which ESP is not named, and ESP is required/requested to provide testimony, by deposition, or client request, regarding the contents of our work, ESP shall be compensated for ESP's time and materials (copies, shipping fee, etc.) as an additional service to our contract with Client. Our fees and expenses will be invoiced at our prevailing hourly and unit rates. Any request for Expert Witness services will be contracted under a separate agreement.