McCloskey Consultants
ENVIRONMENTAL & GEOLOGIC ASSESSMENTS

May 11, 2012

Ms. Song Chin-Bendib
San Leandro Unified School District
14735 Juniper Street
San Leandro, California 94579

Re: Proposal for the Phase I Environmental Site Assessment, 13666 East 14th Street, San Leandro

Dear Ms. Chin-Bendib,

McCloskey Consultants, Inc. (MCI) is pleased to submit this proposal for a Phase I Environmental Site Assessment (ESA) for the subject property under consideration for purchase and future use as a school medical facility. We understand that the property is across the street from an existing High School. Our initial review of the property indicates that a single large building that has been present since at least 1968 and possibly earlier. It is important to note that persistent organochlorine pesticides were in widespread use at that time to control termites and other pests, and that elevated concentrations could remain at elevated concentrations in soils at the site. Lead-based paint residues could also be present adjacent to the building walls from flaking paint.

PROPOSED PHASE I SCOPE OF WORK

MCI will perform a Phase I ESA of the Site to evaluate the property for potential environmental issues. The Phase I will be performed in accordance with ASTM Standard E1527-05, Standard Practices for Environmental Site Assessments, the new standard for All-Appropriate Inquiries. *This new standard requires considerably more investigation into the site history and use. However, if the standard is followed, it will provide innocent landowner liability protection under CERCLA for property buyers if undisclosed contamination is identified after property purchase. Such protection was not previously available. All lenders now require this new standard to be followed.* Our Phase I ESA's have been extensively revised with the assistance of an environmental attorney to ensure compliance with the new standard.

In summary, our proposed scope of work consists of a review of background documentation, interviews, a site reconnaissance, and a review of site records if they are available. These records will help in the evaluation of the site for potential impact by hazardous materials. The following is a detailed description of the proposed scope of services:

Site History: MCI will review available property title records, aerial photographs, property tax records, USGS topographic maps, city directories, fire insurance (i.e., Sanborn) maps, and other readily available historic information to identify past uses of the property and (as available) adjacent properties.

Interviews: As required by ASTM guidance we will make a reasonable attempt to interview a representative at all locations that appear to handle significant quantities of hazardous materials. These interviews will be performed in person, by telephone, or by the representatives completing a written questionnaire. We will speak to representatives of the local County Health and Fire departments for information regarding any hazardous materials at the site and adjacent areas.

Site Reconnaissance: We will conduct a site visit to observe the existing site environmental conditions, look for indications of past activities that may have impacted the site, and interview available knowledgeable personnel regarding the history of the Site and adjacent properties.

Questionnaire: We will provide a questionnaire to the property owners which has a series of questions designed to obtain information about hazardous materials usage that could have impacted the site.

Environmental Setting: Information on topography, soils, hydrogeology, and surface water hydrology will be obtained from readily available references, maps, reports, and from field observation. This information may be useful in the evaluation of potential site impact from adjacent sites.

Vicinity Reconnaissance: During our site visit we will observe the adjacent site uses for indications of activities or uses of hazardous materials that could impact the site.

Regulatory Database Review: We will obtain an environmental database report which will identify known current or past hazardous materials incidents at the site and in the area. This information will be reviewed for its potential to impact the project site.

Environmental Records Review: MCI will request file reviews for the site at the fire department, County Environmental Health, the building department, and check the Regional Water Quality Control Board Geotracker and the Department of Toxic Substances Control Envirostor website databases. These files will be reviewed for indications of hazardous materials use or incidents that could impact the site.

This scope of work would be performed under the supervision of an environmental professional who meets the ASTM E 1527-05 qualifications for All Appropriate Inquiries, as required.

REPORT PREPARATION

McCloskey Consultants, Inc. will prepare and provide copies of our Phase I ESA report presenting the results of our assessment. The conclusions and recommendations in the report will be based on the information obtained, and our interpretation and observations of the site conditions and past uses.

SCHEDULE

We can begin work the scope of work upon receiving your approval to proceed. We anticipate needing 3 to 4 weeks to complete the Phase I investigation and reporting. We can provide you an e-mail summary of our Phase I findings within 2 to 3 weeks, if requested.

FEES AND TERMS

We would perform the Phase I ESA for a fixed price of $2,900 and in accordance with the attached terms and conditions. If you agree with these fees and terms, please sign where indicated below and return a copy to us. MCI invoices would be issued upon completion of the study.

McCloskey Consultants, Inc appreciates the opportunity to be of service and looks forward to working with you on this project. If you have any questions or comments relating to this proposal, please contact me at (925)786-2667.

Sincerely,



Thomas F. McCloskey, P.G., C.E.G., C.HG.
President and Principal Geologist

Attachment: Terms and Conditions

Proposal Approved by:

_____ Date: _____

Name:

CONSULTING AGREEMENT TERMS AND CONDITIONS

This Consulting Agreement (hereafter "Agreement") is made and entered into as of May 11, 2012**,** by and between the San Leandro Unified School District, whose address is 14735 Juniper Street, San Leandro, CA 94579 (hereafter "CLIENT") and McCloskey Consultants, Inc., whose address is 420 Sycamore Valley Road West, Danville, CA 94526, (hereafter "CONSULTANT"). CONSULTANT and CLIENT are from time to time referred to herein collectively as "Parties" and individually as "Party".

1. SERVICES OF CONSULTANT

A. CONSULTANT agrees to perform the services and provide the materials set forth in the Proposal for Phase I services proposal for the property being considered for purchase located at 13999 East 14th Street in San Leandro described in the CONSULTANT proposal dated May 11, 2012, appended hereto and incorporated herein by reference (hereafter "Services").

B. CONSULTANT for the compensation set forth in Section 3 hereof, shall furnish all supervision and labor, and furnish, supply and install all equipment, materials and/or supplies and do all things necessary to fully perform and complete the Services in a timely manner to the satisfaction of CLIENT.

2. TERM

A. The term of this Agreement shall commence as set forth above and shall continue in full force and effect thereafter until the completion of the Services, unless earlier terminated as set forth in Section 7 herein.

3. COMPENSATION AND EXPENSES

A. For the full and complete performance of the Services to the satisfaction of CLIENT, CLIENT shall pay CONSULTANT an amount not to exceed that provided in the proposal, or subsequent Addenda. CONSULTANT shall perform the Services, notwithstanding the foregoing limit. CONSULTANT shall submit within fifteen (15) days following the end of each month in which Services were rendered a statement for payment of such Services. CLIENT shall remit the full amount of the statement of CONSULTANT within thirty (30) days of receipt of the statement.

B. In addition, CLIENT shall reimburse CONSULTANT for expenses and actual travel and travel-related expenses incurred by CONSULTANT in connection with the performance of the Services, as provided in Attachments that will be included as subsequent Amendments but are not needed for the referenced PEA proposal.

4. RECORDS

A. Upon the written request of CLIENT, CONSULTANT shall keep and maintain such records relating to the Services rendered as may be required by CLIENT. Additionally, CONSULTANT shall keep and maintain all records required by federal or state statute, law, rule, ordinance or regulation pertaining or relating to the Services performed including, without limitation, those pertaining to safety and employment. CONSULTANT shall make all records required of it to be kept and maintained under this Section available to CLIENT upon the request of CLIENT.

5. CONFIDENTIALITY

CONSULTANT agrees that at all times during the term of this Agreement, and for ten (10) years thereafter, CONSULTANT will hold in strictest confidence, and will not use or disclose to any third party, any Confidential Information, as defined herein. The term "Confidential Information" shall mean all non-public information that CLIENT designates as being confidential, or which, under the circumstances of disclosure ought to be treated as confidential. Confidential Information includes, without limitation, the terms and conditions of this Agreement, information relating to released or unreleased CLIENT services, products, marketing or promotion of any CLIENT service, product, business policies or practices of CLIENT, customers or suppliers of CLIENT, or information received from others that CLIENT is obligated to treat as confidential. If CONSULTANT has any questions as to what comprises Confidential Information, CONSULTANT agrees to consult with CLIENT. Confidential Information shall not include information that was known to CONSULTANT prior to CLIENT's disclosure to CONSULTANT, or information that becomes publicly available through no fault of CONSULTANT.

6. INDEPENDENT CONTRACTOR

A. CONSULTANT, its agents and employees shall act as an independent contractor at all times during the performance of the Services under this Agreement. CLIENT shall neither have nor exercise any control or direction over the methods by which CONSULTANT, its employees and agents, shall perform their duties and functions hereunder. The Parties shall in no way be deemed to be acting in a manner which would give rise to an agency relationship or as partners or joint ventures. The sole interest of CLIENT is to assure that the duties and functions of CONSULTANT hereunder shall be performed and rendered in a competent, efficient and satisfactory manner in accordance with the highest professional standards and the provisions of this Agreement.

B. CONSULTANT shall be solely responsible for financing the performance of the Services and represents and warrants that it is properly equipped to organize and perform the Services. CONSULTANT shall pay all taxes, including sales or use tax, unemployment insurance, sick or vacation pay, worker's compensation, disability insurance or any other employment related charge or cost imposed upon CONSULTANT on behalf of its employees by any governmental body or agency; incurred or payable on or in respect to CONSULTANT's acts or transaction or things used by it in performance of the Services.

7. TERMINATION

A. Time is of the essence of this Agreement. If CONSULTANT fails to perform the Services in the manner or at the times required in this Agreement, then such failure shall be deemed a material breach of this Agreement and CLIENT shall have the right, if it so elects, and without prejudice to any other rights it may have at law or equity, by giving forty-eight (48) hours written notice to CONSULTANT, to terminate this Agreement.

B. CLIENT shall have the right to cancel the Services with or without cause. In the event CLIENT cancels the Services, CLIENT will provide CONSULTANT written notice of such cancellation. Upon receipt of such notice, CONSULTANT will discontinue all work hereunder. Except in cases of cancellation for cause, CLIENT will pay for all Services performed by CONSULTANT up until the date of receipt of the cancellation notice.

C. Following completion of or cancellation of Services, or in the event of termination of this Agreement, CONSULTANT agrees to deliver to CLIENT all drawings, blueprints, notes, memoranda, specifications, designs, devices, documents and any other material containing or disclosing any Confidential Information provided by CLIENT. CONSULTANT will not retain any such materials, or copies thereof, without CLIENT's written approval.

D. In the event of cancellation of the Services or termination of this Agreement and upon request by CLIENT, CONSULTANT agrees to turn over to CLIENT all work in progress applicable to such Services within ten (10) days.

Upon any expiration of this Agreement, Sections 4, 5, 6, 7, 8, 9, 10, 11 and 12 shall survive.

8. INDEMNITY AND INSURANCE

A. CONSULTANT shall indemnify, defend and hold harmless CLIENT, its affiliates and their officers, directors, agents and employees, from and against any and all claims, damages, liability, loss, costs and obligations, including reasonable attorneys' fees and costs that CLIENT may incur or suffer as a result of any injury or loss to any person or persons (including employees and agents of CONSULTANT) or property, regardless of kind or owner (including that of employees and agents of CONSULTANT), on account of or arising out of the breach of any provision or condition of this Agreement or any acts or omissions, to the limits of CONSULTANT insurance, including the negligence or other misconduct of CONSULTANT.

B. CLIENT shall indemnify, defend and hold harmless CONSULTANT, its affiliates and their officers, directors, agents and employees, from and against any and all claims, damages, liability, loss, costs and obligations, including reasonable attorneys' fees and costs that CLIENT may incur or suffer as a result of any injury or loss to any person or persons (including employees and agents of CLIENT) or property, regardless of kind or owner (including that of employees and agents of CLIENT), on account of or arising out of the breach of any provision or condition of this Agreement or any acts or omissions, including the negligence or other misconduct of CLIENT.

C. CONSULTANT shall, at its sole cost and expense, procure and maintain in full force and effect at all times during the term of this Agreement, negligence, public liability and property damage insurance, with reputable companies acceptable to CLIENT in accordance with and subject to the insurance requirements set forth in Attachment A appended hereto and incorporated herein by reference.

9. WARRANTIES

CONSULTANT represents that:

A. It will comply with all laws, statutes, ordinances, rules and regulations, whether federal, state, or local, which may from time to time be applicable to CONSULTANT's duties and functions hereunder;

B. It is, together with any of its agents, servants, or employees, duly licensed, registered, certified or otherwise authorized in accordance with the requirements of any applicable federal, state or local governmental agency to render the Services provided for herein;

C. It has full and exclusive right and power to enter into and perform according to the terms of this Agreement;

D. It shall have all necessary agreements in place with third parties to enable it to perform the Services under the Agreement and to carry out its obligations under the Agreement;

E. Its performance of the Services pursuant to this Agreement will not violate any agreement or obligation between CONSULTANT and a third party; and

F. All Services provided by CONSULTANT in connection with the Services will be performed in a professional manner and shall be of a high grade, nature, and quality, using currently approved and accepted methods and practices in its industry.

10. NOTICES

A. Notices between CLIENT and CONSULTANT shall be in writing and shall include electronic transmissions, and shall be sufficiently given and deemed to have been received when personally delivered, transmitted by email, or three (3) days after the date when sent by registered or certified mail, return receipt requested, to the address set fourth above.

B. Either Party may change its mailing address by giving written notice to the other Party in the manner required herein.

11. ARBITRATION

Except with respect to those matters arising from or relating to actions or claims brought against CLIENT or CONSULTANT or both, by any third person or entity not a party hereto, any dispute, controversy or claim solely between CLIENT and CONSULTANT arising out of or relating to this Agreement, or the interpretation, performance or breach thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association. Judgment upon the award rendered by the Arbitrator or Arbitrators may be entered in any court having jurisdiction. The Arbitrator(s) shall be knowledgeable in the subject matter of the dispute, controversy or claim and shall make it (their) determination strictly in accordance with the provisions of this Agreement.

12. MISCELLANEOUS

A. This Agreement may not be assigned by either Party to this Agreement without the express written consent of the other Party or Parties hereto.

B. This Agreement shall be construed under and governed by the laws of the State where the Services are to be performed.

C. In the event that any legal action or proceeding (including arbitration) is brought by any Party seeking to compel performance of this Agreement, seeking damages for breach of this Agreement, or seeking interpretation of this Agreement, then the prevailing Party in any such action or proceeding shall be entitled to recover, in addition to any damages to which it may be entitled, its reasonable attorneys' fees incurred in prosecuting or defending the action or proceeding.

D. Each Party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any Party, or anyone acting on behalf of any Party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

E. This Agreement, including any attachments hereto, constitutes the entire agreement between the Parties and supersedes all prior or contemporaneous oral or written representations or agreements. Any modification of this Agreement will be effective only if it is in writing and signed by all Parties to this Agreement.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as of the date first written above.

San Leandro Unified School District	**McCloskey Consultants, Inc.**
By: _____ An authorized signatory	By: _____
Date: _____	Date: _____

ATTACHMENT A
INSURANCE

A. Upon execution of this Contract and, in any event, before commencing the Work, CONSULTANT shall procure, and maintain in full force and effect at CONSULTANT's expense, so long as may be necessary to fully protect the CLIENT and, in any event, at least until the completion and acceptance of the Services, Worker's Compensation Insurance in accordance with the laws of the state in which the Services are to be performed; and Employers' Liability Insurance; Commercial (or Comprehensive) General Liability Insurance on an occurrence basis only including, without limitation, completed operations, contractual liability, and Owners' Protective Liability Insurance; Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired automobiles used in connection with the Work and such other coverage and in the minimum limits as specified below.

B. Before commencing the Services or ten (10) days after execution of this Contract whichever shall first occur, the CONSULTANT shall furnish a certificate, satisfactory to CLIENT, from each insurance company providing coverage to CONSULTANT showing that the insurance coverage required herein is in force, stating policy numbers, dates of expiration and limits of liability thereunder, and further providing that the insurance will not be canceled, modified or changed until the expiration of at least thirty (30) days after written notice of such cancellation, modification or change has been mailed by certified mail return receipt requested to CLIENT.

C. The policy shall be endorsed to stipulate that the insurance afforded the additional insured, including "excess" policies, shall apply as primary insurance and that any other insurance maintained by CLIENT shall be in excess only and shall not be called upon to contribute with the insurance of CONSULTANT.

D. CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

INSURANCE LIABILITY LIMITS:

1. Comprehensive General Liability Limits

   $1,000,000 Each Occurrence
   $1,000,000 Aggregate

   Including products, completed operations, contractual liability, broad form property damage, and coverage for explosion, collapse and underground damages.

3. Automobile Liability Limits

   $1,000,000 Hired and Non-Owned Vehicles

4. Professional Liability Limits (Professional Liability Insurance is required only of Engineers, Surveyors, CONSULTANTs or any provider of a professional service)

   $2,000,000 Each Claim
   $2,000,000 Aggregate