

PROPOSAL FOR SERVICES

Prepared for:

Mike Bible

Bible - Residential

RPV Residential Stabilization - 23/10

Prepared by:

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Project Manager

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Proposal date:

October 31, 2023



Mike,

URETEK USA, Inc. is pleased to present this proposal for our safe, non-intrusive, and long-lasting polymer repair solutions. URETEK pioneered and refined the polymer ground injection technology in use today. We have 30 years in the business and over 100,000 (and counting) successful projects to date.

Scope of Work

URETEK USA, Inc. is pleased to propose the injection of its proprietary, hydro-insensitive two-part polymer resin to strengthen the base soil beneath the foundation of the subject residence. The injections will be performed at two depths beneath the footing to strengthen the base soils and create a stronger, stable matrix of soil to support the foundation in an effort to mitigate further settlement. Due to the hydro-insensitive properties of the polymer, any moisture below the footing will be displaced, and the bearing capacity of the soil will be increased as voids are filled to mitigate the drainage and compaction issues that may be present. URETEK will also attempt to lift the home back to as level as practicable.

URETEK crews will begin by drilling 5/8" holes on a 4' grid pattern throughout the affected perimeter of the home, which shall include the entire perimeter of the foundation, as well as the interior fireplace foundation on each side. This equates to 209lf of perimeter footing injections, and each side of the interior fireplace. In the perimeter and fireplace injections, thin-walled hollow steel tubes will be pre-driven to the depths of -4' and -8' for injection. Polymers will be injected through these tubes until refusal, and further injections will be performed in an attempt to lift the structure.

The residence was built in 1956, where it experienced significant subsidence of approximately 4" of differential settlement. A Soils Observation Report was issued by American Geotechnical, dated October 13, 2023, which evaluated the conditions of the residence and surrounding soils conditions based off visual observations and a deep dive into the history of the structure and lot. This was supplemented by a Structural Observation Report issued by Palos Verdes Engineering Corporation, dated September 22, 2023. It noted in these reports that the structure had experienced approximately 4" of differential settlement at the time of their respective inspections, and provided various repair recommendations. Of specific note was the discussion of repair recommendations by American Geotechnical, which was reflected in discussions with the homeowner, that various repair options are AVAILABLE, but not all are cost-effective. We discussed the benefits and risks of the different repair types, associated in conjunction with risks of the project site being located so close to a fault line, and the consequencing water main breaks/reported pool leaks which have likely drained into the property and influenced the movement of the foundation structure. It is understood that continued movement is likely, but the repair means and methods proposed in this contract are designed to help mitigate the movement and reduce the differential settlement likely to be experienced in the future. Effectiveness of any repair is contingent on additional installation and maintenance of proper drainage and grading practices.

The injection tubes will be sunk a minimum of 6" below the surface prior to injection operations to ensure the injection tubes remain underground after completion of the project, without impacting the final structure of the polymer-soil matrix. This will allow removal and replacement of pavement or concrete structures without impacting the Scope of Work, and preserves the structure of the polymer-soil matrix by maintaining the structure of the thin-walled steel tubes. URETEK polymers will be injected under pressure at those target depths after the driving of the tubes, allowing the viscous mixture to permeate the soil with maximum efficiency. The resins will then react, creating the expansive polyurethane to encompass the soil particles and fill the void space in the soil. This will tie together the soils in the injected areas, creating a stable matrix of soil and densifying the surrounding soils to increase the bearing capacity in these areas. The stabilization depths of approximately 10' is estimated to support the structure. URETEK will then backfill the drill holes with concrete, cementitious grout, or other approved alternative (upon request).

IMPORTANT PROJECT NOTES:

NOTE: Although URETEK has a long history of successful lifting, the lifting of a structure may be limited to the condition of the superstructure, soils conditions, etc. As such, a full lift to level can never be guaranteed, however URETEK will make every effort to lift the structure back to as near level as practicable. The amount of lift actually achieved is not considered a factor in the success of the project, as no amount of lift can be guaranteed.

NOTE: URETEK USA, Inc. is not responsible for damage to any utilities, nor for the removal, replacement, relocation, or rerouting of utilities, should it become necessary.

NOTE: URETEK will not be responsible for cosmetic damages that may result from the drilling, driving, and lifting operations. These damages include, but are not limited to: Drywall cracking, floor tiles being damaged, interior cosmetics, etc. URETEK will terminate lifting operations if signs of structural damage begin to occur.

NOTE: Underground locating services, as well as slab scanning to locate Post Tensioning Cables, are necessary prior to the start of work, and are the responsibility of others.

NOTE: The holes will need to be drilled through existing surfaces (tile, hardscape, hardwood). These surfaces will need to be replaced by others, and are not the responsibility of URETEK. Cementitious grout and other fills may be used to fill the injection holes by URETEK upon request.

NOTE: A leak test of the drainage system should be performed prior to our arrival on site. Site owner, contractor, or engineer shall employ an Independent Leak Test Company to perform leak test. This will aid in preventing the drainage system from becoming clogged from the injection of the URETEK material. **If there is ANY leak (pinhole opening, faulted joint, collapsed pipe, etc.), polyurethane

material will penetrate and block pipe. URETEK is excluded from any costs or coordination of clearing or replacing pipes.**

NOTE: Engineering and permits are the responsibility of the client. Your URETEK Project Manager can help you acquire these items, but all fees associated with their acquisition will be the responsibility of the client. The signing of this contract is an acknowledgement of the permitting requirements.

NOTE: While URETEK has a long history of successful estimating, it is impossible to ascertain exactly how much product will be required for a specific project. Daily logs and updates will include progress during the performance of work, and all polymer used in excess of 5,000lbs will be billed at an additional rate of \$8/lb.

NOTE: Any payment issues to URETEK via Credit Card will be subject to a 3% surcharge.

NOTE: Client must be onsite during project, or available upon project completion for payment and signoff on project. Any delays not resulting from URETEK without a minimum 72 hours notice will be subject to a standby fee of not less than \$90/person/hour or \$15,000/day. After 4 hours of onsite standby, a daily rate will apply. Daily rate will be adjusted based on Overtime and Double Time, if applicable.

NOTE: A deposit of \$1,000.00 is due upon signing, in addition to a material charge of 30% of the remaining balance which is required for scheduling.

NOTE: This project is of a special nature with the influence of a fault line and expected heavy moisture intrusion that is influencing the movement. As such, URETEK will honor its warranty below, however the site is subject to verification of warranty by Engineering Evaluation (by others) to confirm the terms of the warranty have not been compromised by Acts of God, etc.

Estimated project completion = 4 day(s).

Investment Summary

URETEK will complete the scope of work above by providing all labor, assorted materials, and insurance for a price of:

URETEK 486 STAR (Lump Sum)*

1 Lump Sum @ \$50,000.00/Lump Sum = \$50,000.00

Interior Post Replacement with Adjustable Jacks (Each)

23 Posts @ \$300.00/Post = \$6,900.00

Mobilization (Each)

1 Each @ \$4,500.00/Each = \$4,500.00

Total Estimate: \$61,250.00

**This LumpSum price includes up to 5,000lbs of material. Any material used in excess of 5,000lbs will be billed at an additional rate of \$8/lb.*

This pricing is valid for up to 30 days from the date of this proposal.

Please let me know if you have any questions and/or would like to discuss this project/proposal further. We really appreciate this opportunity and look forward to working with you.

Customer Responsibilities and Acknowledgements:

- While care will be taken to preserve plants, bushes, etc. Our work involves correcting concrete foundation settlement issues and we will not guaranty plants to survive being removed and replanted. We have found that grass, plants, and bushes watered significantly for 7 days prior to a foundation project have a greater chance to survive than grass, plants, and bushes not watered significantly prior to a project.
- A leak test of the drainage system should be performed prior to our arrival on site. Site owner, contractor, or engineer shall employ an Independent Leak Test Company to perform leak test. This will aid in preventing the drainage system from becoming clogged from the injection of the URETEK material. ****IF THERE IS ANY LEAK (PINHOLE OPENING, FAULTED JOINT, COLLAPSED PIPE, ETC.), POLYURETHANE MATERIAL WILL PENETRATE AND BLOCK PIPE. URETEK IS EXCLUDED FROM ANY COSTS OR COORDINATION OF CLEARING OR REPLACING PIPES.****
- Customer accepts all responsibility for and agrees that URETEK is not responsible for any damage to or resulting from damage to plumbing, sheetrock, wall covering, carpet, door and/or window frames, any other rigid materials, and any damage resulting from project work.
- Customer will be solely responsible for any additional costs due to any requirements regarding prevailing wage, labor union rules and/or labor, certified payroll, bonding, or applicable taxes not made known to URETEK in writing prior to this proposal.

Customer Must Provide:

- Adequate access to the work area.
- Any necessary authorizations or permits.
- Electrical and water supply to the job site.
- Customer or representative must be on site while work is taking place.
- Mark all underground utilities prior to start of project using a certified underground locating service.

Changes to Scope of Work:

ANY CHANGES REQUESTED OUTSIDE THE SCOPE OF WORK BY THE OWNER WILL NOT BE UNDERTAKEN WITHOUT A WRITTEN CHANGE ORDER SIGNED ON BEHALF OF URETEK AND THE OWNER OR PROJECT SITE REPRESENTATIVE.

Payment Terms:

Payment of contract amount will be due in full upon completion of the scope of work.

If customer elects to pay by credit card, an additional 3% fee will be assessed to cover the transaction cost.

This proposal is void thirty (30) days from the submitted proposal date.

Client Signature

URETEK Representative Signature

Date

Please provide the following billing information, so that we can ensure that your invoice is sent to the correct location.

Billing Information:

Billing Contact Name

Billing Address

Phone Number

Email Address

General Terms and Conditions

It is the intention of URETEK to complete the work as covered by this contract. This express limited warranty applies to only the work performed by URETEK described as a one-year warranty under the terms, provision, and conditions of this contract.

Warranty:

All areas injected by URETEK have a one-year express limited warranty not to settle more than 1/2" due to normal conditions. This warranty only applies to soils injected. URETEK is not responsible if settlement occurs below/adjacent to the injection locations which could cause the treated areas to shift. Plumbing leaks, room additions, structural changes, fire, and Acts of Nature, i.e., flooding, and extreme prolonged drought will void warranty. This warranty only applies to the initial injection locations. In no case will the value of the warranty exceed the price of the signed proposal. SUBJECT TO THIS EXPRESS LIMITED WARRANTY, OWNER AGREES THAT THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, MADE BY URETEK CONCERNING THE WORK CONTEMPLATED BY THIS AGREEMENT. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, URETEK HEREBY DISCLAIMS, AND OWNER HEREBY WAIVES, ALL IMPLIED WARRANTIES RELATING TO THE WORK CONTEMPLATED BY THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, HABITABILITY, CONSTRUCTION IN A GOOD AND WORKMANLIKE MANNER, CONDITION, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ADEQUACY OF THE PLANS. ANY IMPLIED WARRANTIES WHICH CANNOT LAWFULLY BE DISCLAIMED ARE LIMITED IN DURATION TO ONE (1) YEAR FROM THE DATE OF URETEK'S INITIAL-INJECTIONS, NOT WORK COVERED BY CHANGE ORDER OR WARRANTY, TO THE EXTENT PERMITTED BY LAW.

This warranty shall be null if:

- An additional story is added to the structure, or changes of a similar scope are made, without the prior written approval of company, when such changes would affect loads of the foundation.
- The structure is sitting on a fault or is affected by an earthquake.
- Underground facilities or swimming pools are installed within a horizontal distance from the foundation equal to or less than their depth.
- The foundation is undermined, i.e. soil slumping, eroding, plumbing leaks, creek beds, excavations, etc.

General Conditions:

The work to be performed under this contract is designed to attempt to return the foundation to as near its original horizontal position as possible. The house will be lifted until, in the sole opinion of URETEK further raising will produce or create unacceptable damage to the foundation or structure. The stabilization or stopping of the foundation settlement can and may reverse the damage already done to the foundation as a result of settlement. Stabilizing, lifting, or void filling beneath the structure can and may cause or create new damage in an effort to correct the settlement that has occurred. URETEK has no obligation to repair or to replace any damage that is caused by stabilizing or lifting the structure. While great care will be used while lifting or stabilizing the structure, damage to rigid structures like flooring, plumbing, sheetrock, windows, electrical wiring, furniture, fixtures, furnishings, landscaping, and vegetation, wooden or other types of decks, spas and or personal property may occur and are not the responsibility of URETEK. Please remove all items from the walls in the area to be lifted. Please remove exterior lighting from the work area before the work starts. If necessary, we will transplant shrubbery at the point of installation, but we cannot guarantee that it survives. If spread footings or drilled piers are discovered after work has begun and it is necessary to remove or cut them loose from the foundation, an additional fee of

\$200.00 will be due for piers that must be removed off the foundation. If after work has begun, and it is discovered that the foundation has been constructed of substandard materials or lacks the structural strength necessary to properly transfer the load imposed by underpinning, there can be an adjustment in the contract price. Owner shall supply URETEK with water and electricity at owner's expense. URETEK must have access to the breaker box at all times and must enter the property at the time it is leveled.

Payment Terms:

All amounts due under this contract that are not paid when due will bear interest at the lower of the maximum rate permitted by law or 18% per annum from time at which such amounts become due. Past due amounts will be applied first to accrued interest, then to costs and expenses and then to the contract price. No changes to this document will be valid unless approved in writing by both parties.

Transfer of Warranty:

In the event a change in ownership occurs, assignment of this warranty to a new owner can be accomplished by providing URETEK information pertaining to the transfer of title within 30 days of said title transfer being completed. Assignment will be made in accordance with the warranty regulations and transfer fee of \$300.00 and within procedures in effect at the time of transfer. So long as the provisions of this paragraph are met, there is no limit to the number of transfers that can be made. If the provisions of the paragraph are not met, this warranty is null and void. To transfer the warranty, supply a written request to URETEK stating the name of the new owner, the property address and the transfer fee of \$300.00.

Termination:

URETEK may terminate this warranty at any time by paying to the current owner an amount half of the total payment made under the original contract. In the event it is necessary to file suit for the enforcement of this contract, suit shall be brought in Houston, Texas. If it is necessary to take action or collect the monies due under this contract or to file suit, the non-prevailing party agrees to pay all of the prevailing party's reasonable costs of collection or securing the monies due pursuant to this contract, including cost actually incurred for filing and releasing mechanic's and material man's liens and reasonable attorney's fee. This written agreement is the total agreement by and between owner and URETEK. The above prices, specifications and conditions are satisfactory and are hereby accepted. URETEK is authorized to perform the work specified.

Standard of Care:

URETEK shall perform the Work in a manner acceptable to Customer and consistent with the level of care and skill exercised under similar conditions by competent members of the profession which URETEK practices, or industry or business in which URETEK works (the "Standard of Care").

The Customer understands that the URETEK METHOD and The Deep Injection® Process, involves drilling 5/8" holes through the concrete floor, installation of injection tubes, and the injection of URETEK synthetic resins, which expand to fill voids and realign structures and slabs.

URETEK carries workman's compensation and limited general liability insurance.

URETEK will not be responsible for or repair damage to utilities, including but not limited to, electrical or telephone cabling, drain, underground air vents and/or duct work, fire sprinkler, sewer and/or water lines. URETEK will not be

held liable for any damage to other parts of the structure or finish work within the work area, which may result from void filling or structure realignment and will not repair such damage.

Area of work will be left free from trash and debris related to the work of URETEK crews.

URETEK makes no representations and will not be responsible for any damage to the repair area caused by ground subsidence or settlement of native soils, subsoil conditions, structural problems, dynamic or static loads much higher than the design loads at the time of the URETEK intervention, damages caused by excavations, product tampering, natural catastrophes (storms, floods, drought, tides, earthquakes, explosions, fire, etc.).

This proposal is subject to State and local sales and use taxes, as applicable, unless client provides acceptable exemption certification.

Notes:

1. During the injection process, we monitor effect of injections on the surrounding slabs, walls, pipes, joints and structures to determine the amount injection (or lift) required. Structures will probably not be lifted to level since the structures were probably not perfectly level at the time of construction. There is no assurance that cracks will be completely closed since some shifting could have taken place during the time of settlement which could bind the structure and not allow the sides of the crack to fit together as it was prior to the settlement. The soils will be stabilized to prevent future settlement.
2. A leak test of the drainage system should be performed prior to our arrival on site. Owner or Prime Contractor shall employ an Independent Leak Test Company to perform leak test. This will aid in preventing the drainage system from becoming clogged from the injection of the URETEK material. **If there is ANY leak (pinhole opening, faulted joint, collapsed pipe, etc.), polyurethane material will penetrate and block pipe. URETEK is excluded from any costs or coordination of clearing or replacing pipes. **
3. URETEK cannot make guarantees regarding the ability of its products as it pertains to lifting and/or underground sealing. Certain factors that are beyond the control of URETEK may prevent the ability to lift and/or seal concrete and any underground structures to a watertight condition. URETEK will, at a minimum stabilize any areas worked on, if the CUSTOMER accepts the proposed remedy.
4. **SITE PREPARATION:** In some circumstances, the CUSTOMER will be required to do some site preparation. URETEK will notify CUSTOMER of such site preparation need prior to start of any project. Examples of preparation activities include (i) performance and technical studies necessary to scope the project, (ii) adequate access to all work sites, (iii) necessary authorizations and/or permits, (iv) traffic control (if required), (v) and other activities as notified by URETEK to CUSTOMER. Should CUSTOMER not fulfill the site preparation requirements and a re-mobilization of URETEK machinery, material, or personnel is required, URETEK will charge CUSTOMER \$1,500 as a remobilization fee. Remobilization fee may be waived if CUSTOMER notifies URETEK of need to cancel or reschedule within a reasonable amount of time in advance of the originally scheduled project start date.
5. **POST REPAIR COSMETICS:** CUSTOMER should wait 30 days before making cosmetic repairs to their home or building (i.e. sheetrock repairs, painting, concrete staining/stamping, etc.)
6. **CONFIDENTIALITY:** URETEK and CUSTOMER shall hold in trust and confidence for each other and shall not disclose to any third party, any confidential information of either party. Confidential information is information which relates to URETEK's or CUSTOMER's research, development, trade secrets, methodologies, property characteristics, company or business-related information, project proposals, project quotes, contractual terms or business affairs. CUSTOMER hereby acknowledges that during the performance of this AGREEMENT, CUSTOMER may learn or receive URETEK confidential information and therefore CUSTOMER hereby confirms that all such information relating to the URETEK business will be kept confidential by

CUSTOMER, except to the extent that such information is required to be divulged to the CUSTOMER'S clerical or support staff or associates in order to enable URETEK to complete the services hereunder.

7. Subject to the limitations stated below, URETEK warrants against material defects in workmanship that may result following the installation of URETEK polymer material. Said warranty will begin 24 hours after the recorded date of completion of the services provided by the terms of this agreement between Customer and URETEK and shall end at midnight one year from that date. As part of said warranty, Customer must provide written notice to URETEK of any suspected defect in workmanship during the warranty period. That written notice must describe each incidence of material defect in reasonable detail, as well as any damage alleged to be resulting from each material defect. Upon receipt of said written notice by Customer, URETEK will perform an inspection of the alleged defects within a reasonable time, not to exceed thirty (30) days for residential properties or fifty (50) days for commercial properties, following URETEK's receipt of Customers written notice. URETEK shall not be held responsible for any delays in its inspection that are created by events not within the control of URETEK. If, following its inspection, URETEK determines, in its sole discretion, that a material defect in workmanship has occurred, then URETEK will mobilize to the affected property in an effort to cure the material defect by performing 'touch-up work' where required. For purposes of this Section, 'touch-up work' may include, but not be limited to, the injection of additional URETEK polymer material as determined by a professional engineer selected by URETEK. LIMITATIONS - In no event will URETEK's liability and costs pursuant to this warranty against material defects exceed 20% of the original contract value. URETEK shall not be responsible for any damages of any kind to the building(s) identified within this agreement, nor shall URETEK be responsible for any damages of any kind to the building's materials, whether caused by or exacerbated by any material defect(s) under this section or whether caused by any other event.
8. **MATERIAL FLOW OR TRAVEL:** URETEK IS NOT RESPONSIBLE FOR damages caused by material traveling up and through any subsurface or surface soil cracks, joints between surface panels, joints between foundations and surface panels, and the like. URETEK notifies the CUSTOMER that the polyurethane material used in soil compaction/stabilization, void fill, and structure lifting is very sticky and adheres well to virtually every surface that it touches. CUSTOMER AGREES that CUSTOMER is responsible to remove any structural and/or personal property away from any area that may encounter material migrating to the surface, through joints, around foundations, and the like. CUSTOMER further AGREES that URETEK has no responsibility or liability for any damage to CUSTOMER structures or personal property that comes in contact with the URETEK polyurethane material that may travel to the surface.
9. Due to insurance requirements, the CUSTOMER further agrees that any other property damage will be identified, and notification made to URETEK no later than 12-months from project completion. And that any claims identified and notified by CUSTOMER to URETEK after 12-months from project completion will not be recognized or honored by URETEK.
10. In some cases, URETEK may require CUSTOMER to independently contract with a professional utility locating service to locate and identify underground utility assets prior to start of a project. If this is a requirement of the project, URETEK will notify CUSTOMER in writing at the time this AGREEMENT is executed. If URETEK notifies the CUSTOMER and CUSTOMER does not utilize a professional utility locating service CUSTOMER agrees to indemnify URETEK and CUSTOMER accepts all responsibility for any damage or loss to: (i) underground utilities, (ii) underground cables, (iii) underground conduits, (iv) underground plumbing and or pipes, (v) underground tanks, or (vi) other similar types of property. Loss includes any business or asset interruption or similar subsequent loss, including loss of material contained within the underground property.
11. **GOVERNING LAW:** This AGREEMENT is subject to and shall be construed in accordance with the laws of the State of Texas, the laws of the federal government of the United States and any rules and regulations of any regulatory body or officer having jurisdiction. In the event of controversy, Harris County in the State of Texas is the lawful jurisdiction. This AGREEMENT is to be performed and executed in the State(s) of Texas and the State the project is located. Any and all disputes arising out of or in any way related to this Agreement or URETEK's Services will be resolved by final and binding arbitration in Harris County, Texas, as administered by

the American Arbitration Association ("AAA") in accordance with the AAA's Construction Industry Arbitration Rules and Mediation Procedures using a one-member arbitrator panel.

12. **SEVERABILITY:** If any provision of this AGREEMENT is determined to be legally invalid or unenforceable, such invalidity or unenforceability shall not affect the whole AGREEMENT; but the whole AGREEMENT shall be construed as if not containing the provision, and the rights and obligations of the parties shall be construed and enforced accordingly.
13. Photography of any format of URETEK equipment, tools, and materials is expressly prohibited at all times.
14. **VIDEO and/or PHOTO DOCUMENTATION:** This agreement authorizes URETEK the right to use, publish, and reproduce, for all purposes, project photos and video in any and all media including, without limitation, television and the Internet, and for exhibition, distribution, promotion, advertising, meetings, hearings, educational conferences and in brochures and other print media. This permission extends to all languages, media, formats and markets now known or hereafter devised.
15. **EXHIBITS:** This AGREEMENT may contain additional provisions that consider local municipal, county, or state codes and/or statutes. Any exhibits, by their inclusion and attachment, become part of this AGREEMENT between URETEK and CUSTOMER.
16. **LIMITATION OF LIABILITY:** If either Customer or URETEK, its employees or agents, fails for any reason, whether negligent or not, to fulfill the conditions as contained in this contract, and project scope of work, either party's only remedy shall be to receive a refund of all monies paid for the project. In no event will either party be liable for any lost profits, special, punitive or consequential damages or damages in excess of the amounts received by the other Party under the terms of this Agreement. This limitation will not be valid in any state where prohibited by law. Customer agrees URETEK is NOT liable for damages in excess of the services price for any loss of use, loss of time, inconvenience, commercial loss, lost profits or savings or other incidental, special, consequential or punitive damages or attorney's fees arising out of or in any way related to the services, labor, materials, or equipment provided in accordance with this agreement, to the fullest extent permitted by law.

Customer Signature

Date