

KRUGER TECHNOLOGIES, INC.

GEOTECHNICAL ENVIRONMENTAL TESTING INSPECTION

8271 MELROSE DRIVE LENEXA, KS 66214 PH 913-498-1114 FAX 913-498-1116 KTIKC@KTIONLINE.COM

June 2, 2016

Brandon Smith
Greystone Communities
225 E John Carpenter Freeway, Suite 700
Irving, TX 75062

Re: John Knox Village Meadows
KTI Proposal No. 15CS131

Dear Mr. Smith:

Kruger Technologies, Inc. is pleased to submit this construction phase materials testing proposal for the above referenced project. After we reviewed the preliminary information provided by you, we developed an outline of the information and testing we feel is required by the project specifications.

We have included consideration of the following items in the scope of proposed services:

- Placement of Reinforced Concrete
- Testing of Reinforced Concrete
- Placement of Reinforcing Steel
- Bolts Installed in Concrete
- Engineered Grading and/or Fill
- Earth Retaining Structure
- Verification of Soils
- Structural Masonry
- Post Tension Concrete
- High Strength Bolting
- Structural Welding
- Steel Frame Inspection
- Testing of Sitework- Asphalt
- Testing of Sitework- Concrete

Please note that we have relied upon the construction schedule provided by Paric in formulating this proposal. Should the actual construction schedule or the above listed scope of services change, we would be happy to submit a proposal incorporating that information.

KTI meets the requirements of Small Business Entity (SBE) as defined by the Small Business Administration.

Based on the information available at this time, we estimate a total of thirty nine thousand five hundred dollars and no cents (\$39,500.00). Please sign and return a copy of this proposal as your notice to proceed.

Thank you for the opportunity to work with Greystone Communities. We look forward to providing your organization with prompt, quality service.

Sincerely,
Kruger Technologies, Inc.



Dylan Kruger
Vice President



Otto J. Kruger, Jr., P.E.
President

Kruger Technologies, Inc.

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Special Considerations

1. Technician rates for field / laboratory are based on an 8-hour day, 40-hour workweek. For Premium Time (weekends, weekdays between the hours of 6:00 PM and 6:00 AM and holidays), rates will be 1.5 times the hourly rate. Holiday Time (Federal Holiday) rates will be 2 times the hourly rate. Resident inspector rates are based on an 8-hour day, 40-hour workweek and 4-week period.
2. "On-Call" testing must be scheduled at least 24 hours in advance. A minimum of two hours will be billed to the client for late cancellations or test cancellations on-site.
3. We perform all testing in accordance with the American Society for Testing and Materials (ASTM). All KTI technicians are experienced and certified.
4. Price per test, price per day, and any additional testing is available upon request. Any tests requiring special equipment or personnel will be quoted on an individual basis. The above prices apply only to standard tests and services.
5. Payment terms: Unit Rate Proposals: Payment is due upon receipt of invoice and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of one and one-half percent (1.5%) per month or the maximum rate allowed by law on past due invoices. Pay-When-Paid Contracts: KTI shall invoice Client monthly. Client will review and accept the invoice or give written notice within ten (10) days of any questions or discrepancies. Accepted invoice will be submitted on Client's next invoice to Owner. Client shall pay KTI within 14 days of receiving payment from Owner. No retainage shall be held on this project.
6. As a mutual protection to clients, the public, and ourselves, all reports are submitted as the confidential property of clients, and authorization for publication of statements, conclusions or extracts from or regarding our reports is reserved pending our written approval.
7. This proposal reflects a Professional Engineer charge of 0.5 hours for every 8 technician hours to cover test evaluation and report review.
8. This proposal reflects a Clerical/ Administrative Assistant charge of 0.25 hours for every 8 technician hours to cover report preparation.
9. Transportation costs are based on \$0.50 per mile.
10. This proposal / schedule of rates may be withdrawn if not accepted within thirty (30) days.
11. Reports relate only to those items tested or calibrated.
12. Reports shall not be reproduced, except in full, without prior written approval from KTI.
13. Report Distribution. In an effort to support green initiatives, this proposal includes the emailing of report copies to a circulation list to
14. This is an estimate based on the currently available information for this project and historical performance on similar projects. Final costs will be controlled by items such as contractor performance, project schedule, and final scope of services actually provided. Should changes or additions occur subsequent to acceptance of this proposal, those items would be negotiated as soon as the change in scope is defined. This proposal is based on providing services to the extent identified herein. Actual billing will be based on work performed as outlined in the proposal.
15. Test methods are covered by KTI's Army Corps of Engineers scope of validation.

Respectfully submitted,
Kruger Technologies, Inc.



Otto J. Kruger, Jr., PE
President
[15CS131]:[06/02/16]

Accepted:

Company: JOHN KNOX VILLAGE

Printed Name: MARIA TIMBERLAKE

Signature: Maria Timberlake

Title: V.P. Sr. Living

Date: 6/10/16

Kruger Technologies, Inc.

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PROVISIONS

1. RIGHT OF ENTRY

The Client will provide for the right of entry for KTI and all necessary equipment in order to complete the work.

While KTI will take all reasonable precautions to minimize any damage to the property, it is understood by the Client that in the normal course of work some damage may occur, the correction of which is not part of this Agreement unless specifically stipulated by line item.

2. CONSTRUCTION SITE OBSERVATION

At construction sites, the presence of KTI field representatives will be for the purpose of providing observation and field testing of only the work with which KTI has agreed to be involved. Opinions of KTI as to the contractor's adherence to plans and specification will be reported. Our work does not include supervision or direction of the actual work of the contractor, his employees or agents. The contractor for this project should be so advised. The contractor should also be informed that neither the presence of our field representative nor the observation and testing by our firm shall excuse him in any way for defects discovered in his work. It is also understood that our firm will not be responsible for job or site safety on this project. It is our understanding that job and site safety will be the sole responsibility of the contractor.

3. UTILITIES

In the execution of this work, KTI will take all reasonable precautions to avoid damage or injury to subterranean structures or utilities.

The Client agrees to hold KTI harmless for any damages to subterranean structures which are not called to the attention of KTI and correctly shown on the plans furnished.

4. SAMPLES

KTI will retain all soil, rock, and material samples for 30 days. Further storage or transfer of samples can be made at Client expense upon written request.

5. UNANTICIPATED HAZARDOUS MATERIALS

Hazardous materials may exist at a site where there is no reason to believe they could or should be present. KTI and the Client agree that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. KTI and the Client also agree that the discovery of unanticipated hazardous materials will make it necessary for KTI to take immediate measures to protect human health and safety, and/or the environment. KTI agrees to notify the Client as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be encountered. The Client encourages KTI to take any and all measures that in KTI's professional opinion are justified to preserve and protect the health and safety of KTI's personnel and the public, and/or the environment, and the Client agrees to compensate KTI for the additional cost of such work. In addition, the Client waives any claim against KTI, and agrees to indemnify, defend and hold KTI harmless from any claim or liability for injury or loss arising from KTI's encountering of unanticipated hazardous materials or suspected hazardous materials. The Client also agrees to compensate KTI for any time spent and expenses incurred by KTI in defense of any such claim, with such compensation to be based upon KTI's prevailing fee schedule and expense reimbursement policy.

6. DISPOSAL OF HAZARDOUS MATERIALS AND CONTAMINATED EQUIPMENT

KTI does not create, generate, or at any time own or take possession of hazardous materials as a result of its exploration services. All hazardous materials, including but not limited to samples, drilling fluids, decontamination fluids, development fluids, soil cuttings and tailings, and used disposable protective gear and equipment, are the property of the Client, and responsibility for proper disposal is the Client's, unless prior contractual arrangements are made. All laboratory and field equipment that cannot readily and adequately be cleansed of its hazardous contaminants shall become the property and responsibility of the Client. The Client shall purchase all such equipment and it shall be turned over to the Client for proper disposal unless prior alternate contractual arrangements are made.

7. INVOICES

KTI will submit invoices to the Client monthly and/or bimonthly, and a final bill upon completion of services. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of one and one-half percent (1.5%) per month, or the maximum rate allowed by law, on past due accounts.

8. OWNERSHIP OF DOCUMENTS

All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates and other documents prepared by KTI as instruments of service, shall remain the property of KTI.

The Client agrees that all reports and other work furnished to the Client or his agents, which are not paid for will be returned upon demand and will not be used by the Client for any purpose whatsoever.

Unless otherwise directed by written permission from the client, reports and other work will not be forwarded to any other parties.

9. STANDARD OF CARE

Service performed by KTI under this Agreement will be conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. No warranty, expressed or implied, is made.

The Client recognizes that the subsurface conditions may vary from those encountered at the location where borings, surveys, or explorations are made by KTI and that the data, interpretations and recommendations of KTI are based solely on the available information. KTI will be responsible for those data, interpretations, and recommendations, but shall not be responsible for the interpretation by others of the information developed.

10. LIMITATION OF LIABILITY

The Client agrees to limit the liability of KTI and its employees and agents to the Client and all construction contractors and subcontractors on the project arising from the professional acts, errors, or omissions of KTI and its employees and agents, such that the total aggregate liability of KTI to all those named shall not exceed \$50,000 or KTI's total fee for the services rendered on the project, whichever is greater. The Client further agrees to require of the contractor and his subcontractors an identical limitation of liability for damages suffered by the contractor or the subcontractor arising from the professional acts, errors or omissions of KTI and its employees and agents. Neither the contractor nor any of his subcontractors assumes any liability for damages to others which may arise on account of KTI's professional acts, errors or omissions.

11. INSURANCE AND INDEMNIFICATION

KTI represents and warrants that it and those employed by KTI are protected by worker's compensation insurance and that KTI has such coverage under public liability and property damage insurance policies which KTI deems to be adequate. Certificates for all such policies of insurance shall be provided to the Client upon request in writing. Within the limits and conditions of such insurance, KTI agrees to indemnify and hold the Client harmless from and against any loss, damage or liability to the extent caused by any negligent acts by KTI and the staff employed by it. KTI shall not be responsible for any loss, damage, or liability beyond the amounts, limits and conditions of such insurance. KTI shall not be responsible for any loss, damage or liability arising from any acts by the Client, its agents, staff, and other consultants employed by it.

The Client acknowledges that KTI has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site. KTI's compensation hereunder is not commensurate with the potential risk of injury or loss that may be caused by exposures to such substances or conditions. Accordingly, except as expressly provided in this contract, the Client waives any claim against KTI and agrees to indemnify and hold KTI, its agents, and employees harmless from any claim, liability or defense cost, by any party from such exposures allegedly arising out of or related to KTI's performance of services hereunder.

12. ASSIGNMENT

Neither the Client nor KTI may delegate, assign, sublet, or transfer duties or interest in this Agreement without the written consent of the other party.

13. TERMINATION

This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, KTI shall be paid for services performed to the termination notice date plus reasonable termination expenses.

14. PRECEDENCE

These Provisions and Agreement supersede all prior agreements and understandings and may be changed only by written amendment executed by both parties.