

WHEREAS, the City recognizes the importance of its role in local economic development; and

WHEREAS, on June 13, 2007, the City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Sixteen (the Davis Garden TIF District) in accordance with the Tax Increment Financing Act, as amended, V.T.C.A. Texas Tax Code, Chapter 311 (the "Act") to promote development and redevelopment in the District through the use of tax increment financing by Ordinance No. 26799, as amended; and

WHEREAS, on February 27, 2008, the City Council authorized the Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan by Ordinance No. 27090, as amended; and

WHEREAS, on May 28, 2008, the City Council authorized (1) a development agreement with INCAP Master Development, LLC, to provide funding for TIF-eligible project costs related to the horizontal development only (demolition and environmental remediation) of six structurally and functionally obsolete apartment complexes in anticipation of future vertical development and median improvements on Davis Street between Hampton and Montclair Roads in Tax Increment Financing Reinvestment Zone Number Sixteen (Davis Garden); and (2) the Davis Garden TIF District Board of Directors to dedicate up to \$4,008,247 from future Davis Garden TIF revenues in accordance with the development agreement in an amount not to exceed \$4,008,247; and

WHEREAS, on December 9, 2009, the City Council authorized an amendment to the development agreement with INCAP Master Development, LLC, previously approved by on May 28, 2008, to: (1) add the completion date for the design of the median improvements component of December 31, 2010; (2) extend the completion deadline for the median improvements from July 15, 2010 to December 31, 2011; and (3) amend the priority status of TIF reimbursement for the firm's project; and

WHEREAS, on December 8, 2010, the City Council authorized a second amendment to the development agreement with INCAP Master Development, LLC, to: (1) extend the completion deadline for the design of the median improvements component from December 31, 2010 to December 31, 2011; (2) extend the completion deadline for the median improvements from December 31, 2011 to December 31, 2012; (3) allow the funds designated for median improvements to be used for streetscape or other public improvements at an alternative location within the Davis Garden TIF District subject to the recommendation of the Davis Garden TIF Board and City Council approval; and (4) approve the assignment of the development agreement from INCAP to Stratford Land Fund III, L.P. or its affiliates or any other party approved by the Director without obligation to own or develop the six apartment complex sites that comprise approximately thirty acres of land located in the Davis Garden TIF District; and

WHEREAS, on June 2, 2011, the Davis Garden TIF Board of Directors recommended City Council consideration and approval of a third amendment to the development agreement with INCAP Master Development, LLC; and

WHEREAS, in furtherance of the Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan, the City desires to reimburse INCAP Master Development, LLC for the costs of environmental remediation and demolition of six structurally and functionally obsolete apartment complexes and advance funds in the amount of \$1 million to the City of Dallas to fund public infrastructure improvements to further the implementation of the Davis Garden TIF District; and

WHEREAS, the City of Dallas will determine the use of these funds in compliance with the Davis Garden TIF District Project Plan and Reinvestment Zone Financing Plan. One use of anticipated funds will be to improve bicycle facilities along Davis Street. Some improvements, specifically bicycle facilities, may be outside of the Davis Garden TIF District but are needed to provide access between this district and other destinations including the Trinity River Corridor and necessary and convenient to the implementation of the Davis Garden District Project Plan and Reinvestment Zone Financing Plan.

NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager, upon approval as to the form by the City Attorney is hereby authorized to execute a third amendment to the development agreement with INCAP Master Development, LLC, originally approved on May 28, 2008, by Resolution No. 08-1585, in Tax Increment Financing Reinvestment Zone Number Sixteen (Davis Garden TIF District) to: (1) waive the deadlines for the environmental remediation and demolition activities that were required in the development agreement; and (2) accept the deposit of funds in the amount of \$1,000,000 to the Davis Garden TIF District Tax Increment Fund for future TIF infrastructure improvements that benefit the District in lieu of the developer constructing median improvements, streetscape or other public improvements within the Davis Garden TIF District by December 31, 2011.

Section 2. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and correct.

Section 3. That the City Controller is hereby authorized to receive and deposit an amount not to exceed \$1,000,000 in lieu of the developer constructing median improvements, streetscape or other public improvements in Fund 0060, Department ECO, Unit P563, Activity DGTI, Revenue Source 8492.

Section 4. Some improvements, specifically bicycle facilities, may be outside of the Davis Garden TIF District but are needed to provide access between this district and other destinations including the Trinity River Corridor and necessary and convenient to the implementation of the Davis Garden District Project Plan and Reinvestment Zone Financing Plan.

Section 5. That the following specific amendments to deadlines within the development be made:

- B. Scope of Services and Work – Environmental Remediation and Demolition. On or before **December 31, 2009**, Developer shall complete all environmental site assessments and all reports reasonably required by the City's Office of Environmental Quality ("OEQ") for the Property described in **Exhibit C**. Developer shall address all recognized environmental conditions ("RECs") on the Property and complete demolition of all the project sites in accordance with the procedures and requirements of TCEQ (hereinafter defined) to allow the use of the Property for residential purposes and shall complete all required corrective action by **January 31, 2010**. The Scope of Services and Work for any environmental remediation and demolition for the Property shall include contamination abatement and management, asbestos abatement and management, demolition management, disposal of debris, monitoring, and public outreach as required by OEQ per the attached **Exhibit C**. All work will be completed in accordance with applicable local, state and federal environmental laws. Developer shall be responsible for ensuring that all required permits are timely obtained and kept in force for the applicable time frames.
- D. Environmental Remediation and Demolition Start Construction Date. Developer shall obtain a demolition permit and begin demolition and any required environmental remediation of the Project by **September 30, 2009**.

Section 6. That nothing in the resolution shall be construed to require the City to approve payment from any source of City funds other than the Davis Garden TIF District Fund, Tax Increment Bonds and/or North Oak Cliff MMD Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Davis Garden TIF District, due to lack or unavailability of Davis Garden TIF District Funds shall no longer be considered project costs of the Davis Garden TIF District or the City and the obligation of the Davis Garden TIF District to pay the SLF shall automatically expire.

Section 7. That all other terms and conditions as set forth in Resolution Nos. 08-1585 and 08-1586 shall remain in full force and effect, except as specifically outlined in Section 1 above.

111750
June 22, 2011

Section 8. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution: Office of Economic Development - Tenna Kirk - 5CS
Office of Economic Development - Sajid Safdar, 2CN
City Attorney's Office - Barbara Martinez
City Attorney's Office - Sarah Hasib

APPROVED BY
CITY COUNCIL

JUN 22 2011


City Secretary



1555 Valwood Parkway, Suite 160
Carrollton, TX 75006
www.atcassociates.com
972-919-3300
Fax 972-919-3395

February 6, 2008

Mr. Kevin S. Wier, P.E.
River District Holdings, LLC
c/o INCAP Fund
600 N. Bishop Ave.
Suite 100
Dallas, TX 75208

**RE: Proposal for
Asbestos Abatement Consulting and Air Monitoring Services at:**
1) Gulf Latin Church – ATC Project No. 74.75056.0033
2) Cliffwood Apartments – ATC Project No. 74.75056.0034
3) Kidd Springs – ATC Project No. 74.75056.0035
4) Kings Highway – ATC Project No. 74.75056.0036

ATC Proposal No. 74BS.2008.0042

Dear Mr. Wier:

ATC Associates, Inc. (ATC) is pleased to submit this proposal to provide Asbestos Consulting and Air Monitoring Services for the above referenced project. This proposal describes the project characteristics, presents ATC's proposed scope of services and outlines the estimated compensation for these services.

PROJECT CHARACTERISTICS

This proposal addresses providing asbestos consulting and air monitoring services associated with asbestos surveys conducted by ATC for the above-mentioned properties located in Dallas, Texas. The work is expected to be performed as part of four separate projects. The four properties have been divided into two abatement projects, which will be performed by two asbestos abatement contractors (The Andrew Joseph Company and Ponce Contractors, Inc.) The four abatement projects are expected to be performed over a total of 282 consecutive days following a ten-day notification period, which has been submitted by ATC as authorized by the Client.

PROPOSED SCOPE OF SERVICES

Abatement Project Management

ATC's services will include coordinating and inspecting the work performed by the abatement contractor:

- Conduct pre-construction meetings with abatement contractors on-site.
- Provide a project manager to act as asbestos project administrator; review and submit work orders; assess progress reports; review change orders; and technical oversight.
- Provide liaison services between Client, construction management, contractors, and regulatory agencies.
- Interpret and render decisions on project abatement documents.
- Provide one copy of project closeout document to include air-monitoring reports, for all four projects.

Inspection and Air Monitoring

ATC's services will include coordinating and inspecting the work performed by the abatement contractor:

- Review and approve contractor compliance's including abatement licenses, worker registration and qualifications, obtain acknowledgements and releases from contractor and consultant personnel on Client's behalf.
- Provide full-time, on-site Industrial Hygiene Technician and laboratory services for inspection of contractor's work for compliance with specifications and regulations and to conduct Phase Contrast Microscopy (PCM) air monitoring during abatement work. This includes on-site analysis of up to 10 PCM samples per 12 or 14 hour shift. Personnel performing air monitoring will have requisite on-project experience and have completed training courses: NIOSH 582 "Sampling and Evaluating Airborne Asbestos Dusts" and "Supervision of Asbestos Abatement Projects" at EPA sponsored training centers or equivalent, and have the appropriate Texas Department of State Health Services licenses to comply with the Texas Asbestos Health Protection Rules.
- Provide final clearance air testing by PCM.

COMPENSATION

Based on the scope of services outlined in this proposal, we propose the following fees for each of the four project locations:

Kings Highway Residences Park Terrace II Apartments - 1610 Kings Highway Residential Duplex – 1616/1618 Kings Highway Single-family Residence – 1622 Kings Highway Park Terrace I Apartments – 1630 Kings Highway				
Field Labor Expenses	Hours per day	Rate (\$) per Hour	Duration	Total (\$)
Air Monitoring Technician (regular-time shift-Monday through Saturday)	8		20 Days	
Air Monitoring Technician (over-time shift-Monday through Friday)	6		17 Days	
Air Monitoring Technician (over-time shift-Saturday)	5		3 Days	
Reimbursable Costs		Units	Unit Cost (\$)	Total (\$)
Mileage (round trip from office to project site)			\$0.505	
Field Equipment (Aerocells, microscope, pumps and other equipment)			20 days	
*Field Supplies/Misc. Costs		N/A	N/A	
Labor Expenses		Rate (\$) per Hour	Duration	Total (\$)
*Principal			10 Hours	
*Senior Project Manager (Asbestos Consultant)			20 Hours	
*Project Manager			71 Hours	
*Project Administrator			10 Hours	
*Clerical			25 Hours	
Estimated Project Total				
Contingency (10%)				
Project Total				

Cliffwood Apartments 1836 West Davis Street				
Labor Expenses	Hours per day	Rate (\$) per Hour	Duration	Total (\$)
Air Monitoring Technician (regular-time shift-Monday through Saturday)	8		50 Days	
Air Monitoring Technician (over-time shift-Monday through Friday)	6		42 Days	
Air Monitoring Technician (over-time shift-Saturday)	5		8 Days	
Reimbursable Costs		Units	Unit Cost (\$)	Total (\$)
Mileage (round trip from office to project site)			\$0.505/mile	
Field Equipment (Aerocells, microscope, pumps and other equipment)			50 days	
*Field Supplies/Misc. Costs			N/A	
Labor Expenses		Rate (\$) per Hour	Duration	Total (\$)
*Principal			10 Hours	
*Senior Project Manager (Asbestos Consultant)			20 Hours	
*Project Manager			69 Hours	
*Project Administrator			10 Hours	
*Clerical			50 Hours	
Contingency (10%)				
Project Total				
Estimated Project Total				

Asbestos Consulting and Air Monitoring Services Proposal (Kings Highway Revised)
 Gulf Latin Church, Cliffwood Apartments, Kidd Springs,
 and Kings Highway

ATC Associates Inc.
 February 6, 2008
 Page 6

Gulf Latin Church 2211 West Davis Street				
Labor Expenses	Hours per day	Rate (\$) per Hour	Duration	Total (\$)
Air Monitoring Technician (regular-time shift-Monday through Saturday)	8		4 Days	
Air Monitoring Technician (over-time shift-Monday through Friday)	6		4 Days	
Air Monitoring Technician (over-time shift-Saturday)	0		0 Days	
Reimbursable Costs		Units	Unit Cost (\$)	Total (\$)
Mileage (round trip from office to project site)			\$0.505/mile	
Field Equipment (Aerocells, microscope, pumps and other equipment)			4 days	
*Field Supplies/Misc. Costs			N/A	
Labor Expenses		Rate (\$) per Hour	Duration	Total (\$)
*Principal			2 Hours	
*Senior Project Manager (Asbestos Consultant)			2 Hours	
*Project Manager			6 Hours	
*Project Administrator			1 Hour	
*Clerical			4 Hours	
Contingency (10%)				
Project Total				
Estimated Project Total				

Asbestos Consulting and Air Monitoring Services Proposal (Kings Highway Revised)
 Gulf Latin Church, Cliffwood Apartments, Kidd Springs,
 and Kings Highway

ATC Associates Inc.
 February 6, 2008
 Page 7

Kidd Springs (Spring Park and Cedar Oaks Apartments) 829 and 901 Cedar Hill Avenue				
Labor Expenses	Hours per day	Rate (\$) per Hour	Duration	Total (\$)
Air Monitoring Technician (regular-time shift-Monday through Saturday)	8		44 Days	
Air Monitoring Technician (over-time shift-Monday through Friday)	6		44 Days	
Reimbursable Costs		Units	Unit Cost (\$)	Total (\$)
Mileage (round trip from office to project site)			\$0.505/mile	
Field Equipment (Aerocells, microscope, pumps and other equipment)			44 days	
*Field Supplies/Misc. Costs			N/A	
Labor Expenses		Rate (\$) per Hour	Duration	Total (\$)
*Principal			10 Hours	
*Senior Project Manager (Asbestos Consultant)			18 Hours	
*Project Manager			62 Hours	
*Project Administrator			9 Hours	
*Clerical			40 Hours	
Contingency (10%)				
Project Total				
Estimated Project Total				

*Costs are estimated for a project of this size, characteristics, and will be charged to the Client on a Time and Materials basis.

Please note that ATC included a contingency factor of 10% for schedule variations on each project. ATC will bill for actual time and expenses expended on each project. If each project is completed within the estimated schedule, no contingency expenses will be incurred.

The estimated project fees above is based on the ability of each contractor to complete the work within the specified a schedule. If any of the projects extend beyond the schedules indicated above for reasons beyond ATC's control, ATC will continue to provide the professional services with the hourly and unit rates indicate above until each project is completed. If any project extends beyond 10% contingency period, ATC will submit change orders at that time.

Please note that the above-estimated fees do not include a 10-Day Asbestos Abatement Notification fee which is assessed by the Texas Department of State Health Services and is based on the quantity of asbestos-containing material that is abated.

This proposal may be accepted by signing and returning the attached Work Orders in accordance with the Master Services Agreement between ATC and JP Morgan Investment Management dated 11/1/06,

Exhibit B dated 11/1/06 and Exhibit C dated 11/1/06. This proposal is valid only if authorized within sixty (60) days from the proposal date.

We appreciate the opportunity to provide this proposal and look forward to working with you on this project. Please call us at (972) 919-3300 should you have any questions or comments regarding this proposal.

Sincerely,
ATC ASSOCIATES INC.

Brian Kichan
Project Manager

John L. Marsh
Building Science Department Manager
TDSHS Individual Asbestos Consultant License
No. 105113

Sal M. Gazioglu, P.E.
Branch Manager

Attachments: Work Orders



Environmental Site Assessment Scope of Work

I. INTRODUCTION

The scope of work described in this exhibit is intended to provide JPMorgan Real Estate with sufficient information to evaluate environmental risks associated with real property and to facilitate the completion of due diligence as an institutional pension fund advisor. The Environmental Site Assessment must be performed in accordance with ASTM standard E-1527-05 (or most recent version) as well as address each of the additional requirements indicated below. The scope of work described in this document extends beyond that required by ASTM E-1527-05 and represents an equity-level scope consistent with institutional pension fund due diligence needs. In addition, the Environmental Site Assessment must meet the criteria applicable to All Appropriate Inquiry as established by the "Brownfields Amendments" PL 107-118, 115 Stat. 2356 and as may be expanded or refined in the future at 40 CFR Part 312 (except that the standard of ASTM E 1527-97 is superceded by the most recent version).

II. SCOPE OF WORK

The scope of work required by JPMorgan Real Estate for an Environmental Site Assessment is described in three key documents:

1. ASTM Standard E-1527-05 (or most recent version);
2. The additional scope items outlined in this document (including those in *italics* in section III below); and
3. The additional scope items described in Master Service Agreement Exhibit C (Add Alternates)

Consultants are required to read and follow the entire scope of work. Any and all exclusions or qualifications must be clearly delineated in consultant's proposal. In the absence of exclusions specifically delineated and accepted as part of the proposal, the requirements of this document will prevail.

Sampling, borings, well installation or other invasive testing necessary to detect the presence of ground water or soil contamination, lead paint, lead in potable water, indoor air quality deficiencies, asbestos containing materials or radon must be pre-approved. Such work may be separately priced in accordance with Master Service Agreement Exhibit C (Add Alternates) and approved where required or prudent. Review by consultant of Exhibit C is critical to the understanding of base scope.

Modifications or additions to the ASTM E-1527-05 scope of work are highlighted in *italics* in the following section III.

III. REPORT FORMAT AND DELIVERY

The report format must be organized into the following outline, which expands upon the ASTM standard, Appendix X2. With the exception of section 1.0 (Summary), modifications to the ASTM standard are in

JPMorgan

Asset Management

italics for emphasis. The Professional's report is required to follow this format.

Reports shall be issued in draft form for Client review and comment prior to final submission. The number of required copies is indicated in the Work Order. In addition, a single electronic file of less than 5 MB is required via email concurrent with the hard copies of the draft report. Reduction of resolution, particularly on photographs and attachments is acceptable to achieve this file size. The number of original copies of the final report is also indicated in the Work Order. In addition, a single electronic file of less than 5 MB in size is required via email concurrent with the hard copies of the final report. A full resolution version of the final report and other important work documents on CD-ROM is required at the time of delivery of the hard copies.

REPORT COVER PAGE

<p align="center">Phase I Environmental Site Assessment <project name> <project address></p> <p align="center">Prepared for: J.P. Morgan Investment Management Inc. 245 Park Avenue, 2nd Floor New York, NY 10167</p> <p align="center">Prepared by: <professional> <address & phone number of local office></p> <p align="center"><date></p>
--

COVER LETTER

Provide (and bind into report).

TABLE OF CONTENTS

Provide.

1.0 SUMMARY

Include the following table of project information:

Client Name:	J.P. Morgan Investment Mngmt., Inc.	Property Visit Date:	
Client Contact:		Property Contact:	
Professional's project #.:		Date of Construction:	
Professional's Project Manager:		No. Bldgs./Units:	
Phone No.:		No. of Stories:	
Email:		Bldg. Square Footage:	
Property Name:		Property Acreage:	
Property Address:		Basement/Slab on grade:	
Property Town, County, State:		Property Use:	
Property Identification:	<i.e. sec., block, lot>	Property History:	

JPMorgan

Asset Management

Other Improvements:

Include the following table of summarized findings:

Report Section (Fill In)	Assessment Item	No Further Investigation	HREC	REC	Non-ASTM Risk	Opinion of Probable Cost (as applicable)
4,5,6 or 7	Groundwater Contamination	X	(1)			(sample item)
4,5,6 or 7	Soil Contamination					
4,5,6 or 7	Stressed Vegetation					
4,5,6 or 7	Surficial Disturb./Staining					
4,5,6 or 7	USTs/LUSTs			(3)		(sample item)
4,5,6 or 7	ASTs					
4,5,6 or 7	PCBs (incl. ballasts)					
4,5,6 or 7	Petroleum					
4,5,6 or 7	Waste Gen./Disp. Issues					
4,5,6 or 7	Operational Issues					
4,5,6 or 7	Nearby Property Issues					
4,5,6 or 7	Adjacent Property Issues					
4,5,6 or 7	Historical Issues					
4,5,6 or 7	Previous Report Issues					
4,5,6 or 7	Regulatory Review Issues					
4,5,6 or 7	Chemicals/Haz. Subst. Issues					
4,5,6 or 7	Proposed Use Issues					
4,5,6 or 7	Odors					
12.1	ACMs	X			(4)	(sample item)
12.2	Radon					
12.3	Lead-Based Paint					
12.4	Lead in Drinking Water					
12.5	Wetlands					
12.6	Regulatory Compliance					
12.7	Cultural and Historic					
12.8	Industrial Hygiene	N/A				(sample item)
12.9	Health and Safety					
12.10	Ecological Resources					
12.11	Endangered Species					
12.12	IAQ/Microbial Contam.					
12.13	High Voltage Power Lines					
4,5,6,7 or 12	Other (as necessary, including recommendations for other					

JPMorgan

Asset Management

Report Section (Fill In)	Assessment Item	No Further Investigation	HREC	REC	Non-ASTM Risk	Opinion of Probable Cost (as applicable)
	non-scope investigations)					

[Note: Use an "X" to identify an item for which "No Further Investigation" is recommended and use a numbered notation to reference a footnote which summarizes each of the Assessment Items for which a condition exists, for example:

- (1) (brief summary of item)
- (2) (brief summary of item)
- (3) etc.

Mark items not included or not applicable to the particular Environmental Site Assessment as "N/A".

State affirmatively (in summary form) the results of your investigations, including RECs, HRECs and Non-ASTM Risks. Specifically state the findings and conclusions regarding IAQ/Microbial contamination in this section.

2.0 INTRODUCTION

- 2.1 Purpose
- 2.2 Detailed Scope of Services
- 2.3 Significant Assumptions
- 2.4 Limitations and Exceptions
- 2.5 Special Terms and Conditions
- 2.6 User Reliance

2.6.1: Client retains the right, at no additional cost, to provide the Work Documents to affiliates, successors, assigns, lenders and third parties for use and Professional agrees that such parties at no additional cost, shall have the right to rely on information provided within the Work Documents, subject to the terms of the Master Service Agreement.

3.0 SITE DESCRIPTION

- 3.1 Location and Legal Description
- 3.2 Site and Vicinity General Characteristics
- 3.3 Current Use of the Property
- 3.4 Descriptions of Structures, Roads, Other Improvements on the Site
- 3.5 Current Uses of the Adjoining Properties

4.0 USER PROVIDED INFORMATION

- 4.1 Title Records
 - 4.1.1 Professional to develop a chain of title describing the past and present ownership of the property, extending a minimum of 50 years or beginning at the time when the property was undeveloped, whichever is greater.*

JPMorgan

Asset Management

- 4.2 Environmental Liens or Activity and Use Limitations
 - 4.2.1 *Professional to review title records for environmental liens or use limitations. Summarize any Super Lien statutes applicable in the jurisdiction.*
- 4.3 Specialized Knowledge
- 4.4 Valuation Reduction for Environmental Issues
- 4.5 Owner, Property Manager and Occupant Information
- 4.6 Reasons for Performing Phase I
- 4.7 Other

5.0 RECORDS REVIEW

- 5.1 Standard Environmental Record Sources
- 5.2 Additional Environmental Record Sources
- 5.3 Physical Setting Source(s)
- 5.4 Historical Use Information on the Property
- 5.5 Historical Use Information on Adjoining Properties
- 5.6 *Jurisdiction: List all agencies which have jurisdiction over environmentally related activities at the subject property including providing the appropriate point of contact, name and/or title, address and telephone number.*
- 5.7 *Document Request: Immediately after award of the contract, the environmental professional must ask the property owner and/or the key site manager to provide all documents necessary to perform the scope of work, including but not limited to those in Attachment A. Professional will request that property owner obtain the necessary documents from each tenant. Client relies on Professional to pursue, obtain and report to their JPM contact person at least weekly on the progress of obtaining the necessary documentation.*
- 5.8 *Knowledge of Environmental Proceedings: Prior to the site visit, the environmental professional shall ask the property owner, key site manager, and the manager of any tenant space at which hazardous substances, petroleum or other ASTM non-scope substances are likely to be used, if they know of any proceedings involving the property, such as:*
 - 5.8.1 *Any pending, threatened, or past litigation relevant to hazardous substances or petroleum products in, on, or from the property.*
 - 5.8.2 *Any pending, threatened, or past administrative proceedings relevant to hazardous substances or petroleum products in, on, or from the property.*
 - 5.8.3 *Any notices from any governmental entity regarding any possible violation of environmental laws or potential liability relating to hazardous substances or petroleum products.*
- 5.9 *Review the Environmental site setting including Hydrology and Geology specifically addressing and commenting on the items below. Confirm through Site Reconnaissance and Interviews as necessary. Discuss in each of those sections as appropriate.*
 - 5.9.1 *Groundwater depth*
 - 5.9.2 *Direction of ground water flow*
 - 5.9.3 *The potential for contamination from on-site or off-site sources*
 - 5.9.4 *Any existing information obtained from soils reports including organic vapor concentrations.*

JPMorgan

Asset Management

6.0 SITE RECONAISSANCE

- 6.1 Methodolgy and Limiting Conditions
- 6.2 General Site Setting
- 6.3 Scope of Observations
 - 6.3.1 *Professional to describe areas reviewed during the site visit (e.g. 100% exteriors, 100% common areas, tenant spaces). A reasonable sampling of interior spaces should be observed. For residential/hotel properties, a minimum of 10% of units should be observed with at least one of each unit type. A reasonably random selection should be observed between occupied and non-occupied units.*
- 6.4 Exterior Observations
- 6.5 Interior Observations
 - 6.5.1 *Professional to address the likelihood of PCB-containing fluorescent light fixture ballasts.*
- 6.6 Compliance Observations:
 - 6.6.1 *Determine if facilities appear to be in compliance with current environmental regulations.*
 - 6.6.2 *Document any evidence of leaks or spills and comment on the potential for future leaks or spills.*
 - 6.6.3 *Describe method of storage of hazardous substances, secondary containment by site manager and tenants. Review and comment on environmental monitoring programs in place.*

7.0 INTERVIEWS

- 7.1 Interview with Owner
- 7.2 Interview with Site Manager
- 7.3 Interviews with Occupants
- 7.4 Interviews with Local Government Officials
- 7.5 Interviews with Others

8.0 FINDINGS

In keeping with the ASTM standard, describe the findings. Use two sections, as follows:

- 8.1 *Describe the Suspect Environmental Conditions resulting from the scope of work performed under all of the above sections (ASTM scope considerations).*
- 8.2 *Describe the Suspect Environmental Conditions or Business Environmental Risks resulting from the scope of work performed under Section 12 below (non-ASTM scope considerations).*

9.0 OPINION

In keeping with the ASTM standard, provide an opinion for each of the findings in Section 8.0 above, in the same order. Provide recommendations regarding further investigations and/or revisions to existing procedures or practices at the subject property. Use two sections, as follows:

- 9.1 *Provide an opinion on Suspect Environmental Conditions (ASTM scope considerations) listed in section 8.1.*
- 9.2 *Provide an opinion on Suspect Environmental Conditions or Business Environmental*

JPMorgan

Asset Management

Risks (ASTM non-scope considerations) listed in section 8.2.

10.0 CONCLUSIONS

In keeping with ASTM 1527-05 (or most recent version) section 11.7, make one of the two affirmative statements listed in that section and, if applicable, list the Recognized Environmental Conditions.

11.0 DEVIATIONS

Describe any deviations from either the ASTM E-1527-05 (or most recent version) standard or this JPM Scope of Work. If no deviations are described, Professional acknowledges that both the ASTM standard and the JPMorgan Real Estate Scope of Work have been reviewed prior to issuance of the report and all requirements have been met.

12.0 ADDITIONAL (NON-ASTM STANDARD) SERVICES

- 12.1 *Asbestos Containing Materials: Comment on the presence and condition of any suspected asbestos containing material (ACM) on site. Particular attention shall be made to the potential existence of spray-on fire proofing on structural steel members or floor decks. Review and summarize any existing asbestos investigation reports, surveys or plans. Provide a copy of and comment on any asbestos operations & management manuals.*
- 12.2 *Radon: Comment on the potential for the existence of radon gas given the regional and local geology.*
- 12.3 *Lead-Based Paint: Comment on the potential presence and condition of any lead-based paint on site.*
- 12.4 *Lead in Drinking Water: Comment on the region's history of the presence of lead or other chemical in potable water. Review recent water quality test reports from the utility company providing domestic water.*
- 12.5 *Wetlands: As part of the records review, site reconnaissance and interviews, assess the likelihood that wetlands exist on the property. Review USGS topographic sheet and FEMA maps for wetland indicators. Obtain and review USFWS National Wetland Inventory (NWI) maps for the possible location of potential wetlands or Jurisdictional Waters of the US on or in the vicinity of the subject property.*
- 12.6 *Regulatory Compliance:*
 - 12.6.1 *For current and past uses provide a summary of all environmentally related permits, licenses, and registrations required and comment on the potential need for additional permits, licenses or registrations.*
 - 12.6.2 *For proposed uses, provide a summary of environmentally related permits licenses, registrations, etc., which may be required for operation.*
 - 12.6.3 *Provide a summary of any available information indicating that the property may not be in compliance with environmental regulations, permits, licenses or registrations.*
 - 12.6.4 *List and comment on any violations, investigations, claims, actions, notifications, litigation, etc., regarding environmental concerns pertaining to the subject property.*
 - 12.6.5 *Summarize any other pertinent information relating to potential liabilities*

JPMorgan

Asset Management

stemming from current or previous activities at the subject property.

- 12.7 *Cultural and Historic Resources: As part of the records review, site reconnaissance and interviews, assess the likelihood that cultural or historic resources exist on the property. Obtain and review USGS topographic maps (historic and most current photorevision) and published database information from federal and state historical agencies in an attempt to identify historic structures, significant archaeological sites, Indian religious sites or other features of historic significance or known cultural resources in the vicinity of the subject property.*
- 12.8 *Industrial Hygiene: Not used.*
- 12.9 *Health and Safety: Not used.*
- 12.10 *Ecological Resources: Not used.*
- 12.11 *Endangered Species: Review published databases for state and federally listed species within the project county/vicinity.*
- 12.12 *Mold/Microbial Growth (for purposes of this scope, the terms mold and microbial are considered synonymous): Professional to perform a visual inspection for the presence or likely presence of mold growth within the envelope and the interior of the building. Investigate as to the presence or likely presence of moisture infiltration into areas that may likely promote mold growth. Review available property maintenance documentation regarding reported moisture infiltration. Inspect a representative sampling of readily accessible HVAC components in which mold is sometimes found. Describe in the report the geography, topography, local weather norms or other factors contributing to the possible presence of mold growth. Describe observations of mold growth and areas of moisture infiltration that may indicate the presence of mold growth. **Differentiate between point sources and potential systemic problems.** In cases where mold growth is identified discuss likely causes (acknowledging that Professional is not an architect or engineer), recommended actions and opinions of probable cost. **In the case that no mold growth is found, clearly state so in the body of the report and the summary, section 1.0.** Tape lift or air samples are not part of this base scope. See Master Service Agreement Exhibit C (Add Alternates) for additional scope considerations.*
 - 12.12.1 *For residential properties, as part of the normal walk-through of representative units, record ambient temperature and relative humidity. Using a hand-held pin or pinless moisture meter, check moisture levels at a representative sampling of window surrounds, exterior wall drywall or baseboard or other areas where abnormal moisture levels may be present.*
- 12.13 *High Voltage Powerlines: Identify on the site plan any significant power transmission facility on the subject property or an adjoining property.*
- 12.14 *Additional JPMorgan scope items: These items should be discussed in sections "User Provided Information", "Records Review", "Site Reconnaissance" or "Interviews", depending on the source of the information or, if no source is applicable, in this section of the report:*
 - 12.14.1 *Identify current and past tenants and property uses specifically commenting on the potential use, disposal, treatment, storage or emission of hazardous substances, petroleum or the other ASTM non-scope substances listed in this scope of work. Evaluate the potential for contamination resulting from past or previous property uses. Provide a list, including approximate quantities,*

JPMorgan

Asset Management

of the hazardous substances previously or currently used, disposed, treated, stored or emitted at the subject property.

- 12.14.2 *Hazardous substances and processes: Provide a summary of processes employed on-site requiring or resulting in the use, disposal, treatment, storage and emission of hazardous substances, petroleum or the other ASTM non-scope substances listed in this scope of work.*
- 12.14.3 *Provide information regarding surface and subsurface drainage, floor drains, sewers, on-site waste water disposal and septic systems, storm system run-off, the source of drinking water for the subject property, and the location of nearest wells and surface water.*
- 12.14.4 *Provide details regarding any other information derived from previous investigations or experience or obtained in the course of this investigation which relate to environmental conditions or liabilities associated with the subject property.*
- 12.15 *General: Any testing procedures conducted as part of this Environmental Site Assessment must be performed by individuals who meet all State-specific requirements (including but not limited to licensing or certification) for the State in which the property is located.*

13.0 REFERENCES

Include a list of references, regulatory information, source materials and any other relevant reports or materials which have been reviewed in conjunction with this assessment.

14.0 SIGNATURE(S) OF ENVIRONMENTAL PROFESSIONAL(S)

All reports must be dated and bear the signature of an Environmental Professional, i.e. Geologist, Engineer, Environmental Assessor, etc., who meets all State-specific requirements (including but not limited to licensing or certification) for the state in which the property is located. Upon publication of 40 CFR Part 312, signatures of environmental professionals must meet standards outlined therein. All asbestos investigations must be signed by an individual with a current AHERA certification.

15.0 QUALIFICATION(S) OF ENVIRONMENTAL PROFESSIONAL(S)

16.0 APPENDIX

- 16.1 Site Vicinity Map
 - 16.1.1 *Map to include locations of any off-site areas of environmental concern.*
- 16.2 Site Plan
 - 16.2.1: *Include building locations and approximate locations of REC, HREC or Business Environmental Risk(non-ASTM scope) conditions*
 - 16.2.2: *Include locations of any use, storage, treatment, disposal or emission facility*
 - 16.2.3: *Indicate the likely direction of ground water flow*
- 16.3 Site Photographs
- 16.4 Historical Research Documentation (aerial photographs, fire insurance maps, historical topographical maps, etc.)
- 16.5 Regulatory Records Documentation



- 16.6 Interview Documentation
- 16.7 Special Contractual Conditions between User and Environmental Professional
- 16.8 *Statement of Independence from conflict of interest*
- 16.9 *Copies of all other reports or documentation reviewed as part of the investigation*

**Environmental Site Assessment
Add Alternates to Base Contract – Exhibit C**

#	Add Alternate	Scope Description
1	Asbestos testing	Using accepted industry standards, professional to adequately sample and test to confirm if asbestos is present in suspect material. Provide a general analysis of the quantity of both friable and non-friable ACM. Outline general abatement scope assumptions (removal, encapsulation) and an opinion of probable costs for abatement.
2	Radon testing	Using accepted industry standards, professional to adequately sample, test, and report on the presence of radon at the subject site. A minimum of two radon canisters per building shall be placed in appropriate areas on the buildings lowest level. If radon is detected, comment on how the levels encountered fit within the EPA guidance framework. Provide a summary of remedial work which may be required and an opinion of probable cost for remediation measures.
3	Lead-based paint testing	Using accepted industry standards, professional to adequately sample, test, and report on the presence of lead-based paint at the subject site. Provide an opinion of probable cost for remedial work which may be required as a result of the tests findings.
4	Lead in drinking water testing	Professional to take water samples from 4 separate spigots throughout the property and test for the presence for lead in water. One sample shall be drawn as near to the incoming source as practical. Samples should be taken from spigots which are in active use at the property. Flush and draw procedures shall meet EPA guidelines but a minimum of three flush/draws should be performed. Provide an opinion of probable cost for remedial work which may be required as result of the test findings. Professional shall use good judgment when selecting appropriate units to sample (i.e. occupied vs. non-occupied units).
5	Immediate Phase II soil and groundwater exploration	Perform a subsurface investigation of soil and groundwater should any of the following be known to exist at the site: i) existing or former dry cleaning operation; ii) any Underground Storage Tank installed prior to 1998; iii) any adjacent upgradient site with a known soil or groundwater contamination issue (including LUSTs); and, iv) any site with an active groundwater monitoring well present. Provide an opinion of probable cost with assumptions.

**Environmental Site Assessment
Add Alternates to Base Contract – Exhibit C**

#	Add Alternate	Scope Description
6	Moisture evaluation	<p>As part of the normal walk-through of representative areas, record ambient temperature and relative humidity. Using a hand-held pin or pinless moisture meter, check moisture levels at a representative sampling of window surrounds, exterior wall drywall or baseboard or other areas where abnormal moisture levels may be present.</p> <p>Note: This add-alternate work is part of the base scope for all residential properties.</p>
7	Mold analysis	<p>Conduct air sampling using an appropriate environmental professional with specific knowledge of mold. Collect “air-o-cell” or spore trap samples from a representative sample of approximately 10% of interior building spaces and a minimum of 4 representative samples (each side of buildings) of exterior ambient air. For all samples, record ambient temperature and relative humidity.</p> <p>After collection of samples and discussion of preliminary findings with client, culture the viable spores in a certified laboratory to determine species. Terminate cultures if so directed by client.</p> <p>For office or industrial properties, test a sample of common and tenant areas. For retail properties, test common areas and movie theaters. For hotels, test common areas and guest rooms. For residential properties, test tenant units.</p>

Environmental Site Assessment

Work Order - Exhibit C

Signing of this Work Order by Client and Consultant authorizes Consultant to complete the services as described below under the terms and conditions of the Master Services Agreement dated 11/1/06, Exhibit B dated 11/1/06 and Exhibit C dated 11/1/06.

Site Name:		# of Stories:	
Site Address:		# of Buildings:	
Property Type:		Parking, Type:	
Size (area, units):		# Parking Stalls:	
Year Built:			
Additional Property Information:			
Site Contact Name:		Comments:	
Site Contact Company:			
Site Contact Address:			
Site Contact Phone:			

Y/N	Scope of Services	Fee
Yes	Environmental Phase I - Base Service	
	Add Alternates:	
	1. Asbestos testing	
	2. Radon testing	
	3. Lead-based paint testing	
	4. Lead in drinking water testing	
	5. Immediate Phase II soil and groundwater exploration	
	6. Moisture evaluation	
	7. Mold analysis	
	8. Other (describe)	
	9. Other (describe)	
	10. Other (describe)	
	Total	\$0

Fee Type:

Lump Sum	\$0	Time & Materials	N/A	Time & Materials Not to Exceed	N/A
----------	-----	------------------	-----	--------------------------------	-----

Schedule:

Start Date:		Draft Due Date:		Final Due Date:	
-------------	--	-----------------	--	-----------------	--

of Reports required (plus a single file of <5MB with draft, a single file of <5MB with final and a CD-ROM with final):

Draft:	2	Final:	2
--------	---	--------	---

Approved for Client:

J.P. Morgan Investment Management Inc.

By: _____

Name: _____

Title: Vice President

Date: _____

Approved for Consultant:

Firm: _____

By: _____

Name: _____

Title: _____

Date: _____

Exhibit C**Scope of Work - INCAP Master Development, LLC's (INCAP) Future Potential Horizontal Development (Davis Garden TIF District)**

Incap will environmentally remediate and demolish the structurally and functionally obsolete apartment complexes located at the following sites:

1. **Chateau Crete Assembly**
 - 1818 Stevens Forest
 - 1836 Stevens Forest
 - 1916 Stevens Forest
 - 2002 Stevens Forest
2. **Acorn Tree Assembly**
 - 2105 West Davis
 - 2211 West Davis
3. **Cliffwood Assembly**
 - 1836 West Davis
4. **King's Highway Assembly**
 - 1610 King's Highway
 - 1616 King's Highway
 - 1618 King's Highway
 - 1622 King's Highway
 - 1630 King's Highway
5. **Northhills Assembly**
 - 640 North Plymouth
 - 2643 West Davis
6. **Kidd Springs Assembly**
 - 829 Cedar Hill
 - 901 Cedar Hill

Estimated Project Schedule**A. Horizontal Development**

- | | |
|------------------------------------|--------------|
| 1. Chateau Crete Assembly | |
| Begin Environmental Remediation | N/A |
| Complete Environmental Remediation | N/A |
| Begin Demolition | January 2008 |
| Complete Demolition | May 2008 |

2. Acorn Tree Assembly	
Begin Environmental Remediation	February 2008
Complete Environmental Remediation	February 2008
Begin Demolition	February 2008
Complete Demolition	May 2008
3. Cliffwood Assembly	
Begin Environmental Remediation	March 2008
Complete Environmental Remediation	April 2008
Begin Demolition	April 2008
Complete Demolition	June 2008
4. King's Highway Assembly	
Begin Environmental Remediation	February 2008
Complete Environmental Remediation	March 2008
Begin Demolition	March 2008
Complete Demolition	April 2008
5. Northhills Assembly	
Begin Environmental Remediation	June 2008
Complete Environmental Remediation	November 2008
Begin Demolition	December 2008
Complete Demolition	December 2008
6. Kidd Assembly	
Begin Environmental Remediation	February 2008
Complete Environmental Remediation	April 2008
Begin Demolition	April 2008
Complete Demolition	June 2008

Estimated Project Costs

Environmental Remediation & Demolition

(TIF Eligible Project Costs)

Chateau Crete	\$400,468
Acorn Tree	\$364,919
Cliffwood	\$578,944
King's Highway	\$264,365
Northhills	\$787,000
Kidd Springs	\$612,550
Total	\$3,008,246