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## **ENGAGEMENT LETTER FOR PROFESSIONAL VALUATION SERVICE**

### **Date of Agreement:**

10/2/2021

### **PARTIES TO AGREEMENT:**

#### **Client:**

Gerardo Jorge  
Patch of Land  
15000 Ventura Boulevard - Suite 300  
Sherman Oaks, CA 91403

#### **Appraisers:**

Bowery Valuation  
61-63 Crosby Street, 3rd Floor  
New York, NY 10012  
Phone: 917.597.3914

Client hereby engages Bowery Valuation to complete an appraisal assignment as follows:

### **PROPERTY IDENTIFICATION**

8524 South Oglesby  
Chicago, IL 60617  
Block: 2 / Lot: 11,12

## **PROPERTY TYPES**

Multifamily Building/Complex

## **INTEREST VALUED**

Leased Fee Interest

## **INTENDED USERS**

The Intended Users of the report are the Client and its affiliates.

## **INTENDED USE**

The Intended Use of the report is for the purpose of providing a loan.

## **TYPE OF VALUE**

## **DATE OF VALUE**

## **PAYMENT TO BOWERY VALUATION**

\$ 3500

## **PAYMENT DUE DATE**

## **DELIVERY DATE**

14 days from the date of the signed engagement letter.

## **DELIVERY METHOD**

Final report delivered as PDF via email. Up to 3 printed reports delivered if requested.

## **HYPOTHETICAL CONDITIONS, EXTRAORDINARY ASSUMPTIONS**

Used if necessary, will be discussed with the client.

## **APPLICABLE REQUIREMENTS OTHER THAN THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**

The Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

## **ANTICIPATED SCOPE OF WORK**

### **Site visit:**

Interior and exterior observation, on-site.

## **VALUATION APPROACHES**

Appraisers shall use all approaches necessary to develop a credible opinion of value; all three approaches considered: Sales comparison approach / Cost approach / Income approach

## **APPRAISAL REPORT**

### **Report option:**

Written Appraisal Report (fka Self-Contained Appraisal Report)

## **FORM OR FORMAT**

Narrative Appraisal

## **CONTACT FOR PROPERTY ACCESS, IF APPLICABLE**

To be provided by client

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## **CONTRACT FOR SALE**

If the property appraised is currently under contract for sale, Client shall provide to Appraisers a copy of said contract including all addenda.

## **PROPOSED IMPROVEMENTS**

If the property appraised consists of proposed improvements, Client shall provide to Appraisers plans, specifications or other documentation sufficient to identify the extent and character of the proposed improvements.

## **ADDITIONAL DOCUMENTATION**

Client agrees to provide Appraisers with the documentation as needed.

## **WHEN BOWERY VALUATION'S OBLIGATIONS ARE COMPLETE**

Bowery Valuation's obligations pursuant to this Agreement are complete when the Draft Appraisal Report in the form specified in this Agreement is delivered to Client pursuant to this Agreement. Appraisers agree to be responsive to Client's legitimate inquiries regarding the contents of the report after delivery, however they are to be considered beyond the scope of the engagement.

## **CONFIDENTIALITY**

Bowery Valuation shall not provide a copy of the written Appraisal Report to, or disclose the results of the appraisal prepared in accordance with this Agreement to, any party other than Client, unless Client authorizes, except as stipulated in the Confidentiality Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP).

## **USE OF EMPLOYEES OR INDEPENDENT CONTRACTORS**

Bowery Valuation may use employees or independent contractors at Bowery Valuation's discretion to complete the assignment, unless otherwise agreed by the parties. Notwithstanding, Bowery Valuation shall sign the written Appraisal Report and take full responsibility for the services provided as a result of this Agreement.

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## **SERVICES NOT PROVIDED**

The fees set forth in this Agreement apply to the appraisal services rendered by Bowery Valuation as set forth in this Agreement. Unless otherwise specified herein, Bowery Valuation's services for which the fees in this Agreement apply shall not include meetings with persons other than Client or Client's agents or professional advisors; Appraisers' deposition(s) or testimony before judicial, arbitration or administrative tribunals; or any preparation associated with such depositions or testimony. Any additional services performed by Bowery Valuation not set forth in this Agreement will be performed on terms and conditions set forth in an amendment to this Agreement, or in a separate agreement.

## **TESTIMONY AT COURT OR OTHER PROCEEDINGS**

Unless otherwise stated in this Agreement, Client agrees that Appraisers' assignment pursuant to this Agreement shall not include Appraisers' participation in or preparation for, whether voluntarily or pursuant to subpoena, any oral or written discovery; sworn testimony in a judicial, arbitration or administrative proceeding; or attendance at any judicial, arbitration or administrative proceeding relating to this assignment. If the appraisers are required to testify or make statements related to any part of the appraisal report by any party, the fee to the client shall be \$500 per hour.

## **CHANGES TO AGREEMENT**

Any changes to the assignment as outlined in this Agreement shall necessitate a new Agreement. The identity of the Client, intended users, or intended use; the date of value; type of value; or property appraised cannot be changed without a new Agreement.

## **CANCELLATION**

Client may cancel this Agreement at any time prior to Bowery Valuation's delivery of the Appraisal Report upon written notification to Bowery Valuation. Client shall pay Bowery Valuation for work completed on assignment, billed at \$500 per hour, prior to Bowery Valuation's receipt of written cancellation notice, unless otherwise agreed upon by Bowery Valuation and Client in writing.

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## **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by the law of the state in which Bowery Valuation's office as specified in this Agreement is located, exclusive of that state's choice of law rules. The parties agree that any legal proceeding brought by either party to interpret or enforce this Agreement, or to enforce an arbitration award entered pursuant to this Agreement, shall be brought in a state or federal court having jurisdiction over the location of Bowery Valuation's office as specified in this Agreement, and the parties hereby waive any objections to the personal jurisdiction of said court.

## **APPRAISER INDEPENDENCE**

Appraisers cannot agree to provide a value opinion that is contingent on a predetermined amount. Appraisers cannot guarantee the outcome of the assignment in advance. Appraisers cannot ensure that the opinion of value developed as a result of this Assignment will serve to facilitate any specific objective of Client or others or advance any particular cause. Appraisers' opinion of value will be developed competently and with independence, impartiality and objectivity.

## **NOTICES**

Any notice or request required or permitted to be given to any party shall be given in writing and shall be delivered to the receiving party by: a) registered or certified mail, postage prepaid; (b) overnight courier, such as Federal Express, United Parcel Service or equivalent; or (c) hand delivery. The address for delivery of any notice shall be the address for the party as specified in this Agreement, or at such other address as party may designate by written notice to the other party in conformance with this paragraph. Unless otherwise specified herein, notice shall be effective the date it is postmarked or given to a third party for delivery to the receiving party, whether or not the receiving party signs for or accepts delivery of such notice.

## **NO THIRD-PARTY BENEFICIARIES**

Nothing in this Agreement shall create a contractual relationship between Bowery Valuation or Client and any third party, or any cause of action in favor of any third party. This Agreement shall not be construed to render any person or entity a third party beneficiary of this Agreement, including, but not limited to, any third parties identified herein.

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## **MEDIATION & ARBITRATION**

In the event of a dispute concerning the subject matter of this Agreement, the parties shall in good faith attempt to resolve such dispute by negotiation between the parties' principals, or, if such negotiation is unsuccessful, by mediation conducted by a third-party mediator. If such mediation results in an impasse, the parties shall submit their dispute to binding arbitration. Such mediation or, if necessary, binding arbitration shall be conducted pursuant to the mediation procedures or the commercial arbitration rules of the American Arbitration Association. Any arbitration shall be conducted in the city in which Bowery Valuation's office as specified herein is located. The parties shall share equally the costs of any mediation. In the event of binding arbitration, the arbitrators shall, in addition to any relief appropriate to be awarded to the prevailing party, enter an award in favor of the prevailing party for that party's costs of the arbitration, including the party's reasonable attorneys' fees and arbitration expenses incurred in prosecuting or defending the arbitration proceeding. Subject to the right of the prevailing party to recover its share of the costs of the arbitration services pursuant to the arbitrator's award, the costs of the arbitration services shall be borne equally by the parties. If the prevailing party seeks judicial confirmation of any arbitration award entered pursuant to this Agreement, the court shall, in addition to any other appropriate relief, enter an award to the prevailing party in such confirmation proceeding for its reasonable attorneys' fees and litigation expenses incurred in confirming or successfully opposing the confirmation of such an award.

## **SPECIAL OR CONSEQUENTIAL DAMAGES**

Neither party shall under any circumstances be liable to the other party for special, exemplary, punitive or consequential damages, including, without limitation, loss of profits or damages proximately caused by loss of use of any property, whether arising from either party's negligence, breach of the Agreement or otherwise, whether or not a party was advised, or knew, of the possibility of such damages, or such possibility was foreseeable by that party. In no event shall Appraisers be liable to Client for any amounts that exceed the fees and costs paid by Client to Appraisers pursuant to this Agreement.

## **ASSIGNMENT**

Neither party may assign this Agreement to a third party without the express written consent of the other party, which the non-assigning party may withhold in its sole discretion. In the event this Agreement is assigned by mutual consent of the parties, it shall become binding on the assigning party's permitted assigns.

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## **SEVERABILITY**

In the event any provision of this Agreement shall be determined to be void or unenforceable by any court of competent jurisdiction, then such determination shall not affect any other provision of this Agreement and all such other provisions shall remain in full force and effect.

## **CLIENT'S DUTY TO INDEMNIFY APPRAISERS**

Client agrees to defend, indemnify and hold harmless Bowery Valuation and Appraisers from any damages, losses or expenses, including attorneys' fees and litigation expenses at trial or on appeal, arising from allegations asserted against Appraisers by any third party that if proven to be true would constitute a breach by Client of any of Client's obligations, representations or warranties made in this Agreement, or any violation by Client of any federal, state or local law, ordinance or regulation, or common law (a "Claim"). In the event of a Claim, Bowery Valuation shall promptly notify Client of such Claim, and shall cooperate with Client in the defense or settlement of any Claim. Client shall have the right to select legal counsel to defend any Claim, provided that Appraisers shall have the right to engage independent counsel at Bowery Valuation's expense to monitor the defense or settlement of any Claim. Client shall have the right to settle any Claim, provided that Bowery Valuation shall have the right to approve any settlement that results in any modification of Appraisers' rights under this Agreement, which approval will not be unreasonably withheld, delayed or conditioned.

## **CLIENT'S REPRESENTATIONS AND WARRANTIES**

Client represents and warrants to Bowery Valuation that (1) Client has all right, power and authority to enter into this Agreement; (2) Client's duties and obligations under this Agreement do not conflict with any other duties or obligations assumed by Client under any agreement between Client and any other party; and (3) Client has not engaged Bowery Valuation, nor will Client use Bowery Valuation's Appraisal Report, for any purposes that violate any federal, state or local law, regulation or ordinance or common law.

## **EXTENT OF AGREEMENT**

This Agreement represents the entire and integrated agreement between the Client and Bowery Valuation and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both Client and Bowery Valuation. This Agreement includes the Appendices (if any), which are incorporated into, and made a part of this Agreement.



## EXPIRATION OF AGREEMENT

This Agreement is valid only if signed by both an agent for Bowery Valuation and Client within 5 days of the Date of Agreement specified.

As Agent for Bowery

  
Steve Schaller (Oct 4, 2021 10:33 EDT)

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(Signature)

Steve Schaller

Oct 4, 2021

—  
(Date)

By Client:



—  
(Signature)

Gerardo Jorge

Oct 4, 2021

—  
(Date)