

Exhibit No. 8

**Service Contract Between
Walton CWCA, Golden West 70, LLC and Kemron Environmental Services, Inc.
Dated April 16, 2008**

SERVICE CONTRACT

Description (including address) of property:

Golden West Business Park, 70
9320-9390 and 9400-9500 7th Street
Rancho Cucamonga, CA 91730

On Site Project: Golden West Business Park, 70
9330 7th Street Suite A
Rancho Cucamonga, CA 91730

Owner: Walton CWCA Golden West 70, LLC
9774 Crescent Center Drive, Suite 506
Rancho Cucamonga, CA 91730
Telephone: 909-204-4636 Facsimile: 909-204-4135
(hereinafter "Owner")

Managing Agent: Davis Realty Partners, LLC
9774 Crescent Center, Suite 506
Rancho Cucamonga, CA 91730
Telephone: 909-204-4636 Facsimile: 909-204-4135
(hereinafter "Agent"), Attention: Karen Fish

Contractor: Kemron Environmental Services, Inc.
3155 Blackhawk Drive, Building 379 Suite 17
Fort Sheridan, IL 60637
Telephone: 874-266-1350 Facsimile: 847-266-3584
(hereinafter "Contractor"), Attention: Louis E. Ehrhard

Contractor's Federal Tax ID Number: 11-2393978

Services: Services described in Schedule "A" and Schedule "B" attached hereto
(hereinafter "Services") to be provided by Contractor in accordance with the
terms hereof.

Term of Contract: One time service

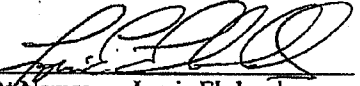
Contract Payment: Terms set forth on Schedule "A" annexed hereto and made a part hereof.

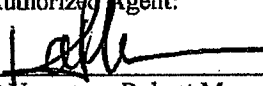
This Contract dated April 16, 2008 is between the undersigned parties.

Contractor:
Kemron Environmental Services, Inc.
3155 Blackhawk Drive, Building 379
Suite 17
Fort Sheridan, IL 60637

Owner or Agent:
WALTON CWCA, GOLDEN WEST 70, L.L.C.
a Delaware Limited Liability Company

By: WCV Commercial Properties Inc
An Illinois Corporation ("Agent for Owner")
Its Authorized Agent:

By: 
Print Name: Louis Ehrhard
Title: Regional Manager

By: 
Print Name: Robert Munson
Title: Vice President

SERVICE CONTRACT TERMS

1. **SCOPE OF WORK** - Contractor agrees to perform for the term specified the Services listed on Schedule A attached hereto and made a part hereof, and any additional services which may be reasonably requested by Owner or Agent from time to time during the term. All operational logs and records relating to the Services prepared and/or maintained by Contractor or in the custody of Contractor shall not be destroyed without the prior written consent of Owner or Agent. Contractor agrees to furnish at its expense all labor, supplies, uniforms, equipment and materials necessary to properly perform the Services. Contractor shall permit and facilitate inspection of the Services by Owner and its representatives (including, but not limited to, Agent) and public authorities at all times. Failure of Agent or Owner during the term of this Agreement to discover or reject unacceptable Services, or Services not performed in accordance with this Agreement, shall not be deemed an acceptance thereof nor a waiver of Agent's and Owner's right to the proper execution of the Services or any part thereof by Contractor.

Any changes or modifications regarding the Work or this Contract must be in writing and must be approved, in advance, by Owner or Agent. The cost of such approved changes or modifications shall be estimated and agreed upon between Owner or Agent and Contractor in writing before any additional work is performed. Owner reserves the right to increase or decrease the Work or terminate this Contract, at any time, by change order without liability to Contractor. If the Contract is based on unit prices, the Contract Price shall be increased or decreased by the number of units affected.

2. **COMPLIANCE WITH LAWS AND POLICIES** - Contractor shall at all times comply with all applicable federal, state and local laws, codes, ordinances, rules and legal requirements affecting the Services, as well as Agent's and Owner's directives, guidelines, procedures, rules, regulations and the like which are furnished to Contractor. This Agreement shall be construed, and the legal relationships between the parties shall be determined, in accordance with the laws of the state in which the Property is located. No rights or remedies available to either party under this Agreement or by operation of law are waived or modified unless expressly waived or modified by that party in writing.

a. **Labor and Related Laws** - Contractor agrees to perform all services required under this Contract and to provide everything required to complete the Work in a first class, expeditious and workmanlike manner, including, without limitation, all supervision, labor, materials, tools, and transportation of Contractor's work and material shall be all in strict accordance with Owner's specifications and with all applicable federal, state and local statutes, regulations and ordinances, including, but not limited to, the following:

- a) Division 5 of the California Labor Code, entitled Safety in Employment, including, but not limited to, the following:
 - i) Part 1, commencing with Section 6300, entitled "Occupational Safety and Health" ("OSHA"), and any and all regulations issued pursuant to OSHA;
 - ii) Part 3, commencing with Session 7100, entitled "Safety in Buildings", and any and all regulations which may from time to time be issued pursuant to such Part;
 - iii) Part 6, commencing with Section 7620, entitled "Tanks and Boilers", and any and all regulations which may from time to time be issued pursuant to such Part;
 - iv) Part 7, commencing with Section 7800, entitled "Volatile Flammable Liquids", and any and all regulations which may from time to time be issued pursuant to such Part;

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Owner or Agent's initials _____

- v) Part 10, commencing with Section 9000, entitled "Use of Carcinogens", and any and all regulations issued pursuant to such Part;
- b) Any and all laws, ordinances and regulations relating to undocumented workers as such laws, ordinances or regulations may, from time to time, be issued or enforced by the Immigration and Naturalization Service ("INS") or any other agency enforcing such laws, ordinances and regulation.
- c) Any and all laws, ordinances and regulations relating to the employment relationship between Contractor and Contractor's employees, if any, including, but not limited to, the workers' compensation laws, state and federal wage and hour laws and state and federal discrimination laws.
- b. Environmental Compliance - This Contract and Contractor's performance of Work hereunder shall be subject to the following:
- a) Definition of Hazardous Materials - For purposes of this Contract, the term "Hazardous Material" includes (i) any matter or substance defined as a "hazardous material" in Section 25501 (k) of California Health and Safety Code, unless Contractor establishes, to the written satisfaction of Owner, that because of the quantity, concentration or physical or chemical characteristics of such substance or matter, such substance or matter does not pose a present or potential hazard to human health and safety or to the environment; (ii) any substance or matter which results in liability to any person or entity from exposure to such substance or matter under any statutory or common law theory; and (iii) any substance or matter which is in excess of relevant and appropriate levels set forth in any applicable federal, state or local law or regulation pertaining to any hazardous or toxic substance, material or waste, or for which any applicable federal, state or local agency orders or otherwise requires removal, treatment or remediation.
- b) Use of Hazardous Materials - Contractor shall not cause or permit any Hazardous Materials to be brought upon, stored, used, generated, released into the environment or disposed of on, under, from or about the Property (which shall include, but is not limited to, subsurface soil and ground water) by Contractor or Contractor's agents, without the prior written consent of Owner. Owner may, in its sole discretion, place such conditions as Owner deems appropriate with respect to such Hazardous Materials, and may further require that Contractor demonstrate to Owner that such Hazardous Materials are necessary to Contractor's performance of the Work and that such Hazardous Materials will be generated, stored, used and disposed of solely in such a manner that complies with all applicable laws regulating such Hazardous Materials and with good business practices, including, without limitation, the placement of notices with respect to any substances used by Contractor at the Property which are listed by the California Health and Welfare pursuant to Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65).
3. CONDUCT OF WORK - Contractor shall coordinate the Work with that of any of the other contractors, vendors and suppliers of Owner as directed by Owner or Agent. In the event Owner or Agent notifies Contractor, in writing, that it is necessary, in the judgment of Owner or Agent, that Contractor delays its Work in order that other portions of the Property may proceed, Contractor shall be free of responsibility for such delay. Contractor must at all times exercise due care to protect all other portions of the Property from damage by its operations and delivery. In the event other portions of the Property are damaged, either directly or indirectly, by Contractor's operations, such damaged portions shall be promptly repaired to the satisfaction of Owner or Agent and the cost of such repairs shall be borne solely by Contractor. If it becomes necessary for Owner to discontinue operations at the Property, Owner or Agent will not be responsible to Contractor for any preparatory work or any other work Contractor may have done. If Contractor is delayed in the performance of the Work solely by the act,

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Owner or Agent's initials _____

neglect, or default of the Owner, or solely by acts of God, strikes, lockouts, unavoidable casualties, or similar matters beyond the control of Contractor, then the time for the completion of the Work shall be extended by the number of days the Contractor is thereby delayed, but no monetary compensation shall be payable to Contractor by Owner for such delay. In no event will Contractor be entitled to any time extension unless a claim concerning the delay is filed, in writing, with and approved by Owner within five days after the commencement of such delay.

4. **USE AND CLEAN-UP** - Contractor shall perform the Work in a safe and expeditious manner and shall use commercially reasonable efforts to not materially interfere with the business operation of Owner or any tenant of Owner. Notwithstanding the foregoing, Owner acknowledges that the properly perform the Services, Contractor may have to temporarily fence or block access to certain areas of the Property provided that Contractor shall use commercially reasonable efforts to minimize the duration and effects of such closures. Contractor shall keep its Work cleaned up as it progresses and, upon completion, shall clean the same thoroughly and remove any and all rubbish and debris resulting from such Work from the Project.

5. **SCHEDULE OF WORK** - It is agreed that time is of the essence of this Contract, and in entering into this Contract Contractor has taken into consideration and made allowance for the ordinary delays and hindrances incident to the Work, whether arising out of delays in securing material or workmen, adverse weather conditions, strike, minor omissions or alterations or otherwise. In the event Contractor shall fail to perform the Work as scheduled, Owner or Agent shall have the right, at their option, to terminate this Contract and to contract said work to such other person or persons as it shall desire. If Contractor fails to perform or complete the Work as scheduled, Contractor shall be liable to Owner for all losses arising therefrom or related thereto, including, but not limited to, loss of use, loss of tenants, any claims against or liabilities of Owner and any and all other consequential damages which Owner may incur as a result, all of which damages are expressly agreed to be within the contemplation of the parties.

6. **PERMITS, LICENSES** - If any government permit, license or authorization shall be required or necessary for the proper and lawful performance of the Services hereunder or if the failure to secure such license, permit or authorization would, in any way, affect the Property, Agent or Owner, then Contractor, at Contractor's expense, shall duly procure and thereafter maintain such license, permit or authorization and submit the same to Agent for inspection, if requested. Contractor, at Contractor's expense, shall at all times, comply with the terms and conditions of each such license, permit and authorization and shall notify Agent immediately should any such license, permit or authorization no longer be in effect or in good standing.

7. **MATERIALS** - Unless otherwise specified, all materials used by Contractor in performance of the Work shall be new and subject to approval of Owner or Agent. Contractor shall, if required, furnish satisfactory evidence as to the type and quality of materials Contractor will use.

8. **LEASED OR RENTED EQUIPMENT** - In the event that Contractor rents or leases equipment to complete and/or perform the Work, Contractor agrees that he shall be solely responsible for such rented/leased equipment until it is returned to its source or supply. Such responsibility shall include, but not be limited to, liability, fire, theft, vandalism and use by any unauthorized persons. Contractor shall indemnify, defend and hold Owner, Agent for Owner and Agent, and anyone directly or indirectly employed by Owner, Agent for Owner or Agent, harmless from and against any and all claims relating to the possession, use or presence on the job site of such rented/leased equipment.

9. **SERVICES PRIOR TO EXECUTION** - Notwithstanding the fact that this Contract is executed as of the date first set forth above, the parties agree that to the extent any portion of the Work was performed prior to such date, all of such Work shall be governed by the terms and conditions of this

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Owner or Agent's initials _____

Contract and shall be deemed to be a part of the Work. Contractor shall not be entitled to any compensation for such prior activities and services except as expressly provided herein.

10. **CONDITIONS TO PAYMENT** - Payment for services performed shall be made as described in Schedule "A" attached hereto and made a part hereof.

- a. All funds paid to Contractor shall be used by Contractor to discharge obligations incurred by Contractor in performance of the Work and the funds shall not be used for any other purpose. All invoices shall be submitted to Owner or Agent no later than the 10th day of each month, and shall show the Job Number, if any, on all invoices, memoranda and packages. If the Work is on a time and materials basis, time sheets must be supplied and signed by the chief engineer or building superintendent and attached to Contractor's invoices. Final payment shall not relieve Contractor of responsibility for faulty materials or workmanship connected with the Work. Unless otherwise specified, Contractor shall correct, repair and remedy any defect in the Work or in the materials or equipment incorporated in the Work installed or supplied by Contractor, regardless of the cause of the defect. If any claims arising out of or in connection with Contractor's performance of the Work are outstanding at any time any payment becomes due, Owner or Agent may withhold the amount of such claims until they are resolved. Contractor shall furnish in connection with each request or invoice for payment such statutory lien waiver and release forms which conform to California Civil Code Section 3262 (as this section may, from time to time, be amended) Owner may request, executed by Contractor and all other individuals and firms which have lien rights under California law. Any payment made under this Contract shall not be construed as evidence of acceptance by Owner of any part of the Work.
- b. Contractor agrees that Agent is acting only as an agent of Owner and Contractor will look solely to Owner for any and all obligations or payments due, or which may become due to Contractor under this Agreement. If at any time Agent is legally held to be an independent contractor of, rather than an agent for, Owner, Contractor agrees that it will not be paid until and unless Owner furnishes funds specifically designated for payment of the obligations due or to become due to Contractor.

11. **PRICE GUARANTEE** - Contractor shall perform the Work at the Contract Price during the Term, and the Contract Price shall not be subject to increase for any reason whatsoever without the express written consent of Owner or Agent.

12. **INDEMNIFICATION**

- a. **Contractor's Indemnity** - Contractor shall indemnify, defend, and hold Owner (and, to the extent Owner is a joint venture or partnership, any partner or joint venture in such partnership or joint venture), Agent for Owner and Agent harmless, to the fullest extent permitted under law, from and against any and all claims, damages, liability, demands, causes of action, settlements, judgments and expenses, including, but not limited to, attorneys fees, costs and investigative expenses (hereinafter "Damages"), directly or indirectly resulting from or arising out of the performance by Contractor of its obligations under this Contract, including, but not limited to, claims arising from personal injury or death or property damage. Said indemnity shall apply to all Damages sustained or alleged to have been sustained by any business organization or person, including employees of subcontractors, in connection with the performance of the Work or this Contract by Contractor, its agents, servants, employees, or independent contractors retained or hired by Contractor. This indemnification shall include Damages resulting from or alleged to result from either active or passive negligence of Owner (and, to the extent Owner is a joint venture or partnership, any partner or joint venturer in such partnership or joint venture), Agent for Owner and/or Agent concurrent with that of Contractor or others, but shall not apply to instances of the sole negligence or willful misconduct on the part of

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Owner, Agent for Owner or Agent. Agent shall have the right to settle any claim, demand, suit or judgment covering Contractor's obligation hereunder without Contractor's knowledge or consent.

Contractor shall pay over, reimburse and make good to Owner all sums of money that Owner shall pay, or cause to be paid, or become liable to pay, under or by reason of this Contract, including attorneys fees and any and all charges and expenses of whatsoever kind and nature in connection therewith or in connection with any litigation, investigation or other matters with respect to such payment or payments. Contractor's indemnification obligations shall extend to all of Contractor's obligations under this Contract and shall not be limited in duration or amount. The indemnification of Owner extends to all of Owner's officers, directors, shareholders, management personnel, representatives, consultants, attorneys and advisors.

- b. Owner's Indemnity - Owner shall indemnify, defend, and hold Contractor (and, to the extent Contractor is a joint venture or partnership, any partner or joint venture in such partnership or joint venture) harmless, to the fullest extent permitted under law, from and against any and all Damages directly or indirectly resulting from or arising out of the sole negligence or willful misconduct on the part of Owner or Agent.

Owner shall pay over, reimburse and make good to Contractor all sums of money that Contractor shall pay, or cause to be paid, or become liable to pay, under or by reason of such Damages, including attorneys' fees and any and all charges and expenses of whatsoever kind and nature in connection therewith or in connection with any litigation, investigation or other matters with respect to such payment or payments. Owner's indemnification obligations shall extend to all of Owner's obligations under this Section 12.b. and shall not be limited in duration or amount. The indemnification of Contractor extends to all of Contractor's officers, directors, shareholders, management personnel, representatives, consultants, attorneys and advisors.

13. MECHANIC'S LIENS - Contractor agrees that if any mechanic's lien is filed against the Property for work done, services claimed to have been rendered or materials claimed to have been furnished in connection with or pursuant to any of the provisions of this Agreement, then Contractor shall cause such mechanic's lien to be discharged within ten (10) days after filing, at Contractor's expense, by: i) filing the bond required by law; or ii) providing Agent with a copy of the court order discharging such lien. Contractor will defend, indemnify and hold Agent, Agent for Owner and Owner harmless against any and all damages, liabilities, costs and expenses (including attorneys' fees) suffered or incurred by Agent, Agent for Owner or Owner as a result of Contractor's failure to comply with this provision. Upon Contractor's failure to comply herewith, the lien may be bonded or discharged by Agent, Agent for Owner or Owner at Contractor's sole expense. Contractor's liability under this paragraph shall survive the expiration or termination of this Agreement, but this shall not be construed to mean that Contractor's liability does not survive as to other provisions of this Agreement.

- a. Contractor shall have no right or interest in the Property and hereby waives and releases, to the fullest extent permitted by law; all liens, stop notice rights or rights of lien now existing or that may hereafter arise, under any present or future law, for work, labor, or services performed or materials or documents furnished under this Contract.
- b. Contractor agrees to pay promptly for all materials furnished or labor performed in connection with its work performed pursuant to this Contract. Contractor agrees to indemnify, defend and hold Owner (and, to the extent Owner is a joint venture or partnership, any partner or joint venturer in such partnership with joint venture), Agent for Owner and Agent harmless, to the fullest extent permitted by law, from and against, and to keep the Project free and clear of, any and all claims, liens and liabilities (including costs and expenses of defending such claims) arising or alleged to have arisen from any claim by any laborer, materialman or subcontractor for materials furnished or labor

Contractor's initials

Owner or Agent's initials

performed in connection with the Work. In that regard, Contractor agrees to execute such affidavits, lien waivers and similar documents as may be required by Owner, Agent for Owner or Agent incident to the making of payments to Contractor under this Contract.

14. **DISPUTES** - Should a dispute arise during the performance of the Work between Contractor and Owner or Agent concerning the Work, Contractor shall continue the Work in accordance with this Contract; provided, however, that Owner shall not be obligated to make payment with respect to the Work to which the dispute pertains but shall continue to make payments for services in accordance with this Contract for that portion of the Work not in dispute. Subject to Owner's rights under this Agreement (e.g., termination of Contract and recovery of damages), no claim, dispute or controversy shall interfere with the progress or performance of the Work as scheduled, and Contractor shall proceed with the Work as directed by Owner. Failure of Contractor to so proceed shall constitute a material default under this Contract.

15. **TERMINATION OF CONTRACT -**

- a. Owner and Agent shall have the right to cancel and terminate this Contract, with or without cause, at any time upon thirty (30) days written notice to Contractor. If there exists any cause for termination of the Contract (as such causes are set forth in Paragraph 15(c), below), which Contractor does not cure within seventy-two hours after written notice from Owner, Owner may, at its sole option, (1) provide such labor, materials and equipment as may be necessary and deduct the cost thereof from any money then due or thereafter to become due to Contractor under this Contract, or (2) terminate Contractor's right to proceed with the Work. In the event of such termination, Owner shall have the right, for the purpose of completing the Work, to take possession of all materials, tools and appliances of Contractor and may employ any other persons to finish the Work, and Contractor shall not receive any further payment, if any, until the Work is finished.
- b. In the event Owner or Agent cancels or terminates this Contract without cause, Contractor shall be paid for all Work performed through the effective date of the cancellation or termination, with such payment to be prorated as of the effective date of the cancellation or termination. Such payment shall be Contractor's sole remedy for such termination or cancellation, and Contractor hereby specifically waives any and all claims Contractor may have that such termination or cancellation was wrongful in any respect.
- c. Cause shall be deemed to exist if, in the sole opinion of Owner or Agent:
 - a) Contractor at any time fails to provide competent and adequate labor to do the Work called for in this Contract, or
 - b) Contractor at any time fails to furnish sufficient quantities of materials to keep up with the progress of the Work, of the Work, or
 - c) Contractor at any time fails to perform the Work as scheduled, or
 - d) Contractor at any time fails to pay any subcontractors, materialmen or other individual or entity to whom Contractor is obligated on the Work, whether or not such failure results in the filing of a mechanic's or materialmen's lien against the Property, or
 - e) If Owner or Agent terminates this Contract for cause, Contractor shall not be entitled to receive any further payment until the Work has been completed, and Owner shall deduct from any such further payment all damages suffered by Owner, whether direct, indirect, consequential or otherwise. If the cost of completing Contractor's Work, plus the amounts previously paid by

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Owner or Agent's initials _____

Owner to Contractor under this Contract, exceeds the Contract Price for the Work, Contractor shall pay such excess to Owner on demand.

- d. If the Contractor is adjudged bankrupt or becomes a debtor under any chapter of the Bankruptcy Code, or files a petition for relief under any chapter of the Bankruptcy Code, or makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or if Contractor disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, or otherwise is guilty of a material breach of any provision of this Contract, Owner may terminate this Contract immediately on giving written notice of such termination to Contractor, and Owner shall have the remedies specified in Paragraph 16 (c) above in addition to any other remedies available to Owner at law or in equity.

16. **DEFAULT BY OWNER** - Notwithstanding anything to the contrary contained in this Contract, prior to exercising any rights that Contractor might have in the event of default or breach by Owner under this Contract, Contractor will give written notice of such default to Agent and Owner and thereafter, Owner will have a period of sixty (60) days during which it shall have the right (but not the obligation) to cure such default or breach.

17. **NON-WAIVER PROVISIONS** - The failure of Agent or Owner to insist in any one or more instances upon the strict performance of any of the covenants, terms, provisions or conditions of this Agreement or to exercise any election herein contained shall not be construed as a waiver or a relinquishment for the future of such covenant, term, provision, condition or election, but the same shall continue and remain and be in full force and effect. No waiver by Agent or Owner of any covenant, term, provision or condition of this Agreement shall be deemed to have been made unless expressed in writing and signed by Agent or Owner, as the case may be.

18. **SERVICES GUARANTEE** - Contractor agrees to perform all Services in a good, timely and workerlike manner acceptable to Agent and Owner. Contractor unconditionally guarantees all materials, equipment and labor provided under this Agreement for one (1) year after date of final payment to Contractor hereunder or the date of final acceptance of the Services, whichever date is later and shall repair or replace within said period, at its sole cost and expense, any labor, materials or equipment provided or furnished under this Agreement that is damaged, defective or not satisfactory. Contractor shall make or commence to make, within three (3) days of its receipt of written notice from Agent or Owner during the guaranty period, any and all repairs or replacements, without cost to and to the satisfaction of Agent or Owner. If Agent or Owner determine that an emergency exists which requires more immediate action than Contractor is able to provide, Agent or Owner may, without sending any notice to Contractor, perform or cause to be performed such repairs or replacements that Contractor is required to make pursuant to this provision, in which event Contractor shall compensate Owner for the cost thereof not later than ten (10) business days after receipt of written demand therefor. Any repairs or replacements that Contractor is required to make pursuant to this provision shall be prosecuted to completion by Contractor even if such repairs or replacements may not be completed until after the expiration of the guaranty period. The obligations of Contractor to make repairs or replacements under this provision shall not be satisfied, unless the Owner so elects, by the payment of money to the Owner. If Agent or Owner determine in their sole and absolute discretion that any labor furnished or materials or equipment installed under this Agreement are inherently defective, thus being incapable of repair, then Contractor shall, upon notification by Agent or Owner of such a determination, provide a replacement for said labor, materials or equipment. In the event that Contractor fails to comply with this provision, the Owner may, in addition to exercising all other legal and equitable remedies it may have, (1) deduct from any payment due or thereafter to become due to Contractor under this Agreement, the amount of damage, cost or expense caused by said failure by the Contractor, and (2) perform or cause to be performed any needed repairs and replacements, in which event Contractor shall compensate the Owner for the cost thereof. The foregoing Guarantee is in addition and supplementary to any other guarantee which may be provided by Contractor. Warranties and guarantees

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Owner or Agent's initials _____

issued by manufacturers of materials or equipment furnished by Contractor under this Agreement shall not in any way serve to limit the obligations of Contractor under this provision. Notwithstanding the foregoing sentence, any such warranties or guaranties shall inure to the benefit of Agent and Owner, their successors and assigns, and Contractor shall, to the extent possible, assign such warranties and guaranties to Owner.

19. INSURANCE -

- a. Contractor shall throughout the duration of this Agreement, at its expense, maintain in full force and effect, and from time to time renew, the following insurance in a form and with content and with carriers approved by Owner the following policies of insurance:
 - a) Worker's Compensation Insurance in statutory amounts;
 - b) Employer's Liability Insurance in the minimum amount of \$1,000,000.00;
 - c) Workers Compensation insurance in compliance with the laws of the State of California, including Employers' Liability insurance;
 - d) Comprehensive General Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit covering both Bodily Injury and Property Damage including broad form contractual liability coverage for Contractor's indemnification as provided for in this Agreement; however, coverage must be on an occurrence form; except that where Work includes over second story or roof work, such limit shall be not less than \$2,000,000.00 per occurrence.
 - e) Fire and Water Damage Legal Liability of not less than \$50,000.00 per occurrence
 - f) Medical Expense (per any one person) of not less than \$5,000.00 per occurrence
 - g) Comprehensive Automobile Liability Insurance on all owned, non-owned, hired or leased automotive equipment in the minimum amount of \$1,000,000.00 combined single limit for Bodily Injury and Property Damage if automobiles are used in the performance of Contractor's obligations hereunder;
 - h) Fidelity Bond coverage on a blanket basis covering Contractor and all those of its employees who have access to or are responsible for the handling of Agent's or Owner's funds, in an amount as Agent or Owner shall reasonably request, having such deductible as shall be determined from time to time by Agent or Owner, and naming Owner as a loss payee;
 - i) Non-occupational and Disability Insurance, if required by the State where the Property is located;
 - j) In the event that Contractor is to park motor vehicles as part of the Services herein, Garage Keepers Legal Liability Insurance in an amount of not less than \$1,000,000, which insurance may be subject to a deductible provision not to exceed \$250 per occurrence;
 - k) In the event Contractor is to operate a parking garage as part of the Services herein, Garage Liability Insurance in an amount of not less than \$1,000,000 combined single limit; and
 - l) Contractor may also carry such other insurance as it may desire for its own protection.
- m) Each certificate shall further provide for (i) loss-liability or severability of interests for the benefit of the additional insureds, and (ii) if Contractor's insurance is provided by means of a so

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called 'blanket policy', it shall provide for a restoration of aggregate limits requirement on a per location basis for the benefit of the Property.

All such insurance shall be issued by Companies licensed to do business in the state where the Property is located, having a Best's rating of not less than A-VIII, and otherwise satisfactory to Owner. All of such policies shall be on an "occurrence basis" and Agent, Agent for Owner, Owner and, to the extent Owner is a joint venture or partnership, any partner or joint venturer in such partnership or joint venture shall be named as additional insureds under Contractor's General Liability, Automobile Liability and Excess Liability insurance policies. The clause contained in Section 22 of this Contract wherein Contractor agrees to indemnify, defend and hold Owner (and, to the extent Owner is a joint venture or partnership, any partner or joint venturer in such partnership or joint venture), Agent for Owner and Agent harmless shall be insured under such Comprehensive General Liability insurance.

Certificates in customary form, evidencing that premiums for the foregoing insurance have been paid, shall be delivered by Contractor to Agent simultaneously with Contractor's execution of this Agreement and prior to Contractor performing any Services hereunder. Within thirty (30) days prior to expiration of such insurance similar updated certificates shall be delivered by Contractor to Agent evidencing the renewal of such insurance, together with evidence satisfactory to Agent of the payment of the premium. All certificates of insurance must contain a definite provision that if the policies of insurance evidenced by such certificates are canceled or changed during the periods of coverage as stated therein, in such a manner as to effect the coverage afforded by such policies, written notice will be mailed to Agent and Owner by certified mail and return receipt requested at least thirty (30) days prior to such cancellation or change.

- b. Contractor shall procure an appropriate clause in, or endorsement on, each of its policies for fire or extended coverage insurance and on all other forms of property damage insurance covering the Contractor's personal property, materials or equipment whereby the insurer waives subrogation or consents to a waiver of the right of recovery against Agent and Owner, and having obtained such waiver of subrogation or waiver of the right of recovery, Contractor hereby agrees that it will not make any claim against or seek to recover from Agent or Owner for any loss or damage to property of the type covered by such insurance.
- c. If the insurance certificates are not submitted within seven (7) days from the date of this Contract, this Contract may be canceled at Owner's option. Each certificate will bear an endorsement or statement waiving the right of cancellation, material alteration or non-renewal without at least thirty (30) days prior written notice to be delivered by certified or registered mail to Owner. Should any policy be canceled before final payment to Contractor and Contractor fails to immediately procure other insurance as specified, Owner reserves the right to procure such insurance and to either deduct the cost thereof from any sum due Contractor under this Contract or to require Contractor to reimburse Owner for such costs.
- d. Contractor's Comprehensive General Liability Insurance shall be primary, and any such insurance maintained by Agent and/or Owner shall be secondary and non-contributory and excess over the Comprehensive General Liability Insurance to be maintained by Contractor hereunder.
- e. Contractor agrees that the provisions set forth in this Paragraph 35 shall be imposed upon, assumed and performed by each of its subcontractors, if any.

20. **BINDING CONTRACT** - Owner and Contractor agree that this Contract is to be binding upon all successors, permitted assigns, heirs, executors and administrators. The liability of Owner hereunder is limited to the equity interest in the Property and in no event shall any other property or assets of Owner be subject to any claim arising out of this Contract or the Work.

Contractor's initials _____



Owner or Agent's initials _____

21. **ENTIRE AGREEMENT** - This Agreement and any Schedules, proposals or management summaries attached hereto, shall constitute the entire understanding between the parties with respect to the subject matter hereof and all prior representations or agreements, whether written or oral, are merged herein. This Agreement shall not be varied by an oral agreement or representation or by anything other than an instrument in writing of a subsequent date hereto, executed by both parties by their duly authorized representatives.

22. **GOVERNING LAW** - This Contract shall be governed by the laws of the State of California.

23. **CONTRACTOR RESPONSIBILITY** - Contractor shall be responsible to Agent and Owner for the acts and omissions of Contractor's suppliers, agents, employees and subcontractors. All contracts entered into by Contractor with any subcontractors shall require the subcontractors to be responsible for the acts and omissions of their agents and employees and compliance with the provisions of this Agreement to the extent applicable to the subcontractor's portion of the Services. Personnel supplied by Contractor or any subcontractor will be deemed employees of Contractor or the subcontractor, as the case may be, and will not for any purpose be considered employees or agents of Agent or Owner. Contractor assumes full responsibility for the actions of such personnel while performing Services pursuant to this Agreement, and shall be solely responsible for their supervision, daily direction and control, payment of salary or equivalent (including, withholding of income taxes, stock options, contributions to pension or similar retirement programs, overtime pay, education programs, awards, special recognition events and social security contributions), worker's compensation, disability benefits, social security taxes, unemployment insurance and the like. Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, sexual orientation, age, disability or national origin. Contractor warrants that it is and throughout the term of this Agreement will continue to be in full compliance with all Equal Employment Opportunity (E.E.O.) provisions as required by law, regulation or executive order, specifically including but not limited to, the provisions of executive order 11246 of September 24, 1965 as amended. If applicable, Contractor also agrees to execute and to keep in full force and effect throughout the term of this Agreement a Compliance Undertaking Standard Form 100 (Equal Employment Opportunity Employer Information Report E.E.O.-1).

24. **ASSIGNMENT BY CONTRACTOR** - Contractor shall not assign this Agreement nor any interest therein without the prior written consent of Agent or Owner, which consent may be withheld at Agent's or Owner's sole and absolute discretion. A change of more than twenty (20%) percent on a cumulative basis of any ownership interest of Contractor shall constitute an assignment of this Contract. Any attempted assignment of this Agreement or any interest therein without the prior written consent of Agent or Owner shall be null and void. Owner is a third party beneficiary of this Agreement.

25. **ASSIGNMENT BY AGENT OR OWNER** - Agent and Owner shall each have the right in their sole and absolute discretion to assign their rights and obligations under this Agreement to any other party. If the Property is at any time sold or otherwise conveyed to a new owner, or if Agent ceases to be the representative of Owner, Contractor agrees that this Agreement shall be deemed automatically assigned to the new owner or the new representative of Owner (as the facts may dictate) and Contractor agrees that it will be paid only from funds furnished by Owner or the new owner for obligations then due or which thereafter become due to Contractor under the Agreement. Notwithstanding the foregoing, Owner may elect by giving prior written notice to Contractor, to terminate this Agreement effective as of the date that such sale is completed or effective as of the date that Agent ceases to be the representative of Owner, in which event this Agreement shall, except as otherwise provided herein, be of no further force or effect. In addition to the foregoing it is understood and agreed that if this Agreement is assigned to Owner or a purchaser of the Property, then from and after the date of such assignment Agent shall be released and discharged from any and all liability under this Agreement arising after the date of such assignment, and Owner (in the event of an assignment to it) or the purchaser of the Property (in the event

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of an assignment to it) shall be responsible for any and all such liability under this Agreement arising after the date of such assignment, and Contractor will not assert any prior default of Agent under this Agreement as a defense to the performance by Contractor of its obligations under this Agreement.

26. **NOTICES** - All notices and correspondence required to be given to Agent or Owner or Contractor hereunder shall be addressed as set forth on the cover page to the attention of the person indicated, if any. Any party may designate a different address for the service of notices by notice given in accordance with this Paragraph.

Any and all notices required or which either party herein may desire to give to the other shall be made in writing and shall be given by certified or registered mail, postage prepaid, return receipt requested, or by recognized overnight courier, such as Federal Express or Airborne Express, and shall be deemed to be given on the third business day following the date of posting in a United States Post Office or branch post office or one business day after delivery to the overnight courier, and shall be addressed as set forth above.

27. **SEVERABILITY** - If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Contract shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

28. **WAIVER OF TRIAL BY JURY** - The parties hereto shall and they hereby do waive, where permitted by law, trial by jury in any action, proceeding or counterclaim brought by any of the parties hereto against the other in any matters whatsoever arising out of, or in any way connected with, this Agreement.

29. **SURVIVAL** - All representations, warranties and indemnifications made or given by Contractor herein, together with any and all causes of action and other rights and remedies which Owner may have as a result of breach of any term or condition, representation or warranty of this Contract, shall survive any expiration or termination of this Contract, whether occurring pursuant to the provisions of Paragraph 15 of this Contract or otherwise.

30. **PATENT/COPYRIGHT** - Contractor shall indemnify, hold harmless and defend, at its sole cost and expense, Agent and/or Owner from any loss, damage, expense (including attorneys' fees and costs), payment, recovery and judgment arising out of any claim or threatened claim, alleging that any Services furnished hereunder infringe upon or violate a patent, copyright, trademark, trade secret or other proprietary right of any third party. Owner, at its sole cost and expense, shall have the right to be represented in any such action or proceeding by independent counsel of Owner's own choice. Contractor's liability under this paragraph shall survive the expiration or termination of this Agreement, but this shall not be construed to mean that Contractor's liability does not survive as to other provisions of this Agreement.

31. **ATTORNEY FEES** - Should either party hereto bring suit or institute any proceeding to enforce the terms hereof, any judgment awarded shall include court costs and reasonable attorney fees to the successful party.

32. **SUBCONTRACTING** - Contractor may only sub-contract with the prior written consent of Agent or Owner, which consent may be withheld at Agent's or Owner's sole and absolute discretion. Every subcontract must provide that the same is subject to all of the covenants, terms, provisions and conditions of this Agreement and must provide that in the event of termination or cancellation of this Agreement for any reason whatsoever, prior to the expiration of such subcontract, the subcontract will automatically terminate on the same date this Agreement is terminated or canceled.

33. **NO THIRD PARTIES BENEFITED** - Nothing contained in this Agreement, either expressed or implied, is intended or should be construed to confer upon or give any person or entity, other than Agent,

Contractor's initials _____



Owner or Agent's initials _____

Owner or Contractor, or, subject to the terms of this Agreement, their successors and assigns, any rights or remedies under or by reason of this Agreement.

34. **NO OTHER CONTRACTUAL RELATIONSHIP** - No contractual relationship shall be entered into between Contractor and any other person in connection with the Project covered by this Contract except as agreed to by Owner or Agent in writing.

35. **STATUS OF CONTRACTOR** - Contractor represents that it is a fully licensed State of California contractor and, if required by law, has obtained any necessary business licenses for the City, County or State in which the Property is located. Contractor acknowledges and agrees that it is acting under this Contract solely as an independent contractor, and not as a partner, joint venturer or employee of Owner and shall have no authority to act for or bind or obligate Owner in any manner whatsoever, except only to the extent specifically set forth herein or as may hereafter be specifically authorized in writing by Owner. Contractor agrees to perform the Work in a diligent, efficient, skillful manner commensurate with the highest standards of its profession.

36. **RELEASE OF INFORMATION** - Contractor shall not, without the prior written approval of Owner, make any news releases, public announcements, denials, or confirmations of any part of the subject matter of this Contract, or disclose any privileged or confidential information obtained in connection with this Contract to any third party without the prior written consent of Owner.

37. **LABOR HARMONY** - Contractor agrees that it will not at any time prior to or during the term of this Agreement, either directly or indirectly, use any subcontractors and/or labor and/or materials which would or will create any difficulty with other contractors and/or subcontractors and/or labor engaged by Contractor, Agent, Owner or others in the construction, repair, improvement, maintenance and/or operation of the Property or any part thereof. Contractor agrees to notify Agent and Owner promptly of any events Contractor believes may result in a work stoppage, slowdown, labor dispute, strike or other labor related disruption. Contractor agrees to work in harmony with all contractors and laborers employed by Agent, Owner or others in connection with the Property. In the event of any work-stoppage or other disruption which involves the participation of Contractor's personnel whether as a result of a dispute with Contractor or due to third party actions involving informational or organizational picketing or picketing by any labor organization against any other employer, Contractor agrees to take appropriate and prompt action to provide qualified personnel to perform the Services and to minimize any delay in performing the Services by fully cooperating in obtaining injunctions, presentation of facts, furnishing of witnesses and assisting in every reasonable way to eliminate any work-stoppage or other disruption or the effect of any work-stoppage or other disruption, or to follow such other directions as Agent or Owner shall issue. Should Contractor fail to comply with this provision, Agent or Owner shall have the right, upon written notice to Contractor, to terminate this Agreement without any liability to Contractor.

38. **ADDITIONAL DEFINITIONS** - It is understood that wherever the terms "adequate" or "as required" or "as necessary" or "if necessary" are stated in this Agreement (including any Schedule attached hereto), these terms shall be construed to mean "as determined by Agent or Owner".

39. **DISCHARGE OF EMPLOYEES** - Contractor, promptly after demand by Agent or Owner, will discharge or transfer from the Property any employee of Contractor to whom Agent or Owner shall or may object for any reason in their sole discretion, provided, however, that if the effectuating of such discharge or transfer is limited by the contract between Contractor and the employee's union, Contractor agrees to use its best efforts within the limits of such union contract to effectuate such discharge or transfer as promptly as possible.

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40. **NON-INTERFERENCE** - Contractor shall perform the Services so as not to unreasonably interfere with Agent's or Owner's operation of the Property or the business operations of any tenant or other occupant of the Property.

41. **MAINTENANCE OF RECORDS** - Contractor shall maintain written records in accordance with generally accepted accounting procedures showing in detail all costs which it incurs and payments which it receives in the performance of this Agreement. Such records shall include, but shall not be limited to, payroll records, job cards, attendance cards and job summaries and shall be subject to audit and inspection by Agent, Owner and their respective agents and representatives during the term of this Agreement and for seven (7) years after its expiration or earlier termination, unless a longer period is required by law. Should the audit reveal errors in record keeping, Contractor shall immediately correct same and shall promptly inform Agent and Owner in writing of the action taken to correct such errors. Audits conducted by Agent or Owner, or their designees shall be an expense of Agent or Owner, provided, however, that if any such audit reveals that the aggregate expenses with respect to the Services are at least five percent (5%) less than indicated by the books and records maintained by Contractor, then Contractor shall promptly reimburse Agent and/or Owner for the cost of the audit. The right of Agent and/or Owner to audit the books and records maintained by Contractor shall survive the expiration or termination of this Agreement. Contractor agrees that if work and materials to be furnished by Contractor hereunder are for a building in which an office of the United States of America as a tenant is located, and if this Agreement is for an amount exceeding \$2,500, Contractor shall permit the Controller General of the United States or any of his or her duly authorized representatives to have access to, and the right to examine any directly pertinent books, documents, papers and records pertaining to this Agreement until the expiration of three (3) years after final payment of any monies has been made pursuant to the provisions of this Agreement.

42. **TRADEMARK AND PUBLICITY** - Contractor shall have no right to use either Agent's or Owner's trademark or trade name, the Property or any image thereof or to refer to this Agreement or the Services performed hereunder directly or indirectly in connection with any product, promotion, advertisement or publication, or the like, without Agent's or Owner's prior written approval, as appropriate, which approval may be withheld for any reason or for no reason.

43. **ETHICAL STANDARDS** - Contractor agrees that it will not make or confer, or offer to make or confer, any payment to or benefit upon any third party (including, without limitation, any government agency or instrumentality thereof) with the intent to influence the conduct of such third person regarding this Agreement or the business affairs of any of the parties to this Agreement or of the third party. Contractor shall not give or offer gifts or gratuities of any type, or offer trade discounts not available to the general public, to Agent's or Owner's employees or members of their families. Violation of this provision by anyone employed or retained by Contractor, or by Contractor itself, shall constitute a default under this Agreement by Contractor.

44. **PREVAILING PARTY** - In any action or proceeding commenced by any party against the other party in connection with this Agreement, the losing party shall reimburse the prevailing party for the reasonable attorneys' fees and disbursements incurred by the prevailing party in prosecuting or defending said action or proceeding.

45. **DEFINITION OF AGENT AND OWNER** - For purposes of this Agreement, any reference to Agent or Owner, except for defining the contracting parties, shall be deemed to include any shareholder, officer, director, principal, partner, beneficiary, subsidiary or Affiliate (hereinafter defined) of any of the foregoing, and their respective heirs, successors and assigns. The term "Affiliate" shall mean, with respect to a specified person, firm or corporation, a person, firm or corporation that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person, firm or corporation specified. For purposes of this definition, "control" when used with respect to any specified

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person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

46. **LIMITATION ON LIABILITY** - No general or limited partner in or of Owner, whether direct or indirect, or any direct or indirect partners in such partners or any disclosed or undisclosed officers, shareholders, principals, directors, employees, members, partners, servants or agents of Owner shall be personally liable for the performance of Owner's obligations under this Agreement. The liability of Owner (including any assignee or successor of Owner) for shall be limited to Owner's interest in the Property. In the event this contract is executed by Agent, Contractor acknowledges and agrees that Agent is executing this Contract "as agent for Owner" in its capacity as managing agent of the Property for Owner and that Agent shall have no liability or obligation to Contractor under this Agreement.

47. **INDEPENDENT CONTRACTOR** - Agent, as managing agent for, and on behalf of, Owner, or Owner hereby engages Contractor to perform, as an independent contractor, the Services set forth in this Agreement. Nothing contained herein shall be deemed or construed to create any association, partnership, joint venture or relationship of principal and agent or master and servant or employer and employee between the parties hereto or any affiliates or subsidiaries thereof, or to provide either party with the right, power or authority whether expressed or implied, to create any duty or obligation on behalf of the other party.

48. **LIMITATION ON AGENT'S OBLIGATIONS** - Notwithstanding anything to the contrary contained herein, Contractor acknowledges and agrees that Agent's obligation to make payment to Contractor of any compensation hereunder shall be conditional upon Owner providing Agent with funds sufficient to pay such compensation to Contractor. In the event Owner shall fail or refuse for any reason whatsoever to provide Agent with funds sufficient to pay the compensation due to Contractor hereunder, then Agent will not be able to make any payment of such compensation to Contractor.

49. **ACTS BEYOND REASONABLE CONTROL** - No party shall be considered in default of any of its obligations under this Agreement to the extent that performance thereof is delayed or rendered impossible by acts of God, war, civil commotion, governmental action, fire, storm, flood, explosion, strikes, walkouts, or other industrial disturbances, or any other causes of any nature which is beyond its reasonable control

50. **DIVISIBILITY** - In the event any provision of this Agreement is held to be illegal or unlawful, then the same shall be struck here from and all other provisions shall remain valid and in full effect.

51. **CONTROLLING PROVISIONS** - If there is any inconsistency between the terms of any of the paragraphs of this Agreement and the terms of any Schedule annexed hereto, the terms of this Agreement shall control.

52. **CONFIDENTIALITY OF OWNER'S RECORDS**

- a. Contractor acknowledges that all information disclosed by Owner or Agent to Contractor for purposes of performing the Services, or which come to the attention of Contractor during the course of performing such Services, constitutes a valuable asset of and is proprietary to Owner and/or Agent. Contractor also acknowledges that Owner, as a party in the business community, may have fiduciary responsibilities to its tenants or customers to keep their records confidential and proprietary. Contractor shall not disclose said information or knowingly permit its employees, officers or agents to disclose said information, to any non-employee of Contractor or to any employee of Contractor not having a specific need-to-know in performing the Services authorized by Agent and Owner. Additionally, Contractor agrees that all designs, plans, reports, specifications, drawings, inventions, processes and other information or items produced by Contractor for purposes

Contractor's initials _____



Owner or Agent's initials _____

of performing the Services, will be assigned to Owner as the sole and exclusive property of Owner and Owner's assigns, nominees and successors.

- b. Contractor further agrees to instruct its employees, officers and agents not to sell, lease, assign, transfer or reveal to any organization, company or individual any of said information whether oral or written, without the prior written consent of Agent, and agrees to take all reasonable steps necessary to ensure fulfillment of this obligation.
- c. In the event that a subpoena or other legal process is served upon Contractor that in any way concerns information disclosed by Owner or Agent to Contractor, Contractor agrees to notify Agent immediately upon receipt of such subpoena or other legal process and will cooperate with Agent and/or Owner, at Owner's or Agent's expense, in any lawful effort by Owner and/or Agent to contest the legal validity of such subpoena or other legal process. This Section 52 shall survive the termination of this Agreement.

Revised: April 16, 2008

Contractor's initials _____



Owner or Agent's initials _____

SCHEDULE "A"

Contractor's initials

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Owner or Agent's initials _____

KEMRON

ENVIRONMENTAL SERVICES

3155 Blackhawk Drive, Building 379 ■ Fort Sheridan, IL 60637 ■ Telephone (847) 266-1350 ■ FAX (847) 266-3584 ■ <http://www.kemron.com>

10 April 2008

Ms. Karen Fish
Property Manager
Davis Partners, Inc.
9774 Crescent Center Drive, Suite 506
Rancho Cucamonga, CA 91730

RE: U.S. Colloidal Essence Inc. Site
9330 7th Avenue, Suite A
Rancho Cucamonga, CA
EPA Order No. 9-2008-0012

Dear Ms. Fish:

KEMRON Environmental Services, Inc. is pleased to provide its technical and cost proposal for the above-referenced project. **KEMRON** prepared its proposal in accordance with the requirements outlined in the EPA's Unilateral Administrative Order (UAO).

KEMRON, an experienced environmental engineering, remediation and construction firm in business since 1975, offers a history of successful execution of emergency response, remediation and environmental construction contracts. **KEMRON** is a USEPA Emergency and Rapid Response Services (ERRS) contractor with over 80 projects completed to date performed on an emergency (time-critical) and non-time critical basis. Under these contracts, **KEMRON** has identified, characterized, and disposed of drums and other containers; decontaminated structures; constructed landfills caps; built and operated water treatments systems; responded to natural disasters; demolished equipment and structures; unearthed and removed buried drums; captured spills; responded to sunken vessels; responded to fires; treated hazardous waste sludge; and conducted removal actions.

KEMRON routinely performs these services using 100% in-house resources offering turnkey capability and single point accountability only subcontracting the laboratory and transportation and disposal requirements. Our personnel resources include experienced, qualified Response Managers, Chemists, Remediation Professionals, Laboratory Technicians, Operators, Foremen and Laborers. We also bring relevant capabilities and resources such as EPA's DrumTrak software which compiles data, classifies the material into hazardous classifications and aids in the selection of waste bulking groups and waste disposal. Waste tracking and data management, including the necessary QA/QC, are essential for providing legally-defensible data and records to support potential subsequent litigation.

In the performance of the emergency response work, **KEMRON** typically mobilizes an experienced team with the necessary equipment to the jobsite within a matter of hours. Because of the specialized expertise required to perform this work, we routinely work out of state and are fully capable of mobilizing to anywhere in the country to execute the emergency

response. Additional information on specific relevant emergency response projects we have performed is provided at the end of this letter proposal.

The following sections provide a summary of the site information gathered from the UAO and reports and photographs from EPA's OSC/POLREPs website, our technical approach in accordance with the UAO requirements, and the cost estimate for the work.

SITE HISTORY

The Site is a chemical formulation facility ostensibly used to create personal care products, cleaners and degreasers. U.S. Colloidal Essence Inc. (USCE), in its corporate capacity, and Mr. Scott Kim in his individual capacity as Owner, operated the Site, which included the authority and exercise of decisions regarding material disposal, placement and abandonment. The Site occupies a 6,600 square foot space (Suite A) in the southwest portion of a large industrial park, near the intersection of Hellman Avenue and 7th Street, in Rancho Cucamonga, California. The industrial park encompassing the Site includes a one hundred-suite multi-structure complex that contains office, commercial and light manufacturing uses. Walton CWCA Golden West 70 LLC is the owner of the Site and Davis Partners is the property manager. USCE and Kim are the operators of the Site that ostensibly formulated chemical materials into products for resale. Kim, as the facility manager and owner of USCE, exercised control over the hazardous substances at the Site, directing how materials would be stored, disposed and ultimately what materials would be abandoned at the Site.

Based on EPA's observations during a Site inspection on March 18, 2008, hazardous substances at the Site were found in a large quantity of liquid and solid hazardous waste streams that include: caustic, acidic, flammable and surfactant materials. There are approximately one hundred 55-gallon drums packed into the warehouse chemical storage area, large quantities of reagent chemicals and small containers of hand marked solutions in several distinct laboratory areas, and about two dozen process tanks and totes ranging in size from 250 gallons to 4,000 gallons. At least two tanks contain observable material, one of which is marked to contain hazardous waste. Chemicals at the Site are not segregated according to hazard class and are not staged in secondary containment. Chemicals in the laboratory areas are alphabetically organized without regard for their hazard class. The shelves of chemicals in the laboratory areas were overstocked and not seismically secure. A large inventory of unfilled bottles and jugs (apparently for blended product) and other equipment presently fills the warehouse. The processing areas of the warehouse appear non-functional; PVC piping hanging above storage containers appears unconnected with any pumping system. Glassware in the chemical laboratory area appears to be old and unused. Manufacture dates on some accessible, open and partially used 55-gallon drums of feedstock chemicals indicates that many of the materials have exceed their intended useful life. A partial inventory of materials at the Site reveals several types of corrosive acids, flammable alcohols, volatile organic compounds and labeled poisons.

SCOPE OF WORK

Work Plan

KEMRON will prepare a Work Plan for the removal of hazardous substances from the site within five days of contract award or signature of the UAO, whichever occurs later. KEMRON will submit five copies of the Work Plan to the client for review and submittal to EPA. Any

comments received from EPA on the Work Plan will be addressed within five days and five copies of the final version Work Plan will be submitted to the client for review and submittal to EPA.

The Work Plan will provide a description of the activities to be conducted and shall include schedule for implementation and completion of the activities. The Work Plan will comply with the guidelines for preparation provided in Paragraph 21 of the UAO as described below. The Work Plan will include a Health and Safety Plan (HASP) that meets OSHA HAZWOPER requirements at 29 C.F.R. § 1910.120 and a Quality Assurance Project Plan (QAPP) that conforms to EPA requirements, including the Region 9 Field Sampling Plan. The project schedule will be prepared that provides the activities required to complete the following removal activities within sixty (60) days after EPA approves the Work Plan pursuant to Paragraphs 21 and 24 of the UAO.

Copies of the Final Work Plan will be kept at the Site during all on-Site activities. The HASP will be reviewed and signed off by all site personnel and subcontractors, and will be maintained at the Site during all phases of the response.

Field Work

Upon approval of the work plan, KEMRON will mobilize KEMRON personnel to the site to characterize, segregate, containerize and dispose of the materials in the facility. Specific tasks as specified in the UAO will include:

- Identification of all chemical compounds in all drums, tanks and other containers, including sampling and analysis of unknown chemicals and all chemicals in containers without marks or labels or with unreadable marks or labels. To the extent possible, KEMRON will use Hazcat kits for the waste characterization to minimize costs associated subcontractor off-site analytical services.
- Characterization of any grossly contaminated equipment, structures, concrete/asphalt and debris, including building materials and interior and exterior surfaces, for proper disposal or other disposition through field testing and off-site analytical testing, if necessary
- Segregation of all hazardous substances to ensure incompatible substances pose no threat from reaction, fire, or explosion; stage non-hazardous chemicals for removal for future disposal at a nonhazardous disposal facility, recycling facility or return to any respective distributor/manufacturer. Identify saleable hazardous products and segregate and store in a proper manner consistent with reasonable commercial practices. Determine the most economical disposal method of hazardous material that is not resalable and prepare and containerize for disposal. KEMRON will track waste containers, volumes and characterization information in a database, such as DrumTrak, and use this information for bulking and labeling containers, as well as obtaining competitive bids for disposal of the waste material.
- Containerization of materials into United Nations specification packaging for transportation and disposal in accordance with all applicable or appropriate regulations, all hazardous substances at the Site or, where feasible, implement alternative treatment or reuse/recycling

options. Each transfer of hazardous substances, pollutants or contaminants off-site must be consistent with Section 121(d)(3) of CERCLA, 42 U.S.C. § 9621(d)(3), and the EPA procedures for planning and implementing off-Site Response Actions established at 40 C.F.R. § 300.440. As much of the cost of cleanup of these types of sites resides with transportation and disposal (T&D) of the waste, KEMRON will bulk the waste to the extent possible to reduce T&D costs and will obtain competitive bids from licensed and permitted T&D contractors. All disposal facilities will be screened for compliance with the CERCLA Off-Site Rule.

Throughout the duration of field activities as appropriate, KEMRON will perform air monitoring and sampling in accordance with OSHA HAZWOPER regulations when there is a potential for airborne releases of toxic air contaminants. If possible, container handling, sampling, and bulking will be performed under a vented hood. If needed based on air monitoring, KEMRON personnel will upgrade to Level C or B personal protective equipment (PPE) including tyvek, gloves, respirators, etc. KEMRON will use operational controls such as dust containment or suppression to abate fugitive dust emissions. KEMRON will ensure that the Site remains secured during on-site operations and will notify the client of any short-term or long-term security requirements that may be necessary.

Removal Response Completion Report

Following completion of all field activities, KEMRON will prepare a Removal Response Completion Report outlining the work performed and the activities completed. The report will be prepared in accordance with applicable portions of the EPA guidance, *Superfund Removal Procedures, Removal Response Reporting: POLREPS and OSC Reports*. Waste and container tracking documentation as well as all test results and waste analytical data, including QA/QC results, will be included in the report. The report will also document information related to off-site disposal or other disposition of wastes including, but not limited to, manifests, waste profiles, and disposal costs. Five copies of this report will be submitted to the client for review and subsequent submittal to EPA.

COST PROPOSAL

KEMRON proposes to complete these services for an estimated cost of \$206,845.00. Our cost estimate includes performance of all required on-site work including waste sampling for characterization, as well as bulking, segregation and stabilization of chemicals. Upon receipt of all analytical data and obtaining competitive bids for T&D, KEMRON will remobilize to the site perform additional bulking, containerization and labeling, and coordinate and assist the transportation contractor with loading of the waste to the disposal facility. Laboratory costs for waste characterization analyses and transportation and disposal costs for removing and disposing of the waste material in accordance with State and Federal requirements cannot be determined at this time but have been estimated based on review of the available data and our experience at similar site. These subcontractor costs and any other material/vendor costs not considered in this proposal will be billed at cost plus 15%. The cost estimate assumes award of a time and materials contract with a not-to-exceed value of \$206,845. KEMRON will track costs on a daily basis and report to the client in a timely manner should the costs approach the not-to-exceed value.

Our cost estimate is based our time and material rates and the estimated effort to complete the work based on previous experience at similar sites. Review of the scope indicates that overtime

would not be needed and it has not been included in the cost estimate. The unit rate labor costs include Level C or Level B PPE as needed through the duration of the project. Travel costs for the KEMRON team are also included in our unit rates. It is assumed that water and electricity are available for our use at the site during the course of work. Our cost estimate for the scope of work is attached.

We propose to use Microbac Laboratories, Inc., Ohio Valley Division as the subcontracted analytical laboratory. Microbac has been performing waste characterization for over 25 years at hundreds of sites supporting regulated compliance efforts with both State and USEPA requirements. Many projects have been in support of litigation efforts. Microbac has provided thousands of legally defensible data packages and Level III and Level IV data packages can be provided, as requested by the client. Microbac OVD has been certified in California for ten years and carries certification number 2541.

The T&D subcontractor will be selected based on competitive bid after the wastes have been characterized and inventoried. Whenever possible, waste material will be salvaged for reuse or shipped to an industrial waste disposal facility rather than to a hazardous waste disposal facility to minimize costs and potential long-term liabilities. Based on information provided in the UAO and the

RELEVANT EXPERIENCE

The following project descriptions demonstrate our experience in responding to cleanup efforts that are similar to the response required for the US Colloidal Essence Inc. site cleanup. We are prepared to respond quickly and efficiently to meet the schedule requirements in the EPA UAO.

Cannon Road Drum Site. The Cannon Drum Site is a former cotton mill located on 3.84 acres in a mixed-use zoning area. The most recent tenant used the property to store thousands (est. 10,000-20,000) of containers of mixed hazardous substances to include cleaning solvents, resins, adhesives, paint thinners, mercury amalgams, and some unknowns. Incompatible containers of hazardous substances were commingled and varied in size, type and degree of degradation. EPA contracted KEMRON to complete segregation and waste removal at the main warehouse where pallets and drums were stacked on top of each other up to four high. Waste characterization began with content evaluation that was based upon MSDS sheets and label information. Materials were then bulked and staged into waste stream hazard classes. Hazardous categorization (Hazcat) evaluation was performed on the unknown materials. As the material was bulked in waste containers, a list of materials was developed to allow competitive bidding on the disposal. Several thousand CO2 canisters were on-site and KEMRON developed a safe mechanism to allow depressurization of the canisters on-site to lower disposal and shipping cost and allow for recycling. Radiological waste that discovered on the site was removed and sent off-site for disposal. Acids and bases were mixed on-site to neutralize the pH to a safe level and allow for non-hazardous disposal. After all hazardous materials were disposed of the non-hazardous material was loaded into roll-off containers for recycling or disposal.

Greenwood Chemicals Remediation. KEMRON conducted a removal action at the former Greenwood Chemical Superfund site. There were two phases to this project. During Phase One of the project, treatment, transportation and disposal measures were employed on drums and cylinders collected from around the site and staged at a central location. The containers were sampled, hazcatted and placed into their appropriate waste groups. One hundred thirty two

containers were collected. Materials found included, acids, bases, flammables, oxidizers, and gas cylinders. All materials were packaged and transported offsite for disposal. During Phase Two of the project, KEMRON was tasked with the remediation of three waste water lagoons contaminated with arsenic. Remedial actions included the dewatering of the lagoons, in-situ stabilization of sludge, and transportation and disposal of the material to an approved landfill.

Cosmechem Chemical Site. KEMRON conducted the remediation of an abandoned chemical manufacturing facility. Project scope included the collection of drums scattered throughout the building and site. KEMRON over packed, sampled and hazcatted more than 100 drums and numerous laboratory chemicals. During remediation activities over 100 empty drums were collected and crushed. A 3,500 gallon tank trailer containing solidified roof tar was cut up utilizing an excavator with hydraulic shear attachment. The tanker was cut into sections and loaded into roll off containers. Final remediation activities at the site included: transportation and disposal of all hazardous materials, installation of new fence and interior building decontamination.

Swainsboro Electroplating Site. KEMRON was issued a task order for the decontamination of this abandoned facility. KEMRON sampled all containers, both liquids and solids. Approximately 300 containers were sampled and hazcatted and a laboratory bulking scheme was completed. Contaminants of concern included acids, caustics, cyanides and other waste material. Empty containers were pressured washed and poly and fiberglass containers were tripled rinsed and cut up for non-hazardous disposal. KEMRON also developed a recycling plan for cleaned metal debris from the facility. The crew then cleaned and removed all existing process lines from vat systems and cut lines to less than three feet for hazardous disposal. KEMRON then performed a control burn of flammable laboratory chemicals on site. Process lines were pumped out and flushed with water and then taken down. Approximately 5,000 liner feet of process piping were removed. The vats and process containers were emptied of liquid; the sludge was solidified with hydrated lime and Portland Cement and bulked into one container. The vats were then pressure washed and destroyed using an excavator and shears. The waste water treatment plant was emptied of all contents and cleaned and destroyed.

M & J Solvents. KEMRON was contracted for the emergency response of decommissioning, decontamination, and transportation and disposal of all hazardous wastes at the former M & J Solvents Company, Inc. The general scope of work involved the characterization and inventory of all hazardous wastes present at the M&J Solvents facility for the purpose of identifying the most cost-effective method(s) of removal and disposal. Work included the removal and containerization of wastes at the site including contents of all drums, tanks, sumps, drains, and basins. Removal of waste from containers in the drum storage area, tanks in the process area, tanks in the tank farm, secondary containment tanks, underground storage tank (an oil/water separator), and tank trailers. Hazardous wastes present at the facility included approximately (600) 55-gallon drums and 33 storage tanks/vessels each containing unknown quantities of D, F, and U listed hazardous wastes. The scope included characterization of all waste streams. KEMRON performed cleaning, decontamination, and demolition of all tanks, piping, vessels and structures at the site, leaving only the shell of the original building. The solvent recovery process, a thin film evaporator, the drum storage shed, and storage tank farm floor slab were cleaned and decontaminated.

Drug Enforcement Agency (DEA). KEMRON has a contract with DEA for the emergency response for emergency methamphetamine (meth) lab cleanup. For DEA, KEMRON has responded to multiple incidents as small as a \$1500 cleanup of a meth lab in a residence.

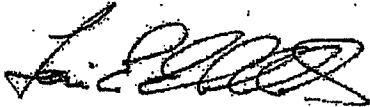
Ms. Karen Fish
10 April 2008
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KEMRON is responsible for segregating the collected containers, sampling and analysis and disposal. KEMRON has a team available to respond 24-hours a day, seven days a week.

We appreciate the opportunity to submit our proposal. Please feel free to contact me at 847-266-1350 or by email at lehrhard@kemron.com if we can provide any additional information or if you have any questions. We look forward to working with you and Davis Partners on this project.

Sincerely,

KEMRON Environmental Services, Inc.



Louis E. Ehrhard, PG
Regional Manager

Time and Materials Cost Proposal
U.S. Colloidal Essence, Inc. Site -- Rancho Cucamonga, California

Prepare Draft Final Work Plan (Tech approach, HASP, Field Sample Plan, and QAPP)				
Description	Quantity	Units	Unit Rate	Total
Project Manager	40	hr	\$ 115.00	\$ 4,600.00
Chemist	40	hr	\$ 85.00	\$ 3,400.00
H&S Manager	40	hr	\$ 75.00	\$ 3,000.00
CAD Operator	10	hr	\$ 50.00	\$ 500.00
Program Manager Review	8	hr	\$ 125.00	\$ 1,000.00
Subtotal				\$ 12,500.00
Final Work Plan (Incorporate EPA Comments)				
Description	Quantity	Units	Unit Rate	Total
Project Manager	8	hr	\$ 115.00	\$ 920.00
Chemist	2	hr	\$ 75.00	\$ 150.00
H&S Manager	2	hr	\$ 75.00	\$ 150.00
CAD Operator	1	hr	\$ 50.00	\$ 50.00
Program Manager Review	1	hr	\$ 125.00	\$ 125.00
Subtotal				\$ 1,395.00
Initial Response				
Description	Quantity	Units	Unit Rate	Total
Project Manager	120	hr	\$ 115.00	\$ 13,800.00
Chemist	120	hr	\$ 85.00	\$ 10,200.00
H&S Manager	20	hr	\$ 75.00	\$ 1,500.00
Technicians	240	hr	\$ 70.00	\$ 16,800.00
Program Manager	20	hr	\$ 125.00	\$ 2,500.00
Company Truck (2 will be used)	30	day	\$ 75.00	\$ 2,250.00
Misc Containment Material (Drums, secondary Containment, labels, etc.)	20	day	\$ 250.00	\$ 5,000.00
Analytical Lab			TBD	
Subtotal				\$ 52,050.00
Disposal of Material (Second Mobilization)				
Description	Quantity	Units	Unit Rate	Total
Project Manager	30	hr	\$ 115.00	\$ 3,450.00
Chemist	20	hr	\$ 85.00	\$ 1,700.00
H&S Manager	0	hr	\$ 75.00	\$ -
Technicians	30	hr	\$ 70.00	\$ 2,100.00
Program Manager	5	hr	\$ 125.00	\$ 625.00
Company Truck	5	day	\$ 75.00	\$ 375.00
Disposal Subcontractor			TBD	
Subtotal				\$ 8,250.00
Final Report				
Description	Quantity	Units	Unit Rate	Total
Project Manager	60	hr	\$ 115.00	\$ 6,900.00
Chemist	60	hr	\$ 75.00	\$ 4,500.00
H&S Manager	0	hr	\$ 75.00	\$ -
CAD Operator	5	hr	\$ 50.00	\$ 250.00
Program Manager Review	8	hr	\$ 125.00	\$ 1,000.00
Subtotal				\$ 12,650.00
Analytical Subcontractor				\$ 20,000.00
T&D Subcontractor				\$ 100,000.00
Time and Materials - Not To Exceed	Total			\$ 206,845.00