

**Perez Construction
3721 Brunell Drive
Oakland, California 94602
(510) 482-5724 ph.
(510) 530-5467 fax**

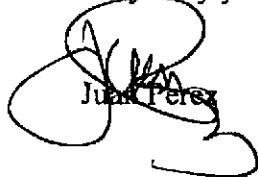
Alameda County Health Agency
1131 Harbor Bay Parkway
Alameda, CA 94602-6577
Attn: Donna L. Drogos, P.E.

Re: Environmental clean up of 1201-32nd Street, Oakland, California

Dear Donna,

Attached for your information is a copy of the proposal from RGA Environmental, Inc.. They will be the firm conducting the environmental investigation for the above mentioned property. As part of the agreement, they will also make proper recommendations to remedy any problems they may encounter. Please forward to me your agreement for my signature so that the Alameda County Health Agency can provide the oversights during the testing and clean up process. As soon as I receive your agreement, I will sign and return it with the required deposit. I am looking forward to working with you and your agency. Please note that only myself and Debra L. Yau, the architect, are the only ones authorized to speak on our behalf. If you have any questions, please feel free to call me on my cell phone at (510) 773-1345.

Very truly yours,


Juan Perez

Perez Construction
3721 Brunell Drive
Oakland, California 94602
(510) 482-5724 ph.
(510) 530-5467 fax

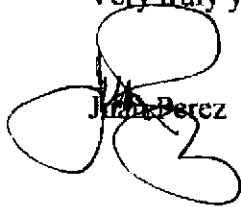
RGA Environmental, Inc.
1466 - 66th Street
Emeryville, CA 94608
Fax: (510) 547-1983
Attn: Paul King
Re: Job #PRZ10966

November 2, 2004

Dear Paul,

Just a short note to confirm the drilling date for November 11, 2004 at 1201-32nd Street, Oakland, California. I tentatively intend to be there at 8:30 a.m. to allow the drillers in. If the drillers are going to be there earlier or later than this, please feel free to call me at (510) 773-1345 and we can then set up a mutually acceptable time.

Very truly yours,



Jim Perez

Printed: 10/8/2004

PROPOSAL FOR Perez Construction

RGA Job # PRZ10966

Other Locations:
San Francisco
Modesto
Costa Mesa

RGA Environmental, Inc.

1466 66th Street
Emeryville, CA 94608

Main: (510) 547-7771
Fax: (510) 547-1983

www.rgaenv.com



Tax I.D. # 94-3051012

TO:	BILLING ADDRESS:	SERVICE AT:
Contact: Juan Perez Company: Perez Construction Address: 3355 Rubin Dr. Oakland, CA 94602 Phone: 510-482-5724 Fax: 510-530-5467 e-Mail:	Juan Perez Perez Construction 3355 Rubin Dr. Oakland, CA 94602 510-482-5724 510-530-5467	1201 32nd Street Oakland, California

PROJECT UNDERSTANDING

RGA Environmental, Inc. (RGA) is pleased to present this proposal for drilling three soil borings at the subject site. The boreholes are intended to determine the extent of soil and groundwater contamination at the property. One soil sample will be collected from each borehole at a depth of 5 feet below the ground surface and analyzed for Halogenated Volatile Organic Chemicals (HVOCs) including Perchloroethylene, TCE and their decomposition products. One groundwater sample will be collected from each borehole and analyzed for HVOCs including Perchloroethylene, TCE and their decomposition products. A report will be prepared documenting the investigation and will contain boring logs, laboratory analytical reports and chain of custody documentation, recommendations, and the stamp of a California Registered Geologist.

Proposal Date: 10/6/2004

Prepared By: Paul King

RGA Representative:

Reviewed by: Harry Lawrence

Payment Terms: Net-30 Days

ITEMIZED ESTIMATE**AMOUNT****Preparation Phase -**

- ▶ Obtain work scope approval from the client.
- ▶ Perform a site visit to mark drilling locations and determine site access restrictions for driller.
- ▶ Obtain Alameda County drilling permit.
- ▶ Prepare a health and safety plan.
- ▶ Coordinate site work and analysis with driller, laboratory, and client.

1,160.00

Field Services -

Oversee drilling of 3 soil borings to a depth of 25 feet and collect samples as follows:

- ▶ Collect one soil sample from each borehole at a depth of 5 feet below grade for HVOC analysis.
- ▶ Collect one groundwater sample from each borehole for HVOC analysis.

4,230.00

Reporting -

RGA will provide a written report documenting field activities and sample results. The report will include boring logs; a site location map and a plan showing the borehole locations; tables summarizing the sample results; recommendations based on the sample results; and the stamp of a California Registered Geologist.

1,866.00

Analysis Costs -

3 soil samples for HVOCs by EPA 8010 at \$105 Each (5 day turnaround)

315.00

3 groundwater samples for HVOCs by EPA 8010 at \$105/each (5 day turnaround)

315.00

TOTAL ESTIMATED JOB COST**\$7,866.00****NOTES: ASSUMPTIONS OR EXCLUSIONS**

- ▶ No delays in access to the site or drilling locations.
- ▶ No City of Oakland permits will be required (drilling performed on private property).
- ▶ Characterization, profiling, loading, transportation, and disposal of wastes are excluded from this proposal.
- ▶ Analysis to be performed on a normal (5 Working Days) turnaround basis.

Agreement: The Agreement between RGA and (client) will consist of this proposal, and The General Terms and Conditions of the Agreement between RGA and the Client (General Terms). The General Terms, which are attached and made part of this Proposal, are specifically made part of every agreement between RGA and the Client.

Client:

**GENERAL TERMS AND CONDITIONS
OF THE AGREEMENT BETWEEN
RGA AND THE CLIENT**

ARTICLE 1 AGREEMENT & PARTIES

RGA's Proposal, these General Terms and Conditions (General Terms), and any attachments identified in Article 4 below, comprise the agreement (Agreement) between RGA Environmental, Inc. (RGA) and the person, persons, company, business, organization or entity for whom RGA performs professional services (Client).

ARTICLE 2 BILLING POLICIES

2.1 Other Services, Equipment and Supplies

2.1.1 Charges for (i) services requested by the Client beyond the scope of this Agreement, (ii) extra expenses caused by changes ordered by the Client, and (iii) inappropriate actions by any other subcontractor involved in the project, will be charged to the Client on a time and materials basis.

2.1.2 Charges for (i) services, equipment, and facilities not furnished directly by RGA, (ii) any unusual expense items not customarily incurred during normal operations, and (iii) other reimbursable expenses (including living expenses, transportation, printing, long distance communication, shipping charges, rental charges, and miscellaneous supplies) will be charged to the Client at their accrued cost plus fifteen (15) percent.

2.2 Travel

Travel time is charges at time plus mileage (\$0.50/mile) and expenses (parking, tolls, etc.).

2.3 Overtime

Overtime is billed at one and one-half (1-1/2) the respective hourly rate for all work after 8 hours in a day, and the first 8 hours of work on a sixth consecutive day. Double time is billed for all work after 12 hours in a day, all work after 8 hours on a sixth consecutive day, and all work on a seventh consecutive day.

2.4 Rush and Emergency Service

All service requested to begin without three days prior notice shall be considered Rush service. A fifty (50) percent surcharge shall apply to all rates for Rush service. All service requested to begin within twenty-four (24) hours of notice shall be considered Emergency service. One hundred (100) percent surcharge shall apply to all rates for Emergency service. RGA's ability to provide Rush and Emergency service is dependent upon staff availability.

2.5 Statements

2.5.1 Statements are issued biweekly. Unless otherwise agreed, statements are payable upon receipt.

2.5.2 Interest of one-and-one-half (1-1/2) percent per month is charged on balances not paid within thirty (30) days after receipt of statement. Payments thereafter are applied first to accrued interest and then to the unpaid principal amount. Attorneys' fees and other costs incurred in collecting any delinquent amount shall be paid by the Client.

2.5.3 Rates are subject to change after thirty (30) days' prior written notice to the Client.

ARTICLE 3 GENERAL CONDITIONS

3.1 Rights in Work Product

3.1.1 RGA retains title to the products of its work under this Agreement, but grants to the Client a royalty-free, nonexclusive, nontransferable license to (i) make and use each invention or improvement, which is or may be patentable under U.S. law, and which is conceived or first reduced to practice by RGA while performing services under this Agreement, and (ii) use or dispose of all computer software and all other recorded information (such as graphs or data tables) that are delivered to the Client by RGA while performing services under this Agreement.

3.1.2 All work products will be delivered to the Client or a designated representative only. Authorization to deliver work products to other parties must be provided to RGA in writing.

3.2 Compliance with Regulations

In providing its service, RGA endeavors to the best of its ability to comply with all applicable laws, ordinance codes, rules and legal requirements.

3.3 Complete Agreement & Controlling Law

3.3.1 This Agreement represents the entire and integrated agreement between RGA and the Client and supercedes all prior negotiations, representations or agreements either written or oral. This Agreement may be amended only by written instrument signed by both RGA and the Client.

3.3.2 This Agreement is governed by the law of the State of California.

3.3.3 If any part or provision of this Agreement that is void or unenforceable, all remaining provisions continue in force. Both the Client and RGA will attempt in good faith to replace any invalid or unenforceable provision of this Agreement with a valid and enforceable one that expresses and achieves the intent of the original provision as closely as possible.

3.4 Warranty

RGA warrants that its services are performed within the limits prescribed by the Client and with the usual thoroughness and competence of RGA's profession. No further warranty or representation, either expressed or implied, is included or intended in RGA's proposals, contracts or reports.

3.5 Indemnification

3.5.1 To the extent permissible by law, RGA will indemnify, hold harmless and defend the Client, its officers, directors, agents and employees from and against that portion of any claim or judgment determined to have been caused by RGA's negligence.

3.5.2 The Client shall provide RGA with information concerning the location of all subsurface high pressure lines, tanks, vessels and other utilities and structures at the subject site.

3.5.3 To the extent permissible by law, the Client will indemnify, hold harmless and defend RGA, its officers, directors, agents and employees from and against any claim,