



September 27, 1994

Mr. James Dye
Y. Charles Soda Trust
2 Theatre Square, Suite 211
Orinda, CA 94563

**RE: REVISED PROPOSAL FOR BIOREMEDIATION SERVICES
WALPERT RIDGE, HAYWARD, CALIFORNIA**

Dear Mr. Dye:

DECON Environmental Services, Inc. (DECON) is pleased to present this revised proposal to perform bioremediation services for Y. Charles Soda Trust at your project site in Hayward, California. Our proposal is based on the E2C report dated August 24, 1992, several telephone conversations, a site visit conducted by yourself, and the E2C letter dated August 31, 1992 as they pertain to soil treatment. We understand that the site has 800 cubic yards of soil contaminated with petroleum hydrocarbons that will be treated using an X-19 bioremediation process.

DECON Environmental Services, Inc. (DECON) is a licensed hazardous waste remediation contractor. We hold the general liability (\$3 million), pollution impairment liability (\$1 million), and workers compensation (statutory) insurance necessary to perform work in this field. All employees undergo a rigorous medical surveillance program. Our training includes both internal and 40-hour safety training conducted by outside consultants which exceeds the requirements set forth in 29 CFR § 1910.120. We pride ourselves in promptly returning our clients' facilities to environmentally acceptable conditions.

WORK PLAN

Soil will be excavated and stockpiled by others prior to mobilization by DECON.

DECON offers to provide labor, materials, and equipment to perform the following tasks:

- Prepare a site-specific health and safety plan for this project;
- Submit notices required for this activity.
- Using required equipment, mix up to 800 cubic yards of soil containing petroleum hydrocarbon compounds with 240 cubic yards of X-19 humic polymer (biomass);
- Place the blended soil three feet high on visqueen (10 mil polyethylene) in the treatment area(s);
- Cover the blended soil with visqueen and secure properly for the duration of the treatment process;
- Periodically inspect the soil being treated as necessary and, if necessary, add water to maintain soil moisture within the optimum range; and

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- One sample for every 50 cubic yards of soil (16 samples) will be analyzed by a State Certified laboratory for TPH-D, TPH O&G and BTEX to confirm that the bioremediation process is complete.

We understand that Y. Soda Trust will provide a source of fresh water.

Our proposal does not include excavation of the soil, determining the amount of soil to be excavated, relocation, backfill, or disposal of the soil after treatment. DECON can perform these activities at prices to be negotiated, if so desired. DECON is prepared to perform soil excavation under the direction of Clayton Environmental under the terms and conditions of the fee schedule previously agreed upon between Y. Soda Trust and DECON. (Please reference October 22, 1992 Services Agreement.)

TIMETABLE

DECON is prepared to begin work on this project within one week of receiving authorization to proceed. We anticipate that the field work can be completed in four days, the bioremediation process will take a maximum of one year. The project summary report will be provided to Y. Soda Trust within two weeks after receiving acceptable confirmation sample results.

COMPENSATION

DECON offers to perform these services for Y. Soda Trust on a fixed price basis according to our standard terms and conditions. Our bid price assumes that no other contaminants are present within the soil. Additional analyses, if necessary, will be billed at cost plus 18%. A copy of our agreement form is attached. Our bid price to perform the work as described above is \$34/cubic yard for bioremediation, and \$2,800 for the final round of analysis. Progress sampling and analysis will be billed to you at cost plus 18%.

For the purposes of this bid, "cubic yard" volumes represent only excavated volumes of soil.

Please call me if you have any questions regarding this bid or the other services offered by DECON. You may authorize the work described in this proposal by signing the attached authorization.

Sincerely,



Warren W. Dodge
Vice President

WWD:jlj

Enclosure

DECON Environmental Services, Inc.

SERVICES AGREEMENT

1. This Agreement is entered into this _____ by and between DECON Environmental Services, Inc. ("DECON") and Y. Charles Soda Trust ("Client").
2. This Agreement covers all aspects of the following project: Revised Proposal Dated September 27, 1994
Providing Bioremediation Services, Walpert Ridge in Hayward, California

that is more particularly described in the attached project proposal dated September 27, 1994, which is a part of this Agreement. No changes shall be made in the project unless authorized in writing by the Client.

3. DECON will perform its services according to current generally accepted business practices. No other warranty, be it expressed or implied, shall be imposed.
4. Client will be invoiced for services at the completion of the project, or every two weeks, whichever occurs first. Invoices are due upon receipt. A one and one-half percent per month service charge will be levied on accounts that are 30 days past due. DECON reserves its rights of mechanics liens against the property on which the project is performed and may levy such liens for payments more than 60 days past due. DECON may stop work under this contract when any invoice payment is more than 30 days past due. If the client fails to pay invoices for amounts due to DECON, Client agrees to reimburse DECON for all reasonable cost of collection, including but not limited to attorney's fees and court costs. If a claim or suit is brought for non-payment or for a declaration of rights under this contract the prevailing party shall receive reasonable attorney's fees.
5. DECON reserves the right to use qualified subcontractors to perform the agreed services. In the event DECON uses subcontractors to perform the agreed services, DECON shall remain responsible for the performance of this Agreement and for all acts or omissions of such subcontractors and their employees and agents in connection with the performance of services pursuant to this Agreement.
6. Client agrees to meet all conditions outlined in the project proposal as Client's responsibility at Client's expense. Client's failure to meet such conditions relieves DECON, at its option, of performance of the project specified in Paragraph 2 of this Agreement. In this event, Client shall pay DECON for any services performed by DECON under this Agreement.
7. Project delays caused by Client, including Client's officers, employees and contractors, shall extend the project completion date. Client shall compensate DECON if such delays require additional services or result in additional expense to DECON. Both DECON and Client shall be excused from liability for delays due to acts of God, acts of civil or military authority, war, riot, strikes, fire, floods, epidemics, or other similar, unforeseeable happenings beyond the control of the parties.
8. All materials marked "Confidential," whether marked by DECON or Client, shall be handled as confidential by the other party and shall not be revealed to third parties unless written permission is given to do so or unless required by law. DECON shall retain all right to patentable inventions and techniques developed by DECON.
9. This Agreement shall be governed by the laws of the State of California. The provisions of this Agreement along with the project proposal constitute the entire understanding of the parties with respect to the project. Any revisions to this Agreement or the project proposal shall be in writing signed by both parties. Should any provisions of this Agreement be held unenforceable through judicial or like proceeding, such provisions shall be removed and the remaining provisions shall constitute this Agreement.
10. The persons signing this Agreement warrant that they are authorized to enter into this Agreement.
11. Contractors are required by law to be licensed and regulated by the Contractors State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is: Contractors State License Board, 3132 Bradshaw Road, P. O. Box 26000, Sacramento, CA 95826. DECON's contractors license number is 545726.
12. DECON agrees to defend, indemnify and hold Client, its employees and agents, successors and assigns harmless from any liability, damage, loss, cost or expense, real or alleged, including legal fees, arising out of or resulting from the act or negligence of DECON or any subcontractor or their respective employees or agents relating to the performance of the agreed services hereunder, except to the extent such liability, damage, loss, cost or expense is solely the result of the negligence of Client or its employees or agents. At the request of Client, DECON shall defend any suit or legal action or administrative order asserting a claim covered by this indemnity and shall pay costs or fees incurred by Client in enforcing this indemnity.
13. Any claim or controversy arising out of or relating to this Agreement shall at the request of either party be submitted to arbitration. Such arbitration will be held in San Francisco, California by a single arbitrator in accordance with the rules of the American Arbitration Association. If a matter is submitted to arbitration, the decision of the arbitrator shall be final and binding upon the parties.
14. During the term of this Agreement DECON agrees to maintain at its sole cost and expense the following insurance: (i) workers compensation insurance as required by law, (ii) general liability insurance in an amount not less than \$1 million for a single occurrence, (iii) automotive liability insurance in an amount not less than \$1 million combined single limit, and (iv) contractor's pollution legal liability insurance in an amount not less than \$500 thousand per occurrence and \$1 million aggregate. Prior to commencement of the services hereunder, DECON shall provide Client and the Roman Catholic Bishop of Oakland, a Corporation sole with a certificate of insurance evidencing that the required insurance is in full force and effect. DECON will name Client and the Roman Catholic Bishop of Oakland additionally insured under its general liability policy with the provision that the coverage provided to the client thereunder is primary and not excess or contributory. DECON further agrees to maintain its general and contractor's pollution legal liability insurance in the foregoing amounts for a period of not less than 4 years following the completion of the services under this Agreement.
15. Anticipated schedule for this work is as follows:
- Phase I - Confirm in writing petroleum hydrocarbon limits set by Hugh Murphy with the City of Hayward. Commence within one week of receiving your authorization to proceed and will include sampling, and mixing stockpiled soil X-19 humic polymer. Hands-on work for this activity will be completed within four days. Soil treatment may take up to one year.
 - Phase II - Analyze soil to insure completeness. Water will be added if necessary to complete biodegradation process. Additional rounds of sampling necessary to guarantee full degradation of petroleum hydrocarbon wastes will be billed at cost plus 18%.

• Phase III - In the unlikely event that at the end of one year, petroleum hydrocarbon levels are greater than ND ≥50 ppm TPH "O & G", ND ≥1 ppm TPHD, and ND ≥ 0.005 ppm BTEX, DECON, at its expense, will dispose of this soil at BFI-Vasco Road.

In the event that the BFI-Vasco Road facility is not then available to receive such soil or the total cost of profiling, loading, and hauling material to and disposing the same at the BFI-Vasco facility charges exceeds \$34 per cubic yard, then DECON, at its expense will dispose of this soil at a substantially similar facility approved by client; provided, however, client shall be responsible for the cost over \$34 per cubic yard of hauling and disposing of such soil to a substantially similar facility.

If standards applicable at the end of one year exceed ND ≥50 ppm TPH "O & G", ND ≥1 ppm TPHD, and ND ≥0.005 ppm BTEX, and remediation is required to bring the soil below such levels, then DECON and client will negotiate additional work and pricing, if necessary; provided, however, that client shall be responsible only for additional costs over \$34 per cubic yard.

Client shall have the right to elect to have the soil disposed of in a manner or at a location other than as provided above. If client should elect another "disposal" method or location, DECON shall only be responsible for the costs to dispose of the soil at a Class III disposal facility approved by the governing regulatory authorities up to \$34 per cubic yard and client shall be responsible for additional costs over \$34 per cubic yard.

Any additional sums shall be paid by client prior to waste "disposal".

A summary letter will be written documenting DECON's work activities for this project. DECON will make every effort to complete this project without undue delay.

16. Client will retain 18% of invoices until cleanup levels are met or soil is hauled to receiving facility.

DECON Environmental Services, Inc.

(Client)

By: _____
(Signature)

By: _____
(Signature)

Name: Warren W. Dodge

Name: _____

Title: Vice President

Title: _____

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