

## ***PNG ENVIRONMENTAL, INC.***

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October 20, 1999

P-584

Mr. John W. Finklea  
Architect  
3223 SW Front Avenue  
Portland, Oregon 97201

Subject: **Proposal and Cost Estimate**  
Combined Phase I and Phase II Environmental Site Assessment Services  
Former Battery Manufacturing Facility  
2124 North Williams Avenue  
Portland, Oregon

Dear Mr. Finklea:

PNG Environmental, Inc. (PNG) is pleased to present this proposal for Phase I and II environmental assessment services at the subject property. Our understanding of site conditions and scope of work is based on our review of the October 4, 1999 proposal issued by PBS Environmental (PBS) which you provided, a review of the Prospective Purchasers Agreement and Phillips Environmental Services report (1997) provided by Multnomah County, and PNG's site drive-by.

### **BACKGROUND**

The subject site operated as an industrial battery manufacturing, servicing and recycling facility for approximately 35 years. The site consists of two buildings with a warehouse connected to one of the buildings. Environmental investigations and removal actions conducted between 1986 and 1997 addressed several issues, including potential lead contamination of a grassy field east of Building 1, a dry well east of Building 1, and a sump located under above-grade storage tanks in the north end of Building 1. At the conclusion of the investigations and remedial actions, inaccessible contaminated soil was left in place beneath the east wall of Building 1 and at the sump near the tanks. DEQ issued a "No Further Action" letter with respect to these areas.

In 1998, Port City Development Center (PCDC) entered DEQ's Prospective Purchaser Agreement (PPA) program. Conditions of the PPA state that PCDC shall not "contribute to or exacerbate existing contamination" and that protective measures would be maintained (i.e., constructing and/or maintaining a protective cap near the east wall of Building 1 and the sump). Further, the PPA stated that investigations and remedial action for surface and subsurface soil would be conducted under DEQ's Voluntary Cleanup Program, which indicates that DEQ may need to be involved in the Phase II assessment work.

Areas not addressed in the reviewed reports include Building 2, the paved areas between the buildings, the potential for lead dust accumulations on interior and exterior surfaces of the buildings, floor drains and sumps in Buildings 1 and 2 shown in the Phillips report, the potential for asbestos in the buildings, and the potential for underground storage tanks and other possible subsurface structures. In addition, no groundwater information for the site or surrounding area has been reviewed.

It is PNG's understanding that Multnomah County is currently negotiating purchase of the property and entering a "lease-sale" agreement with PCDC. As owners of the property, Multnomah County and PCDC may be accepting responsibility for current environmental conditions of the site. As such, the primary purpose of the Phase I and Phase II work is to aid in the assessment of the potential environmental liability by establishing baseline environmental conditions at the site.

## **SCOPE OF WORK**

At your request, PNG's proposal is based strictly on the scope of services described in the PBS proposal (Attachment A). PNG emphasizes that certain key environmental issues may be identified during preparation of the Phase I ESA, which could modify the Phase II scope of work. PNG's approach will be to use the results of the Phase I ESA to focus the follow-up Phase II exploration efforts on known or suspected "areas of concern." Because Phase II data collection methods and laboratory testing would be customized to actual conditions observed or suspected at the site, this phased assessment could modify overall site screening tasks. PNG's proposed scope of work is detailed below:

### **Phase I ESA**

The purpose of a Phase I ESA is to document current and past site and vicinity usage, and to evaluate the risk of adverse environmental impact to the site based upon those usages. No chemical or material testing is performed. PNG's standard Phase I ESA is conducted in accordance with current standards established by the American Society for Testing and Materials (ASTM E-1527-97). These are regarded as the industry standard for property transaction due diligence. The Phase I ESA report would be available within two to three weeks of authorization to proceed. The Phase I work will also include a review of all available environmental reports (including the 1992 Phase I ESA, if available), which may aid in focusing the Phase II work. The Phase I Report will include recommendations for the Phase II work.

The Phase I ESA satisfies industry standards for "due-diligence" inquiry into the general nature of known or suspected environmental conditions at the site. As noted above, the Phase I ESA establishes a baseline of environmental conditions through the present time, which will be useful in negotiating and documenting tenant usage impacts in the future.

### **Phase II Exploration**

The purpose of the Phase II assessment is to explore for evidence of significant and widespread contamination associated with former industrial operations at the site. This investigation will be designed to identify areas of concern, not necessarily to conduct a full or complete characterization. Additional investigation may be required to fully address areas of concern.

In accordance with the PBS proposal, PNG proposes to perform the following tasks as part of the Phase II Exploration:

- Prepare a Health and Safety Plan to guide field safety protocols, in accordance with rules established by the Oregon Occupational Safety and Health Administration (OSHA).

- Collect ten dust wipe samples in Building 1 interior and submit the samples for total lead analysis. This information will aid in determining the magnitude and extent of potential lead contamination. A full characterization may require additional sampling.
- Contract with a qualified local professional to perform a non-invasive magnetometer survey to search for suspected underground utilities, fuel storage tanks, and other identifiable metallic structures or objects. This is not a survey conducted by a professional geophysicist. If the Phase I work results in a recommendation for a professional geophysical survey, you will be notified for approval.
- Direct field operations and collect soil samples from eight temporary boring locations using direct-push ("Geoprobe") sampling techniques.
- Submit one soil sample per boring for laboratory analysis for (1) fuel hydrocarbons using Oregon Department of Environmental Quality (DEQ) Method NWTPH-HCID, and (2) cadmium, chromium, and lead using EPA Method 6010/7000 Series.
- Prepare a written Phase II Exploration report. The report would include, at a minimum, a discussion of all field work, an evaluation of the results, site maps depicting sampling locations, tabulated analytical results, copies of all analytical reports, chain-of-custody documentation, and recommendations for additional work (if warranted). Details of technical and subsurface characterization would be presented and described so as to be useful for any follow-up environmental explorations at the site.

PNG anticipates that near-surface native soils at the site will be composed of fine-grained silts and sands. First-occurring groundwater is anticipated at depths below 60 feet in the site vicinity, and is not expected to be encountered or sampled during this phase of exploration.

### **Other Issues**

At this time, the scope of work described above appears to be adequate as a general guide for initial site assessment. We stress that the scope of work for the Phase II Exploration should be subject to modification following the results of the Phase I research. For example, it may be prudent to collect and test additional soil samples at various depths at one or more of the soil boring locations if subsurface contaminant pathways such as dry wells, fuel tanks, or sumps are identified or suspected. It may also be useful to expand or change the testing program to account for different contaminants of potential concern such as solvents, acids, and asbestos. In addition, DEQ may require involvement in the Phase II investigation based on the terms of 1998 PPA.

Note that PNG performed a cursory drive-by of the site on October 18, 1999, and identified an old residence which may also be located on the subject property. This property is not included in the proposed work.

## **COST ESTIMATE**

PNG proposes to perform the above services for the total estimated cost of \$8,450 as summarized below:

<i>Phase I ESA</i>	<i>\$2,000</i>
<i>Phase II Exploration</i>	
Lead Dust Wipe Sampling & Testing (\$15/sample)	\$150
Magnetometer Locating Survey	\$350
Drilling Services	\$1,150
Laboratory Testing	\$1,875
PNG Labor, Expenses, Report Preparation	<u>\$2,925</u>
<i>Subtotal, Phase II Exploration</i>	<i>\$6,450</i>
 <b>Total Estimated Cost for Phase I and Phase II</b>	 <b>\$8,450</b>

Work will be conducted on a time-and-materials basis in accordance with PNG's 1999 Schedule of Fees (Attachment B). Additional cost detail will be provided upon request. You will be notified immediately if, during the course of this project, conditions are encountered that potentially change the scope of work or total cost required to meet the project objectives.

Assumptions used to generate the cost estimate are as follows:

- Unimpeded access to the drilling locations will be available. If drilling locations have more than 2 inches of concrete or 4 inches of asphalt, pavement coring may be necessary at additional cost.
- Meetings, negotiations, and submittals to DEQ are not included in the scope of work.
- PNG labor costs assume fieldwork by PNG can be accomplished under a single mobilization, and will not exceed one day.
- Geoprobe drilling costs are based on one day of drilling at a rate of \$1,150/day. If additional time is required to meet project objectives, you will be notified prior to completing the additional work.
- No unreasonably difficult drilling conditions will be encountered requiring the use of alternative drilling equipment.
- All fieldwork can be performed using standard personal protective equipment and procedures ("Level D").
- Access to the subject property and negotiations with tenants will be arranged by the Client, and all field work can be conducted during normal business hours.
- A public utility locate notification will be conducted, and PNG will contract a private utility locator to evaluate on-site subsurface utilities. PNG will not be responsible for damage to subsurface utilities not identified to us prior to initiating work.

- Analytical costs for soils are based on the number and type of analyses specified above. If necessary, additional laboratory testing can be conducted within the required holding times for additional unit costs. Recommendations for additional analysis, if any, will be discussed with you prior to laboratory testing.
- No significant soil cuttings are expected to be generated during this project. Equipment decontamination rinseate will be generated as part of the proposed investigation. The investigation-derived wastes (IDW) will be contained in (one or two) sealed and properly labeled 55-gallon steel drum(s) stored on site. PNG will coordinate disposal of IDW. However, characterization and disposal costs for the IDW, if any, are not included under this proposal.

### GENERAL CONDITIONS

The scope of services will be performed in accordance with PNG's 1999 General Conditions (Attachment B), which is hereby made part of this agreement. Any changes to the scope, cost, or general conditions must be agreed upon by both parties. Please indicate your acceptance of this proposal by signing the attached Authorization Form and returning one copy for our files by mail or facsimile at (503) 620-2977.

PNG appreciates this opportunity to present this proposal. If you have any questions, please call at (503) 620-2387.

Sincerely,  
**PNG ENVIRONMENTAL, INC.**



Paul Ecker, R.G.  
Project Geologist



Nick Varnum, R.G.  
Vice President

Attachments: Authorization Form  
Attachment A - PBS Environmental Proposal dated October 4, 1999  
Attachment B - PNG 1999 Schedule of Fees and General Conditions

cc: Mr. Patrick Jones, Multnomah County

## **AUTHORIZATION**

Please indicate your acceptance of this agreement described in the Proposal P-584 by signing below and returning one copy to our Tigard Office by mail or fax. This authorization includes the full amount of \$8,450 if needed.

The above statements are understood and accepted.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Position: \_\_\_\_\_

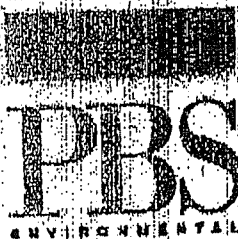
Firm: \_\_\_\_\_

Proposal P-584  
Combined Phase I and Phase II Environmental Site Assessment Services  
Former Battery Manufacturing Facility  
2124 North Williams Avenue  
Portland, Oregon

PNG Environmental, Inc.  
7130 S.W. Elmhurst Street  
Tigard, Oregon 97223

(503) 620-2387 Phone  
(503) 620-2977 Fax

**ATTACHMENT A**  
**PBS ENVIRONMENTAL PROPOSAL**



October 4, 1999

Port City Development Center  
c/o Mr. John Finklea  
3223 SW Naito Parkway  
Portland, Oregon 97201

*Draft*

**PROPOSAL TO PROVIDE PHASE ONE/PHASE TWO ENVIRONMENTAL SITE ASSESSMENT  
2124 N. WILLIAMS, PORTLAND, OREGON**

Dear Mr. Finklea:

We are pleased to submit this proposal to provide Phase One and Phase Two Environmental Site Assessment services for the above-referenced property.

This proposal presents the project approach, the scope of services, compensation and schedule for completing the project.

**PROJECT APPROACH:**

**Phase One.** The purpose of the Phase One Environmental Site Assessment (ESA) is to identify environmental concerns which may present a potential liability to the property owner/prospective purchaser under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), related state laws and regulations, and which may require further investigation. The scope of work is intended to identify what are termed *recognized environmental conditions* on the site, that is, to identify the "presence or likely presence" of contamination from hazardous substances at the site, including petroleum products. In some instances, the scope of work can be expanded to include "non-scope" issues (those which typically do not relate to CERCLA liability) such as asbestos, radon, wetlands, etc.. If you would like PBS to incorporate such additional items which are not included in this proposal, please contact us and we will modify the scope of work accordingly.

The scope of work for this project includes a review of applicable Federal and State databases, a review of readily available records to document the past and current uses of the subject property and adjoining properties, interviews with persons with knowledge of the site, a site reconnaissance, and a final report summarizing our findings/observations. The project will be performed in accordance with ASTM Standard 1527-97 *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

ENVIRONMENTAL AND ENGINEERING SOLUTIONS

1220 SW Morrison Street, Suite 600 Portland, OR 97205 503/248-1939 Fax 503/248-0223

ALBANY BIRMINGHAM PORTLAND SEATTLE TACOMA VANCOUVER



Port City Development Center  
Re: 2124 N. Williams, Portland, OR  
October 4, 1999  
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Completion of the Phase One is believed to be a critical part of documenting site history prior to the battery plant operations, and may identify additional historical concerns that may modify the following scope of the Phase Two.

**Phase Two.** We have reviewed environmental studies performed by others available through files at the Oregon Department of Environmental Quality (DEQ). The scope of the Phase Two investigation that is presented below includes assessment of potential lead dust in and around the existing buildings; includes a geophysical survey of suspect areas for potential underground storage tanks, and a limited assessment of shallow soil quality. If the results of the Phase One research suggest a modification of this scope, we will discuss this with you immediately and modify the Phase Two scope and cost estimate accordingly.

### SCOPE OF SERVICES:

**PHASE ONE - PBS** will provide the following specific scope of services for the property:

1. **INITIAL MEETING:** Meet or talk with the property owner or other key personnel to further discuss the project and to obtain any information which may be relevant to the site or adjoining land. An environmental questionnaire will be submitted to the property owner representative for completion. It is understood that the client will provide all known environmental information, including former site use, hazardous wastes, etc.
2. **AGENCY FILE CHECK:** Search regulatory agency listings to identify known hazardous substance violations, contaminant discharges and other environmental problems for varying distances based upon their relative potential impact to the subject property.
3. **GEOLOGIC RESEARCH:** Review soils, geology, engineering, groundwater or other reports regarding the property and the immediate vicinity.
4. **HISTORICAL REVIEW:** Review aerial photographs of the site and adjacent property to assess previous site conditions and operations (if available). Other historical information that may be reviewed includes city directories, building permits, or property title information to determine ownership history/usage. Whenever feasible, the history of the property will be traced to 1940 or to a time prior to its earliest developed use, whichever is earlier.
5. **PHYSICAL INSPECTION:** Conduct a site visit, during which the property and any structures will be investigated for potentially hazardous materials, existing in the past or present. A field checklist will be completed, and pertinent observations related to potential environmental conditions will be recorded. Interviews with on-site personnel, tenants or other persons familiar with the history of the area may be conducted.
6. **REPORT:** A final report will be prepared containing observations and conclusions relating to the apparent environmental conditions of the site. The report will include a description of site, CAD vicinity plan, conditions encountered, and documentation of resources including regulatory and historic records reviewed, conclusions and recommendations by PBS with regard to the environmental conditions at the site.

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## PHASE TWO -

**Lead Dust Survey.** A survey will be conducted of surfaces in the building. Our estimate for the project includes collection and analysis of up to 10 dust wipe samples via AA (Atomic Absorption) analysis. Samples will be billed at the rate of \$25/sample. The results of the lead dust survey, including sample locations and interpretation of laboratory results, will be included in the report.

**Geophysical Survey.** A geophysical subcontractor will perform a survey of suspected locations on the property, for the presence of underground storage tanks as well as underground utilities in locations intended to be sampled (below). Findings will be field-marked, and interpretation provided.

**Subsurface Investigation.** All field work will follow PBS's standard Health and Safety Policies and Procedures, and potential site hazards will be reviewed with subcontractor personnel prior to beginning work. The cost estimate allows for the completion of up to 8 temporary borings, advanced using a GeoProbe direct-push sampling rig. Specific borehole locations are unknown at this time, however will be presented to the client for approval prior to proceeding. If suspect UST locations are found, tests will be completed in those areas; and other sampling points distributed as indicated by former site operations.

Soil will be collected continuously and field-screened for volatile organic compounds using a portable photoionization detector (PID). The soils will be examined, described, and logged by a PBS field geologist in accordance with the USC soil classification. One soil sample will be collected from each boring; no groundwater samples are budgeted at this time.

All soil will be sealed, labeled, and stored on-ice until delivery to the laboratory, with chain-of-custody documentation. The cost estimate allows for a total of 8 soil samples. All exploratory boreholes will be backfilled with bentonite chips and the surface sealed to match existing conditions.

**Laboratory Analysis.** Soil samples will be analyzed under regular turnaround (7 business days), for identification of petroleum compounds (NWTPH-HCID), and for heavy metals (EPA Methods 6010/7000). If additional sample analysis appears necessary, PBS will obtain approval from the client prior to proceeding.

**Report of Findings.** A report of all Phase Two work will be prepared and attached as an appendix to the Phase One report, which presents our findings and conclusions regarding the environmental conditions at the site, including a site plan with locations of samples noted, descriptive logs of each boring, and copies of laboratory reports and chain-of-custody documents. All work will be done under the supervision of an Oregon Registered Geologist.

## LIMITATION OF SCOPE

The purpose of the Phase One is to determine if more in-depth studies are to be developed. Observations will be made based on the best available information by trained professionals. It is not intended to be a comprehensive determination of all potential liabilities associated with a particular property, nor is it represented as a legal opinion as to the client's performance of "due diligence" concerning the purchase of real estate. Unless otherwise specified, the scope of work does not include a review/opinion of legal instruments such as indemnification agreements, purchase and sale agreements, liens, etc. Its cursory nature is to be noted by all parties.

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Unless otherwise specified in this proposal, the scope of work for the project does not address the following items: hazardous materials audit, environmental permit compliance, indoor radon, asbestos-containing building materials, lead-based paint, wetlands and other land use issues, nor does it include subsurface exploration or chemical screening of soil and groundwater beneath the site which is needed to determine site contamination with scientific certainty. The findings and conclusions of this report are not scientific certainties but, rather, probabilities based on professional judgement concerning the significance of the data gathered during the course of the ESA. PBS is not able to represent that the subject property or adjoining land contain no hazardous waste, oil or other latent condition beyond that detected or observed by PBS during the ESA. The possibility always exists for contaminants to migrate undetected through surface water, air or groundwater. The ability to accurately address the environmental risk associated with transport in these media is beyond the scope of this study.

The Phase Two will be limited to the tests, locations and depths as indicated to determine the absence or presence of certain contaminants. The site as a whole may have other contamination that will not be characterized by this study. Further study may be recommended. The findings and conclusions of this report are not scientific certainties but, rather, probabilities based on professional judgement concerning the significance of the data gathered during the course of this investigation. PBS is not able to represent that the site or adjoining land contain no hazardous waste, oil or other latent condition beyond that detected or observed by PBS.

Unforeseen subsurface conditions such as impenetrable geologic formations, buried utilities, or coarse fill material may prevent the completion of the proposed investigation. In this event, the work will stop and the client will be notified immediately.

**ATTACHMENT B**  
**PNG 1999 SCHEDULE OF FEES**  
**PNG 1999 GENERAL CONDITIONS**

# **PNG Environmental, Inc.**

## **GENERAL CONDITIONS**

### **Agreement**

This Agreement, consisting of all documents attached hereto, constitutes the entire agreement between the parties, and supersedes any and all prior written or oral agreements with respect to the subject matter hereof. No amendment hereto will be binding unless reduced to writing and signed by authorized representatives of PNG Environmental, Inc. (PNG) and CLIENT.

### **Assignments**

CLIENT shall not assign this Agreement or any portion thereof to any other person or entity without the express written consent of PNG. Nothing contained in the Agreement shall be construed to create a right in any third party whom so ever, and nothing herein shall insure to the benefit of any third party.

There are no third party beneficiaries of this Agreement entitled to rely on any work performed or reports prepared by PNG hereunder for any purpose. CLIENT shall indemnify and hold PNG harmless against any liability for any Loss arising out of or relating to reliance by any third party on any work performed or reports issued hereunder.

### **Standard of Care and Professional Responsibility**

PNG shall perform services consistent with skill and care ordinarily exercised by other professional consultants under similar circumstances at the time services are performed, subject to any limitations established by CLIENT as to degree of care, time or expense to be incurred or other limitations of this Agreement. No other representation, warranty or guaranty, express or implied, is included in or intended by PNG's services, proposals, agreements or reports.

CLIENT acknowledges that the services to be performed by PNG involve the use of tests, calculations, analyses and procedures which are in a constant state of development, improvement and refinement and that, as such, improvements, changes in methods, and modifications of procedures have been made in the past, are now being made, and are expected to continue to be made in the future.

Should completion of any portion of the services to be rendered by PNG be delayed beyond the estimated date of completion for any reason which is beyond the control of or without default or negligence of PNG, then and in that event CLIENT and PNG shall mutually agree on the terms and conditions upon which the services may be continued or terminated.

PNG shall have no duty to supervise, coordinate or otherwise be involved in the performance of services or work by any third party consultant, contractor or subcontractor hired by the CLIENT.

### **Limitation of Liability**

In consideration of potential liabilities which may be disproportionate to the fees to be earned by PNG, CLIENT agrees to limit the liability of PNG, its officers, directors, shareholders, employees, agents, and representatives to CLIENT for all claims or legal proceedings of any type arising out of or relating to the performance of services under this Agreement (including but not limited to PNG's breach of Agreement, its professional negligence, errors and omissions and other acts) to the greater of \$50,000, or

the amount of PNG's fee. Failure of CLIENT to give written notice to PNG of any claim of negligent act, error or omission within one (1) year of performance shall constitute a waiver of such claim by CLIENT. Neither party shall be liable for any indirect or consequential loss or damages arising from this Agreement.

### **Indemnification**

Subject to the limitation of liability, each party agrees to indemnify and hold harmless the other from any liability, damage, injury, cost or expense, including attorney's fees, (hereafter collectively called "Loss") arising out of a) breach of this Agreement, or b) willful misconduct or negligence in connection with the performance of this Agreement.

In addition to and without limiting the generality of the foregoing, CLIENT agrees to indemnify PNG to the fullest extent permitted by law against any Loss (whether or not under CERCLA, RCRA or any other similar federal, state or local environmental regulation, order or ordinance) a) arising out of any actual or potential environmental contamination or pollution, including without limitation, any actual or threatened release of toxic or hazardous materials, unless the result of PNG's willful misconduct or professional negligence; b) arising out of any acts taken or alleged failure to act with respect to matters covered in the section titled Reporting and Disposal; or c) in excess of the liability limit set forth in the limitation of liability.

### **Information Supplied by Client**

CLIENT shall supply to PNG plans which designate the location of all subsurface structures at the Project Site, and shall be responsible for any damage and shall indemnify PNG for all Loss inadvertently caused by PNG to any structure not so designated, or by CLIENT's inaccurate identification of underground obstructions. CLIENT warrants the accuracy of any information so supplied and understands and agrees that PNG is entitled to and may rely on the accuracy of any and all information so supplied without independently verifying its accuracy.

### **Right of Entry**

When applicable, CLIENT agrees to grant or arrange full legal right of entry at the Project Site, whether or not owned by CLIENT. The cost of repairing any reasonably unavoidable damages is not part of the services or fee contemplated by this Agreement and shall be borne by CLIENT.

### **Hazardous, or Unsafe Conditions**

CLIENT has fully informed PNG of, and shall immediately inform PNG when it becomes aware of any new information regarding, the type, quantity and location of any hazardous, toxic or dangerous materials or unsafe or unhealthy conditions known or suspected at all real property where services are to be performed ("the Project Site").

In the event hazardous conditions are encountered by PNG during the course of performing its services, and condition upon the fact that CLIENT did not advise PNG of the existence thereof in writing as required hereby, then and in that event: a) CLIENT and PNG agree that the scope of services, schedule and estimated fee budget (if any) shall be adjusted as is reasonably necessary, and

b) CLIENT shall indemnify and hold PNG, its officers, directors, agents, servants and employees, harmless from any claim, demand or action brought by any party whomsoever, including employees of PNG, which claim, demand or action is based upon injury or damage caused by said hazardous conditions.

### **Reporting and Disposal**

CLIENT agrees to be responsible for the removal and disposal of any hazardous waste encountered as a result of the site investigation, including drilling fluids and soil, if any, created in the site investigation which may become contaminated as a result of said investigation. CLIENT shall be solely responsible for notifying all appropriate federal, state, local or other governmental agencies of the release or existence of any hazardous, toxic or dangerous materials on or in the Project Site or discovered during performance of the Agreement. If requested by CLIENT, PNG at its option, can agree to notify such agencies on behalf of CLIENT, as CLIENT's agent. CLIENT shall be solely responsible for arranging for and paying the costs to lawfully transport, store, treat, recycle, dispose, or otherwise handle, hazardous or toxic substances or wastes and samples.

### **Confidentiality**

PNG shall hold all information provided to it by CLIENT and the results of the work performed by it confidential and shall not disclose the same to any third party except where required by Governmental regulatory agencies or as otherwise required by law. From time to time PNG uses CLIENT information for reference purposes, and agrees that PNG will not use this information without consent of CLIENT.

### **Disputes**

PNG shall have the right to bring legal action against CLIENT for any sums due or alleged to be due for services rendered. Except for this right, PNG and CLIENT agree that as an express condition of the right of either party to bring legal action against the other, they shall first submit any dispute to mediation through the Arbitration Service of Portland.

In the mediation, each of the parties shall bear its own attorney's fees, costs and other expenses, including the fees and expenses of the mediator appointed by it.

In the event that mediation fails, the prevailing party in any other action to enforce or interpret provisions of this Agreement shall be entitled to recover all reasonable fees, costs and expenses, including staff time at current billing rates, court costs and other claim-related expenses. If PNG is requested to respond to any mandatory orders for the production of documents or witnesses on CLIENT's behalf regarding work performed by PNG, CLIENT agrees to pay all costs and expenses incurred by PNG, not reimbursed by others in responding to such order, including attorney's fees, staff time at current billing rates and reproduction expenses.

### **Jobsite Safety**

PNG shall be responsible for its activity and that of its employees on the Site. This shall not be construed to relieve the CLIENT, its general contractor or any subcontractor of their obligation to maintain a safe jobsite.

PNG will not direct, supervise or lay out the health and safety measures of the CLIENT, contractor, or any subcontractors. PNG's services will not include a review or evaluation of the adequacy of the contractor's safety measures on or near the Site.

### **Ownership of Data and Documents**

All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates and other documents prepared by PNG shall remain the property of PNG.

CLIENT shall have the right to the use of all data, recommendations, proposals, reports, design criteria and similar information provided to it by PNG ("Information" herein); provided, however, that the information shall not be used or relied upon by any party other than CLIENT, save and except as may be required by the design and licensing requirements of the project for which the Information is provided or action of the courts; further, such use shall be limited to the particular site and project for which the Information is provided.

PNG shall retain permanent records relating to the PNG services for a period of ten (10) years following submittal of PNG's report, during which period the records will be made available to CLIENT upon reasonable notice given by CLIENT and upon payment to PNG of an amount sufficient to reimburse PNG for its necessary and reasonable expenses in making said records available.

### **Invoices**

Invoices will be submitted monthly or at the end of a specified task, and shall be due and payable on receipt, and is past due thirty (30) days from invoice date. A service charge at the rate of eighteen percent (18%) per annum, but not exceeding the maximum rate allowable by law, shall be payable on any amounts that are due but unpaid within thirty (30) days from receipt of invoice. Payment will be applied first to accrued service charges and then to the principal unpaid amount. PNG may, at its option, immediately cease work, refuse to perform further work, or withhold delivery of reports or any other data pending receipt of payment for services rendered.

CLIENT's right to the use of Information is expressly conditioned upon CLIENT's prompt payment to PNG of all sums due under the CLIENT/PNG agreement. In the event of CLIENT's nonpayment or partial payment of said amounts, CLIENT agrees that it shall not use any of the information for any purpose whatsoever and shall return the same to PNG upon demand. CLIENT's right to use the information shall be reinstated once sums due are paid in full.

If CLIENT objects to all or any portion of any invoice, it shall so notify PNG of the same within ten (10) days from the date of receipt of said invoice and shall pay that portion of the invoice not in dispute. The parties shall immediately make every effort to settle the dispute and the disputed portion of the invoice.

### **Insurance**

PNG represents that it now carries, and will continue to carry during the term of the agreement to which these General Conditions are a part, General Liability and Workers Compensation, and that, if requested, PNG shall provide to CLIENT certificates as evidence of the aforementioned insurance.

### **Governing Law**

This Agreement shall be subject to the laws of the state from which services of PNG are procured. Any provisions of this Agreement held in violation of any law shall be deemed stricken and all remaining provisions will remain binding on the parties. The obligations of the parties to indemnify and the limitation on liability set forth in this Agreement shall survive the expiration or termination of this agreement.

# ***PNG Environmental, Inc.***

## **SCHEDULE OF FEES-1999**

### **INTRODUCTION**

It is the objective of PNG Environmental, Inc. (PNG) to provide its clients the highest quality professional and technical services and a continuing source of professional advice and opinions. Our services will be provided in accordance with applicable federal, state, and local regulations and generally accepted practices in the Geoscience field.

The Schedule of Fees is subject to adjustment with a 30 day written notice. Charges for our services will be based on the Schedule of Fees in effect at the time the services are provided. When required, contract employees will be billed at standard hourly rates presented below.

### **HOURLY CHARGES FOR PNG PERSONNEL**

#### **PROFESSIONAL STAFF CATEGORIES**

Technician	\$50
Staff and Field Geologist/Engineer/Scientist	\$65-\$75
Project Geologist/Engineer/Scientist	\$75-\$85
Senior Geologist/Engineer/Scientist	\$90-\$120

#### **SUPPORT STAFF CATEGORIES**

Administrative/ Clerical	\$45
Technical Word Processing	\$45
Drafting	\$50
Project Administrative Assistant	\$45

Expert testimony in depositions or trials, including preparation of materials and meetings in support of the testimony, will be charged at 150% of the above rates.

### **EXPENSES**

1. Field equipment will be charged in accordance with PNG's standard rates. A schedule of equipment rates is available upon request.
2. Subcontractor services, equipment, and materials are charged at cost plus 15%.
3. Travel and subsistence expenses (transportation, room and board, etc.) for individuals on projects requiring travel and/or living expenses away from the principal office are charged at cost plus 15%, or alternatively subsistence can be charged at an agreed Per Diem rate.
4. Vehicles expenses are charged at a rate of 40 cents per mile for personal-owned vehicles traveling between PNG offices and the project site.
5. Other out-of-pocket direct project expenses (administrative, mailing, long-distance telephone calls, reproduction, fax, etc.) are charged at a rate of 10% of project total labor cost.
6. Permits and bonds will be charged at cost.
7. Sales taxes will be charged at the applicable rates.

### **INVOICES**

1. Invoices will be submitted to the client on a monthly basis or at the completion of a specified task, and will show charges for each category of personnel and expense classifications, except for lump sum invoices.
2. Payment is due upon presentation of invoice and is past due thirty (30) days from invoice date. In the event that the Client fails to pay any payment to PNG when due, PNG may immediately cease work hereunder until said payment, together with a service charge at the rate of eighteen percent (18%) per annum (but not exceeding the maximum allowed by law) from the due date, has been received. Further, PNG may at its sole option and discretion refuse to perform any further work irrespective of payment from Client in the event Client fails to pay PNG for services rendered when said payments are due.
3. Attorney's fees or other costs incurred in collecting any delinquent invoice shall be paid by the Client.

**PNG Environmental, Inc.**  
**EQUIPMENT RATES 1999**

Revision 1997

Item	Each	Rate		
		Hourly	Daily	Weekly
Field Vehicles				
Trucks & Vans		\$10.00	\$75.00	
Safety Equipment:				
Level "D" - gloves, hard hat, eye protect.			\$35.00	\$140.00
Level "C2"- Level "D" with respirator			\$40.00	\$160.00
Level "C1"- Level "C2"+Chemical spill protection			\$80.00	\$320.00
Level "B"- Level C1 + SCBA			\$150.00	\$600.00
Standby - SCBA			\$50.00	\$200.00
Monitoring and Sampling Equipment:				
Bailers: Disposable (each)	\$10.00			
Bailers: Stainless Steel			\$10.00	\$40.00
Draeger Detection System			\$15.00	\$60.00
Field Video Camera			\$25.00	\$100.00
Field Computer (Pentium)			\$35.00	\$120.00
Generator-Electric			\$50.00	\$200.00
Interface Probe			\$50.00	\$200.00
LEL (Explosion) Meter			\$75.00	\$150.00
Magnahelic Gauge Set/Anemometer			\$50.00	\$200.00
Underground Locator			\$50.00	\$150.00
pH/Conductivity Meter			\$35.00	\$140.00
FID			\$100.00	\$400.00
PID			\$100.00	\$400.00
Portable Power Auger System			\$100.00	\$400.00
Pump- Peristaltic w/ Battery			\$30.00	\$120.00
Pump- 2inch Rediflo w/ Generator			\$50.00	\$200.00
Soil Vapor Probe/Hammer (without disposable tips)			\$100.00	\$450.00
Survey Package (level			\$25.00	\$100.00
Water Level Indicator			\$25.00	\$100.00
YSI Water Quality Meter			\$50.00	\$200.00

Note: Cost list does not include possible shipping charges which will be site specific  
Monthly rates are available upon request