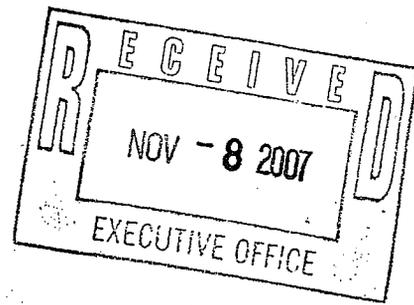


Michael J



Lorrie L. Greene
144 Avenida Miraflores
Tiburon, CA 94920
(415) 435-0987



November 6, 2007

VIA FEDERAL EXPRESS

California State Water Resources Board
1001 I Street
Sacramento, CA 95814

Re: 1426 S. Lincoln Street, Stockton, San Joaquin County, California

Ladies and Gentlemen:

Enclosed please find an original and one copy of my Petition to the State Water Resources Control Board. Please file stamp and return the enclosed copy of the first page to me in the self-addressed, stamped envelope provided. I would greatly appreciate it if you could contact me directly should there be procedural deficiencies in this submission or if you need anything further from me. Thank you for your assistance and please do not hesitate to contact me with any questions.

Sincerely,

Lorrie L. Greene ^{LHG}

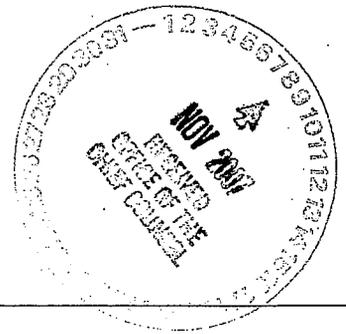
Lorrie L. Greene

LLG/khs
Enclosures
cc (w/enc.):

- Mr. Timothy Kong
- Mr. Travis Bryant, Interstate Brands Corporation
- Mark E. Johnson, Esq.
- Mr. Jason Hunt, Temple Deliverance Church of God in Christ
- California Regional Water Quality Control Board, Central Valley Region

1 LORRIE L. GREENE
144 AVENIDA MIRAFLORES
2 TIBURON, CA 94920

3 *In Propria Persona*



4
5 STATE OF CALIFORNIA
6 STATE WATER RESOURCES CONTROL BOARD

7
8 In The Matter Of
9 CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

10 Cleanup Abatement Order No. R5-2007-0725

11
12 For:
13 INTERSTATE BRANDS CORPORATION
14 TEMPLE OF DELIVERANCE CHURCH OF GOD IN CHRIST
15 JASON HUNT
16 TIMOTHY KONG
17 LORRIE GREENE
18 DOLLY MADISON/LANGENDORF BAKERY
1426 S. LINCOLN ST., STOCKTON
SAN JOAQUIN COUNTY

19
20 **PETITION TO THE STATE WATER RESOURCES CONTROL BOARD**

21 Lorrie Greene, on behalf of herself, hereby appeals the October 8, 2007 Order
22 (“Order”) of the California Regional Water Quality Control Board (“CRWQCB”), Central Valley
23 Region, and petitions the California Water Resources Control Board (“Board”) for a review, stay and
24 revised Order on the following basis:

- 25 1. I live at 144 Avenida Miraflores, Tiburon, California. My telephone number is
26 (415) 435-0987. My Email address is lorriegreene@hotmail.com.
27 2. The property is located at 1426 S. Lincoln Street, Stockton, California,
28 San Joaquin County (“Property”).

1 3. A copy of the Order is attached to this Petition as Exhibit 1; the Order
2 incorrectly determines that (a) I am a Discharger subject to Discharger Liability as set forth on page 8
3 of the Order and (b) Orders me and others named in the Order to take the Required Actions set forth
4 on pages 9-14 of the Order.

5 4. The CRWQCB issued the Order on October 8, 2007.

6 5. The Order was inappropriate and improper as to me for the reasons set forth in
7 Exhibit 2 (my April 23, 2007 letter to Mr. Brian Newman setting out the correct facts) and Exhibit 3
8 (the letter from my then counsel, James Arnold, Esq., setting out the legal authorities supporting my
9 position). I respectfully request the Board review Exhibits 2 and 3 which set out the details of why
10 the Order is inappropriate and improper as me, summarized as follows:

11 a. In 1989, I inherited the then contaminated Property from my mother
12 without being required to perform any due diligence;

13 b. The contaminator, Interstate Brands Corporation (now Interstate
14 Bakeries Corporation) ("IBC"), which caused the contamination before I inherited the Property, was,
15 as far as I was led to believe, dealing with any contamination;

16 c. In fact, and as noted in the Order (see paragraphs 11-12), in the 1990's
17 IBC had engaged the services of EMCON to do the work necessary to evaluate the site and determine
18 the extent of cleanup work that should be done. The supervising governmental entity then dealing
19 with this issue, the Public Health Services Division of San Joaquin County ("Division"), was fully
20 aware of this;

21 d. To the best of my knowledge (beginning in 1996), the work necessary to
22 deal with the contamination was being handled by IBC and EMCON under the auspices and review of
23 the Division;

24 e. On August 28, 2001, I was notified by an authorized representative of
25 the Division (which later became the Environmental Health Department of San Joaquin County),
26 Margaret Lagorio, who still works for the Division, that I was officially removed as a responsible
27 party for the property (see tab A to Exhibit 2). I was of course much relieved and fully relied upon
28 this official notification;

1 f. Between August 28, 2001 and November 15, 2005, the four year period
2 I was officially removed as a responsible party, I took no further action concerning the Property. On
3 November 15, 2005, without any explanation I received a letter from the Division informing me that
4 I was once again a responsible party for the Property (see tab B to Exhibit 2). I was shocked and
5 dismayed. When I asked why this had occurred, no reasoned explanation was provided and I was told
6 a mistake had been made. However, several events occurred during this four year period over which
7 I had no knowledge, involvement or control, that is:

- 8 (i) Continued contacts and discussions between IBC, EMCON and
9 the Division;
- 10 (ii) Proposed clean-up plans were prepared as far as I know;
- 11 (iii) IBC filed a Chapter 11 proceeding in Kansas City, Missouri;
- 12 (iv) Neither the Division, the Board nor the State of California filed a
13 proof of claim in the Chapter 11 proceeding despite being notified of that proceeding by IBC (see
14 Exhibit 4); and
- 15 (v) Time continued to elapse with nothing being done on the
16 Property so that, from what I subsequently learned, the scope of the contamination (the plume) may
17 have increased as a result of contamination from adjacent sites;

18 g. After receiving the November 15, 2005 letter, I tried to determine my
19 position, what the Division and/or CRWQCB had done, and ultimately was required to hire counsel,
20 James Arnold, Esq., to represent me in the matters involving CRWQBC, and also Edward J.
21 Tredinnick (from my husband's law firm) to file my own claim in the IBC Chapter 11 proceeding, as
22 well as to file on behalf of the Division, CRWQCB and the State a claim in the IBC Chapter 11
23 proceeding (see Exhibit 5) when I learned no such claim had been filed by any of them despite my
24 request that such a claim be filed after I learned in 2006 that no claim had been filed;

25 h. I advised CRWQCB and the State of IBC's denial of the Chapter 11
26 proof of claim I filed on their behalf (see Exhibit 6);

27 i. I initiated an application to OSCA to receive funds to pay the expenses
28 mandated by the Order which application is presently pending but only applies to the present owner of

1 the property, Timothy Kong, who at my urging and request also filed an OSCA application; and

2 j. Communicated both orally and in writing all the above facts to
3 CRWQCB and the Division.

4 6. I have incurred and continue to incur substantial attorneys' fees, approaching
5 \$50,000, as well as suffered, and continue to suffer, extreme mental anguish over this situation and
6 my claimed exposure to the substantial cleanup costs involved, even though I have done everything
7 I can to enable the Property to be cleaned up.

8 7. Exhibits 2 and 3 set forth the points and authorities in support of my legal
9 position.

10 8. Petitioner requests that:

11 a. I be removed as a responsible party or Discharger under the Order based
12 upon the facts set forth above, Exhibits 2 and 3;

13 b. The Board be estopped from taking any action against me;

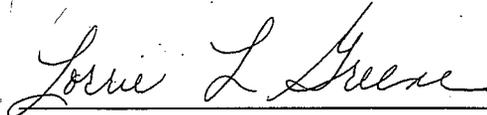
14 c. I be reimbursed my attorneys fees; and

15 d. The Order be stayed as to me for the reasons set forth in this Petition
16 and the Declaration attached as Exhibit 7.

17 9. A copy of this Petition has been sent to CRWQCB, the State Attorney General,
18 IBC, Jason Hunt and Timothy Kong.

19 10. I respectfully request a hearing before the Board if the Board preliminary
20 decides to take any action inconsistent with my request set forth in paragraph 8 above.

21 Executed on November 5, 2007, at Tiburon, California.

22
23 

24 Lorrie L. Greene
25
26
27
28

EXHIBIT 1



California Regional Water Quality Control Board
Central Valley Region

Karl E. Longley, ScD, P.E., Chair



Arnold
Schwarzenegger
Governor

Linda S. Adams
Secretary for
Environmental
Protection

Sacramento Main Office
11020 Sun Center Drive #200, Rancho Cordova, California 95670-6114
Phone (916) 464-3291 • FAX (916) 464-4645
<http://www.waterboards.ca.gov/centralvalley>

8 October 2007

CERTIFIED MAIL

7006 0810 0002 9651 2425
Mr. Timothy Kong
1320 S. Van Buren St.
Stockton, CA 95206

CERTIFIED MAIL

7006 0810 0002 9651 2432
Mr. Travis Bryant
Interstate Brands Corporation
12 E. Armour Blvd.
Kansas City, MO 64111

CERTIFIED MAIL

7006 0810 0002 9651 2449
Ms. Lori Greene
144 Avenida Mira Flores
Tiburon, CA 94920

CERTIFIED MAIL

7006 0810 0002 9651 2456
Mr. Jason Hunt
Temple Deliverance Church of God in Christ
3654 Iron Canyon Circle
Stockton, CA 95207

**CLEANUP AND ABATEMENT ORDER NO. R5-2006-0725, 1426 S. LINCOLN STREET,
STOCKTON, SAN JOAQUIN COUNTY, CALIFORNIA**

Enclosed is Cleanup and Abatement Order (Order) No. R5-2007-0725 for the property located at 1426 S. Lincoln Street. On 12 April 2007 we sent a draft copy of the Order for your review. Comments were received from you and your consultant Stratus Environmental. Substantial comments were incorporated into the final Order as applicable. The Order sets a time schedule for the investigation, remediation and other associated environmental work at the subject site.

If you have any questions, please contact James Barton of my staff at (916) 464-4615.

BRIAN NEWMAN, P.E.
Underground Storage Tank Program Manager

Enclosures: Cleanup and Abatement Order No. R5-2007-0725
Appendix A – Reports, Tri-Regional Board Staff Recommendations for Preliminary Investigations and Evaluation of Underground Tank Sites

cc w/out enc: Frances McChesney, Counsel, SWRCB, Sacramento
cc w/ enc: Mark Owens, State Water Resources Control Board, UST Fund, Sacramento
Ms. Margaret Lagorio, San Joaquin County Environmental Health Department, Stockton
The Honorable Jerry W. Veters, United States Bankruptcy Court, Western District of Missouri, Western Division at Kansas City, Charles Evans Wittaker Courthouse, 400 E. 9th St., Kansas City, MO 64106 (Case #04-45816)

California Environmental Protection Agency



CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION

CLEANUP AND ABATEMENT ORDER NO. R5-2007-0725
FOR

INTERSTATE BRANDS CORPORATION
TEMPLE OF DELIVERANCE CHURCH OF GOD IN CHRIST
JASON HUNT
TIMOTHY KONG
LORRIE GREENE

DOLLY MADISON / LANGENDORF BAKERY
1426 S. LINCOLN ST., STOCKTON
SAN JOAQUIN COUNTY

This Order is issued to Interstate Brands Corporation, Timothy Kong, Temple of Deliverance Church of God in Christ, Jason Hunt, and Lorrie Greene, hereafter referred to as Dischargers, based on provisions of California Water Code section 13304, which authorizes the California Regional Water Quality Control Board, Central Valley Region (hereafter Regional Board) to issue a Cleanup and Abatement Order (Order), and Water Code section 13267, which authorizes the Regional Board to require preparation and submittal of technical and monitoring reports.

The Executive Officer finds, with respect to the Dischargers' acts or failure to act, the following:

PROPERTY OWNERSHIP AND OPERATIONS

1. The Regional Board has the authority under the California Water Code section 13304 to order persons who are responsible for discharges of waste to cleanup the waste and/or abate the effects of the waste. The Regional Board may revise such orders or issue new orders as appropriate.
2. The property at 1426 S. Lincoln St., Stockton, operated as a bakery from at least 1981 through 1991 and the operators stored petroleum hydrocarbons in an underground tank at the property and used the leaded gasoline for their commercial enterprise. Based on a copy of the 1988 Tank Removal Plan and a San Joaquin County Permit to Remove an Underground Storage Tank dated 3 April 1987 for 1426 S. Lincoln St., Stockton, Interstate Brands Corporation (IBC) owned and operated the underground storage tank (UST) system until the July 1988 UST removal. These documents also included evidence of the discharge of petroleum hydrocarbons from the UST that has impacted soil and groundwater in the vicinity of the UST and has not been cleaned up or abated. IBC is subject to this Order because it owned and operated the UST at the time of the discharge of petroleum hydrocarbons and caused or permitted waste to be discharged to waters of the state where it has created a condition of pollution or nuisance, as further described herein.

3. Based on San Joaquin County Grant Deed dated 11 August 1982, the estate of Edith L. Freeman deeded the property to Frances Friedman Levin. Based on San Joaquin County Individual Grant Deed dated 27 May 1988, Frances Friedman Levin deeded the property to the Frances Friedman Levin Trust (Trust). On 27 July 1988, IBC removed the UST system. Based on San Joaquin County Environmental Health Department (SJCEHD) records, the Trust was dispersed in 1989. The Trust is not subject to this Order because although the Trust owned the property at 1426 S. Lincoln St., Stockton, leased the property to IBC at the time of the release, and had knowledge of the discharge and ability to control access to the property during the period of ownership, the Trust is no longer in existence.
4. Based on San Joaquin County Grant Deed dated 12 April 1989, Richard L. Greene, Successor Trustee of the Frances Friedman Levin Trust, dispersed the Trust and granted Lorrie Greene the property. The Regional Board file also contains a property lease from Lorrie Greene to tenant IBC, which was in effect through June 1991. Lorrie Greene is subject to this Order because she previously owned the property at 1426 S. Lincoln St., Stockton, and leased the property to IBC, had knowledge of IBC's efforts to investigate the discharge, and had the ability to control access to the property during the period of ownership.
5. Based on the San Joaquin County Grant Deed dated 22 March 1999, Lorrie Greene transferred title to the Temple of Deliverance Church of God in Christ (TODCOGIC). On 17 May 2007, former pastor Jason Hunt responded in writing that the TODCOGIC disbanded in 2002 and sold the property in 2004, although the deed says TODCOGIC sold the property in 2003. TODCOGIC is subject to this Order because TODCOGIC previously owned the property at 1426 S. Lincoln St., Stockton, had knowledge of IBC's efforts to investigate the discharge, and had the ability to control access to the property during the period of ownership.
6. Based on a review of business records on file with the California Secretary of State, TODCOGIC was never incorporated as a California Religious Nonprofit Corporation, as required by Cal. Corporations Code § 9130. In a phone conversation on 7 Aug 2007, the Northern California First Jurisdiction Church of God in Christ professed no knowledge of the TODCOGIC congregation. No certificate of dissolution was ever filed on TODCOGIC's behalf with the California Secretary of State, as required by Cal. Corporations Code § 6611. In the absence of all nonprofit corporate records, Jason Hunt will be held personally liable for the actions of TODCOGIC. Jason Hunt is thereby subject to this Order because of his imputed ownership of the property at 1426 S. Lincoln St., Stockton, his imputed knowledge of IBC's efforts to investigate the discharge, and his imputed ability to control access to the property during the period of ownership. The Executive Officer may elect to relieve Jason Hunt of all liability upon a showing that TODCOGIC properly assumed possession of the property as a duly registered California Religious Nonprofit Corporation.

7. Based on the San Joaquin County Grant Deed dated 28 May 2003, Timothy Kong purchased the property from the TODCOGIC, and is subject to this Order because he currently owns the property, and has knowledge of IBC's efforts to investigate the discharge and the ability to control access to the property at 1426 S. Lincoln St., Stockton. The former Dolly Madison / Langendorf Bakery (Site) at 1426 S. Lincoln St., Stockton, in San Joaquin County is currently a storage facility owned by Timothy Kong (Attachment 1).
8. Based on the Industrial Lease dated 1 July 1991 between Lorrie Greene, Landlord and the Rainbo Baking Company of the Sacramento Valley (Rainbo//Earthgrains Inc), Tenant; the Rainbo/Earthgrains Inc operated a bakery at 1426 S. Lincoln St., Stockton until 30 June 1996. Rainbo/Earthgrains Inc was named as a responsible party for the investigation and cleanup on 15 August 1996 by SJCEHD and subsequently removed as a responsible party by SJCEHD after stating they only operated a thrift store at the Site (SJCEHD records). Rainbo/Earthgrains Inc is not subject to this Order because it did not own or operate the UST system that caused or permitted waste to be discharged to waters of the state where it has created a condition of pollution or nuisance, nor did they, as tenants to Lorrie Greene, have the ability to control the discharge. Should information be submitted substantiating Rainbo/Earthgrains Inc responsibility for the subject release, the Regional Board may consider adding Rainbo/Earthgrains to this Order.

BACKGROUND

9. On 27 July 1988, one 1,000-gallon leaded gasoline UST was removed from the Site by IBC (Attachment 2). Confirmation soil sampling revealed the presence of Total Petroleum Hydrocarbons as gasoline (TPHg) detected at concentrations of 95 milligrams per kilogram (mg/kg), Xylenes at 3 mg/kg, and Lead at 138 mg/kg in one soil sample taken from the UST excavation.
10. On 6 November 1996 the SJCEHD sent a letter to IBC, with a copy to Lorrie Greene, informing IBC that it was a responsible party. Also named as a responsible party in the 6 November 1996 letter was Lorrie Greene. The SJCEHD letter directed IBC to *submit a workplan by 16 December 1996 to "...initiate this investigation..."* and recommended *"...installation of a soil boring through the former tank pit..."* The SJCEHD letter also stated. *"Should this boring indicate vertical spreading to groundwater...additional soil borings and/or groundwater monitoring wells may be required."*
11. IBC hired EMCON as its consultant and submitted a Work Plan on 27 January 1997, proposing the installation of three on-site borings (monitoring wells MW-1 and MW-2, and soil vapor extraction well VW-1). The work was completed in February 1997. The following waste constituents were detected in soil at the specified maximum soil concentrations: TPHg, 1,080 mg/kg; benzene, 9.5 mg/kg; toluene, 35 mg/kg;

ethylbenzene, 16.8 mg/kg; xylenes, 76.3 mg/kg; and Methyl tert-Butyl Ether (MtBE), 2.9 mg/kg. Maximum groundwater concentrations from MW-1 were: TPHg, 18,000 micrograms per Liter (ug/L); benzene, 4,400 ug/L; toluene, 280 ug/L; ethylbenzene, 890 ug/L; and xylenes, 1,200 ug/L.

12. Although EMCON recommended Soil Vapor Extraction (SVE) as the remedial option in its 5 August 1997 *Subsurface Soil and Groundwater Investigation Report*, there is no record that SVE was implemented at the Site. Two Cone Penetrometer Borings were installed in May 2000 to further investigate the extent of the release. IBC continued submitting quarterly groundwater monitoring reports for the three wells through various consultants through the second quarter of 2004, when all monitoring ceased. Court records show that IBC filed for bankruptcy on 23 September 2004 and is awaiting a final determination for the bankruptcy.
13. On 4 August 2005, SJCEHD issued a letter to Timothy Kong that required resumption of quarterly monitoring by 30 August 2005 and submittal of a workplan to define vertical and lateral extent of waste constituents by 30 September 2005. On 8 August 2005, the SJCEHD issued the same directive to IBC. SJCEHD records show that Timothy Kong met with the SJCEHD on 11 August 2005, however the workplan was not submitted. On 5 October 2005, the SJCEHD sent letters to Timothy Kong and IBC, which required the submittal of a workplan within 14 days. On 31 October 2005, the SJCEHD sent letters to Timothy Kong and IBC requested a meeting on 28 November 2005, to discuss the lack of compliance with the SJCEHD directives. On 15 November 2005, the SJCEHD issued Notice of Responsibility (NOR) letters to Lorrie Greene and the TODCOGIC. The SJCEHD records show that Timothy Kong met with the SJCEHD on 28 November 2005 and agreed to submit a workplan. On 27 March 2006, Timothy Kong sent a letter to the SJCEHD, stating that the workplan was delayed due to financial and legal setbacks. The workplan was not submitted.
14. Efforts by the SJCEHD to ensure the Dischargers compliance were unsuccessful and on 31 August 2006, the SJCEHD referred the Site to the Regional Board for enforcement action.
15. On 26 September 2006, Regional Board staff issued a letter to IBC, Timothy Kong, Lorrie Greene and the TODCOGIC, acknowledging the change of lead agency, and requested a workplan for an additional investigation to delineate the vertical and lateral extent of the petroleum hydrocarbon release to soil and groundwater by 31 October 2006 and a report of the investigation by 3 January 2006 (correct date: 2007). At the time of this Order, the workplan has not been received.
16. Timothy Kong conducted one groundwater monitoring event on 22 November 2005. Maximum concentrations were: TPHg, 1,400 ug/L; benzene, 280 ug/L; toluene, 3.4 ug/L; ethylbenzene, 73 ug/L; xylenes, 190 ug/L; MtBE, 2.8 ug/L and 1,2-DCA, 9.3 ug/L.

17. To date, the State Water Resource Control Board's Underground Storage Tank Cleanup Fund has not received a claim for the Site. However, Lorrie Greene and Timothy Kong have applied to the Orphan Sites Cleanup Account. Timothy Kong has agreed to conduct the work. Both parties responded to the draft Cleanup and Abatement Order issued 12 April 2007, and met with Regional Board staff on 30 May 2007.

AUTHORITY – LEGAL REQUIREMENTS

18. Section 13304(a) of the California Water Code provides that:

"Any person who has discharged or discharges waste into waters of the state in violation of any waste discharge requirements or other order or prohibition issued by a regional board or the state board, or who has caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including but not limited to, overseeing cleanup and abatement efforts. A cleanup and abatement order issued by the state board or a regional board may require the provision of, or payment for, uninterrupted replacement water service, which may include wellhead treatment, to each affected public water supplier or private well owner. Upon failure of any person to comply with the cleanup or abatement order, the Attorney General, at the request of the regional board, shall petition the superior court for that county for the issuance of an injunction requiring the person to comply with the order. In the suit, the court shall have jurisdiction to grant a prohibitory or mandatory injunction, either preliminary or permanent, as the facts may warrant."

19. Section 13304(f) of the California Water Code provides that:

"Replacement water provided pursuant to subdivision (a) shall meet all applicable federal, state and local drinking water standards and shall have comparable quality to that pumped by the public water system or private well owner prior to the discharge of waste"

20. Section 13267(b)(1) of the California Water Code provides that:

"In conducting an investigation specified in subdivision (a), the regional board may require that any person who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge waste within its region, or any citizen or domiciliary, or political agency or entity of this state who has discharged, discharges, or is suspected of having discharged or discharging, or who proposes to discharge, waste outside of its region that could affect the quality of waters within its region shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board

requires. The burden, including costs, of these reports shall bear a reasonable relationship to the need for the report and the benefits to be obtained from the reports. In requiring those reports, the regional board shall provide the person with a written explanation with regard to the need for the reports, and shall identify the evidence that supports requiring that person to provide the reports."

21. Section 13304(c)(1) of the California Water Code provides that:

"If waste is cleaned up or the effects of the waste are abated, or, in the case of threatened pollution or nuisance, other necessary remedial action is taken by any government agency, the person or persons who discharged the waste, discharges the waste, or threatened to cause or permit the discharge of the waste within the meaning of subdivision (a), are liable to that government agency to the extent of the reasonable costs actually incurred in cleaning up the waste, abating the effects of the waste, supervising cleanup or abatement activities, or taking other remedial actions. . . ."

22. The State Water Resources Control Board (hereafter State Board) has adopted Resolution No. 92-49, the *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304*. This Policy sets forth the policies and procedures to be used during an investigation or cleanup of a polluted site and requires that cleanup levels be consistent with State Board Resolution 68-16, the *Statement of Policy With Respect to Maintaining High Quality of Waters in California*. Resolution 92-49 and the Basin Plan establish the cleanup levels to be achieved. Resolution 92-49 requires the waste to be cleaned up to background, or if that is not reasonable, to an alternative level that is the most stringent level that is economically and technologically feasible in accordance with Title 23, California Code of Regulations (CCR) Section 2550.4. Any alternative cleanup level to background must (1) be consistent with the maximum benefit to the people of the state; (2) not unreasonably affect present and anticipated beneficial use of such water; and (3) not result in water quality less than that prescribed in the Basin Plan and applicable Water Quality Control Plans and Policies of the State Board.

23. Chapter IV of the Basin Plan contains the *Policy for Investigation and Cleanup of Contaminated Sites*, which describes the Regional Board's policy for managing contaminated sites. This Policy is based on Water Code Sections 13000 and 13304, the Title 27 California Code of Regulations (CCR), Division 2, Subdivision 1, and Title 23 CCR, Division 7, Chapter 15 regulations, and State Water Board Resolutions Nos. 68-16 and 92-49. The Policy includes site investigation, source removal or containment, information required to be submitted for consideration in establishing cleanup levels, and the bases for establishment of soil and groundwater cleanup levels.

24. The State Board adopted the *Water Quality Enforcement Policy*, which states in part: "At a minimum, cleanup levels must be sufficiently stringent to fully support beneficial uses, unless the RWQCB allows a containment zone. In the interim, and if restoration of

background water quality cannot be achieved, the CAO should require the discharger(s) to abate the effects of the discharge. Abatement activities may include the provision of alternate water supplies." (Enforcement Policy, p. 19.)

25. The Regional Board's *Water Quality Control Plan for the Sacramento River and San Joaquin River Basins, 4th Edition* (hereafter Basin Plan) designates beneficial uses of the waters of the State, establishes water quality objectives (WQOs) to protect these uses, and establishes implementation policies to implement WQOs. The beneficial uses of the groundwater beneath the site are domestic, municipal, industrial, and agricultural supply.
26. The wastes detected at the site are not naturally occurring, and some are known human carcinogens (Benzene, TBA, Lead and 1,2-DCA) or suspected carcinogens (MtBE). Pollution of groundwater with these wastes impairs or threatens to impair the beneficial uses of the groundwater.
27. WQOs listed in the Basin Plan include numeric WQOs, e.g., state drinking water maximum contaminant levels (MCLs), and narrative WQOs, including the narrative toxicity objective and the narrative tastes and odors objective for surface and groundwater. Chapter IV of the Basin Plan contains the *Policy for Application of Water Quality Objectives*, which provides that "[w]here compliance with narrative objectives is required (i.e., where the objectives are applicable to protect specified beneficial uses), the Regional Board will, on a case-by-case basis, adopt numerical limitations in orders which will implement the narrative objectives." The numerical limits for the waste constituents of concern listed in the following table implement the Basin Plan WQOs.

Constituent	Limits	WQO	Reference
Total Petroleum Hydrocarbons as Gasoline	5 ug/l	Tastes and Odor	McKee & Wolf, <i>Water Quality Criteria</i> , SWRCB, p. 230
Benzene	0.15 ug/l	Toxicity	California Public Health Goal (OEHHA)
Toluene	42 ug/l	Taste and Odor	Federal Register, Vol. 54, No. 97
Ethylbenzene	29 ug/l	Taste and Odor	Federal Register, Vol. 54, No. 97
Xylenes	17 ug/l	Taste and Odor	Federal Register, Vol. 54, No. 97
MTBE	5 ug/l	Taste and Odor	Federal Register, Vol. 54, No. 97
1,2-DCA	0.4 ug/l	PHG	California Public Health Goal (OEHHA)

28. The constituents listed in Finding Nos. 9, 11, and 16 are wastes as defined in California Water Code Section 13050(d). The groundwater exceeds the WQOs for the constituents listed in Finding No. 27. The exceeding of applicable WQOs in the Basin Plan constitutes pollution as defined in California Water Code Section 13050(l)(1).

DISCHARGER LIABILITY

29. As described in Findings 2, 3, 4, 5, 6 and 7, the Dischargers are subject to an order pursuant to Water Code section 13304 because the Dischargers have either caused or permitted or had control over property where a waste was allowed to be discharged or deposited where it has discharged to waters of the state and has created, and continues to threaten to create, a condition of pollution or nuisance. The condition of pollution is a priority violation and issuance or adoption of a cleanup or abatement order pursuant to Water Code Section 13304 is appropriate and consistent with policies of the Regional Board.
30. This Order requires investigation and cleanup of the site in compliance with the Water Code, the applicable Basin Plan, Resolution 92-49, and other applicable plans, policies, and regulations.
31. As described in Finding 20, the Dischargers are subject to an order pursuant to Water Code section 13267 to submit technical reports because existing data and information about the site indicate that waste has been discharged, is discharging, or is suspected of discharging, at the property, which is or was owned and/or operated by the Dischargers named in this Order. The technical reports required by this Order are necessary to assure compliance with Section 13304 of the California Water Code, including to adequately investigate and cleanup the site to protect the beneficial uses of waters of the state, to protect against nuisance, and to protect human health and the environment.
32. If the Dischargers fail to comply with this Order, the Executive Officer may request the Attorney General to petition the superior court for the issuance of an injunction.
33. If the Dischargers violate this Order, the Dischargers may be liable civilly in a monetary amount provided by the Water Code.
34. The issuance of this Order is an enforcement action taken by a regulatory agency and is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), pursuant to Title 14 CCR Section 15321(a)(2). The implementation of this Order is also an action to assure the restoration of the environment and is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), in accordance with Title 14 CCR, Sections 15308 and 15330.
35. Any person affected by this action of the Regional Board may petition the State Water Board to review the action in accordance with Title 23 CCR Sections 2050-2068. The regulations may be provided upon request and are available at www.swrcb.ca.gov. The State Board must receive the petition within 30 days of the date of this Order.

REQUIRED ACTIONS

IT IS HEREBY ORDERED that, pursuant to California Water Code Section 13000, Section 13304 and Section 13267, Interstate Brands Corporation, Timothy Kong, Lorrie Greene, Temple of Deliverance Church of God in Christ, and Jason Hunt, shall:

1. Investigate the discharges of waste, clean up the waste, and abate the effects of the waste, forthwith, resulting from activities from the former UST system at 1426 S. Lincoln St., in Stockton, in conformance with State Board Resolution No. 92-49 *Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304* and with the Regional Board's *Water Quality Control Plan for the Sacramento River and San Joaquin River Basins* (in particular the Policies and Plans listed within the Control Action Considerations portion of Chapter IV). "Forthwith" means as soon as is reasonably possible. Compliance with this requirement shall include, but not be limited to, completing the tasks listed below.
2. All work and reports shall follow the Appendix A - Reports, Tri-Regional Recommendations for Preliminary Investigation and Evaluation of Underground Storage Tank Sites (Appendix A - Reports) which is attached and made a part of this Order, and under permits required by State, County, and/or Local agencies.

PUBLIC PARTICIPATION

3. By **16 November 2007**, submit a *Public Participation Plan*. The *Public Participation Plan* shall solicit the public's concerns and disseminate information to the public regarding the investigation and proposed cleanup activities at the sites. The *Public Participation Plan* shall be updated as necessary to reflect any significant changes in the degree of public interest as the site investigation and cleanup process moves toward completion.

SITE HISTORY

4. By **16 November 2007**, submit a report to the best of the Discharger's abilities documenting the site's history since the tanks were installed including a chronology of the site's ownership and operator history, any evidence detailing the time and origin of the discharges of waste, and the fee title owner. Information in this report may be used to identify additional responsible parties who may be added to this or future orders, or revise this Order.

RISK ASSESSMENT

5. By **16 November 2007**, submit a risk assessment to demonstrate whether the discharges of waste pose unacceptable risks to human health or the environment. The site-specific risk assessment must use the Office of Environmental Health Hazard Assessment (OEHHA) toxicity data (California cancer slopes). If the risk assessment suggests that the discharges of waste pose a threat to human health, the report shall include a workplan to abate the risk or exposure. The proposed abatement work shall begin within 60 days of approval by Regional Board staff, or by **1 February 2008**, whichever is sooner.

SITE ASSESSMENT

6. By **16 November 2007** submit a *Site Investigation Workplan (Workplan)* to collect a sufficient number of soil, soil vapor and groundwater samples to determine the lateral and vertical extent of waste constituents and the complete site characterization. The work plan shall contain the information in Appendix A, which is made part of this Order.
7. Within **30 days** of staff concurrence with the *Workplan*, but no later than **1 January 2008**, implement the work plan in accordance with the approved time schedule, which shall become part of this Order.
8. Submit results of the site investigation in a *Preliminary Investigation and Evaluation Report (PIER)* in accordance with the approved time schedule, but no later than **1 March 2008**. The *PIER* shall include recommendations and, if needed, a second Workplan for additional investigation. If additional investigation is necessary, the Workplan shall include a time schedule for completing the work and submitting the results.
9. Within **30 days** of staff concurrence with the Workplan for additional site assessment, and in accordance with the approved time schedule, implement the Workplan.
10. Upon defining the extent of wastes, but no later than **1 May 2008**, submit a *Problem Assessment Report (PAR)* which includes information from the implementation of the Workplan and sufficient detail on the nature and extent of the discharges of waste to provide a basis for future decisions regarding subsequent cleanup and abatement actions.

FEASIBILITY STUDY

11. By **1 July 2008**, submit a Feasibility Study that provides a summary of remedial alternatives evaluated to address applicable cleanup levels for the affected or threatened human health and/or waters of the State. The Feasibility Study shall propose at least two remedial technologies that have a substantial likelihood to achieve cleanup of all impacted soils and groundwater and shall include a schedule for achieving cleanup. The remedial technologies must be evaluated with respect to their ability to be implemented, cost, and effectiveness. The Feasibility Study shall include the rationale for selecting the preferred remedial alternative. The Discharger shall attempt to clean up each waste constituent to background concentrations, or to the lowest level that is technically and economically achievable and which complies with all applicable WQOs of the Basin Plan as set forth in Finding 27.

REMEDIATION

12. Within **90 days** of Regional Board staff concurrence with the proposed remedial action described in the Feasibility Study but no later than **1 November 2008**, submit a Final Remedial Plan (FRP). The FRP must include a detailed description of the remedial actions to address cleanup of the entire groundwater plume and source area soils. The FRP shall also include a schedule to implement all remedial actions.
13. Within 60 days of Regional Board staff's approval of the FRP but no later than **1 February 2009**, begin implementation of the approved remedial actions.
14. Submit for remediation system(s), **monthly** status reports for the first three months of operation of any new systems. At a minimum, the monthly status reports shall include:
- site maps indicating the capture zone and waste plumes,
 - average extraction rates of all treatment systems,
 - influent and effluent concentrations of TPHg, benzene, toluene, ethylbenzene, xylenes, MtBE and other fuel oxygenates, 1,2 DCA, EDB, and Organic Lead,
 - mass of hydrocarbons treated during the reporting period and cumulative to date,
 - estimated mass of wastes remaining and predicted time frame for meeting cleanup objectives,
 - running and down time for the remediation system(s),
 - summary of consultant visits to the site, and
 - evaluation of the overall remediation program and recommendations to correct deficiencies or increase efficiency.

15. The Discharger shall insure that any soil vapor or groundwater extraction system(s) "zone of capture" completely envelops and controls the waste plume(s) (lines of zero waste in all targeted zones). If sampling results in any two consecutive months (or quarters) demonstrate that any part of the waste plume(s) is not within the "zone of capture", the Discharger shall include with the second status report a proposal to resolve the condition. The proposed actions shall be completed within 60 days (adjust as appropriate) of staff approval of the proposal.

GROUNDWATER MONITORING

16. Monitor and sample **quarterly** all monitoring wells and threatened offsite water supply wells for TPHg, benzene, toluene, ethyl benzene, total xylenes, and fuel oxygenates including MtBE until otherwise directed in writing by the Executive Officer or her representative(s). Method Detection Limits (MDLs) shall be derived by the laboratory for each analytical procedure, according to State of California laboratory accreditation procedures. The MDLs shall reflect the detection capabilities of the specific analytical procedure and equipment used by the lab, rather than simply being quoted from USEPA analytical method manuals. In relatively interference-free water, laboratory-derived MDLs are expected to closely agree with published USEPA MDLs.
17. Submit **Quarterly Status Reports** by the 1st day of the second month after the calendar quarter in which the samples were collected. The first quarter report is due **1 May**, the second quarter report is due **1 August**, the third quarter report is due **1 November**, and the fourth quarter report is due **1 February**. Quarterly reports are to include the information specified in Appendix A.

GENERAL REQUIREMENTS

18. As required by the California Business and Professions Code Sections 6735, 7835, and 7835.1, have appropriate reports prepared by, or under the supervision of, a registered professional engineer or geologist and signed by the registered professional. All technical reports submitted by the Discharger shall include a cover letter signed by the Discharger, or an authorized representative, certifying under penalty of law that the signer has examined and is familiar with the report and that to their knowledge, the report is true, complete, and accurate. The Discharger shall also state if they agree with any recommendations/proposals and whether they approved implementation of said proposals.
19. Upon startup of any remediation system(s), operate the remediation system(s) continuously, except for periodic and required maintenance or unpreventable equipment

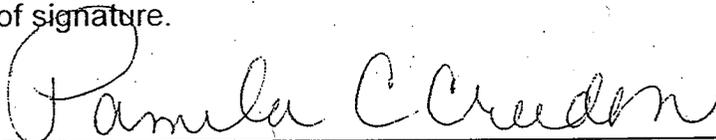
failure. The Discharger shall notify the Regional Board within 24 hours of any unscheduled shutdown of the remediation system(s) that lasts longer than 48 hours. This notification shall include the cause of the shutdown and the corrective action taken (or proposed to be taken) to restart the system. Any interruptions in the operation of the remediation system(s), other than for maintenance, emergencies, or equipment failure, without prior approval from Regional Board staff or without notifying the Regional Board within the specified time is a violation of this Order. Within 7 working days of a shutdown, the Dischargers shall submit a Technical Report containing at a minimum, but not limited to the following information:

- times and dates equipment were not working,
- cause of shutdown,
- if not already restarted, a time schedule for restarting the equipment, and,
- a Cleanup Assurance Plan to ensure that similar shutdowns do not reoccur. Proposed Cleanup Assurance Plans are to be completed within 30 days of the system shutdown.

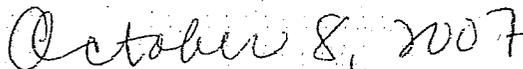
20. Notify Regional Board staff at least three working days prior to any onsite work, testing, or sampling that pertains to environmental remediation and investigation and is not routine monitoring, maintenance, or inspection.
21. Obtain all local and state permits and access agreements necessary to fulfill the requirements of this Order prior to beginning the work.
22. Continue any remediation or monitoring activities until such time as the Executive Officer determines that sufficient cleanup has been accomplished to fully comply with this Order and this Order has been either amended or rescinded in writing.
23. Optimize remedial systems as needed to improve system efficiency, operating time, and/or waste removal rates; and report on the effectiveness of the optimization in the quarterly reports.
24. Maintain a sufficient number of monitoring wells to completely define and encompass the waste plume(s). If groundwater monitoring indicates the waste in groundwater has migrated beyond laterally or vertically defined limits during the quarter, then the quarterly monitoring reports must include a work plan and schedule, with work to begin within thirty days of Regional Board staff approval, to define the new plume limits.
25. Electronic copies of all reports and analytical results are to be submitted over the Internet to the State Water Board Geographic Environmental Information Management System database (GeoTracker) at <http://geotracker.swrcb.ca.gov>. Electronic submittals shall comply with GeoTracker standards and procedures as specified on the State Board's web site and shall be submitted by the due dates for the corresponding copies ordered elsewhere in this Order.

26. If the Discharger is unable to perform any activity or submit any document in compliance with the schedule set forth herein, or in compliance with any work schedule submitted pursuant to this Order and approved by the Executive Officer, the Discharger may request, in writing, an extension of the time specified. The extension request shall include justification for the delay. Any extension request shall be submitted as soon as the situation is recognized and no later than the compliance date. An extension may be granted by revision of this Order or by a letter from the Executive Officer. Extension requests not approved in writing by the Executive Officer with reference to this order are denied.
27. All work and directives referenced in this Order are required regardless of whether or not the UST Cleanup Fund approves the work for reimbursement.
28. If the Discharger fails to comply with the provisions of this Order, the Executive Officer may refer this matter to the Attorney General for judicial enforcement and/or may issue a complaint for administrative civil liability.

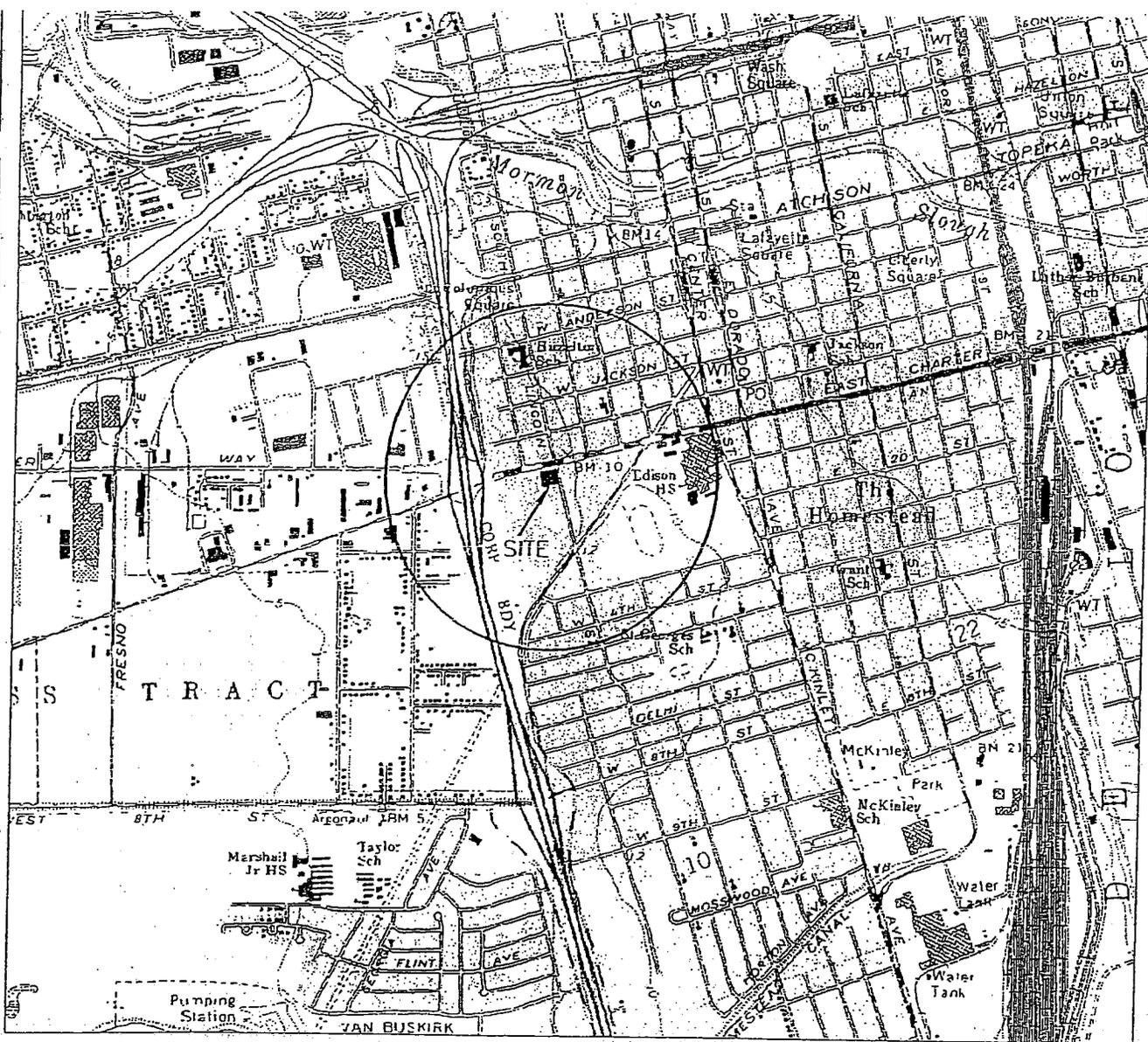
This Order is effective upon the date of signature.



PAMELA C. CREEDON, Executive Officer



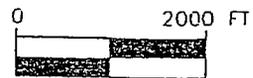
(Date)



GENERAL NOTES:
 BASE MAP FROM U.S.G.S.
 STOCKTON WEST, CA.
 7.5 MINUTE TOPOGRAPHIC
 PHOTOREVISED 1980



QUADRANGLE LOCATION



SCALE 1:24,000

STRATUS
 ENVIRONMENTAL, INC.

INTERSTATE BRANDS CORPORATION
 1426 S. LINCOLN STREET
 STOCKTON, CALIFORNIA

ATTACHMENT

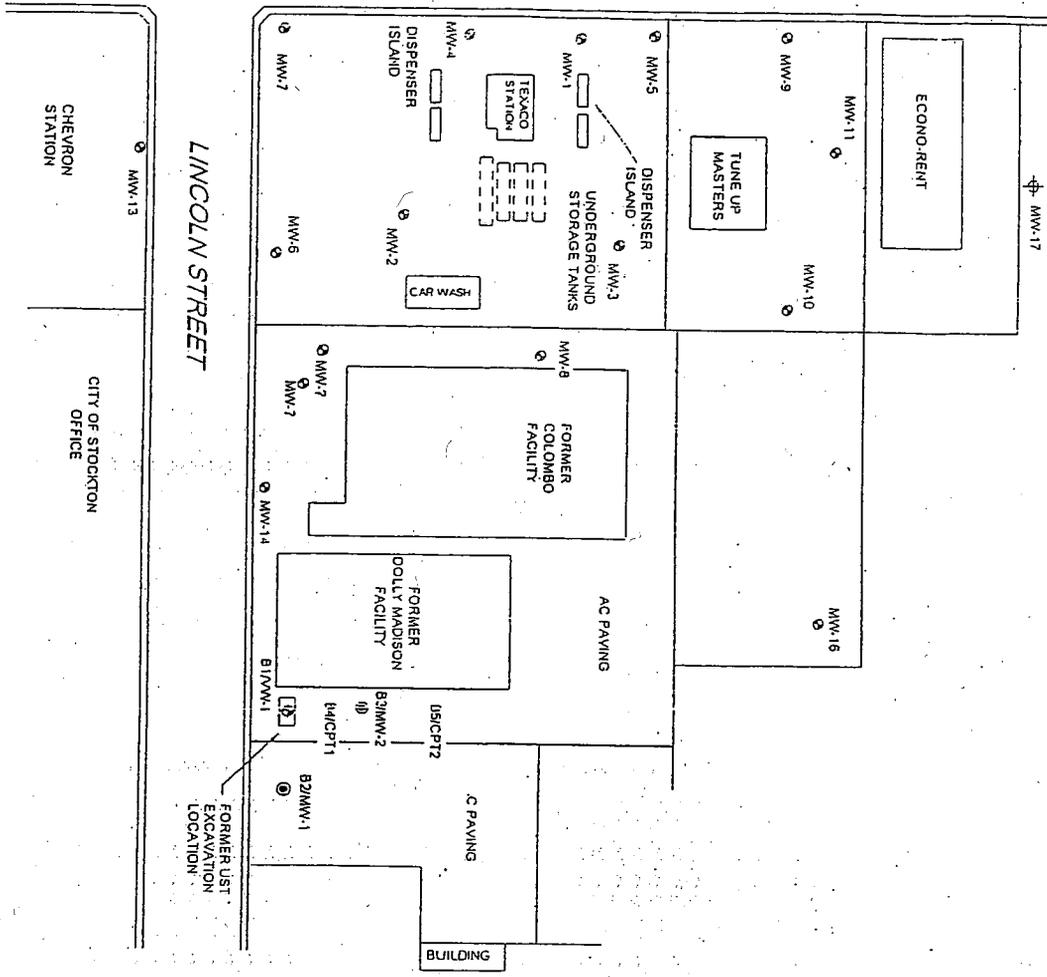
1

Project No.
 2002-1426-01

SITE LOCATION MAP



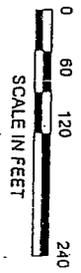
CHARTER WAY



LINCOLN STREET

CHEVRON
STATION

CITY OF STOCKTON
OFFICE



LEGEND
 ☛ VAPOR EXTRACTION WELL
 ⊙ MONITORING WELL
 ⊙ EXACO MONITORING WELL



INTERSTATE BRANDS CORPORATION
FORMER DOLLY MADISON FACILITY
1428 SOUTH LINCOLN STREET
STOCKTON, CALIFORNIA
SITE MAP

PROJECT NO.
2002-1428-01

ATTACHMENT

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL VALLEY REGION



APPENDIX A - REPORTS
TRI - REGIONAL BOARD STAFF
RECOMMENDATIONS
FOR PRELIMINARY INVESTIGATION AND
EVALUATION OF UNDERGROUND TANK SITES

16 April 2004

Prepared by Staff of the
Central Valley Regional Water Quality Control Board

Mrs. Lottie L. Greene
144 Avenida Miraflores
Tiburon, CA 94920

April 23, 2007

Mr. Brian Newman, P.E.
Underground Storage Tank Manager
California Regional Water Quality Control Board
Central Valley Region
11020 Sun County Center Drive #200
Rancho Cordova, CA 95670-6144

Re: 1426 S. Lincoln Street, Stockton ("Property")

Dear Mr. Newman:

This letter responds to yours of April 12, 2007 and provides the history of my involvement with the Property.

I am a former owner of the Property which I inherited from my mother in 1989 AFTER Interstate Brands caused the contamination referenced in your letter. As you are aware, Interstate was the tenant when my mother inherited the Property from her mother. Interstate always had full control over the Property. Neither my grandmother nor my mother had any direct control over Interstate which was the triple net lessee of the Property having the full obligation not to do any damage to the Property. Despite this obligation, in 1988 when Interstate removed an underground storage tank it had placed on the Property, there apparently was some contamination which was not disclosed to my mother (my grandmother had previously died). Neither of them was ever aware of any contamination on the Property.

When my mother died in 1989 and I inherited the Property, the contamination had already occurred. I was unaware of it since no one told me about it. I received my inheritance through my mother's trust (which ceased to exist when it distributed all its assets in 1989) without being required to perform any due diligence concerning the status of the Property. Interstate continued as my tenant under the same lease until they assigned the lease to Rainbo Baking with EarthGrains my ultimate triple net lessee. When I first learned of the contamination issue, in 1996 I believe, I was told that Interstate was handling the problem it had caused and that I had no direct responsibility for resolving it. Thereafter, I was contacted on some occasions by representatives of the Board's predecessor or affiliate, the Public Health Services Division of San Joaquin County ("Division"), regarding the contamination. I consistently maintained I should not be a responsible party, something I was told would be considered and evaluated by the Division. Thereafter, in 1999 I sold and gave the Property to the Temple Deliverance Church of God in Christ ("Church") and thought that if there were any further issues regarding this matter,

Mr. Brian Newman, P.E.
April 23, 2007
Page 2

the Church would take on any landowner responsibility looking to Interstate, the entity which caused the problem, to rectify it.

The Division contacted me after I sold the Property. I reiterated my position and situation and was told the Division would review and evaluate my position which apparently it did because on August 28, 2001, the Division officially notified me I was removed as a responsible party for the Property "since you no longer own the property and did not own or operate the UST". This is the same as the notification received by Rainbo/EarthGrains, referenced in paragraph 6 of the draft Order enclosed with your letter. Attached as Exhibit A is a copy of my notification which very surprisingly is not referenced in the draft Order enclosed with your letter. I rightfully relied upon this notification (as was intended by the Division which knew all the facts about the contamination and my ownership of the Property) and was no longer concerned about any contamination concerning the Property. Since I had always maintained I should not be a responsible party, I was unaware of any contrary facts. Thus, I was greatly surprised and dismayed to receive the November 15, 2005 letter from the Environmental Health Department ("Department") of San Joaquin County (presumably the new name of the Division) renaming me as a "responsible party". I thought this was a mistake since it was signed by the same person, Margaret Lagorio, who signed Exhibit A, the 2001 letter. A copy of this letter is attached as Exhibit B.

Also attached is Exhibit C, a statement correcting some typos in the draft Order; please note the correct spelling of my first name (misspelled in your April 12, 2007 cover letter).

When I called Ms. Lagorio after receiving the 2005 letter, she told me she was advised the 2001 letter should not have been sent, BUT I had already relied on that letter and did nothing further concerning the contamination issue from August 28, 2001 until November 2005, a very important period of time. As you point out in your draft Order, Interstate continued to do some work on the contamination matter throughout this period. Then, in 2004, Interstate filed an insolvency proceeding for a reorganization under Chapter 11 of the Bankruptcy Code, with no one from the Division, Department or the Board following up with Interstate or even filing a claim in the Interstate insolvency proceeding (which I now have done on my behalf as well as on behalf of the Division, Department, Board and the State) to be certain it honored its commitment to the Division/Department for cleanup, supervision of the monitoring wells, etc. To this date, despite requests from me, nether the Division, Department, Board nor the State has filed its own claim under their respective public interest/police powers to assert Interstate's full liability regardless of the Chapter 11 proceeding. This of course is something only the Division, Department, Board and/or State can do so as to perfect the claim I filed on their behalf and to assert their powers to make the claim preferential and not dischargeable regardless of the Chapter 11's outcome.

I, in absolute good faith, relied upon the Division, Department and the Board taking all appropriate action in light of the 2001 letter removing me from any responsibility for the Property. To now learn that did not occur is distressing to say the least and has caused me a

Mr. Brian Newman, P.E.

April 23, 2007

Page 3

great deal of emotional stress as well as expense in hiring an attorney, James Arnold, to respond to the Board's initial inquiries which he did on April 13, 2007 (the time he was given by James Barton), crossing in the mails with your April 12, 2007 letter. As you suggested in your letter, I have spoken with Mr. Barton by telephone and am trying to arrange a meeting with him on May 30, 2007. I did speak with Ms. Lagorio who also said I had to talk with Mr. Barton.

I believe that this letter as well as Mr. Arnold's of April 13, 2007 as to the legal points you raised, fully responds to your April 12 letter, showing why I am not a responsible party and that the Division, Department, Board and State are estopped from taking a contrary position. Furthermore, the attachments correct the omission from paragraphs 1-6 of your draft Order about the official notification given me that I was no longer a responsible party. Any draft Order should reflect this as well as that I detrimentally relied upon the August 28, 2001 letter such that I should not be reinstated as a "responsible party". In fact, I understand there is a recent California Court of Appeal case decided on March 27, 2007 (Feduniak v. California Coastal Commission) which holds that in an environmental matter, a State agency is estopped from making a claim against a person who detrimentally relied upon a State agency action, here the 2001 letter from the Division. I intend to assert my full rights under this case notwithstanding the action I have taken on behalf of the Department, Board and State to file a claim in the Interstate Chapter 11 proceeding, something that inexplicably was not previously done by the Department, Division, Board or the State. Interstate is the culprit here as everyone knows, including Interstate, and should continue with its commitment to clean up the Property; the Board should be focusing its resources on doing that instead of pursuing me after notifying me that I was no longer responsible.

I will, of course, provide any other information requested of me.

Very truly yours

cc: James Barton
Frances McChesney, Esq.
Interstate Brands, Mr. Travis Bryant
Timothy Kong
Temple of Deliverance Church of God in Christ

PUBLIC HEALTH SERVICES

SAN JOAQUIN COUNTY
ENVIRONMENTAL HEALTH DIVISION

Karen Furst, M.D., M.P.H., Health Officer
304 East Weber Avenue, Third Floor • Stockton, CA 95202
209/468-3420



LORRIE GREENE
144 AVENIDA MIRA FLORES
TIBURON CA 94920

AUG 28 2001

RE: DOLLY MADISON
1426 S LINCOLN ST
STOCKTON, CA 95206

SITE CODE: 1156

The attached "Notice of Responsibility" is official notification that you are being removed as a responsible party for the above referenced site. You were originally named as a responsible party for the site because you were the property owner. According to the California Code of Regulations, Title 23, Division 3, Chapter 16, Article 11 Section 2720 and our Local Oversight Program contract any owner of property where an unauthorized release of a hazardous substance from an underground storage tank has occurred is defined as a responsible party. Since you no longer own the property and did not own or operate the UST, the responsible party definition no longer applies to you.

If you have any questions contact me at (209) 468-3453.

Donna Heran, REHS, Director
Environmental Health Division

Sam Savig, EHS
Unit IV/LOP Site Mitigation

Margaret Lagorio, Supervising REHS
Unit IV/LOP Site Mitigation

Enc.

CC: SWRCB, LOP – Lori Casias
CVRWQCB – Marty Hartzell
Travis Bryant- Interstate Brands Corp.

EXHIBIT B

ENVIRONMENTAL HEALTH DEPARTMENT SAN JOAQUIN COUNTY



Donna K. Heran, R.E.H.S.
Director
Al Olsen, R.E.H.S.
Program Manager
Laurie A. Cotulla, R.E.H.S.
Program Manager

304 East Weber Avenue, Third Floor
Stockton, California 95202-2708
Telephone: (209) 468-3420
Fax: (209) 464-0138
Website: www.sjgov.org/ehd/

Unit Supervisors
Carl Borgman, R.E.H.S.
Mike Huggins, R.E.H.S., R.D.I.
Douglas W. Wilson, R.E.H.S.
Margaret Lagorio, R.E.H.S.
Robert McClellon, R.E.H.S.
Jeff Carruesco, R.E.H.S.

LORRIE GREENE
144 AVENIDA MIRA FLORES
TIBURON CA 94920

NOV 15 2005

RE: Former Dolly Madison
1426 South Lincoln Street
Stockton CA

Site Code: 1156

The attached "Notice of Responsibility" is official notice that you are named as a responsible party for the above referenced site. San Joaquin County Counsel and State Water Resources Control Board Counsel has advised San Joaquin County Environmental Health Department (EHD) that all owners of the property since the unauthorized release from the former underground storage tank (UST) system was discovered are responsible parties. Since you obtained the property after the unauthorized release from the former UST system had been recognized, you are a responsible party for the site.

The last work conducted on the site was the quarterly groundwater-monitoring event of 10 May 2004. EHD has issued directives to the current property owner and to the Interstate Brands Corporation, the other responsible parties for this site, to reinstate quarterly groundwater monitoring and to submit a work plan to complete the site investigation. In order to discuss their failure to comply with the required investigation, a meeting has been scheduled for November 28, 2005 at 1:30 PM, at 304 E. Weber Ave, Third Floor, Room 307, Stockton, California. You should attend this meeting since you are a responsible party for this site and would be named in any enforcement action on the site.

Questions or comments may be directed to Nuel Henderson, Engineering Geologist, by mail (address on letterhead) or by telephone at (209) 468-3436.

Donna Heran, REHS, Director
Environmental Health Division

Handwritten signature of Nuel C. Henderson, Jr.

Nuel C. Henderson, Jr., PG.
Unit IV - Site Mitigation

Handwritten signature of Margaret Lagorio.
Margaret Lagorio, REHS
Supervisor, Unit IV

cc: James L.L. Barton, PG - CVRWQCB
David Irej, Esq., - District Attorney's Office, San Joaquin County
Mr. Timothy Kong

STATE WATER RESOURCES CONTROL BOARD
DIVISION OF CLEAN WATER PROGRAMS
UST LOCAL OVERSIGHT PROGRAM
STANDARD AGREEMENT NO. 9-020-550-0

NOTICE OF RESPONSIBILITY

AGENCY NAME: SAN JOAQUIN COUNTY – ENVIRONMENTAL HEALTH DEPARTMENT

SITE CODE: 1156
SITE NAME: DOLLY MADISON
ADDRESS: 1426 LINCOLN
CITY: STOCKTON STATE: CA
RESPONSIBLE PARTY: TEMPLE DELIVERANCE CHURCH GOD COR
RESPONSIBLE PARTY CONTACT:
ADDRESS: 2534 DRY CREEK ROAD
CITY: STOCKTON STATE: CA ZIP: 95206

DATE FIRST REPORTED: 07/27/88
SUBSTANCE: 8006619
FEDERAL (Y) STATE (N)
ZIP: 95206

Pursuant to Sections 25297.1 and 25297.15 of the Health and Safety Code, you are hereby notified that the above site has been placed in the Local Oversight Program and the individual(s) or entity(ies) shown above, or on the attached list, has(have) been identified as the party(ies) responsible for investigation and cleanup of the above site. Section 25297.15 further requires the primary or active Responsible Party to notify all current record owners of fee title before the local agency considers cleanup or site closure proposals or issues a closure letter. For purposes of implementing section 25297.15, this agency has identified **TEMPLE DELIVERANCE CHURCH GOD COR** as the primary or active Responsible Party. It is the responsibility of the primary or active Responsible Party to submit a letter to this agency within 20 calendar days of receipt of this notice which identifies all current record owners of fee title. It is also the responsibility of the primary or active Responsible Party to certify to the local agency that the required notifications have been made at the time a cleanup or site closure proposal is made or before the local agency makes a determination that no further action is required. If property ownership changes in the future, you must notify this local agency within 20 calendar days from when you are informed of the change.

Any action or inaction by this local agency associated with corrective action, including responsible party identification, is subject to petition to the State Water Resources Control Board. Petitions must be filed within 30 days from the date of the action/inaction. To obtain petition procedures, please FAX your request to the State Water Board at (916) 341-5808 or telephone (916) 341-5851.

Pursuant to Section 25299.37(c)(7) of the Health and Safety Code, a responsible party may request the designation of an administering agency when required to conduct corrective action. Please contact this office for further information about the site designation process.

Contract Project Director:

Margaret Lagorio (209) 468-3449 Date 11/15/05
Signature Telephone Number

Add: X Reason: RESPONSIBLE PARTY
Delete: _____ Reason: _____
Change: _____ Reason: _____

EXHIBIT C

Typos in Draft Order

My mother's last name was "Levin" not "Levine".

My grandmother's last name was "Friedman" not "Freedman".

EXHIBIT 3

225 Bush Street, 16th Floor
San Francisco, CA 94104
Telephone: 415-439-8831
Facsimile: 925-284-1387
DD/Mobile: 415-307-1128
Email: JArnold102@aol.com

Contra Costa Office
3620 Happy Valley Road, #101
Lafayette, CA 94549
Telephone: 925-284-8887
Facsimile: 925-284-1387

Please respond to our Contra Costa Office

The Arnold Law Practice

BY EMAIL,
ORIGINAL BY U.S. MAIL

April 13, 2007

James L.L. Barton, P.G.
Engineering Geologist
Central Valley Region
California Regional Water Quality Control Board
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114

Re: 1426 Lincoln St., Stockton, RWQCB File #390279 (GR2.01)

Dear Mr. Barton:

This is my client's formal response to the letter of September 26, 2006 from the Regional Board requiring a workplan and the resumption of groundwater monitoring. We are hereby formally submitting the "Site Conceptual Model" prepared by Interstate Brands Corporation and apparently submitted to San Joaquin County in 2004. (I sent a copy to you on January 30, 2007.) The report supports my client's repeated request to be designated a non-responsible party for this site, and as justification for the Regional Board to close the site.

In summary, the reasons why my client should be designated a non-responsible party and the Regional Board should close this site are:

1. My client inherited the property in 1989, after the long-time tenant,

James L.L. Barton. P.G.

April 13, 2007

Page 2 of 14

Interstate Brands Corporation, removed the UST. The State should look to Interstate Brands Corporation for any response action the State deems necessary.

2. Interstate Brands Corporation never shared with my client any information from its 45 years of tenancy about the installation of the UST, its use, or its response activities. My client was entitled to rely on the fact that Interstate Brands Corporation, which had created the contamination, investigated and responded to any resulting nuisance until five years after my client sold the property.
3. My client took due care during all times during her ownership with regard to any contamination of which she knew might have been on the property during her ownership.
4. My client is not a responsible party under the Porter-Cologne Act, because any contamination was only passively migrating and she never created or assisted in creating any nuisance on the property nor did she ever cause or permit (or threaten to cause or permit) waste to be discharged where such waste threatened to create pollution or a nuisance.
5. Whatever the law may have been some years ago, it is clear that the federal court in California, and the California courts, would regard my client as a "passive intervening owner" who was never directly involved with any "discharge" and whose actions were never a "substantial factor in causing" a discharge.
6. The County and the Regional Board failed to file claims in the bankruptcy case of Interstate Brands Corporation and so aggravated whatever neglect or lapse in information that is causing the Regional Board to seek to impose a cleanup order.

1. My client inherited the property in 1989, after the long-time tenant, Interstate Brands Corporation, removed the UST. The State should look to Interstate Brands for any response action the State deems necessary.

As you know, my client has not owned this property since 1999. And, as you told me, the current owner, Mr. Timothy Kong, has not responded in writing to your

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December 26, 2006 letter. Nor has Interstate Brands Corporation. Nor has the other interim owner, Temple of Deliverance Church in Christ. Only my client has spent the money and the time to provide the Regional Board with what it needs to close this site and relieve my client from any responsibility for it.

The Site Conceptual Model was prepared by Interstate Brands. It is what the Board should review to support closure of this site. The Model apparently was the result of Interstate's investigation and remedial activities from 1997 to 2004. It is accompanied by a letter addressed to Mr. Nuel Henderson at the San Joaquin County Environmental Health Division, submitting the report to the County. I understand that the County cannot find this letter, but there is a legal presumption that if it was mailed, it was received. "A letter correctly addressed and properly mailed is presumed to have been received in the ordinary course of mail." Evid. Code §641.

As you know, Interstate Brands Corporation:

1. Caused the contamination by operating a leaky underground fuel tank
2. Discovered the contamination when it removed the tank before my client inherited the property.
3. Conducted seven (7) years of investigation and remedial activities, and
4. Has the most complete knowledge of the contamination, and
5. Submitted a request for closing the site almost three years ago (with the Site Conceptual Plan)

In your letter of September 26, 2006 to Interstate, Kong, the Temple of Deliverance Church, and my client you advised that the County had required Interstate Brands and Kong to (i) submit by September 19, 2005 a workplan to delineate the vertical and lateral extent of 1, 2-DCA suspected of being in the groundwater, and (ii) to resume groundwater monitoring. You then went on to state that you agreed with the County's directives and that *each* of these four parties were to comply with them.

But the County's directives had never been to my client. In fact, the County removed her as a responsible party in 2001 because she no longer owned the property and had not been an owner when the release occurred. My client has no idea what the County had required of Interstate Brands and Mr. Kong. She never received any reports or other information from them.

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The County had directed Interstate to conduct response actions beginning in 1996 – eight (8) years after Interstate removed the tank and found the contamination in soils. It was only Interstate that had conducted investigation and remedial activities from 1996 until late in 2004 – five (5) years after my client had sold the property.

My client was never provided with copies by Interstate or the County of any work plans, proposals, reports, letters, directives, notes, or other documentation as to:

- (a) The perceived problems with groundwater contamination at the property, and
- (b) the efforts being made by Interstate over many years to address the contamination.

In addition to the fact that my client had no way of complying with directives she never received, the County removed my client as a responsible party for the site in 2001. Likewise, the County removed a tenant, Earth Grains Company, as a responsible party in 1996 because it had only begun leasing the property in 1991, and Interstate had removed the UST in 1988. The County never added Earth Grains back in as a “responsible party.” It did add back in my client in 2005 solely because of a “new opinion” from legal counsel for the State and the County that my client is a “responsible party” due to the fact of her ownership.

To the extent that the Regional Board believes that it is not equitably barred from requiring my client to undertake an investigation of a property that she sold eight (8) years ago, the Regional Board should review the Site Conceptual Plan as my client’s contribution to the new requirement of the Board that my client submit a workplan for investigation of the property. And as for resuming groundwater monitoring, the Regional Board surely does not believe it can require my client to enter on property which is currently owned by a complete stranger to my client – a purchaser in 2003 from the entity to whom my client sold the property in 1999.

Instead, the Regional Board should remove my client from the list of so-called “responsible parties.” The reasons why the Regional Board should do so are compelling.

First, my client did not buy the property, she inherited it from her mother in 1989 – after the contamination had occurred, and after it had been found by Interstate

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(and reported by Interstate Brands). By the time that my client inherited the property, the property had been leased to commercial tenants in a "triple net" lease for 45 years.

We have no idea whether Interstate Brands in 1988 reported the soil contamination to my client's mother (from whom my client inherited the property). We do know that Interstate Brands never reported the contamination to my client.

My client was justified in relying on the "triple net" tenant, Interstate Brands Corporation, as long as my client owned the property. She fulfilled any duty or responsibility she personally had to the State of California and/or San Joaquin County by the fact that Interstate Brands was legally obligated to – and did – investigate and respond to the contamination for many years.

2. Interstate Brands Corporation never shared with my client any information from its 45 years of tenancy about the installation of the UST, its use, or the response activities of Interstate. My client was entitled to rely on the fact that Interstate Brands Corporation, which had created the contamination, was investigating and responding to any resulting nuisance until five years after my client sold the property.

When my client inherited the property Interstate Brands Corporation was the tenant under a 1954 lease. A copy of the lease is enclosed as Exhibit 1.

The 1954 lease was to Langendorf United Bakeries, Inc. The lease included all buildings and improvements, and all rights, privileges, easements, and appurtenances belonging to the property. Langendorf agreed, in addition to paying the rent, to pay all taxes, insurance, and maintenance. In other words, it agreed to be responsible for all costs normally associated with ownership of the property. This is a typical "triple net" lease used throughout California from before 1954. (These are called "triple net" leases because the tenant is responsible for net taxes, net insurance, and net maintenance.)

As explained in a leading treatise on real estate:

"¶7 35. Net lease'—allocated to tenant: The term 'net' or 'triple net' means the tenant is responsible for most (or all) of the costs normally associated with ownership of the property. In economic terms, under a net lease, the landlord 'foregoes the speculative advantages of ownership in return for the agreed net rental'; the tenant, in exchange, 'gambles on the continued value of the location and the improvement[s] ... and assumes all risks in connection therewith.' [*Brown v. Green* (1994) 8 C4th 812, 826–828, 35 CR2d 598, 607–608 (internal quotes omitted); ... Under a 'triple net lease,' all operating costs are the tenant's obligation."

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Rutter: California Practice Guide: Real Property Transactions (Greenwald & Asimow), Ch. 7. Groundleaseholds. ¶A. Nature and Characteristics of Ground Lease.

The 1954 lease from the then owners to Langendorf United Bakeries is clearly a "triple net" lease. Langendorf United Bakeries agreed to:

- a. Pay all taxes – see "¶6. REAL ESTATE TAXES AND ASSESSMENTS," pp. 2-4.
- b. Pay for all insurance – see "¶7. FIRE AND OTHER HAZARD INSURANCE," p. 4.
- c. Pay for all repairs and maintain the property – see "¶8. REPAIR AND MAINTENANCE OF PREMISES," pp. 4-5.

And, Langendorf United Bakeries agreed that it would never commit any waste, damage, disfigurement, or injury to the property – see "¶11. COVENANT AGAINST WASTE," p. 6.

It also promised that it would comply with all laws, and "...*Lessee covenants that it ...will not cause or maintain any nuisance in, at, or on the demised premises.*" See ¶17. USE TO COMPLY WITH LAW," p. 9 (emphasis added.)

Finally, Langendorf and the owners agreed that Langendorf could lease the property for twenty-five (25) years, until January 31, 1979. See ¶2. TERM, p. 2.

This meant that any owner of the property had no financial obligations with respect to the property. As explained by the California Supreme Court in Brown v. Green, cited above, the owners decided to give up the speculative advantages of ownership in exchange for a steady net rental. The tenant, Langendorf United Bakeries, in turn, gambled that the location would be valuable for 25 years for its bakery business activities. The tenant assumed all risks of taxes, insurance, and maintenance costing a lot more than anyone might think in 1954.

And, as shown by the terms of the lease, any subsequent owner of the property would give up any speculative advantage of ownership in exchange for a steady net rental. My client relied on the fact that Interstate Brands Corporation had created the contamination and was fixing it – keep in mind that Interstate Brands did not stop its work to "abate the nuisance" until five (5) years after our client sold the property.

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My client, from the time she inherited the property, was entitled to rely on Interstate Brands' promise to not cause or maintain – in other words, to abate – any nuisance at the property. This would necessarily include any contamination from the UST Interstate Brands removed in 1988.

The lease was extended in 1979 by the then owner of the property and the tenant, American Bakeries Company, Inc. for five (5) years, to January 31, 1984. See "Agreement for Extension of Lease," Exhibit 2.

The lease was extended again in 1984 by the then owner and American Bakeries Company, Inc., for another five (5) years, to Jan. 31, 1989. See "Agreement for Extension of Lease," Exhibit 3.

In 1986, Good Stuff Food Company, Inc., assigned the lease to Interstate Brands Corporation. See letter of November 5, 1986 from Good Stuff Food Company, Inc. to Mrs. Frances Levin Goodman (my client's mother), Exhibit 4A, and "Assignment of Lease and Assumption of Liability," Exhibit 4B.

The stated term of the lease expired January 31, 1989. The law in California is that when the tenant, Interstate Brands Corporation continued in possession, it was considered to be a holdover tenant. All promises in the lease, and all rights and duties in the lease – except for the length of the lease – continued as set out in the 1954 lease document with Langendorf United Bakeries. Again, a leading treatise on real estate law explains the law.

"When a tenant holds over after expiration of the lease term and the landlord accepts rent from the tenant, the parties are presumed to have renewed the tenancy on the same terms and for the same time, not exceeding 1 month if the rent is payable monthly or, in any case, not exceeding a period of more than 1 year. Civil Code §1945." (Emphasis added.)

Rutter: California Practice Guide: Real Property Litigation (Smith, Stratton, Trembath, Ch. 29. Actions Involving Modification, Extension, and Renewal of Lease, II. Proceedings Involving Renewal or Extension of Lease, A. Legal Principles. 2. Holding Over, §29.13. Presumption of renewal from acceptance of rent from holdover tenant.

As noted, my client inherited the property in 1989. In 1991 Interstate Brands Corporation advised my client that it was vacating the property and that "Rainbo Baking Company of Sacramento Valley, a Division of Campbell-Taggart" would be taking over the location as of July 1, 1991. See Letter of May 29, 1991, copy

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enclosed as Exhibit 5.

Accordingly, my client leased the property to Rainbo Baking Company of the Sacramento Valley as of July 1, 1991. A copy of that lease is enclosed as Exhibit 6. As indicated in the indemnity which our client signed with Rainbo Baking, the latter was to be indemnified as to any liabilities involving underground storage tanks. The reason for my client's indemnification of Rainbo is that she knew that Interstate was responsible for any liabilities involving underground tanks, as well as any other liabilities under the 1954 lease. It was not until five (5) years later that Interstate Brands began its response actions (in 1996), and my client sold the property in 1999:

3. *My client took due care during all times during her ownership with regard to any contamination of which she knew might have been on the property during her ownership.*

It is abundantly clear that my client at all times took due care with regard to any contamination of which she knew that might have been on or under the property.

Interstate Brands began its response action in 1996 as a result of its 42 plus years of ownership of the lease, with the maintenance, repairs and rebuilding of the property, and payment of all taxes and insurance. (As the assignments and other documentation show, Interstate stepped into the shoes of American Bakeries and the other bakery companies that owned and operated their businesses on the property.) My client always reasonably assumed that Interstate would proceed expeditiously and appropriately to complete the necessary response actions.

4. *My client is not a responsible part under the Porter-Cologne Act because she never caused or permitted, or threatened to cause or permit waste to be discharged where it threatened to create pollution or a nuisance. Nor did she create or assist in creating any nuisance on the property.*

On the specific facts of this matter, my client should not be considered a "responsible party" under any definition in any statute enforced by the State Water Resources Control Board. Of course, we are aware that the State Board has used broad definitions in several older reported decisions. But, today my client is clearly a "passive landowner" who did not "maintain" a "nuisance." She did not ignore any contamination problem, because she knew that Interstate Brands had committed itself to making any necessary repairs and had promised that it would not allow any conditions of nuisance to remain on the property.

As you know, Section 13304(a) of the Water Code defines "responsible party" as "[a]ny person who ... has caused or permitted, causes or permits, or threatens to

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cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance."

My client never "caused or permitted" or threatened to "cause or permit" any contamination from the UST which had been owned by, and which was removed by, Interstate Brands to be discharged or deposited where it created or threatened to create a condition of pollution or nuisance. A failure of Interstate five (5) years after my client sold the property is not legally sufficient to charge my client as a "responsible party" according to the California Water Code, Section 13304(a), *et al.* *My client did not cause or permit or threaten to cause or permit the creation of a condition of pollution or nuisance at no time during her ownership – nor can she be charged with doing so five (5) years after she lost the title to the property.*

The gasoline was already in the groundwater and the 1,000 gallon UST had been removed *before* my client *inherited* the property in 1999. She did nothing to make the situation any worse. She had nothing to do with the activity that caused the leak. The State Board has named prior owners as responsible parties only where they were involved in the activity that created the pollution problem. See

- *In re Petition of Harold & Joyce Logsdon*, SWRCB Order No. WQ 84-6 (Harold Logsdon, while individually the site owner, was the president of the company which polluted the site);
 - *In re Petition of Stinnes-Western Chemical Corp.*, SWRCB 86-16 (Predecessor in interest of petitioner was past owner, who actively engaged in chemical packaging at the site, and there was "credible and reasonable evidence that spills did occur while the prior landowner both owned and occupied the site." *Id.*, at p. 13).
 - *In re Petition of BOC Group, Inc.*, SWRCB WQ 89-13¹ (former manufacturing company left UST in ground which was causing pollution).
5. *Whatever the law may have been some years ago, it is clear that the courts would regard my client as a "non-responsible part" who was never directly involved with any "discharge" and whose actions were never a "substantial factor in causing" a discharge.*

Section 13304(a) of the Porter-Cologne Water Quality Act (Calif. Water

¹ "...the Porter-Cologne Act, not CERCLA and the Health and Safety Code, is the applicable California law. *Id.*, at p. 2.

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Code) prohibits the discharge or threat of discharge of wastes by "responsible parties."

And, of course in 1991 (after the above-referenced decisions) the State Board promulgated Sections 2720 of Title 23 to define "responsible party." And it is true that §2720(3) includes as a "responsible party," "Any owner of property where an unauthorized release of a hazardous substance from an underground storage tank has occurred..."

And, it is true that in 2002 the State Board issued its decision in *In re Mohammadian*, Order WQO2002-0021, in which an oil company owned, but did not operate, a gas station property for two years. The property had suffered a leak from USTs before the oil company purchased the property – a leak which was found during the oil company's "dormant" ownership but which was never reported. *Id.* at p. 9. The State Board found that the oil company was a "responsible party" – but primarily because of its *unclean hands* in not reporting the discovery of the leak.

No such *unclean hands* exist here. The facts in the present case do not support any finding by the Regional Board that my client is in any way a "responsible party" according to Section 13304(a), Water Code.

She simply never "caused or permitted" a discharge. She was never "directly involved with a discharge," nor were her actions ever a "substantial factor in causing" a discharge. She did not fail to report a leak – and thus cause a spreading of pollution. She did not even know about a leak: Interstate did and it finally did begin response actions.

To the extent that 23 CCR 2720(3) is used as authority to hold my client liable, Section 13304 of the Porter-Cologne Act does not authorize it to be applied on the facts here.

On the facts here, my client should not be found liable due to mere ownership of the property. The California court of appeals, in a decision after *Mohammadian* explained the foundation of the definition of "responsible party" in the Porter-Cologne Act.

As the Court of Appeals explained in *City of Modesto Redevelopment Agency v. Superior Court (Dow Chemical Co.)* (1st DCA, June 28, 2004) 113 Cal.App.4th 28, 37, 38:

"...the Legislature not only did not intend to depart from the law of nuisance, but also explicitly relied on it in the Porter-Cologne Act.

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[3] Having concluded that the statute must be construed "in light of the common law principles bearing upon the same subject" (Leslie Salt, supra, 153 Cal.App.3d at p. 619, 200 Cal.Rptr. 575) --- here the subject of public nuisance-we turn next to identify those principles.

It has long been the law in California that "[n]ot only is the party who maintains the nuisance liable but also the party or parties who create or assist in its creation are responsible for the ensuing damages." (Mangini v. Aerojet-General Corp. (1991) 230 Cal.App.3d 1125, 1137, 281 Cal.Rptr. 827.)

Thus, courts have upheld as against a demurrer a nuisance claim founded upon allegations that defendants disposed of hazardous substances on property during their lease, but at the time of the action did not have a possessory interest in the property (id. at pp. 1132-1133, 1137, 281 Cal.Rptr. 827); and on allegations that defendant soils engineer prepared a plan for slope repair on a neighboring property which, when constructed, caused water, mud, and debris to flow onto the plaintiff's property (Shurpin v. Elmhirst (1983) 148 Cal.App.3d 94, 100-101, 195 Cal.Rptr. 737).

Similarly, a nonsuit on plaintiff's cause of action for nuisance was reversed where the evidence showed defendant contractor dumped fill on a street, interfering with drainage and causing the plaintiff's property to be flooded. (Portman v. Clementina Co. (1957) 147 Cal.App.2d 651, 654, 659-660, 305 P.2d 963.)

And the Supreme Court has held that a defendant who obstructs a private road can be liable for nuisance, irrespective of whether he claims any interest in the land over which the plaintiff claimed a right of way. (Hardin v. Sin Claire (1896) 115 Cal. 460, 462-463, 47 P. 363.)

In sum, liability for nuisance does not hinge on whether the defendant owns, possesses or controls the property, nor on whether he is in a position to abate the nuisance; ***the critical question is whether the defendant created or assisted in the creation of the nuisance.*** (Newhall Land & Farming Co. v. Superior Court (1993) 19 Cal.App.4th 334, 343, 23 Cal.Rptr.2d 377.) (Emphasis supplied.)

My client did not "create or assist in the creation of" the contamination. *Id.*

As the *Modesto* court recognized, the common law and statutory foundation of the notion that any property owner who has title to property at any time after a release is found in the common law of nuisance. The common law of nuisance has been

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codified in California in the Civil Code (in addition to the Porter-Cologne Act). Sections 3479-3508.2 of the Civil Code defines what acts constitute a common law nuisance (§3479) and the liability of successive owners (§3483).

My client is not a "successor property owner" within the meaning of §3483, Civil Code, because she is not a successor property owner who failed to abate a nuisance.

The only basis to support the definition in 23 CCR §2720 as including successor owners – where the Porter-Cologne Act only refers to dischargers, and those who threaten a discharge – is in the doctrine in nuisance law holding successive owners liable for "maintaining" a nuisance.

And, so Section 3483 of the Civil Code states:

"Every successive owner of property who neglects to abate a continuing nuisance upon, or in the use of, such property, created by a former owner, is liable therefore in the same manner as the one who first created it."

During all the time that my client owned the property, whatever "nuisance" existed was being "abated." She did not neglect to abate a continuing nuisance. She did not know of the release until after she inherited the property.

The law of nuisance has never been that someone who sold property while a tenant was abating a nuisance will be made liable 8 years later to file a lawsuit against the current owner to gain access and commence work to "abate" the "nuisance." "The law never requires impossibilities." CC §3531.

In other words, my client cannot be considered a "guarantor" eight (8) years after she sold the property of the then default by a party who was abating a continuing nuisance. The only person that can logically and legally be considered to be "responsible parties" are Interstate Brands, which filed for bankruptcy court protection in 2004, and the current owner, Mr. Kong, who purchased the property in 2003. In fact, it is only Mr. Kong who stands to benefit from any "abatement" and it is he to whom the State and the County should look.

My client should be removed from the list of "responsible parties" for this property. Section 13304 of the Water Code does not allow her to be so designated, nor does Section 3483 of the Civil Code. The State courts would not find her to be a responsible party because she never "caused or permitted" a discharge.

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6. *The County and the Regional Board failed to file claims in the bankruptcy case of Interstate Brands Corporation and so aggravated whatever neglect or lapse in information that is causing the Regional Board to seek to impose a cleanup order.*

As stated in the chronology attached to your letter of September 26, 2006. San Joaquin County learned in November 2005 that Interstate Brands Corporation had filed for bankruptcy and would take no further action as to the property. As far as we can tell, the County never filed any claim in the Interstate Brands bankruptcy matter.

And, the Regional Board received a letter dated September 27, 2006 from Interstate Brands Corporation that put it on notice of the bankruptcy filing. Another attorney for my client researched court files and I sent you a letter on December 20, 2006 with the particulars of the bankruptcy court, etc. I included a claim filing form, and a draft claim on behalf of the State. As your attorneys know, it is important to file a claim in a bankruptcy matter as soon as one learns of the bankruptcy.

But to our knowledge, neither the County nor the Regional Board has ever filed a claim in the Interstate Brands bankruptcy. Instead, my client had to incur the expense of (a) investigating the bankruptcy filing, (b) determining that claims could be filed, both by herself and by the Board, (c) preparing and submitting to the Regional Board a claims form, with supporting documentation, and (d) eventually preparing and filing herself a claim for the State and its agencies.

My client filed a claim in the Interstate Brands bankruptcy in November 2006. The claim on behalf of the State and related agencies was filed on March 29, 2007.

The failure of the County and the Regional Board to file claims in the Interstate Brands bankruptcy is inexplicable. The Board should have pursued Interstate Brands as soon as it learned of the insolvency proceeding.

7. *Conclusion*

To sum up, my client inherited this property. At the time, the property was possessed by a large corporation according to the terms of a 35 year old "triple net" lease which made the tenant responsible for all maintenance, taxes, and insurance. My client took all reasonable and necessary steps under the circumstances during the time of her ownership to ensure that when the conditions on the property became known to her that the tenant conducted response activities.

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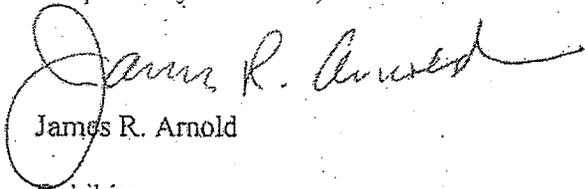
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My client is not a "responsible party" as that term is defined in the Porter-Cologne Water Quality Act. And, the regulation, 23 CCR 2720(3) which designates all owners subsequent to a release as "responsible parties" is not authorized by the Porter-Cologne Act when it is applied to a person who was never directly involved with a "discharge," whose actions were never a "substantial factor in causing" a discharge, and who never "neglected to abate a continuing nuisance."

My client has now responded fully to the request of the Board in the September 26, 2006 letter. The Conceptual Site Plan provides the rationale for closing the site. If the Regional Board determines that it does not wish to close the site now, then it should remove Lorrie Greene as a responsible party in this matter and proceed with whatever actions it deems appropriate against Interstate Brands and the current owner, Mr. Kong.

Respectfully submitted,



James R. Arnold

Exhibits

Exh. 1 - 1954 "Triple Net" Lease, for 25 years, to Langendorf United Bakeries, Inc.

Exh. 2 - 1979 Agreement for Extension of Lease

Exh. 3 - 1984 Agreement for Extension of Lease

Exh. 4A - 1986 Letter

Exh. 4B - 1986 Assignment of Lease and Assumption of Liability

Exh. 5 - 1991 Letter

THIS INDENTURE OF LEASE, made and entered into this 1st day of February, 1954, by and between DAVID J. GALEN and DELPHINE GALEN, his wife, hereinafter referred to as "Lessor", and LANGENDORF UNITED BAKERIES, INC., a Delaware corporation, with its principal place of business in the City and County of San Francisco, State of California, hereinafter referred to as "Lessee",

W I T N E S S E T H:

1. PREMISES. Lessor, in consideration of the rentals herein agreed to be paid by Lessee and the other covenants, conditions, and agreements herein agreed to be kept and performed by Lessee, hereby leases and demises unto Lessee, and Lessee hereby rents, takes and accepts from Lessor, all that certain real property situate, lying and being in the City of Stockton, County of San Joaquin, State of California, described as follows, to wit:

The South 100 feet of the following:

A tract of land situate in the City of Stockton, and being a portion of Section Nine (9) of C. M. Weber Grant, and more particularly described as follows, to wit:

Beginning at the intersection of the East line of Lincoln Street with the Southwest corner of the 40 foot strip conveyed to the City of Stockton for the widening of Charter Way, as described in deed recorded in Book of Official Records, Vol. 895, page 400; thence along the South line of said 40 foot strip, North 78° 04' East 199.3 feet to the West line of Fedi property, as described in Deeds recorded in Book of Official Records, Vol. 423, page 92, and Vol. 421, page 379; thence along the West line of said Fedi property, and along said line produced, South 12° 00' East 360.5 feet; thence South 78° 04' West 199.3 feet to the East line of Lincoln Street; thence along the East line of Lincoln Street, North 12° 00' West 360.5 feet to the point of beginning.

TOGETHER with the buildings and improvements thereon and all the rights, privileges, easements and appurtenances thereunto belonging or in any wise appertaining, but subject to any and all easements, reservations and restrictions, if any, now of record affecting said premises.

HELLER, ERHMAN, WHITE & MCAULIFFE
ATTORNEYS AT LAW
14 MONTGOMERY STREET
SAN FRANCISCO 4

2. TERM. The term of this lease shall be twenty-five (25) years, commencing on the 1st day of February, 1954, and extending to and including the 31st day of January, 1979, unless sooner terminated as hereinafter provided.

3. RENTAL. Lessee covenants and agrees to pay as rental for the demised premises the sum of two hundred seventy-five and 13/100 dollars (\$275.13) per month, payable, in advance, in lawful money of the United States, on the first day of each month during said term, to Lessor at 1755 Jackson Street, San Francisco, California, or at such other place as Lessor from time to time may designate in writing to Lessee.

4. COVENANT TO PAY RENT. Lessee shall pay the rental herein reserved to Lessor at the times and in the manner provided therefor and the payment thereof shall be made without deduction, default, or delay and according to the true intent and meaning of these presents, free from and clear of all liens, claims, and demands against Lessor of any kind, nature or description whatsoever.

5. USE OF THE PREMISES. The premises shall be used by Lessee for the purpose of a garage, warehouse and distribution depot, and for such other business as may be consistent with the general business conducted by Lessee and which is not detrimental to the premises, and for no other purpose without the written consent of Lessor.

6. REAL ESTATE TAXES AND ASSESSMENTS. (a) Lessee covenants and agrees to pay, as additional rent, before any fine, penalty, interest or cost be added thereto for the nonpayment thereof, all real estate taxes, assessments, and other governmental charges, general and special, ordinary and extraordinary, unforeseen, as well as foreseen, of every kind and nature, including assessments for local improvements and betterments (which such taxes, assessments, levies and other charges are hereinafter referred to as "imposition"),

HELLER, EHRMAN, WHITE & MCAULIFFE
ATTORNEYS AT LAW
14 BERTHOUD STREET
SAN FRANCISCO 4

HELLER, EHRMAN, WHITE & MCMAULIFFE
ATTORNEYS AT LAW
14 MONTGOMERY STREET
SAN FRANCISCO 4

which are assessed, levied, confirmed, imposed or shall become payable upon the demised premises during the term hereof, and any renewal of such term; provided, however, that if any such imposition may be paid in installments, Lessee may pay each such installment before any fine, penalty, interest or cost be added to any such installment for the nonpayment thereof, and provided further that any imposition levied, assessed, or becoming a lien during the demised term or any renewal thereof, but payable in whole or in installments after the termination thereof, shall be adjusted and prorated and Lessor shall pay the prorata share thereof for the period subsequent to the demised term and any renewal thereof and Lessee shall pay the prorata share thereof for the term of this lease and any renewal thereof.

(b) Nothing herein contained shall be construed to require Lessee to pay any franchise, estate, inheritance, succession, capital levy, or transfer tax of Lessor growing out of or connected with this lease or Lessor's right in said premises, or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy upon the rental payable by Lessee under this lease, and if Lessee shall be required by law to pay any such tax, assessment, charge or levy above specified, Lessee shall have the right to deduct the amount thereof from subsequent installments of rent or additional rent due from Lessee under the terms of this lease.

(c) Nothing herein contained shall be construed to require Lessee to pay, discharge or remove any imposition so long as Lessee in good faith shall proceed to contest the same or the validity thereof by appropriate legal proceedings, which shall operate to prevent the collection of the imposition so contested and the sale of the demised premises or any part thereof to satisfy the same.

(d) Lessee agrees to furnish Lessor at least ten (10) days prior to the date when any such imposition becomes delinquent,

receipts, in duplicate, evidencing the payment thereof.

7. FIRE AND OTHER HAZARD INSURANCE. Lessee will, at its own cost and expense, keep all buildings erected upon the demised premises insured to the extent of the sound insurable value thereof (which shall exclude excavations, footings and foundations) against loss or damage by fire, earthquake, and such other risks as would be covered by ordinary extended insurance coverage. In event of damage or destruction covered by insurance, Lessor will make available to Lessee the proceeds of such insurance for rebuilding or repair when same are paid by the insurance company, and Lessee will repair or rebuild said damaged or destroyed buildings as hereinafter provided. All policies shall name both Lessor and Lessee as those insured and the proceeds, so far as the same are payable to the insured, shall be paid to Lessor and Lessee as their respective interests may appear, and, if Lessor so requires, to the holder of any mortgage, or deed of trust now or hereafter on the demised premises. All policies of insurance shall be written in companies satisfactory to Lessor and authorized to do business in the State of California. Said policies or a certificate therefor shall be delivered to Lessor endorsed "premium paid" by the company or agency issuing said policies.

8. REPAIR AND MAINTENANCE OF PREMISES. (a) Lessee admits that the demised premises are now in a state of good condition and repair and entirely tenantable, and the elevators, heating apparatus and other appliances, if any, now installed and used in connection with the maintenance and operation of the demised premises are likewise in a state of good condition and repair, and comply with the provisions of every law, ordinance, rule or regulation now in effect of Federal, State, County or Municipal governments, and Lessee hereby accepts the demised premises in their present condition.

(b) Lessee shall, at its own cost and expense, take good care of the demised premises and maintain them in a safe and sanitary

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condition and in good order, and shall make all necessary repairs to the demised premises. Upon the termination of this lease, Lessee shall deliver the demised premises to Lessor in as good condition and repair as reasonable and proper use thereof will permit. All buildings, improvements, fixtures (except trade fixtures) or other property attached to or built upon or in the demised premises by Lessee shall inure to the benefit of and become the property of Lessor upon termination of the lease, but nothing herein contained shall be so construed as to require Lessee to erect any such buildings, make such improvements, or install such fixtures. Trade fixtures shall include all fixtures (except lighting and plumbing fixtures and sprinkler system if any), movable partitions, appliances and apparatus now or hereafter installed by Lessee at Lessee's own expense for the particular use of Lessee in the conduct of its business and particularly pertaining thereto and not of a character such as to be of general utility to the demised premises as such without reference to the particular occupancy thereof by Lessee. Lessee, however, upon removing any such trade fixtures shall restore the demised premises to their original condition.

(c) Lessee hereby waives the right to make repairs at the cost and expense of Lessor, as provided by Sections 1941 and 1942 of the Civil Code of the State of California.

9. CHANGES OR ALTERATIONS. Lessee will not make or suffer to be made any alterations to the demised premises without the written consent of Lessor first had and obtained, and any alterations or additions to said premises, movable furniture and trade fixtures excepted, shall become a part of the premises and shall be the property of Lessor. Any damage to the demised premises caused by the removal of furniture and trade fixtures at the termination of this lease shall be repaired by Lessee at its sole cost and expense.

10. LIENS. Lessee shall not suffer or permit any liens or encumbrances to be filed against the demised premises or against

Lessee's interest in the demised premises by reason of work, labor, services, or material supplied or claimed to have been supplied to Lessee or to any one holding the demised premises under or through Lessee; provided, however, that Lessee may, in good faith, contest any such lien or encumbrance upon furnishing Lessor indemnity in form and amount satisfactory to Lessor. Lessor at all reasonable times shall have the right to post and keep posted on the demised premises such notices of non-responsibility as Lessor may deem to be necessary for the protection of Lessor and said property from mechanics' liens or liens of a similar nature.

11. COVENANT AGAINST WASTE. Lessee covenants not to do or suffer any waste or damage, disfigurement or injury to any building now or hereafter on the demised premises, or the fixtures and equipment thereof or permit or suffer any overloading of the floors thereof.

12. ENTRY BY LESSOR. (a) Lessee agrees to permit Lessor and the authorized representatives of Lessor to enter the demised premises at reasonable times during business hours for the purpose of inspecting the same and making any necessary repairs to the demised premises and to perform work that may be necessary to comply with any laws, ordinances or regulations, or that may be necessary to prevent waste or deterioration. Nothing herein, however, shall imply any duty upon the part of Lessor to do any such work which under the provisions of this lease Lessee may be required to perform.

(b) Lessor is hereby given the right at reasonable times to enter the demised premises to exhibit the same for the purpose of sale or lease during the final sixty (60) days of the term hereof. Lessor shall be entitled to place the usual "For Sale" or "For Rent" signs on the demised premises during such period, and Lessee agrees that such signs may remain unmolested upon the premises during such period.

(c) Lessor shall have the right at any time during the term

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hereof to sell and dispose of the real property described herein, subject to the rights of Lessee hereunder, and, in connection with such sale, shall have the right to assign all the right, title and interest of Lessor hereunder.

13. ASSIGNMENT AND SUBLETTING. Lessee will not assign this lease, or any interest therein, and will not lease or underlet the said premises or any part thereof, or any right or privilege appurtenant thereto, without the written consent of Lessor first had and obtained, and a consent to one assignment or subletting shall not be construed as a consent to any subsequent assignment or subletting. It is hereby mutually covenanted and agreed that, unless such written consent thereto has been so had and obtained, any assignment or transfer, or attempted assignment or transfer, of this lease or of any interest therein, or underletting, either by voluntary or involuntary act of Lessee or by operation of law or otherwise, shall, at the option of Lessor, terminate this lease; and any such purported assignment, transfer, or underletting, without such consent, shall be null and void.

In the event Lessee shall be adjudged a bankrupt, either by voluntary or involuntary proceedings, this lease shall, at the option of Lessor, terminate and Lessor shall have the right immediately to re-enter the premises, and in no event shall this lease be treated as an asset of Lessee after adjudication in bankruptcy, except by the election of Lessor so to treat the same.

14. PUBLIC UTILITIES. Lessee agrees to pay or cause to be paid all charges for gas, electricity, water, light, heat, power, telephone or other communication service used, rendered or supplied upon or in connection with the demised premises throughout the term of this lease, and to indemnify Lessor against any liability or damages on such account.

15. INDEMNIFICATION OF LESSOR. Lessee shall indemnify and

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save Lessor harmless from any and all liability, damage, expense, cause of action, suits, claims or judgments arising from injury to person or property on the demised premises, or upon the adjoining street or sidewalks, which may arise out of the act, failure to act or negligence of Lessee, its agents or employees, and Lessee will at all times during the term of this lease, and at its own expense, keep in effect upon the property demised a policy of insurance against the result of owners', landlords', and tenants' liability in limits of fifty thousand-one hundred thousand dollars, written by a responsible insurance company or companies, said policy or policies to be issued in the names of Lessor and Lessee and to be delivered to Lessor.

16. DAMAGE BY FIRE OR OTHER CASUALTY. It is agreed that if the demised premises shall be totally or substantially destroyed by fire or other casualty, Lessee shall repair, restore or rebuild the premises with all possible diligence. Lessee shall be entitled to use the proceeds of any insurance policy covering such damage or destruction, and if the insurance proceeds exceed the amount of such damage or destruction, any such excess shall be paid to Lessor. During the time said repairs are being made, a reasonable rebate and allowance shall be made to Lessee in the rent herein agreed to be paid, if Lessee is prevented from occupying the herein demised premises or is inconvenienced in the use and occupancy thereof to any reasonable extent, and upon the restoration Lessee agrees to pay the full rent of said premises according to the terms of this lease, and at the time and in the manner herein specified. In the event the damage to or destruction of the demised premises shall occur during the last five years of the term of this lease or extension thereof and the proceeds of the insurance on the demised premises shall not be sufficient to pay the cost of rebuilding or repairing of the demised premises, then Lessee shall have the right and option of terminating this lease, in which event the proceeds of insurance shall be paid to Lessor.

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17. USE TO COMPLY WITH LAW. Lessee, in the use and occupation of the demised premises and in the prosecution or conduct of any business therein, shall comply with all requirements of all laws, orders, ordinances, rules and regulations of the Federal, State, County and Municipal authorities. Lessee covenants that it will not use or permit to be used any part of the demised premises for any dangerous, noxious, or offensive trade or business and will not cause or maintain any nuisance in, at, or on the demised premises.

18. QUIET ENJOYMENT. Lessor covenants and agrees that Lessee, upon paying all rentals and other charges herein provided for and observing and keeping the covenants, agreements and conditions of this lease on Lessee's part to be kept, shall lawfully and quietly hold, occupy and enjoy said demised premises during the term of this lease without hindrance or molestation of Lessor, or any person or persons claiming under Lessor, subject, however, to the matters hereinabove set forth.

19. DEFAULT. Should Lessee violate any of the terms, conditions or covenants of this agreement, Lessee shall have the right to cure any default in rent or money payment within ten (10) days, and the right to cure any other default within thirty (30) days after notice by Lessor to Lessee of such default. In the case of default and the same is not cured, Lessor may take possession of the demised premises or may enter and possess the premises as agent for Lessee and for its account and may re-let the premises for the account and benefit of Lessee at such rental as Lessor may reasonably be able to obtain, and Lessee shall be liable and pay to Lessor any deficiency and costs and expenses incurred in such re-letting. In the event Lessor enters and takes possession of said premises as aforesaid, Lessee waives any damage that may be caused by Lessor in thus re-entering and taking possession, and any claim or damage that may result from the destruction or injury to the premises or building, and any

claim or damage for loss of any property belonging to Lessee which may be in or upon the premises.

20. LESSOR NOT LIABLE. Lessor shall not be liable to Lessee for any damage to person or property occasioned by the bursting or leaking of any water, oil, gas, or steam pipes, or other pipes, plumbing or sewage; the overflowing of any tank or closet or other damage occasioned by water, oil, or sewage, in, upon, or about the leased premises, whether as the result of rain, wind, storms, accident, or otherwise; defective work in the installation of electric wires or electrical apparatus or equipment, or the use thereof; broken or defective stairs, railings, walks, hallways, entrances or exits; and Lessee hereby waives all claims against Lessor for damage to goods, wares, and merchandise in, upon or about the premises, and for injuries to persons, in, upon, or about said premises, from any cause arising at any time.

21. EMINENT DOMAIN. If the leased premises shall be taken by public or quasi-public authority under any power of eminent domain, then this lease shall terminate and Lessor and Lessee shall participate in any award or settlement according to their respective interests in the property. If ten per cent (10%) or less of the premises shall be taken and such taking shall not interfere with the use of the property by Lessee, then this lease shall continue in effect and the parties shall be entitled to share in any condemnation award or settlement in proportion to the relative value of the respective interests of the parties, and the rent for the remainder of the term shall be reduced proportionately according to the amount of floor space so condemned.

22. ATTORNEY'S FEES. If Lessor shall bring an action against Lessee to enforce the payment of any rent or any other sum due to Lessor hereunder, or to enforce any condition hereof, or shall commence any summary action under the unlawful detainer act of the

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State of California, and shall prevail in any such suit, then Lessee shall pay to Lessor such reasonable fee of Lessor's attorney in such action as may be allowed by the court in any such action. Any security or guaranty which may now or hereafter be furnished Lessor for the payment of the rent herein reserved, or for the performance by Lessee of the covenants, terms and conditions hereof, shall not in any way be a bar or defense to an action in unlawful detainer or for the recovery of the demised premises in any action which Lessor may at any time commence for the breach hereof.

23. NOTICES. All notices, demands and requests which may or are required to be given by either party to the other shall be in writing. All notices, demands and requests by Lessor to Lessee shall be sent by United States registered mail, postage prepaid, addressed to Lessee at 1160 McAllister Street, San Francisco 15, California, or at such other place as Lessee may from time to time designate in writing. All notices, demands and requests by Lessee to Lessor shall be sent by United States registered mail, postage prepaid, addressed to Lessor at 1755 Jackson Street, San Francisco, California, or at such other place as Lessor may from time to time designate in writing. Notices, demands and requests which shall be served upon Lessor or Lessee in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder at the time such notice, demand or request shall be deposited in any post office or branch post office regularly maintained by the United States Government in the City and County of San Francisco.

24. MISCELLANEOUS. (a) The failure of either party to insist in any instance on strict performance of any covenant hereof shall not be construed as a waiver of such covenant in any other instance. No modification of any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and signed by the parties.

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(b) All the provisions of this lease shall be deemed and construed to be "covenants" as though the words importing such covenants were used in each separate paragraph hereof.

(c) This lease shall be construed and enforced in accordance with the laws of the State of California.

(d) If Lessee shall hold over the term herein created, such holding over shall be construed to be a tenancy from month to month at a rental of \$ 275.13 per month, and all other payments on the part of Lessee to be made under this lease shall continue to be made during any such holding over.

(e) This lease and the covenants and agreements herein contained shall bind and inure to the benefit of the parties hereto, the heirs, executors, administrators and assigns of Lessor, and the successors and assigns of Lessee.

(f) Time is of the essence of this lease.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

David J. Galen

Delphine T. Galen
LESSOR

LANGENDORF UNITED BAKERIES, INC.

By *J. J. Langendorf*
President

By *Annuel J. Coen*
Secretary
LESSEE

AGREEMENT FOR EXTENSION OF LEASE

THIS AGREEMENT, made and entered into this 18th day of January, 1979, by and between Edith L. Friedman, hereinafter referred to as "Lessor", and American Bakeries Company, a corporation of the State of Delaware, with its principal place of business in the City of Chicago, State of Illinois, hereinafter referred to as "Lessee".

W I T N E S S E T H

It is hereby agreed that lease agreement entered into on the first day of February, 1954 between the Lessor and Lessee covering property located at 1426 S. Lincoln Street, Stockton, CA, which expires January 31, 1979, be extended for a term of five years commencing February 1, 1979, through January 31, 1984.

All terms, covenants, conditions and agreements contained in said lease shall remain in full force and effect, excepting the monthly rental will become \$800.00 per month.

IN WITNESS THEREOF, the Lessor has hereunto set his hand and the Lessee has caused this instrument to be executed in its name by its proper officers, all on the day and year first above written.

ATTEST:

Barbara Holloway

Bookkeeper

Edith L. Friedman (Lessor)

by Stanley M. Friedman
"Atty in Fact" (Lessor)

AMERICAN BAKERIES COMPANY
(Lessee)

Al. Yemita
Assistant to the Treasurer

James P. Wilkins
Secretary

Corporate Seal

AGREEMENT FOR EXTENSION OF LEASE

THIS AGREEMENT, made and entered into this 13th day of June, 1983
by and between FRANCES LEVIN hereinafter
referred to as "Lessor", and American Bakeries Company, a corporation of the State of
Delaware, with its principal place of business in the City of Chicago, State of Illinois,
hereinafter referred to as "Lessee".

WITNESSETH

It is hereby agreed that lease agreement entered into on the 1st day of
FEBRUARY 1954 between the Lessor and Lessee covering property located at
1426 S. LINCOLN STREET, STOCKTON, CALIF. which expires JANUARY 31, 1984
be extended for a term of 5 years commencing FEBRUARY 1, 1984 through
JANUARY 31, 1989.

All terms, covenants, conditions and agreements contained in said lease shall
remain in full force and effect, excepting the monthly rental will become
900⁰⁰ per month.

IN WITNESS THEREOF, the Lessor has hereunto set his hand and the Lessee has caused
this instrument to be executed in its name by its proper officers, all on the day
and year first above written.

ATTEST:

Henry M. Friedman

Frances Levin (Lessor)

(Lessor)

(Lessor)

AMERICAN BAKERIES COMPANY (Lessee)

James P. W. [Signature]
Assistant Secretary

R. P. Regier
Corporate Controller

EXHIBIT 3

GOOD STUFF FOOD COMPANY, INC.
7222 East Gage
Los Angeles, CA 90040-3813

November 5, 1986

Mrs. Frances Levin Goodman
1170 Sacramento Street
San Francisco, California 94108

Re: Assignment of lease

Dear Mrs. Goodman:

On November 8, 1986, Interstate Brands Corporation and Good Stuff Food Company, Inc., will enter into an Exchange Agreement. The effective date of the exchange is November 8, 1986. As part of that transaction, Good Stuff Food Company has assigned its interest in its lease with you on the above described property to Interstate Brands Corporation pursuant to that certain "Assignment of Lease and Assumption of Liability" entered between the parties.

I have enclosed three copies of said Agreement. You will note there is an "Acknowledgement and Consent to Assignment" provision at the bottom of the agreement. Please execute two copies of the Consent where indicated and return them to the undersigned. You should retain the third copy for your files.

Beginning December 1, 1986, all rental monies will be paid to you by Interstate Brands Corporation, and all dealings regarding said rental property should be directed to them.

Unless otherwise advised by them, all correspondence regarding said leased premises should be directed to the following address:

Interstate Brands Corporation
P.O. Box 1627
Kansas City, MO 64141

EXHIBIT 4A

Mrs. Frances Levin Goodman
November 5, 1986
Page two

Good Stuff Food Company, Inc., has enjoyed the relationship it has had as your tenant. We are sure you will have a very satisfactory relationship with Interstate Brands Corporation, as they are a good company with a high quality operation.

Thank you for your cooperation demonstrated during the time we have been your tenant and for your cooperation in this transaction. If you have questions regarding any aspect of this matter, please contact me.

Very truly yours,

GOOD STUFF FOOD COMPANY, INC.


Weston L. Johnson
Chairman

WLJ:ml
Enclosures

ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITY

KNOW ALL MEN BY THESE PRESENTS, that Good Stuff Food Company, Inc., a California corporation ("ASSIGNOR"), hereby conveys, transfers, and assigns to Interstate Brands Corporation, a Delaware corporation ("ASSIGNEE"), all of ASSIGNOR'S right, title, and interest in, to and under a certain lease ("Lease") between ASSIGNOR, as Lessee, and Seventh Street Properties IV, a California General Partnership as Lessor(s), and relating to the property commonly described as a building located at:

1426 S. Lincoln St.
Stockton, California

TO HAVE AND TO HOLD the same unto ASSIGNEE, its successors, and assigns.

ASSIGNEE hereby assumes and agrees to pay, perform, and discharge all of ASSIGNOR's obligations and liabilities under or with respect to the Lease, arising on and after November 8, 1986, and to indemnify ASSIGNOR and hold ASSIGNOR harmless from any further liability with respect to the Lease from and after said date.

IN WITNESS WHEREOF, ASSIGNOR and ASSIGNEE have duly executed this instrument on the dates indicated next to their respective signatures below.

ASSIGNOR

ATTEST:

GOOD STUFF FOOD COMPANY, INC.

By: Stella G. Johnson
Stella G. Johnson, Secretary

By: Weston E. Johnson
Weston E. Johnson, Chairman

Dated: 11-5-86

ASSIGNEE

ATTEST:

INTERSTATE BRANDS CORPORATION

By: Linda L. Thompson
Linda L. Thompson
Assistant Secretary

By: Ray Sandy Sutton
Ray Sandy Sutton
Vice President

Dated: 11-6-86

ACKNOWLEDGEMENT AND CONSENT TO ASSIGNMENT

The undersigned Lessor(s), under the above described Lease, hereby acknowledges Good Stuff Food Company, Inc., as the Lessee thereunder, and consents to and accepts the assignment of Good Stuff Food Company, Inc., to Interstate Brands Corporation, irrespective of any requirement of consent contained in the Lease or otherwise.

LESSOR

Dated: _____

ASSIGNMENT OF LEASE AND ASSUMPTION OF LIABILITY

KNOW ALL MEN BY THESE PRESENTS, that Good Stuff Food Company, Inc., a California corporation ("ASSIGNOR"), hereby conveys, transfers, and assigns to Interstate Brands Corporation, a Delaware corporation ("ASSIGNEE"), all of ASSIGNOR'S right, title, and interest in, to and under a certain lease ("Lease") between ASSIGNOR, as Lessee, and Seventh Street Properties IV, a California General Partnership as Lessor(s), and relating to the property commonly described as a building located at:

1426 S. Lincoln St.
Stockton, California

TO HAVE AND TO HOLD the same unto ASSIGNEE, its successors, and assigns.

ASSIGNEE hereby assumes and agrees to pay, perform, and discharge all of ASSIGNOR'S obligations and liabilities under or with respect to the Lease, arising on and after November 8, 1986, and to indemnify ASSIGNOR and hold ASSIGNOR harmless from any further liability with respect to the Lease from and after said date.

IN WITNESS WHEREOF, ASSIGNOR and ASSIGNEE have duly executed this instrument on the dates indicated next to their respective signatures below.

ASSIGNOR

ATTEST:

GOOD STUFF FOOD COMPANY, INC.

By: Stella G. Johnson
Stella G. Johnson, Secretary

By: Weston L. Johnson
Weston L. Johnson, Chairman

Dated: 11-5-86

ASSIGNEE

ATTEST:

INTERSTATE BRANDS CORPORATION

By: Linda L. Thompson
Linda L. Thompson
Assistant Secretary

By: Ray Sandy Sutton
Ray Sandy Sutton
Vice President

Dated: 11-6-86

ACKNOWLEDGEMENT AND CONSENT TO ASSIGNMENT

The undersigned Lessor(s), under the above described Lease, hereby acknowledges Good Stuff Food Company, Inc., as the Lessee thereunder, and consents to and accepts the assignment of Good Stuff Food Company, Inc., to Interstate Brands Corporation, irrespective of any requirement of consent contained in the Lease or otherwise.

Frances Levin Goodman
LESSOR

Dated: 11-26

EXHIBIT 4B



INTERSTATE BRANDS CORPORATION

12 East Armour Blvd., 64111/P.O. Box 419627, Kansas City, MO 64141-6627
816/561-6600

Legal Department

May 29, 1991

Ms. Lorrie L. Greene
144 Aveneda Mira Flores
Tiburon, California 94920

Re: Leased Premises:
1426 South Lincoln
Stockton, California

Dear Ms. Greene:

We have been advised by Mr. George Biechner of Rainbo Baking Company of Sacramento Valley, a Division of Campbell-Taggart, that Campbell-Taggart will be taking over your location as of July 1, 1991. Therefore, this letter will serve as your notice that Interstate Brands Corporation will vacate the building on or before June 30, 1991.

Please acknowledge receipt of this notice by signing and returning the enclosed copy of this letter to the undersigned. Thank you.

Very truly yours,

INTERSTATE BRANDS CORPORATION

Rita Johnson
Legal Assistant

/r

cc: George Biechner
Campbell-Taggart

Received and acknowledged this _____ day of _____, 1991.

Lessor

EXHIBIT 5

EXHIBIT 4



STINSON
MORRISON
HECKER LLP®

Paul M. Hoffmann
(816) 691-2746
phoffmann@stinson.com
www.stinson.com

1201 Walnut, Suite 2900
Kansas City, MO 64106-2150

Tel (816) 842-8600
Fax (816) 412-1191

May 16, 2007

VIA FACSIMILE AND U.S. MAIL

Brian Newman, P.E.
Underground Storage Tank Program Manager
California Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

Re: Draft Cleanup & Abatement Order No. R5-2006-XXXX
1426 S. Lincoln Street, Stockton, San Joaquin County, CA

Dear Mr. Newman:

This firm represents Interstate Brands Corporation ("IBC") in this matter. As you know from prior communications, including but not limited to a letter from Edwin F. Gladbach at IBC dated November 14, 2005, IBC filed a voluntary Petition for reorganization under Chapter 11 of the Bankruptcy Code on September 22, 2004. Eight affiliates of IBC have also filed voluntary Petitions, and the cases are administratively consolidated under Case No. 04-45814 in the United States Bankruptcy Court for the Western District of Missouri. More information on the bankruptcy cases can be obtained at www.kccllc.net/ibc.

In response to your letter dated April 12, 2007 regarding the above draft Cleanup and Abatement Order, please be advised that IBC believes that the issuance of such Order, and any other or further action related thereto, violates the automatic stay of 11 U.S.C. § 362 (the "Automatic Stay"). Among other things, IBC vacated this property long before filing its bankruptcy case. Accordingly, further pursuit of this matter against IBC would satisfy only a pecuniary interest that is subject to the Automatic Stay. IBC reserves the right to pursue any available remedy before any appropriate court, including the Bankruptcy Court, for any violation of the Automatic Stay, including but not limited to actual damages and attorneys fees and expenses.

As stated in the November 15, 2005 letter noted above, instead of pursuing this matter, we respectfully suggest that your office file a Proof of Claim in accordance with the Bar Date Notice papers previously sent to you and available at the above website. However, we note that the deadline for filing claims against IBC

KANSAS CITY
OVERLAND PARK
WICHITA
WASHINGTON, D.C.
PHOENIX
ST. LOUIS
OMAHA
JEFFERSON CITY

DB02/804672.0005/7566318.2/

Brian Newman, P.E.

May 16, 2007

Page 2

expired on March 23, 2005, and reserve all rights to object to any such claim at this time.

Thank you for your prompt attention to this matter. Do not hesitate to contact me with any questions or comments.

Sincerely,

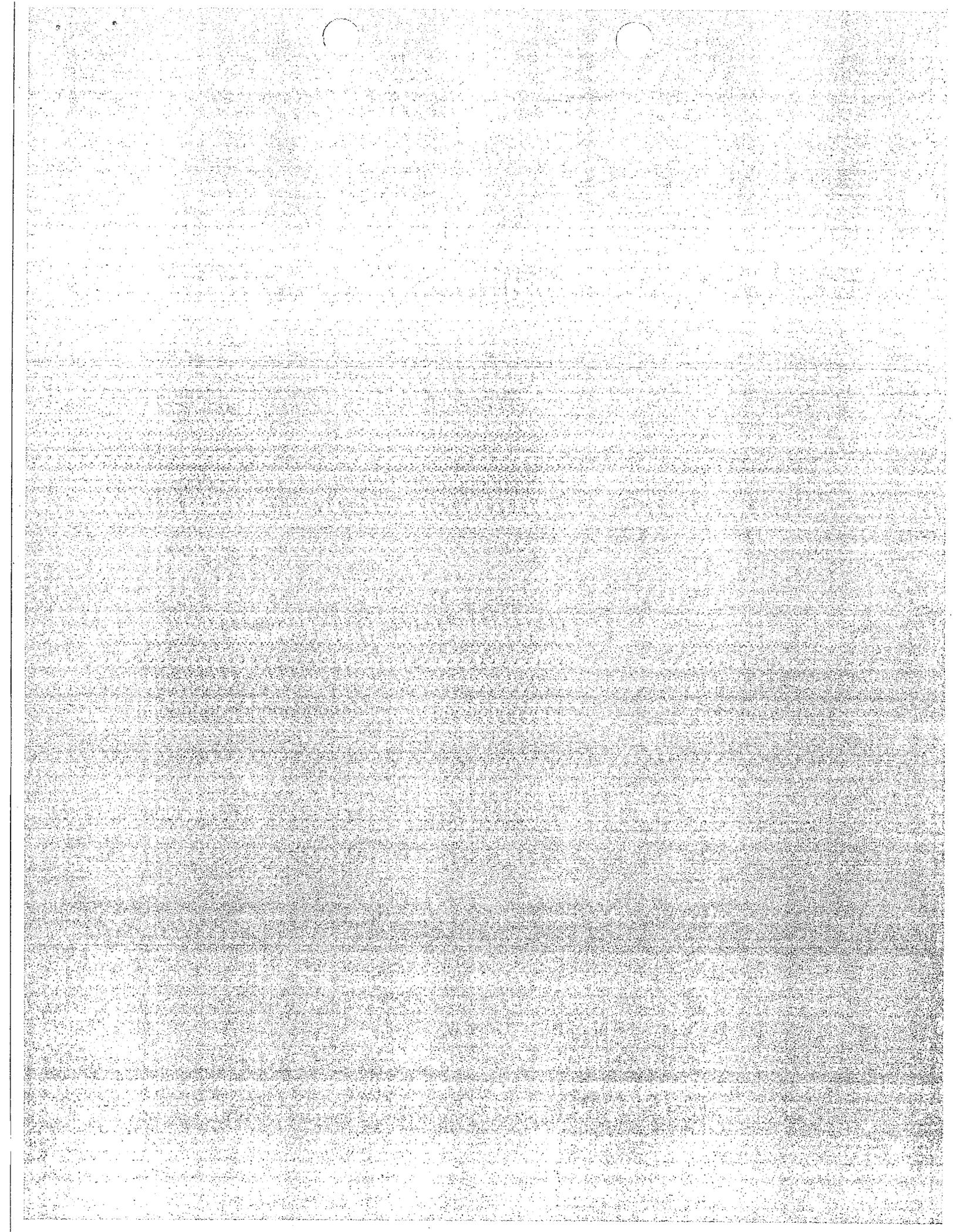
STINSON MORRISON HECKER LLP



Paul M. Hoffmann

PMH/bac

cc: Edwin Gladbach
Mr. Timothy Kong
Ms. Lori Greene
Temple Deliverance Church of God in Christ





STINSON
MORRISON
HECKER LLP®

Paul M. Hoffmann
(816) 691-2746
phoffmann@stinson.com
www.stinson.com

1201 Walnut, Suite 2900
Kansas City, MO 64106-2150

Tel (816) 842-8600
Fax (816) 412-1191

November 2, 2007

VIA FACSIMILE AND U.S. MAIL

Brian Newman, P.E.
Underground Storage Tank Program Manager
California Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, Suite 200
Rancho Cordova, CA 95670-6114

Re: Cleanup and Abatement Order No. R5-2007-Issued on October 8, 2007, to Interstate Brands Corporation, Temple of Deliverance Church of God in Christ, Jason Hunt, Timothy Kong, and Lorrie Greene; 1426 S. Lincoln Street, Stockton, San Joaquin County, CA

Dear Mr. Newman:

This firm represents Interstate Brands Corporation ("IBC") in this matter. As you know from prior communications, including but not limited to a letter from Edwin F. Gladbach at IBC dated November 14, 2005, and my letter dated May 16, 2007, IBC filed a voluntary Petition for reorganization under Chapter 11 of the Bankruptcy Code on September 22, 2004. Eight affiliates of IBC have also filed voluntary Petitions, and the cases are administratively consolidated under Case No. 04-45814 in the United States Bankruptcy Court for the Western District of Missouri. More information on the bankruptcy cases can be obtained at www.kccollc.net/ibc.

In response to your Order dated October 8, 2007, regarding the above Stockton site, please be advised that IBC believes that the issuance of such Order, and any other or further action related thereto, violates the automatic stay of 11 U.S.C. § 362 (the "Automatic Stay"). Among other things, IBC vacated this property approximately 16-17 years ago, and IBC understands that Timothy Kong, the present owner of the site, is cleaning up the site and plans to continue to do so. Accordingly, further pursuit of this matter against IBC would satisfy only a pecuniary interest or advantage that is subject to the Automatic Stay. IBC reserves the right to pursue any available remedy before any appropriate court, including the Bankruptcy Court, for any violation of the Automatic Stay, including but not limited to actual damages, punitive damages, equitable relief, and attorneys fees and expenses.

KANSAS CITY
OVERLAND PARK
WICHITA
WASHINGTON, D.C.
PHOENIX
ST. LOUIS
OMAHA
JEFFERSON CITY

DB02/804672 0005/756631E.3

May 16, 2007

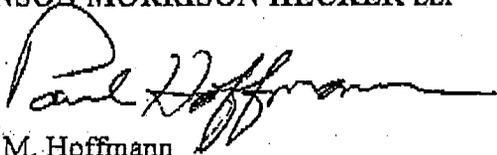
Page 2

As stated in the November 15, 2005 and May 16, 2007 letters noted above, instead of pursuing this matter, we respectfully suggested that your office file a Proof of Claim in accordance with the Bar Date Notice papers previously sent to you and available at the above website. However, your office and the State of California failed to file any claim. We note that the deadline for filing claims against IBC expired on March 23, 2005. The issuance of your Order of October 8, 2007, and any other or further action related thereto, violates the Bankruptcy Court's Order of December 14, 2004 ("Bar Date Order"). The Bar Date Order provides that "ANY PERSON OR ENTITY," including but not limited to a governmental unit, that fails to file a proof of claim "SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED" from asserting any claim against IBC. IBC reserves the right to pursue any available remedy before any appropriate court, including the Bankruptcy Court, for any violation of the Bar Date Order and Bar Date Notice, including but not limited to actual damages, punitive damages, equitable relief, and attorneys fees and expenses.

In accordance with the above, please dismiss IBC from your Order of October 8, 2007, and any other or further action related thereto. Thank you for your prompt attention to this matter. Do not hesitate to contact me with any questions or comments.

Sincerely,

STINSON MORRISON HECKER LLP



Paul M. Hoffmann

PMH/bac

cc: Edwin Gladbach
Mr. Timothy Kong
Ms. Lorrie Greene and attorney Richard L. Greene
Temple Deliverance Church of God in Christ
Mr. Jason Hunt

GREENE RADOVSKY MALONEY SHARE & HENNIGH LLP

FOUR EMBARCADERO CENTER, SUITE 4000, SAN FRANCISCO, CA 94111 TEL: (415) 981-1400 FAX: (415) 777-4961

WRITER'S DIRECT DIAL:

(415) 248-1577

E-MAIL:

etredinnick@greeneradovsky.com

November 29, 2006

VIA FEDERAL EXPRESS

IBC Claims Processing
c/o Kurtzman Carson Consultants LLC
12910 Culver Blvd., Suite I
Los Angeles, CA 90066

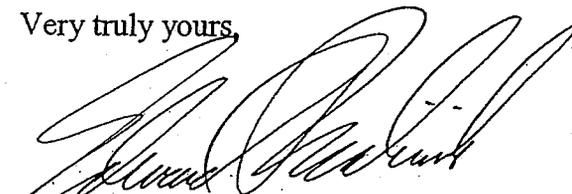
Re: Proof of Claim of Lorrie L. Greene Against Interstate Brands Corporation, United States Bankruptcy Court Western District of Missouri Case Number 04-45816

Dear claims processor:

Enclosed please find a Proof of Claim in the above-referenced matter. After you have it filed, please return a conformed copy to me in the enclosed, self-addressed and stamped envelope.

If you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you for your courtesy and cooperation in this matter.

Very truly yours,



Edward J. Tredinnick

EJT/djh
Enclosure

cc: Lorrie L. Greene
James R. Arnold, Esq.

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF MISSOURI **PROOF OF CLAIM**

Name of Debtor
Interstate Brands Corporation

Case Number
04-45816

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):
Lorrie L. Greene

Name and address where notices should be sent:
Greene Radovsky Maloney Share & Hennigh LLP
Attn: Edward Tredinnick
Four Embarcadero Center, Suite 4000
San Francisco, CA 94111
Telephone number: (415) 981-1400

- Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
- Check box if you have never received any notices from the bankruptcy court in this case.
- Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here replaces if this claim amends a previously filed claim, dated: _____

1. Basis for Claim

- Goods sold
- Services performed
- Money loaned
- Personal injury/wrongful death
- Taxes
- Other Contribution/reimbursement for environmental clean-up
- Retiree benefits as defined in 11 U.S.C. § 1114(a)
- Wages, salaries, and compensation (fill out below)
Last four digits of SS #: _____
Unpaid compensation for services performed from _____ to _____
(date) (date)

2. Date debt was incurred:

July 1988

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: \$ unknown

(unsecured) (secured) (priority) (Total)

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges. **See attached statement**

5. Secured Claim.

Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:
 Real Estate Motor Vehicle
 Other _____

Value of Collateral: \$ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____

7. Unsecured Priority Claim.

Check this box if you have an unsecured priority claim

Amount entitled to priority \$ _____

Specify the priority of the claim:

- Wages, salaries, or commissions (up to \$4,925)* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
- Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
- Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
- Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
- Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
- Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).

*Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

6. Unsecured Nonpriority Claim \$ unknown

Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or if c) none or only part of your claim is entitled to priority.

8. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

9. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

10. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim

Date

11/29/06

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): **Edward J. Tredinnick,**
Attorney for
Lorrie L. Greene

ATTACHMENT TO PROOF OF CLAIM OF LORRIE L. GREENE

This claim is a contingent and unliquidated claim for contribution and/or reimbursement for the cost of the environmental cleanup of certain property located at 1426 Lincoln Street, Stockton, California (the "Lincoln Street Property"). Lorrie L. Greene ("Claimant") was a prior owner of the Lincoln Street Property.

Claimant is informed and believes that this claim arises from the activity of Interstate Brands Corporation (the "Debtor") as a prior tenant of the Lincoln Street Property, relating to the installation of an underground storage tank ("UST") by the Debtor and the removal of that UST by the Debtor in July of 1988. Upon the removal of the UST, it was determined that there was evidence of soil contamination by the presence of petroleum hydrocarbons in soil and ground water samples at the Lincoln Street Property. All such activity regarding the UST occurred prior to Claimant obtaining legal title to the Lincoln Street Property.

This claim has been filed as a result of Claimant's receipt from the County of San Joaquin of a Notice of Responsibility dated November 15, 2005, as a prior owner of the Lincoln Street Property and a further notification from the California Regional Water Quality Control Board dated September 26, 2006, that further remediation and monitoring will be required.

Claimant disputes any liability for such remediation and monitoring of the site. Claimant is informed and believes that the Debtor is the primary responsible party for the remediation of the site and thereby Claimant is entitled to reimbursement and/or contribution from the Debtor for any costs that Claimant incurs in connection with this matter.

As the site remediation at the Lincoln Street Property is ongoing, Claimant at this time has no information regarding the scope or amount of any such obligation. Claimant will amend her claim at such time when the amounts become liquidated.



FILE COPY

GREENE RADOVSKY MALONEY SHARE & HENNIGH LLP

FOUR EMBARCADERO CENTER, SUITE 4000, SAN FRANCISCO, CA 94111 TEL: (415) 981-1400 FAX: (415) 777-4961

WRITER'S DIRECT DIAL:

(415) 248-1577

E-MAIL:

etredinnick@greeneradovsky.com

March 28, 2007

VIA FEDERAL EXPRESS

IBC Claims Processing
c/o Kurtzman Carson Consultants LLC
12910 Culver Blvd., Suite I
Los Angeles, CA 90066

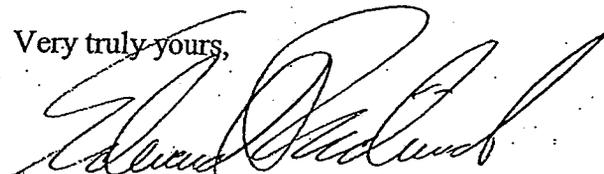
Re: Proof of Claim filed on behalf of State of California and related agencies by Lorrie L. Greene against Interstate Brands Corporation, United States Bankruptcy Court, Western District of Missouri
Case Number 04-45816

Dear claims processor:

Enclosed please find a Proof of Claim in the above-referenced matter. After you have it filed, please return a conformed copy to me in the enclosed, self-addressed and stamped envelope.

If you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you for your courtesy and cooperation in this matter.

Very truly yours,



Edward J. Tredinnick

EJT/lb

Enclosure

cc: Lorrie L. Greene
Richard L. Greene
James R. Arnold, Esq.

From: Origin ID: APCA (415)981-1400
EDWARD J. TREDINNICK
GREENE RADOVSKY
40TH FLOOR
FOUR EMBARCADERO CENTER
SAN FRANCISCO, CA 94111



Ship Date: 28MAR07
ActWgt: 1LB
System#: 5759203/INET2600
Account#: S *****

Delivery Address Bar Code

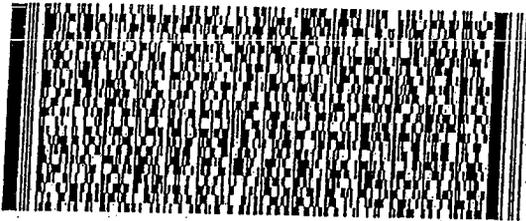


Ref # EJT 25099 9999
Invoice #
PO #
Dept #

SHIP TO: (415)981-1400 BILL SENDER
IBC CLAIMS PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
12910 CULVER BLVD., SUITE 1

CULVER CITY, CA 90066

CLS422M72V23



PRIORITY OVERNIGHT

THU
Deliver By:
29MAR07

TRK# 7912 6423 9841

FORM
0201

LAX A1

90066 -CA-US

WZ CIBA



Shipping Label: Your shipment is complete

1. Use the 'Print' feature from your browser to send this page to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see current FedEx Service Guide.

This tracking update has been requested by:

Company Name: GREENE RADOVSKY

Name: EDWARD J. TREDINNICK

E-mail: LBRADY@GRMSLAW.COM

Our records indicate that the following shipment has been delivered:

Tracking number:	791264239841
Reference:	EJT 25099 9999
Ship (P/U) date:	Mar 28, 2007
Delivery date:	Mar 29, 2007 12:19 PM
Sign for by:	P.LANFORD
Delivered to:	Receptionist/Front Desk
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.50 lb.

Shipper Information
EDWARD J. TREDINNICK
GREENE RADOVSKY
40TH FLOOR
FOUR EMBARCADERO CENTER
SAN FRANCISCO
CA
US
94111

Recipient Information
IBC CLAIMS PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
12910 CULVER BLVD., SUITE 1
CULVER CITY
CA
US
90066

Special handling/Services:
Deliver Weekday

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 2:22 PM CDT on 03/29/2007.

To learn more about FedEx Express, please visit our website at fedex.com.

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To track the latest status of your shipment, click on the tracking number above, or visit us at fedex.com.

This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and fedex.com's terms of use, go to fedex.com.

Thank you for your business.

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF MISSOURI

PROOF OF CLAIM

Name of Debtor

Interstate Brands Co.

Case Number

04-45816

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property):

State of California and related agencies

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Name and address where notices should be sent:
See Attached Exhibit for notice list

Check box if you have never received any notices from the bankruptcy court in this case.

Telephone number:

Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Last four digits of account or other number by which creditor identifies debtor:

Check here replaces amends a previously filed claim, dated: _____

I. Basis for Claim

- Goods sold
- Services performed
- Money loaned
- Personal injury/wrongful death
- Taxes
- Retiree benefits as defined in 11 U.S.C. § 1114(a)
- Other Environmental Cleanup
- Wages, salaries, and compensation (fill out below)
Last four digits of your SS #: _____
Unpaid compensation for services performed.
From _____ to _____
(date) (date)

2. Date debt was incurred: 07/01/1988

3. If court judgment, date obtained: _____ (date)

4. Classification of Claim. Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time the case was filed. See reverse side for important explanations.

Unsecured Nonpriority Claim \$ Unknown

Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or c) none or only part of your claim is entitled to priority.

Secured Claim

Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

- Real Estate
- Motor Vehicle
- Other _____

Value of Collateral: \$ _____

Amount of arrearage and other charges at time case filed included in secured claim, if any: \$ _____

Unsecured Priority Claim:

Check this box if you have an unsecured claim, all or part of which is entitled to priority.

Amount entitled to priority \$ _____

Specify the priority of the claim:

- Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
 - Wages, salaries, or commissions (up to \$10,000)* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).
 - Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5).
 - Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7).
 - Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
 - Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).
- *Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

5. Total Amount of Claim at Time Case Filed: \$ Unknown

Unknown

Unknown

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

7. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

THIS SPACE IS FOR COURT USE ONLY

8. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date: 03/27/2007

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
Greene Radovsky Maloney Share & Hennigh, LLP, Attys for Lorrie Greene

ATTACHMENT TO PROOF OF CLAIM FILED ON BEHALF OF THE STATE OF CALIFORNIA
PURSUANT TO BANKRUPTCY RULE 3005

This claim is a contingent and unliquidated claim for the cost of the environmental cleanup of certain property located at 1426 Lincoln Street, Stockton, California (the "Lincoln Street Property"). This Claim is filed on behalf of the State of California, its agencies the State Water Resources Control Board, the California Regional Water Quality Control Board, Central Valley Region and its sub-division the County of San Joaquin ("State") by Lorrie L. Greene ("Greene"), a prior owner of the Lincoln Street Property, pursuant to Bankruptcy Code § 501(b) and Bankruptcy Rule 3005(a).

Greene is informed and believes that this claim arises from the activity of Interstate Brands Corporation (the "Debtor") as a prior tenant of the Lincoln Street Property, relating to the installation of an underground storage tank ("UST") by the Debtor and the removal of that UST by the Debtor in July of 1988. Upon the removal of the UST, it was determined that there was evidence of soil contamination by the presence of petroleum hydrocarbons in soil and ground water samples at the Lincoln Street Property. Greene is further informed and believes that all such activity regarding the UST occurred prior to Greene obtaining legal title to the Lincoln Street Property which she inherited from her mother.

This claim has been filed as a result of Greene's receipt from the County of San Joaquin of a Notice of Responsibility dated November 15, 2005, as a prior owner of the Lincoln Street Property and a further notification from the California Regional Water Quality Control Board dated September 26, 2006, that further remediation and monitoring will be required.

Greene disputes any liability for such remediation and monitoring of the site. Greene is informed and believes that the Debtor is the primary responsible party for the remediation of the site. Greene is further informed that neither the State, nor any of its agencies or subdivisions, has filed a claim in this case relating to the remediation of the Lincoln Street Property. Since Greene may be entitled to reimbursement and/or contribution from the Debtor for any costs that Greene incurs in connection with this matter, she is thus entitled to file this claim under Bankruptcy Code §501(b) and Bankruptcy Rule 3005 on behalf of the State.

As the site remediation at the Lincoln Street Property is ongoing, Greene at this time has no information regarding the scope or amount of any such obligation.

NOTICE LIST

State of California
Attorney General

Margarita Padilla, Esq.
Ofc of the Attorney General
State of California
1515 Clay St 20th Fl.
Oakland, CA 94612-1413
T: 510-622-2135
F: 510-622-2270

State Water Resources Control Board
Office of General Counsel

Frances L. McChesney, Esq.
Counsel, CRWQCB 5
Office of the General Counsel
State Water Resources Control Board
1001 "I" Street
Sacramento, CA 95814

Central Valley Region
California Regional Water Quality Control
Board

Ms. Pamela Creedon
Executive Officer
Central Valley Region
Regional Water Quality Control Board
Attn: James L.L. Barton, P.G.
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114
T: 916-464-4615
F: 916-464-4645

San Joaquin County

Ms. Margaret Lagorio
Program Coordinator, REHS
San Joaquin County Environmental Health Dep
304 E. Weber Ave., 3rd Floor
Stockton, CA 95202
T: 209-468-3449
F: 209-468-3434

County Counsel, San Joaquin County

David E. Wooten, Esq.
County Counsel
San Joaquin County
222 E. Weber Ave., Room 711
Stockton, CA 95202
T: 209-944-3551

District Attorney, San Joaquin County

David J. Irely, Esq.
Deputy District Attorney
Office of the District Attorney
San Joaquin County
222 E. Weber Avenue, #202
Stockton, CA 95202
T: 209-468-2470
F: 209-468-0314

Lorrie Greene

Greene Radovsky Maloney Share & Hennigh
LLP
Four Embarcadero Center, Suite 4000
San Francisco, CA 94111
T: 415 981-1400

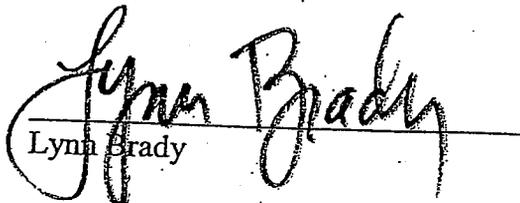
PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Greene Radovsky Maloney Share & Hennigh LLP, Four Embarcadero Center, Suite 4000, San Francisco, California 94111. On March 28, 2007, I served the following document(s) by the method indicated below:

PROOF OF CLAIM

- by transmitting via facsimile on this date from fax number (415) 777-4961 the document(s) listed above to the fax number(s) set forth below. The transmission was completed before 5:00 p.m. and was reported complete and without error. The transmission report, which is attached to this proof of service, was properly issued by the transmitting fax machine. Service by fax was made by agreement of the parties, confirmed in writing. The transmitting fax machine complies with Cal.R.Ct 2003(3).
- by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Francisco, California addressed to the parties on the attached Service List. I am readily familiar with the firm's practice of collection and processing of correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in this Declaration.
- by placing the document(s) listed above in a sealed envelope(s) and by causing personal delivery of the envelope(s) to the person(s) at the address(es) set forth below. A signed proof of service by the process server or delivery service will be filed shortly.
- by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- by placing the document(s) listed above in a sealed envelope(s) and consigning it to an express mail service for guaranteed delivery on the next business day following the date of consignment to the address(es) set forth below. A copy of the consignment slip is attached to this proof of service.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on March 28, 2007, at San Francisco, California.


Lynn Brady

SERVICE LIST

State of California
Attorney General

Margarita Padilla, Esq.
Ofc of the Attorney General
State of California
1515 Clay St 20th Fl.
Oakland, CA 94612-1413
T: 510-622-2135
F: 510-622-2270

State Water Resources Control Board
Office of General Counsel

Frances L. McChesney, Esq.
Counsel, CRWQCB 5
Office of the General Counsel
State Water Resources Control Board
1001 "I" Street
Sacramento, CA 95814

Central Valley Region
California Regional Water Quality Control
Board

Ms. Pamela Creedon
Executive Officer
Central Valley Region
Regional Water Quality Control Board
Attn: James L.L. Barton, P.G.
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114
T: 916-464-4615
F: 916-464-4645

San Joaquin County

Ms. Margaret Lagorio
Program Coordinator, REHS
San Joaquin County Environmental Health Dept
304 E. Weber Ave., 3rd Floor
Stockton, CA 95202
T: 209-468-3449
F: 209-468-3434

County Counsel, San Joaquin County

David E. Wooten, Esq.
County Counsel
San Joaquin County
222 E. Weber Ave., Room 711
Stockton, CA 95202
T: 209-944-3551

District Attorney, San Joaquin County

David J. Irey, Esq.
Deputy District Attorney
Office of the District Attorney
San Joaquin County
222 E. Weber Avenue, #202
Stockton, CA 95202
T: 209-468-2470
F: 209-468-0314

E-MAIL:
rgreene@greeneradovsky.com

October 22, 2007

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Ms. Frances L. McChesney
Senior Staff Counsel
State Water Resources Control Board
1001 L Street
Sacramento, CA 95814

Re: 1426 Lincoln Street, Stockton, California
Interstate Bakeries Corporation

Dear Ms. McChesney:

As you know, my wife has been named as a "responsible party" for the above property where the contamination was caused by Interstate Bakeries Corporation. Since neither the California Regional Water Quality Control Board nor any other State agency filed a claim in the Chapter 11 proceeding, on behalf of all these entities my wife filed a Proof of Claim on March 28, 2007; you were previously sent a copy of it, but another copy is enclosed for your easy reference.

Last week, my wife received the enclosed Notice of Objection to Claim and I could not tell whether or not you or anyone else representing either the Regional Water Quality Control Board or any State agency had received a copy so one is enclosed. I presume that you and your colleagues will do whatever is necessary to answer the Notice and assert the Claim against the entity responsible for the contamination.

Please let me know if you need any further information.

Very truly yours,

Richard L. Greene

RLG/khs
Enclosures

U.S. Postal Service™
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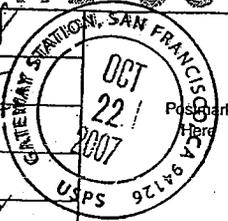
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Counsel

Sent To Ms. Frances L. McChesney, Sr. Staff
 State Water Resources Control Board

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION**

In re: INTERSTATE BAKERIES CORPORATION, et al., Debtors.	Chapter 11 Case No. 04-45814 (JWV) (Jointly Administered)
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NOTICE OF OBJECTION TO CLAIM

State of California and Related Agencies:

You are being sent this notice on behalf of Interstate Bakeries Corporation and its debtor affiliates ("IBC"). According to IBC's records, you filed one or more proofs of claim in IBC's bankruptcy case. Based upon IBC's review of your proofs of claim, IBC has determined that one or more of your claims identified in the table below should be disallowed or reclassified as indicated in the table and in the Thirty-Fifth Omnibus Objection to Claims, a copy of which is enclosed (without exhibits). The Debtors' Thirty-Fifth Omnibus Objection to Claims is set for non-evidentiary hearing by the bankruptcy court on November 14, 2007 at 2:00 p.m. As further described in the enclosed Thirty-Fifth Omnibus Objection to Claims, the deadline for you to respond to the Debtors' objection to your claim(s) is November 9, 2007, 5:00 p.m. If no written objection and/or response thereto is filed with the Clerk of the U.S. Bankruptcy Court on or before November 9, 2007, 5:00 p.m., the above Objection may be granted by entry of an order to be prepared and submitted by counsel for IBC.

The enclosed Thirty-Fifth Omnibus Objection to Claims identifies several different categories of objections. The category of claim objection applicable to you is identified in the table below. The category of claim objection applicable to you is Exhibit H - Late Filed Claims.

Date Filed	Claim Number	Claim Amount	Basis for Objection	Treatment of Claim
3/29/2007	9127	Unknown	Late Filed Claim	Expunge & Disallow

State of California and Related Agencies
 Attn: Lori Greene
 Greene Radovsky Maloney Share & Hennigh LLP
 Four Embarcadero Center Ste 4000
 San Francisco CA 94111

If you have any questions about this notice or the objection to your claim, please contact counsel to IBC at the address and phone number listed on the last page of the Thirty-Fifth Omnibus Objection to Claims. If you disagree with this objection, the Thirty-Fifth Omnibus Objection to Claims contains instructions on how to respond. If you wish to view the entire Thirty-Fifth Omnibus Objection to Claims with all exhibits, you can obtain copies at www.kccllc.net/ibc.

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION

In re:

INTERSTATE BAKERIES
CORPORATION, et al.,

Debtors.

x

:

: Chapter 11

:

: Case No. 04-45814 (JWV)

:

: Jointly Administered

:

: **Hearing Date: November 14, 2007**

: **Hearing Time: 2:00 p.m.**

: **Resp. Deadline: November 9, 2007**

x

(5:00 p.m. CST)

**DEBTORS' THIRTY-FIFTH OMNIBUS OBJECTION TO CLAIMS
UNDER 11 U.S.C. §§ 102, 105, 502 AND 507,
FED. R. BANKR. P. 3003 AND 3007 AND LOCAL RULE 3007-1.**

Interstate Bakeries Corporation ("Interstate Bakeries" or the "Company") and eight¹ of its subsidiaries and affiliates, debtors and debtors-in-possession (collectively, the "Debtors"), file this thirty-fifth omnibus objection (the "Thirty-Fifth Omnibus Objection" or the "Objection") to claims under 11 U.S.C. §§ 102, 105, 502 and 507, Fed. R. Bankr. P. 3003 and 3007 and Rule 3007-1 of the Local Rules of Practice for the United States Bankruptcy Court for the Western District of Missouri (the "Local Rules") to the claims listed on Exhibits B, C, D, E, F, G, H, I and J attached hereto and incorporated herein. In support of this Objection, the Debtors respectfully represent as follows:

¹ The following subsidiaries' and affiliates' chapter 11 cases are jointly administered with Interstate Bakeries' chapter 11 case: Armour and Main Redevelopment Corporation; Baker's Inn Quality Baked Goods, LLC; IBC Sales Corporation; IBC Services, LLC; IBC Trucking LLC; Interstate Brands Corporation; New England Bakery Distributors, L.L.C.; and Mrs. Cubbison's Foods, Inc.

BACKGROUND

A. The Chapter 11 Filings

1. On September 22, 2004 (the "Petition Date"), eight of the Debtors each filed a voluntary petition in this Court for reorganization relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"). Furthermore, on January 14, 2006, the ninth debtor, Mrs. Cubbison's Foods, Inc., also filed a voluntary petition in this Court for reorganization relief under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

2. No trustee or examiner has been appointed in the Debtors' chapter 11 cases. On September 24, 2004, the United States Trustee (the "U.S. Trustee") appointed the official committee of unsecured creditors (the "Creditors' Committee") in these cases. On November 29, 2004, the U.S. Trustee appointed an official committee of equity security holders (the "Equityholders' Committee," collectively with the Creditors' Committee, the "Committees") in these cases.

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

4. The statutory predicate for the relief requested herein are 11 U.S.C. §§ 102, 105, 502 and 507, Fed. R. Bankr. P. 3003 and 3007 and Local Rule 3007-1.

B. The Debtors

5. Collectively, the Debtors are one of the largest wholesale bakers and distributors of fresh baked bread and sweet goods in the United States. The Debtors produce, market and distribute a wide range of breads, rolls, croutons, snack cakes, donuts, sweet rolls and related

products under national brand names such as "Wonder®," "Hostess®," "Baker's Inn™" and "Home Pride®," as well as regional brand names such as "Butternut®," "Dolly Madison®," "Drake's®" and "Merita®." Based on independent, publicly available market data, "Wonder®" bread is the number one selling branded bread sold in the United States and "Home Pride®" wheat bread is the number one selling wheat bread in the United States. "Hostess®" products, including "Twinkies®," "Ding Dongs®" and "HoHos®," are among the leading snack cake products sold in the United States.

6. The Debtors currently operate 45 bakeries and approximately 800 distribution centers at various locations around the country. From these bakeries and distribution centers, the Debtors' sales force delivers fresh baked goods to tens of thousands of outlets. The Debtors also operate approximately 850 bakery outlets (known as "thrift stores") located in markets throughout the United States.

7. The Debtors have approximately 25,000 employees, the majority of whose employment is covered by one of approximately 420 union contracts to which the Debtors are a party. Most of the Debtors' union employees are members of either the International Brotherhood of Teamsters or the Bakery, Confectionery, Tobacco Workers & Grain Millers International Union.

8. The Debtors' principal executive offices are located at 12 East Armour Boulevard in Kansas City, Missouri.

C. Bar Date and Proofs of Claim

9. On December 14, 2004, the Court entered an Order Pursuant to 11 U.S.C. §§ 105(a), 501, 502 and 1111(a) and Rules 2002(a)(7), 3003(c)(3) and 5005(a) of the Federal Rules of Bankruptcy Procedure Establishing Bar Dates for Filing Proofs of Claim and Approving Form

and Manner of Notice Thereof (Docket Entry 1492, the "Bar Date Order"), which, among other things, established 5:00 p.m., Pacific Standard Time, on March 21, 2005 (the "Bar Date"), as the last date for all persons and entities holding or wishing to assert "Claims," as such term is defined in 11 U.S.C. § 101(5) (collectively, the "Claimants"), against a Debtor to file a proof of claim form (the "Proofs of Claim") with respect to each such Claim.

10. On or prior to December 27, 2004, the Debtors' Notice Agent, Kurtzman Carson Consultants LLC, provided notice of the Bar Date by mailing a notice of Bar Date approved by the Court (the "Bar Date Notice") and a proof of claim form upon the persons or entities set forth in the Debtors' Schedules of Assets and Liabilities and Statements of Financial Affairs (the "Schedules and Statements"), which were filed with the Court on November 22, 2004, and the Bar Date Notice upon the persons and entities included in the notice database compiled by the Debtors but not listed on any of the Schedules and Statements.

11. In addition, the Debtors published the Bar Date Notice in *The New York Times*, *The Wall Street Journal* (National Edition), *Kansas City Star*, *Milling and Baking News* and *USA Today* on or about December 21, 2004.

12. As of October 10, 2007, over 9,100 Proofs of Claim were filed against the Debtors in these cases which, when combined with over 25,000 scheduled claims, results in a significant number of Claims which need to be resolved in these cases. **The Debtors are objecting to 29 Proofs of Claim** in this Thirty-Fifth Omnibus Objection (the "Disputed Claims").

13. On July 5, 2005, this Court entered an Order Pursuant to 11 U.S.C. §§ 102(1), 105(a) and 502, Fed. R. Bankr. P. 3003, 3007 and 9019(b) and Local Rule 3007-1 for Approval of Claims Resolution Procedures (Docket #4444) establishing procedures for the Debtors to

resolve disputed claims which have been filed in these chapter 11 cases ("Claims Resolution Procedures").

RELIEF REQUESTED

14. By this Thirty-Fifth Omnibus Objection, the Debtors seek entry of an order pursuant to 11 U.S.C. §§ 102, 105, 502 and 507, Rules 3003 and 3007 of the Federal Rules of Bankruptcy Procedure and Local Rule 3007-1, substantially in the form attached hereto as Exhibit A (the "Proposed Order"), expunging, reducing or reclassifying the Disputed Claims, in whole or in part, as provided in Exhibits B-J attached hereto, and for the reasons described below.

A. Duplicate Claim

15. The Debtors have determined that the Proof of Claim filed against the Debtors is, in fact, asserting a duplicate claim for a single liability. It is axiomatic that creditors are not entitled to multiple recoveries for a single liability against a debtor. Accordingly, as a bookkeeping matter, the Debtors wish to eliminate the duplicate claim from the Debtors' claims register.

16. Set forth in Exhibit B is the duplicate Proof of Claim that the Debtors have identified (the "Duplicate Claim"). Exhibit B identifies the Duplicate Claim to be Expunged (the "Disallowed Claim"), as well as the Surviving Claim number (the "Surviving Claim" or the "Surviving Claim Number"). In Exhibit B the Disallowed Claim is the claim to be expunged. However, the Surviving Claim is not an allowed Claim, and remains subject to further objections. The Debtors (i) object to the Duplicate Claim and (ii) seek entry of an order disallowing and expunging the Disallowed Claim in its entirety.

B. Amended and Replaced Claims

17. The Debtors have determined that many Claims evidenced by Proofs of Claim were subsequently superseded by later filed Proofs of Claim filed by creditors with respect to the same liabilities. In several instances, Claim(s) filed by a Claimant in one Proof of Claim was amended or replaced, and thus superseded, by a Claim with respect to the same underlying alleged liability asserted by the same Claimant through a later filed Proof of Claim. To clarify the claims register in these cases and to simplify the claims allowance/disallowance process, the Debtors seek to disallow such superseded Claims but keep the later-filed amended Claim on the claims register in these cases.

18. Set forth in Exhibit C is a list of the Claims (the "Amended/Replaced Claims") that the Debtors have determined were amended or replaced, and thus, superseded by other claims filed against the Debtors. For each Amended/Replaced Claim, Exhibit C classifies the Proofs of Claim as either an Amended Claim to be Expunged or as a Surviving Claim Number. In Exhibit C, the Amended Claim to be Expunged is the claim to be expunged. However, the Surviving Claim Numbers are not allowed Claims, and remain subject to further objections. The Debtors therefore (i) object to the Amended/Replaced Claims and (ii) seek entry of an order disallowing and expunging the Amended Claims to be Expunged in their entirety.

C. Not Liability of the Estate(s) Claims

19. The Debtors have reviewed and compared the Proofs of Claim to their books and records (the "Books and Records") and determined that certain Proofs of Claim assert a Claim for which the Debtors' Books and Records do not reflect any unpaid balance or which the Debtors believe never were liabilities of the estate (the "Not Liability of the Estate(s) Claims"). The Debtors have reviewed these Proofs of Claim, researched their business relationship with the

applicable creditors and determined there is not support for the Claims in either the Proof of Claim or the Debtors' Books and Records. The Not Liability of the Estate(s) Claims are listed on Exhibit D attached hereto.

20. For the foregoing reasons, the Debtors (i) object to the Not Liability of the Estate(s) Claims and (ii) seek entry of an order disallowing and expunging the Not Liability of the Estate(s) Claims in their entirety, as noted on Exhibit D attached hereto.

D. Paid Claims

21. The Debtors have additionally identified Claims that are not outstanding liabilities of the estates because they were paid either in the ordinary course of the Debtors' businesses or pursuant to authority granted by the Bankruptcy Court (the "Paid Claims").

22. The Paid Claims are listed on Exhibit E attached hereto and represent Claims that the Debtors' Books and Records reflect have been satisfied as set forth above. The Debtors therefore (i) object to each of the Paid Claims listed on Exhibit E to the Proposed Order and (ii) seek entry of an order disallowing and expunging the Paid Claims in their entirety.

E. Overstated Claims

23. Set forth on Exhibit F is a list of Overstated Claims where the Debtors have reviewed and compared the Proofs of Claim filed against their Books and Records and determined that the asserted Proofs of Claim against the Debtors are overstated.

24. The basis for determining that these Claims are overstated include, but are not limited to, the following: (i) the asserted Claim misstates or exaggerates the basis of the Claim or the extent of the Debtors' potential liability; (ii) the asserted Claim does not account for amounts that may have been paid or credited against such Claim prior to the commencement of these cases; (iii) a portion of the Claim has been paid during the course of these proceedings pursuant

to an order of the Bankruptcy Court; (iv) the asserted Claim contains calculation errors that result in an inflated aggregate dollar amount; or (v) the asserted Claim appears to have been filed as a protective measure to protect a creditor's rights with respect to a potential or contingent liability, and for which the Debtors have determined that the potentiality or contingency was not realized in whole or in part. Some of the Overstated Claims have been reduced in amount and/or had the claim amounts reallocated between secured, priority, and general unsecured. In addition, many of the Overstated Claims were filed against the wrong debtor. For these Claims, the proper debtor is listed in the "(Proposed) Proper Debtor Name" column.

25. The Debtors therefore object to the Overstated Claims and seek entry of an order (i) reducing, revising and allowing the Overstated Claims in the proposed amounts and (ii) where applicable, reclassifying the Claim against the proper debtor as set forth in Exhibit F.

F. Incorrect Nature and/or Debtor Claims

26. As a result of their review of Claims, the Debtors have identified Disputed Claims that appear to incorrectly assert secured or priority status and/or filed against the wrong debtor (the "Incorrect Nature and/or Debtor Claim"). The Incorrect Nature and/or Debtor Claims are listed on Exhibit G attached hereto.

27. The Debtors reviewed the Claims and their Books and Records and, as a result of their review, the Debtors determined that the claims listed on Exhibit G are general unsecured claims.

28. For these reasons, the Debtors (i) object to the Incorrect Nature and/or Debtor Claims and (ii) seek entry of an order reclassifying the status of the claims as indicated on Exhibit G.

G. Late Filed Claims

28. The Claims listed in Exhibit H were filed after the Bar Date (the "Late Filed Claims"). In accordance with the terms of the Bar Date Order, Rule 3003(c)(2) of the Federal Rules of Bankruptcy Procedure and Local Rule 3003-1, such Claims should be disallowed. The Debtors therefore (i) object to the Late Filed Claims and (ii) seek entry of an order disallowing and expunging the Late Filed Claims in their entirety.

H. Executory Contract Claims

29. The Debtors are parties to a number of executory contracts for, among other things, copiers, trucks, computers, etc. Various entities have filed claims on behalf of real property leases and executory contracts that were in effect on the Petition Date. The Debtors have reviewed the contract relating to the Claim listed on Exhibit I (the "Executory Contract Claims") and have determined that such claim relates to a contract that has expired by its terms (the "Expired Contracts"). With respect to the Expired Contract, the Debtors assert that they have fulfilled all of their obligations pursuant to the terms of the contract and no longer have any liability with respect to such contract.

29. The Debtors therefore (i) object to the Executory Contract Claim and (ii) seeks entry of an order disallowing and expunging the Executory Contract Claim in its entirety.

I. Duplicated in Larger Claim

30. The Debtors have determined that some of the Proofs of Claim filed against the Debtors are, in fact, asserting claims for a single liability that are duplicated in larger claims. It is axiomatic that creditors are not entitled to multiple recoveries for a single liability against a debtor. Accordingly, as a bookkeeping matter, the Debtors wish to eliminate the duplicate claims from the Debtors' claims register.

31. Set forth in Exhibit J are the duplicate Proofs of Claim that the Debtors have identified. Exhibit J identifies the Duplicate Claims to be Expunged. The Debtors (i) object to the Duplicate Claims to be Expunged and (ii) seek entry of an order disallowing and expunging the Duplicate Claims to be Expunged in their entirety.

SEPARATE CONTESTED MATTERS

To the extent that a response is filed with respect to the Proofs of Claim listed in this Thirty-Fifth Omnibus Objection and the Debtors are unable to resolve the response prior to the hearing on this objection, the Proofs of Claim and the objection to the Proofs of Claim asserted in this Thirty-Fifth Omnibus Objection shall constitute a separate contested matter as contemplated by Rule 9014 of the Federal Rules of Bankruptcy Procedure. Any order entered by the Court with respect to an objection asserted in this Thirty-Fifth Omnibus Objection shall be deemed a separate order with respect to the Proofs of Claim.

RESERVATION OF RIGHTS

The Debtors expressly reserve the right to amend, modify or supplement this Thirty-Fifth Omnibus Objection and to file additional objections to the Proofs of Claim or any other Claims (filed or not) which may be asserted against the Debtors. Should one or more of the grounds of objection stated in this Thirty-Fifth Omnibus Objection be dismissed, the Debtors reserve their rights to object on other stated grounds or on any other grounds that the Debtors discover during the pendency of these cases. In addition, the Debtors reserve the right to seek further reduction of any Claim to the extent that such Claim has been paid.

RESPONSES TO OBJECTIONS

A. Filing And Service Of Responses

29. To contest an objection, a Claimant must file a written response to this Thirty-Fifth Omnibus Objection (a "Response") with the United States Bankruptcy Court for the Western District of Missouri, Kansas City Division, Charles Evans Whittaker Courthouse, 400 East 9th Street, Room 6A, Kansas City, Missouri 64106, and the Response must be served so as to be received by 5:00 P.M. (Central Time) on November 9, 2007 (the "Objection Deadline") by: (i) the Debtors at Interstate Bakeries Corporation, 12 East Armour Boulevard, Kansas City, Missouri 64111 (Attn: Kent B. Magill); (ii) counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 333 West Wacker Drive, Chicago, Illinois 60606 (Attn: J. Eric Ivester, Samuel S. Ory) and Stinson Morrison Hecker LLP, 12 Corporate Woods, Ste. 550, 10975 Benson, Overland Park, Kansas 66210 (Attn: Sharon L. Stolté); (iii) the Office of the United States Trustee, Charles Evans Whittaker Courthouse, 400 Ninth Street, Room 3440, Kansas City, Missouri 64106 (Attn: Sherri L. Wattenbarger); (iv) counsel for the agent for prepetition lenders, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017-3954 (Attn: Kenneth S. Ziman) and Spencer Fane Britt & Browne LP, 1000 Walnut, Suite 1400, Kansas City, Missouri 64106-2140 (Attn: Scott J. Goldstein); (v) counsel for the agent for postpetition lenders, Bryan Cave LLP, 211 North Broadway, Suite 3600, St. Louis, Missouri 63102-2750 (Attn: Gregory D. Willard); (vi) the counsel for the Official Committee of Unsecured Creditors, Lowenstein Sandler, 65 Livingston Ave., Roseland, New Jersey 07068 (Attn: Kenneth Rosen) and Shughart, Thomson & Kilroy, P.C., 120 West 12th Street, Kansas City, Missouri 64112-1914 (Attn: Paul D. Sinclair); and (vii) the counsel for the Equity Committee, Sonnenschein Nath & Rosenthal LLP, 4520 Main Street, Suite 1100, Kansas City,

Missouri (Attn: Brian Fields) and Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, New York, New York 10020 (Attn: Peter Wolfson and D. Farrington Yates).

B. Contents Of Responses

Every Response to this Thirty-Fifth Omnibus Objection must contain, at a minimum, the following:

- a. a caption setting forth the name of the Court, the names of the Debtors, the case number and the title of the Thirty-Fifth Omnibus Objection to which the Response is directed;
- b. the name of the claimant and description of the basis for the amount of the claim;
- c. a concise statement setting forth the reasons why the claim should not be disallowed or modified for the reasons set forth in the Thirty-Fifth Omnibus Objection, including, but not limited to, the specific factual and legal basis upon which the claimant will rely in opposing the Thirty-Fifth Omnibus Objection;
- d. all documentation or other evidence of the claim, to the extent not included with the proof of claim previously filed with the Bankruptcy Court, upon which the claimant will rely in opposing the Thirty-Fifth Omnibus Objection;
- e. the address(es) to which the Debtors must return any reply to the Response, if different from that presented in the claim; and
- f. the name, address, and telephone number of the person (which may be the claimant or his/her/its legal representative) possessing ultimate authority to reconcile, settle, or otherwise resolve the claim on behalf of the claimant.

C. Timely Response Required

30. If a Response is properly and timely filed and served in accordance with the above procedures, and the Debtors are unable to reach a consensual resolution with the Claimant, the Debtors request that the dispute be heard at the claims hearing scheduled for November 14, 2007, at 2:00 p.m. (Central Time), unless the parties agree to a continuation of the hearing date.

31. The Debtors request that only those Responses made in writing and timely filed and received will be considered by the U.S. Bankruptcy Court at any such hearing. The Debtors reserve the right to adjourn a hearing with respect to a specific objection set forth herein and any Response thereto.

32. If a Claimant whose Claim is subject to this Thirty-Fifth Omnibus Objection and who is served with the Thirty-Fifth Omnibus Objection fails to file and serve a timely Response in compliance with the foregoing procedures, the Debtors will present to the U.S. Bankruptcy Court an appropriate order with respect to the Claim without further notice to the Claimant.

D. Service Address

33. If a Response contains an address for the Claimant different from that stated on the Proof of Claim, the Debtors will deem it a request under Fed. R. Bankr. P. 2002(g) and the address in the Response shall constitute the service address for future service of papers upon that Claimant until the Debtors receive written notice from the Claimant or the Claimant's counsel of a changed service address.

REPLIES TO RESPONSES

36. The Debtors may, at their option, file and serve a reply to a Claimant's response so that it is received by the Claimant (or counsel, if represented) no later than two (2) days prior to any hearing on the Thirty-Fifth Omnibus Objection.

FURTHER INFORMATION

37. Questions about the Thirty-Fifth Omnibus Objection or requests for additional information about the proposed disposition of Claims thereunder should be directed to the Debtors' counsel in writing at the address listed below (Attn: Sharon L. Stolte) or by telephone at (913) 344-8009 or e-mail sstolte@stinson.com. Questions regarding the amount of a claim, or

the filing of a claim, should be directed to Kurtzman Carson Consultants, LLC at (866) 381-9100 or ibcinfo@kccllc.com. Claimants should not contact the Clerk of the U.S. Bankruptcy Court to discuss the merits of their claims.

NOTICE

38. The Debtors will serve this Thirty-Fifth Omnibus Objection and all Exhibits thereto upon the United States Trustee and all persons filing notices of appearance in these cases. However, in the interest of clarity, for the Claimants whose Claims are subject to objection the Debtors will serve a copy of the Thirty-Fifth Omnibus Objection without Exhibits, the Proposed Order and a personalized notice by first class U.S. Mail, postage prepaid.

39. No previous request for the relief sought herein has been made to this Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter an order (i) expunging the Claims on Exhibits B, C, D, E, H, I and J and (ii) reducing, and/or where applicable, reclassifying the claims and/or proper debtor on Exhibits F and G; and (iii) granting such other and further relief as is just and proper.

Dated: October 10, 2007
Kansas City, Missouri

J. Eric Ivester (ARDC No. 06215581)
Samuel S. Ory (Missouri Bar No. 43293)
SKADDEN ARPS SLATE MEAGHER
& FLOM LLP
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606-1285
Telephone: (312) 407-0700
Facsimile: (312) 407-0411
e-mail: ibcinfo@skadden.com

- and -

J. Gregory Milmo (JM 0919)
SKADDEN ARPS SLATE MEAGHER
& FLOM LLP
Four Times Square
New York, New York 10036-6522
Telephone: (212) 735-3000
Facsimile: (212) 735-2000

and

/s/ Sharon L. Stolte
Paul M. Hoffmann (Missouri Bar No. 31922)
Sharon L. Stolte (Missouri Bar No. 41133)
STINSON MORRISON HECKER LLP
1201 Walnut, Suite 2900
Kansas City, MO 64106-2150
Telephone: (816) 691-2600
Facsimile: (913) 344-6779
e-mail: phoffmann@stinson.com
e-mail: sstolte@stinson.com
Attorneys for the Debtors
and Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION

In re:

INTERSTATE BAKERIES
CORPORATION, et al.

Debtors.

x

: Chapter 11

: Case No. 04-45814 (JWV)

: Jointly Administered

: Hearing Date: November 14, 2007

: Hearing Time: 2:00 p.m.

: Resp. Deadline: November 9, 2007

x

**FIRST ORDER ON THIRTY-FIFTH OMNIBUS OBJECTION TO CLAIMS
UNDER 11 U.S.C. §§ 102, 105, 502 AND 507,
FED. R. BANKR. P. 3003 and 3007 AND LOCAL RULE 3007-1**

This matter having come before the Court on the objection, dated October 10, 2007 (the "Thirty-Fifth Omnibus Objection")¹ wherein Interstate Bakeries Corporation ("Interstate Bakeries" or the "Company") and eight² of its subsidiaries and affiliates, debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors"), filed an objection, pursuant to 11 U.S.C. §§ 102, 105, 502 and 507, Fed. R. Bankr. P. 3003 and 3007 and Local Rule 3007-1 expunging, reducing or reclassifying certain claims set forth in the Thirty-Fifth Omnibus Objection, (i) it has jurisdiction over the matters raised in the Thirty-Fifth

¹ Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to them in the Objection.

² The following subsidiaries' and affiliates' chapter 11 cases are jointly administered with Interstate Bakeries' chapter 11 case: Armour and Main Redevelopment Corporation; Baker's Inn Quality Baked Goods, LLC; IBC Sales Corporation; IBC Services, LLC; IBC Trucking LLC; Interstate Brands Corporation; New England Bakery Distributors, L.L.C.; and Mrs. Cubbison's Foods, Inc.

Omnibus Objection pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Thirty-Fifth Omnibus Objection is in the best interests of the Debtors, their estates and their creditors; (iv) proper and adequate notice of the Thirty-Fifth Omnibus Objection and the hearing thereon has been given and that no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, that the relief should be granted as set forth below,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Thirty-Fifth Omnibus Objection be, and it is hereby GRANTED.
2. Pursuant to 11 U.S.C. §§ 102(1), 105(a), and 502(b) and Fed. R. Bankr. P. 3007, the Duplicate Claim listed on Exhibit B in the column entitled "Duplicate Claim to be Expunged" is disallowed and expunged in its entirety.
3. Pursuant to 11 U.S.C. §§ 102(1), 105(a), and 502(b) and Fed. R. Bankr. P. 3007, each Amended and Replaced Claim listed on Exhibit C in the column entitled "Amended Claim to be Expunged" is disallowed and expunged in its entirety.
4. Pursuant to 11 U.S.C. §§ 102, 105 and 502 and Fed. R. Bankr. P. 3007 and Local Rule 3007-1, each Not Liability of the Estate(s) Claim listed on Exhibit D is disallowed and expunged in its entirety.
5. Pursuant to 11 U.S.C. §§ 102, 105 and 502 and Fed. R. Bankr. P. 3003 and 3007-1, each Paid Claim listed on Exhibit E is disallowed and expunged in its entirety.
6. Pursuant to 11 U.S.C. §§ 102, 105 and 502 and Fed. R. Bankr. P. 2007 and Local Rule 3007-1, each Overstated Claim listed on Exhibit F is allowed in the amount of the "(Proposed) Amount to be allowed as Priority Claim," "(Proposed)" Amount to be Allowed as

Secured Claim" and/or in the "(Proposed) Amount to be allowed as General Unsecured Claim" and reclassified against the Debtor as listed in the column labeled "(Proposed) Proper Debtor Name."

7. Pursuant to 11 U.S.C. §§ 102, 105 and 502 and Fed. R. Bankr. P. 3007 and Local Rule 3007-1, the Incorrect Nature and/or Debtor Claims listed on Exhibit G are reclassified as to nature as listed thereon.

8. Pursuant to 11 U.S.C. §§ 102, 105 and 502 and Fed. R. Bankr. P. 3003 and 3007 and Local Rule 3003-1 and 3007-1, the Late Filed Claim listed on Exhibit H is disallowed and expunged in its entirety.

9. Pursuant to 11 U.S.C. §§ 102, 105 and 502, and Fed. R. Bankr. P. 3007 and Local Rule 3007-1, the Executory Contract Claim listed on Exhibit I is disallowed and expunged in its entirety.

10. Pursuant to 11 U.S.C. §§ 102(1), 105(a) and 502(b) and Fed. R. Bankr. P. 3007, each Duplicated in Larger Claim listed on Exhibit J listed in the column "Duplicated in Larger Claim" is disallowed and expunged in its entirety.

11. This Order is without prejudice to the Debtors' right to object to any other claims in these Chapter 11 cases or to further object to claims objected to herein.

12. This Court shall retain jurisdiction over the Debtors and the claimants whose Proofs of Claim are subject to the Thirty-Fifth Omnibus Objection with respect to any matters related to or arising from implementation of this Order.

Dated: Kansas City, Missouri
November __, 2007

UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION

In re:

INTERSTATE BAKERIES
CORPORATION, et al.,

Debtors.

x

: Chapter 11

: Case No. 04-45814 (JWV)

: Jointly Administered

: **Hearing Date: November 14, 2007**

: **Hearing Time: 2:00 p.m.**

: **Resp. Deadline: November 9, 2007**

: **(5:00 p.m. CST)**

x

**DECLARATION OF J. RANDALL VANCE IN SUPPORT OF
DEBTORS' THIRTY-FIFTH OMNIBUS OBJECTION TO CLAIMS
UNDER 11 U.S.C. §§ 102, 105, 502 AND 507 AND FED. R. BANKR.
P. 3003 AND 3007 AND LOCAL RULE 3007-1**

STATE OF MISSOURI)

JACKSON COUNTY)

) ss.:
)

I, J. Randall Vance, hereby declare (the "Declaration") that the following is true to the best of my knowledge, information and belief:

1. I am the Chief Financial Officer and Treasurer of Interstate Bakeries Corporation, ("Interstate Bakeries" or the "Company") which, along with eight¹ of its subsidiaries and affiliates, are debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors").

¹ The following subsidiaries' and affiliates' chapter 11 cases are jointly administered with Interstate Bakeries' chapter 11 case: Armour and Main Redevelopment Corporation; Baker's Inn Quality Baked Goods, LLC; IBC Sales Corporation; IBC Services, LLC; IBC Trucking LLC; Interstate Brands Corporation; New England Bakery Distributors, LLC; and Mrs. Cubbison's Foods, Inc.

2. On September 22, 2004 (the "Petition Date"), eight of the Debtors filed petitions for reorganization relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Western District of Missouri (Kansas City Division). Furthermore, on January 14, 2006, the ninth debtor, Mrs. Cubbison's Foods, Inc., also filed a voluntary petition in this Court for reorganization relief under chapter 11 of the Bankruptcy Code. Since the Petition Date, the Debtors have continued in possession of their properties and management of their businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

3. I am familiar with the Debtors' day-to-day operations, financing arrangements, business affairs and books and records. I submit this Declaration in support of the Debtors' Thirty-Fifth Omnibus Objection to Claims under 11 U.S.C. §§ 102, 105, 502 and 507 and Fed. R. Bankr. P. 3003 and 3007 and Local Rule 3007-1 (the "Thirty-Fifth Omnibus Objection" or the "Objection"). I make this Declaration on the basis of my review of the Debtors' books and records (the "Books and Records"), the register of claims (the "Claims Register") prepared and provided by the Debtors' claims agent, Kurtzman Carson Consultants ("KCC"), and the Proofs of Claim filed in these cases.

4. I assisted in the claim reconciliation process and in the preparation of the Objection. In this regard, I (a) participated in the review of (i) the Claims Register, identifying Proofs of Claim that should be expunged; (ii) the claims that are identified in the Objection and on the Exhibits to the proposed order (the "Proposed Order") and (iii) the Books and Records with respect to the Claims that are identified in the Objection and

on the Exhibits to the Proposed Order, and (b) read the Objection and the Proposed Order.

Accordingly, I am familiar with the information contained therein and in Exhibits B-J.

A. Duplicate Claims

5. To the best of my knowledge, information and belief, the claim listed on Exhibit B to the Proposed Order (the "Duplicate Claim") under the heading "Duplicate Claim to be Expunged" is duplicative because the Claimant listed thereunder filed two or more claims against the same Debtor, asserting the same liability. The remaining claim after the elimination of the Duplicate Claim, appears under the heading "Surviving Claim Number."

6. By the Objection, the Debtors object to the Duplicate Claim listed under the heading "Duplicate Claim to be Expunged" on Exhibit B to the Proposed Order, and seek entry of an order disallowing and expunging such Duplicate Claim in its entirety, subject to the Debtors' further objections on any other grounds to the Claim listed under the heading "Surviving Claim Number."

B. Amended and Replaced Claims

7. To the best of my knowledge, information and belief, the Claims listed on Exhibit C to the Proposed Order under the heading "Amended Claims to be Expunged" are claims that have been amended and replaced by a claim later filed by the Claimant (the "Amended/Replaced Claims"). The remaining claims and the amount of the remaining claims, after the elimination of any replaced claims, appear under the heading "Surviving Claim Number."

8. By the Objection, the Debtors object to the Amended/Replaced Claims listed under the heading "Amended Claims to be Expunged" on Exhibit C to the

Proposed Order, and seek entry of an order disallowing and expunging such Amended/Replaced Claims in their entirety, subject to the Debtors' further objections on any other grounds to the claims listed under the heading "Surviving Claim Number."

C. Not Liability of the Estate(s) Claims

9. To the best of my knowledge, information and belief, the Claims listed on Exhibit D to the Proposed Order (the "Not Liability of the Estate(s) Claims") are Claims with respect to which the Debtors' Books and Records reflect no amount due. The Debtors have reviewed these Proofs of Claim, researched their business relationship with the applicable creditors and determined there is not support for the claims in either the Proof of Claim or the Debtors' Books and Records.

10. In the Objection, the Debtors object to the Not Liability of the Estate(s) Claims listed on Exhibit D to the Proposed Order and seek entry of an order disallowing and expunging the Not Liability of the Estate(s) Claims in their entirety.

D. Paid Claims

11. To the best of my knowledge, information and belief, the Claims listed on Exhibit E to the Proposed Order are not outstanding liabilities of the estates because they were paid either in the ordinary course of the Debtors' businesses or pursuant to authority granted by the Bankruptcy Court (the "Paid Claims").

12. By the Objection, the Debtors object to each of the Paid Claims listed on Exhibit E to the Proposed Order and seek entry of an order disallowing and expunging the Paid Claims in their entirety.

E. Overstated Claims

13. To the best of my knowledge, information and belief, the Claims listed on Exhibit F to the Proposed Order are overstated in amount. The Debtors have reviewed and compared the filed Proofs of Claim against their Books and Records and found that the amount asserted on the Proofs of Claims were higher than the amounts reflected on the Debtors' Books and Records. Some of the Overstated Claims have been reduced in amount and/or had the claim amounts reallocated between secured, priority and general unsecured. In addition, many of the Overstated Claims were filed against the wrong debtor. For these claims, the proper debtor is listed in the "(Proposed) Proper Debtor Name" column.

14. In the Objection, the Debtors object to the Overstated Claims and seek entry of an order (i) reducing and revising the Overstated Claims to the proposed claim amounts, as set forth in Exhibit F to the Proposed Order, and (ii) where applicable, reclassifying the claim against the proper debtor as set forth in Exhibit F to the Proposed Order.

F. Incorrect Nature and/or Debtor Claims

15. To the best of my knowledge, information and belief, listed on Exhibit G to the Proposed Order are the Disputed Claims that appear to incorrectly assert priority status and/or filed against the wrong debtor.

16. In the Objection, the Debtors seek entry of an order reclassifying the status of the claim as indicated on Exhibit G to the Proposed Order.

G. Late Filed Claim

17. To the best of my knowledge, information and belief, the Claims listed on Exhibit H to the Proposed Order were filed after the Bar Date (the "Late Filed Claim"). In accordance with the terms of the Bar Date Order, Rule 3003(c)(2) of the Federal Rules of Bankruptcy Procedure and Local Rule 3003-1, the Claims should be disallowed.

18. In the Objection, the Debtors object to the Late Filed Claims and seek entry of an order disallowing and expunging the Late Filed Claims in their entirety.

H. Executory Contract Claim

19. The Debtors are parties to a number of real property leases and executory contracts for, among other things, copiers, trucks, computers, etc. Various entities have filed claims on behalf of real property leases and executory contracts that were in effect on the petition Date. To the best of my knowledge, information and belief, the Debtors have reviewed the contract relating to the claim listed on Exhibit I (the "Executory Contract Claims") and have determined that such claim relates to a contract that has expired by its terms (the "Expired Contracts"). With respect to the Expired Contracts, the Debtors assert that they have fulfilled all of their obligations pursuant to the terms of the contract and no longer have any liability with respect to such contract.

20. In the Objection, the Debtors (i) object to the Executory Contract Claim and (ii) seeks entry of an order disallowing and expunging the Executory Contract Claim in its entirety.

L. Duplicated in Larger Claims

21. To the best of my knowledge, information and belief, the claims listed on Exhibit J to the Proposed Order (the "Duplicated in Larger Claims") under the heading "Duplicate Claims to be Expunged" are duplicative because the Claimants listed thereunder filed two or more claims against the same Debtor, asserting the same liability. The remaining claims after the elimination of the Duplicate Claims, appear under the heading "Surviving Claim Number."

22. By the Objection, the Debtors object to the Duplicated in Larger Claims listed under the heading "Duplicate Claim to be Expunged" on Exhibit J to the Proposed Order, and seek entry of an order disallowing and expunging such Duplicated in Larger Claims in their entirety, subject to the Debtors' further objections on any other grounds to the Claims listed under the heading "Surviving Claim Number."

Conclusion

23. Based upon my review of the Claims identified on Exhibits B-J to the Proposed Order, the Claims Register and the Books and Records, I believe that granting the relief requested in the Objection is in the best interests of the Debtors, their estates and their creditors.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 10th day of October, 2007.

/s/ J. Randall Vance
J. Randall Vance

IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF MISSOURI
KANSAS CITY DIVISION

In re:

INTERSTATE BAKERIES
CORPORATION, *et al.*,

Debtors.

x

: Chapter 11

: Case No. 04-45814 (JWV)

: Jointly Administered

: Hearing Date: November 14, 2007

: Hearing Time: 2:00 P.M.

: Obj. Deadline: November 9, 2007
(5:00 P.M. CST)

x

**NOTICE OF HEARING REGARDING
DEBTORS' THIRTY-FIFTH OMNIBUS OBJECTION TO
CLAIMS UNDER 11 U.S.C. §§ 102, 105, 502 AND 507,
FED. R. BANKR. P. 3003 AND 3007 AND LOCAL RULE 3007-1**

PLEASE TAKE NOTICE THAT on November 14, 2007, at 2:00 P.M., CST, we shall appear before Honorable Jerry W. Venters, United States Bankruptcy Judge, 400 E. 9th Street, Kansas City, Missouri 64106, Courtroom 6A, and then and there present, the Debtors' **Thirty-Fifth Omnibus Objection to Claims Under 11 U.S.C. §§ 102, 105, 502 and 507, Fed. R. Bankr. P. 3003 and 3007 and Local Rule 3007-1** (the "Objection"). (*Docket No. 9547*). The deadline for filing a Response to the Objection is **November 9, 2007 (5:00 P.M. CST)** pursuant to that Certain Case Management Order under 11 U.S.C. § 105, Establishing Monthly Omnibus Hearing and Certain Notice, Case Management and Administrative Procedures, entered on September 24, 2004. (*Docket No. 80*).

PLEASE TAKE FURTHER NOTICE that a copy of the Objection may be obtained on Kurtzman Carson Consultants LLC's website at www.kccllc.net/ibc.

Dated: October 10, 2007

/s/ Sharon L. Stolte

Paul M. Hoffmann (Missouri Bar No. 31922)

Sharon L. Stolte (Missouri Bar No. 41133)

STINSON MORRISON HECKER LLP

1201 Walnut, Suite 2900

Kansas City, MO 64106-2150

Telephone: (816) 691-2600

Facsimile: (913) 344-6779

e-mail: phoffmann@stinson.com

e-mail: ssolte@stinson.com

Attorneys for the Debtors

And Debtors-in-Possession

FILE COPY

GREENE RADOVSKY MALONEY SHARE & HENNIGH LLP

FOUR EMBARCADERO CENTER, SUITE 4000, SAN FRANCISCO, CA 94111 TEL: (415) 981-1400 FAX: (415) 777-4961

WRITER'S DIRECT DIAL:

(415) 248-1577

E-MAIL:

etredinnick@greeneradovsky.com

March 28, 2007

VIA FEDERAL EXPRESS

IBC Claims Processing
c/o Kurtzman Carson Consultants LLC
12910 Culver Blvd., Suite I
Los Angeles, CA 90066

Re: Proof of Claim filed on behalf of State of California and related agencies by Lorrie L. Greene against Interstate Brands Corporation, United States Bankruptcy Court, Western District of Missouri
Case Number 04-45816

Dear claims processor:

Enclosed please find a Proof of Claim in the above-referenced matter. After you have it filed, please return a conformed copy to me in the enclosed, self-addressed and stamped envelope.

If you have any questions regarding the foregoing, please do not hesitate to contact me. Thank you for your courtesy and cooperation in this matter.

Very truly yours,


Edward J. Tredinnick

EJT/lb
Enclosure

cc: Lorrie L. Greene
Richard L. Greene
James R. Arnold, Esq.

From: Origin ID: APCA (415)981-1400
EDWARD J. TREDINNICK
GREENE RADOVSKY
40TH FLOOR
FOUR EMBARCADERO CENTER
SAN FRANCISCO, CA 94111



CLS42230721223

Ship Date: 28MAR07
ActWgt: 1 LB
System#: 5759203/INET2600
Account#: S *****

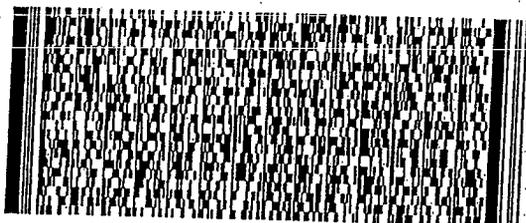
Delivery Address Bar Code



Ref# EJT 25099 9999
Invoice #
PO #
Dept #

SHIP TO: (415)981-1400 BILL SENDER
IBC CLAIMS PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
12910 CULVER BLVD., SUITE 1

CULVER CITY, CA 90066



PRIORITY OVERNIGHT

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TRK# 7912 6423 9841

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Name: EDWARD J. TREDINNICK

E-mail: LBRADY@GRMSLAW.COM

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Tracking number:	791264239841
Reference:	EJT 25099 9999
Ship (P/U) date:	Mar 28, 2007
Delivery date:	Mar 29, 2007 12:19 PM
Sign for by:	P.LANFORD
Delivered to:	Receptionist/Front Desk
Service type:	FedEx Priority Overnight
Packaging type:	FedEx Envelope
Number of pieces:	1
Weight:	0.50 lb.

Shipper Information
EDWARD J. TREDINNICK
GREENE RADOVSKY
40TH FLOOR
FOUR EMBARCADERO CENTER
SAN FRANCISCO
CA
US
94111

Recipient Information
IBC CLAIMS PROCESSING
C/O KURTZMAN CARSON CONSULTANTS LLC
12910 CULVER BLVD., SUITE 1
CULVER CITY
CA
US
90066

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Thank you for your business.

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF MISSOURI

PROOF OF CLAIM

Name of Debtor Interstate Brands Co.

Case Number 04-45816

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A "request" for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property): State of California and related agencies

Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Name and address where notices should be sent: See Attached Exhibit for notice list

Check box if you have never received any notices from the bankruptcy court in this case.

Telephone number:

Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Last four digits of account or other number by which creditor identifies debtor:

Check here if this claim replaces or amends a previously filed claim, dated:

1. Basis for Claim

- Goods sold, Services performed, Money loaned, Personal injury/wrongful death, Taxes, Retiree benefits as defined in 11 U.S.C. § 1114(a), Other Environmental Cleanup, Wages, salaries, and compensation (fill out below), Last four digits of your SS #, Unpaid compensation for services performed.

2. Date debt was incurred: 07/01/1988

3. If court judgment, date obtained:

4. Classification of Claim. Check the appropriate box or boxes that best describe your claim and state the amount of the claim at the time the case was filed. See reverse side for important explanations.

Unsecured Nonpriority Claim \$ Unknown

Check this box if: a) there is no collateral or lien securing your claim, or b) your claim exceeds the value of the property securing it, or c) none or only part of your claim is entitled to priority.

Secured Claim

Check this box if your claim is secured by collateral (including a right of setoff).

Brief Description of Collateral:

- Real Estate, Motor Vehicle, Other

Value of Collateral: \$

Amount of arrearage and other charges at time case filed included in secured claim, if any: \$

Unsecured Priority Claim:

Check this box if you have an unsecured claim, all or part of which is entitled to priority.

Amount entitled to priority \$

Specify the priority of the claim:

- Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B), Wages, salaries, or commissions (up to \$10,000)* earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4), Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(5), Up to \$2,225* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(7), Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8), Other - Specify applicable paragraph of 11 U.S.C. § 507(a)()

* Amounts are subject to adjustment on 4/1/07 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

5. Total Amount of Claim at Time Case Filed: \$ Unknown (unsecured), Unknown (secured), Unknown (priority), Unknown (total)

Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

6. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

7. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements, and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary.

THIS SPACE IS FOR COURT USE ONLY

8. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a stamped, self-addressed envelope and copy of this proof of claim.

Date 03/27/2007. Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any): Greene Radovsky Maloney Share & Hennigh, LLP, Attys for Lorrie Greene

ATTACHMENT TO PROOF OF CLAIM FILED ON BEHALF OF THE STATE OF CALIFORNIA
PURSUANT TO BANKRUPTCY RULE 3005

This claim is a contingent and unliquidated claim for the cost of the environmental cleanup of certain property located at 1426 Lincoln Street, Stockton, California (the "Lincoln Street Property"). This Claim is filed on behalf of the State of California, its agencies the State Water Resources Control Board, the California Regional Water Quality Control Board, Central Valley Region and its sub-division the County of San Joaquin ("State") by Lorrie L. Greene ("Greene"), a prior owner of the Lincoln Street Property, pursuant to Bankruptcy Code § 501(b) and Bankruptcy Rule 3005(a).

Greene is informed and believes that this claim arises from the activity of Interstate Brands Corporation (the "Debtor") as a prior tenant of the Lincoln Street Property, relating to the installation of an underground storage tank ("UST") by the Debtor and the removal of that UST by the Debtor in July of 1988. Upon the removal of the UST, it was determined that there was evidence of soil contamination by the presence of petroleum hydrocarbons in soil and ground water samples at the Lincoln Street Property. Greene is further informed and believes that all such activity regarding the UST occurred prior to Greene obtaining legal title to the Lincoln Street Property which she inherited from her mother.

This claim has been filed as a result of Greene's receipt from the County of San Joaquin of a Notice of Responsibility dated November 15, 2005, as a prior owner of the Lincoln Street Property and a further notification from the California Regional Water Quality Control Board dated September 26, 2006, that further remediation and monitoring will be required.

Greene disputes any liability for such remediation and monitoring of the site. Greene is informed and believes that the Debtor is the primary responsible party for the remediation of the site. Greene is further informed that neither the State, nor any of its agencies or subdivisions, has filed a claim in this case relating to the remediation of the Lincoln Street Property. Since Greene may be entitled to reimbursement and/or contribution from the Debtor for any costs that Greene incurs in connection with this matter, she is thus entitled to file this claim under Bankruptcy Code §501(b) and Bankruptcy Rule 3005 on behalf of the State.

As the site remediation at the Lincoln Street Property is ongoing, Greene at this time has no information regarding the scope or amount of any such obligation.

NOTICE LIST

State of California
Attorney General

Margarita Padilla, Esq.
Ofc of the Attorney General
State of California
1515 Clay St 20th Fl.
Oakland, CA 94612-1413
T: 510-622-2135
F: 510-622-2270

State Water Resources Control Board
Office of General Counsel

Frances L. McChesney, Esq.
Counsel, CRWQCB 5
Office of the General Counsel
State Water Resources Control Board
1001 "I" Street
Sacramento, CA 95814

Central Valley Region
California Regional Water Quality Control
Board

Ms. Pamela Creedon
Executive Officer
Central Valley Region
Regional Water Quality Control Board
Attn: James L.L. Barton, P.G.
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114
T: 916-464-4615
F: 916-464-4645

San Joaquin County

Ms. Margaret Lagorio
Program Coordinator, REHS
San Joaquin County Environmental Health Dept
304 E. Weber Ave., 3rd Floor
Stockton, CA 95202
T: 209-468-3449
F: 209-468-3434

County Counsel, San Joaquin County

David E. Wooten, Esq.
County Counsel
San Joaquin County
222 E. Weber Ave., Room 711
Stockton, CA 95202
T: 209-944-3551

District Attorney, San Joaquin County

David J. Irej, Esq.
Deputy District Attorney
Office of the District Attorney
San Joaquin County
222 E. Weber Avenue, #202
Stockton, CA 95202
T: 209-468-2470
F: 209-468-0314

Lorrie Greene

Greene Radovsky Maloney Share & Hennigh
LLP
Four Embarcadero Center, Suite 4000
San Francisco, CA 94111
T: 415 981-1400

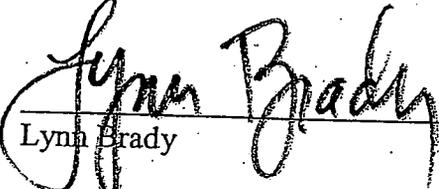
PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Greene Radovsky Maloney Share & Hennigh LLP, Four Embarcadero Center, Suite 4000, San Francisco, California 94111. On March 28, 2007, I served the following document(s) by the method indicated below:

PROOF OF CLAIM

- by transmitting via facsimile on this date from fax number (415) 777-4961 the document(s) listed above to the fax number(s) set forth below. The transmission was completed before 5:00 p.m. and was reported complete and without error. The transmission report, which is attached to this proof of service, was properly issued by the transmitting fax machine. Service by fax was made by agreement of the parties, confirmed in writing. The transmitting fax machine complies with Cal.R.Ct 2003(3).
- by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at San Francisco, California addressed to the parties on the attached Service List. I am readily familiar with the firm's practice of collection and processing of correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if the postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in this Declaration.
- by placing the document(s) listed above in a sealed envelope(s) and by causing personal delivery of the envelope(s) to the person(s) at the address(es) set forth below. A signed proof of service by the process server or delivery service will be filed shortly.
- by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- by placing the document(s) listed above in a sealed envelope(s) and consigning it to an express mail service for guaranteed delivery on the next business day following the date of consignment to the address(es) set forth below. A copy of the consignment slip is attached to this proof of service.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct. Executed on March 28, 2007, at San Francisco, California.



Lynn Brady

SERVICE LIST

State of California
Attorney General

Margarita Padilla, Esq.
Ofc of the Attorney General
State of California
1515 Clay St 20th Fl.
Oakland, CA 94612-1413
T: 510-622-2135
F: 510-622-2270

State Water Resources Control Board
Office of General Counsel

Frances L. McChesney, Esq.
Counsel, CRWQCB 5
Office of the General Counsel
State Water Resources Control Board
1001 "I" Street
Sacramento, CA 95814

Central Valley Region
California Regional Water Quality Control
Board

Ms. Pamela Creedon
Executive Officer
Central Valley Region
Regional Water Quality Control Board
Attn: James L.L. Barton, P.G.
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114
T: 916-464-4615
F: 916-464-4645

San Joaquin County

Ms. Margaret Lagorio
Program Coordinator, REHS
San Joaquin County Environmental Health Dept
304 E. Weber Ave., 3rd Floor
Stockton, CA 95202
T: 209-468-3449
F: 209-468-3434

County Counsel, San Joaquin County

David E. Wooten, Esq.
County Counsel
San Joaquin County
222 E. Weber Ave., Room 711
Stockton, CA 95202
T: 209-944-3551

District Attorney, San Joaquin County

David J. Irey, Esq.
Deputy District Attorney
Office of the District Attorney
San Joaquin County
222 E. Weber Avenue, #202
Stockton, CA 95202
T: 209-468-2470
F: 209-468-0314

1 LORRIE L. GREENE
144 AVENIDA MIRAFLORES
2 TIBURON, CA 94920

3 *In Propria Persona*

4 STATE OF CALIFORNIA
5 STATE WATER RESOURCES CONTROL BOARD

6
7 In The Matter Of
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
8 CENTRAL VALLEY REGION

9 Cleanup Abatement Order No. R5-2007-0725

10
11 For:
12 INTERSTATE BRANDS CORPORATION
13 TEMPLE OF DELIVERANCE CHURCH OF GOD IN CHRIST
14 JASON HUNT
15 TIMOTHY KONG
16 LORRIE GREENE
17 DOLLY MADISON/LANGENDORF BAKERY
18 1426 S. LINCOLN ST., STOCKTON
19 SAN JOAQUIN COUNTY

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DECLARATION

Lorrie L. Greene hereby declares under penalty of perjury that:

1. I have personal knowledge of the facts and statements in my November 5, 2007
Petition to the State Water Resources Board to which this Declaration is attached as Exhibit 7.
2. If the Order of the California Regional Water Quality Resources Board
("CRWQRB") is not stayed I will suffer substantial and irreparable harm in that the Order makes me a
responsible party for all the expenses to be incurred in connection with satisfying the requirements of
the Order, presently estimated to be well in excess of \$1 million.

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1 PROOF OF SERVICE BY MAIL

2 I, Karen H. Soriano, certify and declare as follows:

3 I am over the age of 18 years, and not a party to this action. My business address is
4 Four Embarcadero Center, Suite 4000, San Francisco, California 94111-4106, which is located in the
5 county where the mailing described below took place.

6 I am readily familiar with the business practice at my place of business for collection
7 and processing of correspondence for mailing with the United States Postal Service. Correspondence
8 so collected and processed is deposited with the United States Postal Service that same day in the
9 ordinary course of business.

10 On November 6, 2007, at my place of business at San Francisco, California, a copy of
11 the following document, Petition to the State Water Resources Control Board; Declaration, was placed
12 for deposit in the United States Postal Service in a sealed envelope, with postage fully prepaid,
13 addressed to:

14 Mr. Timothy Kong
1320 S. Van Buren Street
15 Stockton, CA 95206

Mr. Travis Bryant
Interstate Brands Corporation
12 #. Armour Blvd.
Kansas City, MO 64111

16 Mark E. Johnson, Esq.
Stinson Morrison Hecker LLP
17 1201 Walnut, Suite 2900
Kansas City, MO 64106-2150

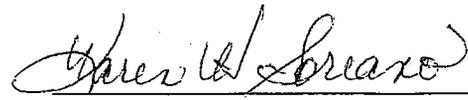
Mr. Jason Hunt
Temple Deliverance Church of God in Christ
3654 Iron Canyon Circle
Stockton, CA 95207

18 California Regional Water Quality Control Board
Central Valley Region
19 1020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114

20
21 and that envelope was placed for collection and mailing on that date following ordinary business
22 practices.

23 I certify and declare under penalty of perjury under the laws of the State of California
24 that the foregoing is true and correct.

25 Executed on November 6, 2007.

26 

27 Karen H. Soriano
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