

FROM LATHAM & WATKINS

619-696-7419

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Office of the Secretary of State
of the State of California

JAN 26 1987

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF INCORPORATION
OF
JCC ACQUISITION CORP.

MARCH FONG EU, Secretary of State

ROBERT L. VELOZ and MICHELLE MILLS-MARGETIC hereby certify that:

1. They are the President and Assistant Secretary, respectively, of JCC Acquisition Corp., a California corporation.

2. Article ONE of the Articles of Incorporation of this corporation is hereby amended to read in its entirety: "The name of this corporation is J.C. Carter Company, Inc."

3. The foregoing amendment of articles of incorporation has been duly approved by the Board of Directors.

4. The foregoing amendment of articles of incorporation has been duly approved by the required vote of shareholders in accordance with Section 902 of the Corporations Code. The total number of outstanding shares of the corporation is 1,250,000. The number of shares voting in favor of the amendment equaled or exceeded the vote required. The percentage vote was more than 50%.

CADWALADER

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New York
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Charlotte
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September 21, 2001

VIA FEDERAL EXPRESS:

Jorge A. Leon, Esq.
Office of Chief Counsel
California State Water Resources Control Board
1001 I Street
Sacramento, California 95814

Re: Cleanup and Abatement Order No. 90-126
J.C. Carter Company, Inc.
Case No. 083000202T

Dear Mr. Leon:

Thank you for the time you and Mr. Cobb spent with me on the telephone yesterday concerning the Cleanup and Abatement Order referenced above, issued by the Santa Ana Regional Water Quality Control Board, and for the understanding and concern both of you demonstrated for my client's plight. Enclosed are the materials I promised to send.

As we discussed, over the past *fifteen years*, the current J.C. Carter Company, Inc. ("Current J.C. Carter") and Mr. Robert L. Veloz (under an indemnification agreement) have spent over \$1 million on investigative and cleanup activities with regard to the Current J.C. Carter plant at 61 West Seventeenth Street in Costa Mesa. These activities have been related to the presence of trichloroethylene ("TCE") in the ground.

Yet, Current J.C. Carter *never used TCE*.

By contrast, we have provided documentation that the *former* property owners — ITT Corporation and Armatron International, Inc. — used and disposed of considerable quantities of TCE at the property. In this connection, I respectfully refer you to the enclosed letter I wrote to Ms. Rose Scott of the Santa Ana Board in August 2000, and in particular to Tabs O, P, and Q of the bound volume, which contains the attachments to the letter. These tabs contain affidavits by employees who worked at the plant during ITT's and Armatron's ownership.

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In the affidavit attached at Tab O, Mr. David Beard:

- ◆ stated that ITT used TCE at the plant during its ownership (§ 7),
- ◆ described the locations at the plant he saw it used (§ 8 and Tab 1),
- ◆ stated that "TCE was not handled with great care during the period of ITT ownership. Knowing how it was handled, I believe it was spilled at various locations on the property and that it was probably disposed of on the back portion of the property over the chain link fence" (§ 9), and
- ◆ stated that the plant "stopped using TCE before 1978" (§ 12), which was *before Current J.C. Carter was formed as a corporation.*

In the affidavit attached at Tab P, Mr. Michael Petrozzi:

- ◆ stated that ITT used TCE at the plant during its ownership (§ 5),
- ◆ described the locations at which he saw it used (§ 6),
- ◆ stated "TCE was not handled with great care. Everyone had a fairly cavalier attitude about its use. During that time period, I remember seeing people at the Carter Plant removing parts from the degreasers and then shaking off the parts to remove excess TCE" (§ 7), and
- ◆ stated that the plant "stopped using TCE before I left the Carter Plant in 1985" (§ 8). This was also before Current J.C. Carter was formed.

In the affidavit attached at Tab Q, Mr. Monroe Jameson:

- ◆ stated that he personally used TCE at the plant during ITT's ownership (§§ 6 & 7),
- ◆ described where he used it (§ 8),
- ◆ stated that "[w]hen the TCE became dirty, it was removed by other employees and I do not know what happened to it" (§ 9), and
- ◆ confirmed that the plant "stopped using TCE sometime in the last 1970's" (§ 10).

I would also invite your attention to Tab B of the enclosed volume, which is the chemical use history I described to you in our telephone conversation, documenting that Current J.C. Carter never used TCE, as well as the other evidence attached

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documenting ITT's and Armatron's use of TCE. In addition, I would respectfully refer you to the enclosed letter from me to Ms. Scott dated March 27, 2001, in which we attempted to correct certain misimpressions under which, it appears, the Board and its staff have been laboring in its dealings with Mr. Veloz and Current J.C. Carter.

As you can see, there is concrete, consistent, uncontroverted evidence establishing that ITT and Armatron used and disposed of TCE at the plant, and that Current J.C. Carter, which has been the *sole* party funding investigative and cleanup measures at the plant for the last fifteen years, did *not*.

Under the circumstances, as we discussed, it appears only appropriate that the Regional Board direct any further investigative or cleanup demands solely to ITT and/or Armatron.

I would ask that, after you have reviewed the enclosed materials, you please give me a call so that we can coordinate an equitable course of action that frees Mr. Veloz and Current J.C. Carter from further obligations concerning an issue they played no role whatsoever in creating. Of course, if you have any questions in reviewing the enclosed materials or in your discussions with Regional Board personnel, please feel free to contact me.

Thank you very much for your assistance.

Sincerely,



Laurence S. Kirsch
Counsel to Robert L. Veloz
(representing the interests of J.C. Carter Company, Inc.)

cc: Ted Cobb, Esq.
Mr. Robert L. Veloz (w/o enclosures)
Mr. A. L. Simmons (w/o enclosures)

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Meeting November 3, 2008

- Site: 671 West Seventeenth Street, Costa Mesa
- Corrective Action Plan dated June 26, 2008

Agenda

Background

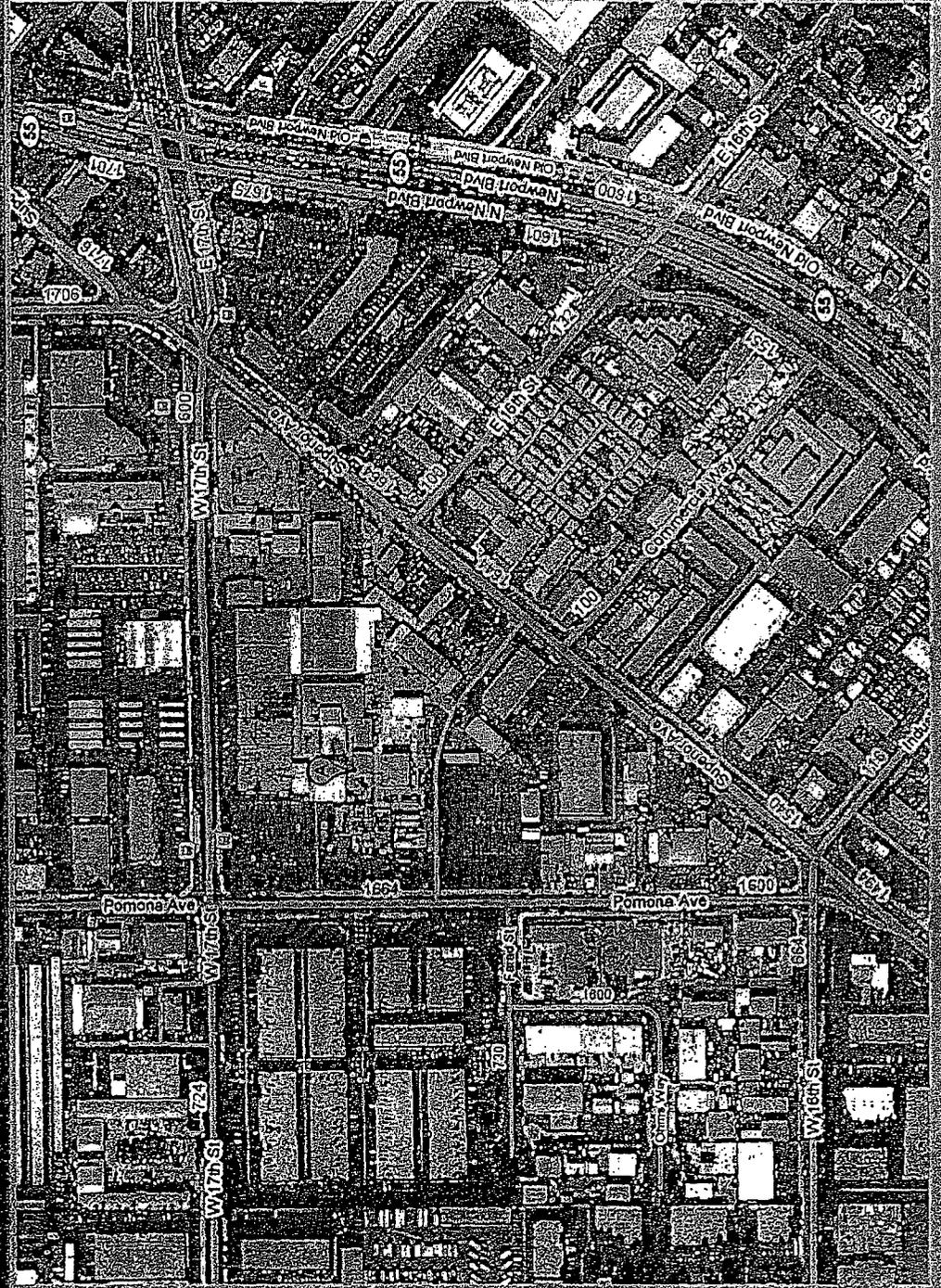
Recent Developments

- In 2007 Seventeenth Street Realty, LLC became the new owner of the site.
- Proposes new use for the site = Mixed use, with residential
 - 2007 sampling indicates presence of DNAPL for the first time
 - June 2008 CAP addresses removal of DNAPL

Request Regional Board Action To:

- Find that Veloz Carter is not responsible for the June 2008 CAP; and/or
- Reform CAO to remove Veloz Carter
 - Supported by evidence of other responsible parties.

Site Vicinity



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