

CHEMICAL DISPOSAL SUMMARY

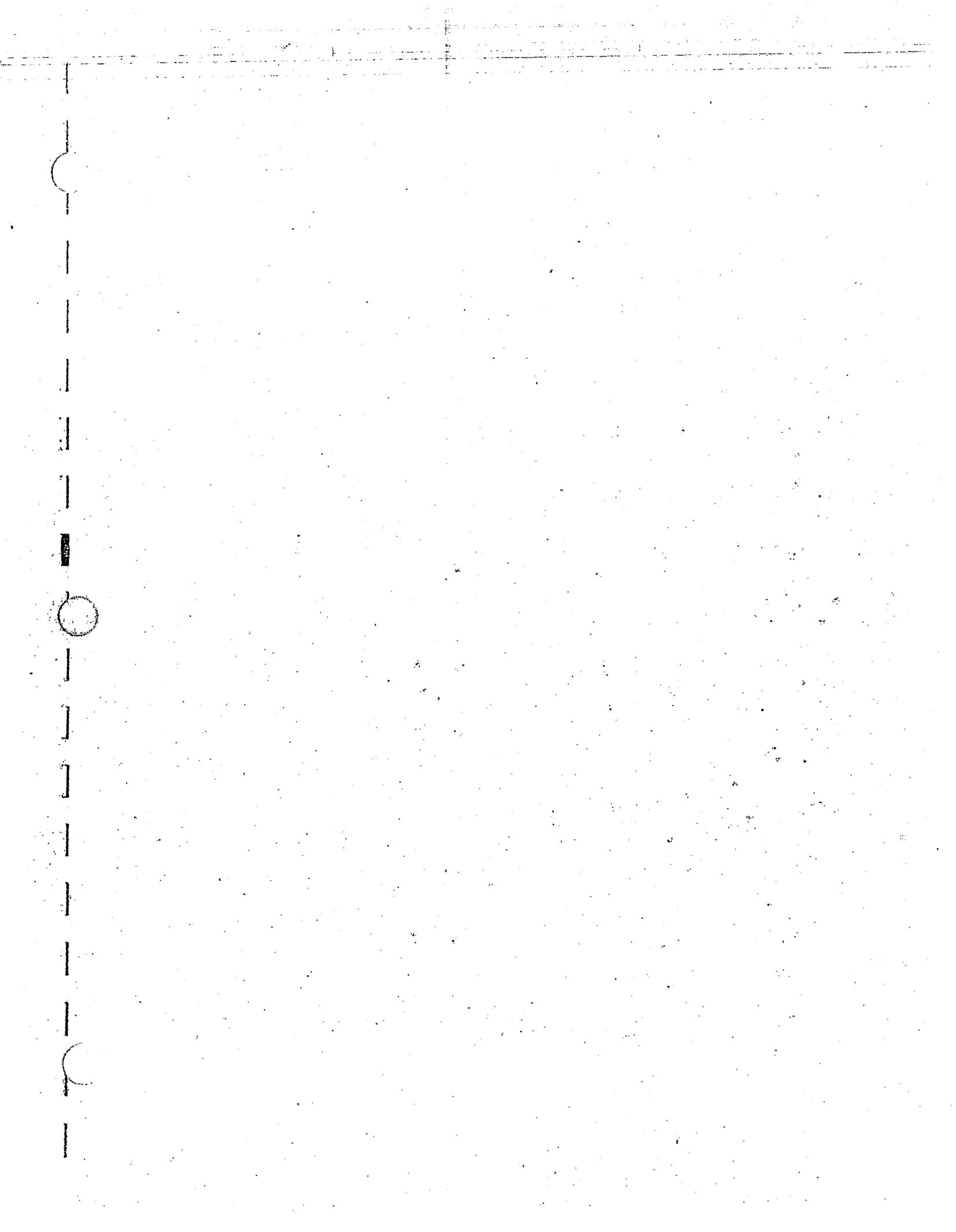
11/29/90

Page 2

DISPOSAL DATE	DESCRIPTION	QUANTITY DISPOSED
3/18/86	WATER AND OIL	7090 GALLONS
3/20/86	WASTE COMBUSTIBLE SOLID	2500 POUNDS
6/10/86	WASTE OIL	400 GALLONS
6/16/86	WATER AND OIL	9090 GALLONS
9/25/86	WASTE OIL	1300 GALLONS
10/07/86	WASTE OIL	8895 GALLONS
3/02/87	WATER AND JET A FUEL	1300 GALLONS
3/06/87	WASTE OIL	1320 GALLONS
4/16/87	RECYCLE COOLANT	670 GALLONS
4/20/87	WASTE OIL	2750 GALLONS
11/02/87	RECYCLE COOLANT	450 GALLONS
5/17/88	WASTE OIL	2050 GALLONS
7/22/88	USED TYPE II SOLVENT	400 GALLONS
8/03/88	WASTE OIL	UNKNOWN
8/18/88	RECYCLE COOLANT	700 GALLONS
9/27/88	WASTE OIL AND COOLANT	1000 GALLONS
9/29/88	WATER AND OIL	1200 GALLONS
10/27/88	WASTE OIL	300 GALLONS
12/20/88	USED JET A FUEL	985 GALLONS
1/05/89	WATER AND OIL	4000 GALLONS
5/16/89	WATER AND OIL	1100 GALLONS
10/25/89	WASTE PAINT	100 GALLONS
11/06/89	WASTE OIL, WATER, COOLANT	1800 GALLONS
11/08/89	WATER AND OIL	2800 GALLONS
11/28/89	SODIUM CHLORIDE AND WATER	20 GALLONS
2/08/90	WASTE OIL AND WATER	800 GALLONS
3/15/90	USED SOLVENT	400 GALLONS
4/11/90	USED SOLVENT	700 GALLONS
5/31/90	USED JET A FUEL	800 GALLONS
6/14/90	USED COOLANT	900 GALLONS
7/12/90	WASTE OIL AND WATER	1300 GALLONS
8/08/90	OIL AND WATER	1500 GALLONS
9/13/90	DRUMS/MISC WASTE MATERIAL	9 DRUMS

APPENDIX D

Correspondence Requesting Information on the 1986 Tank Pull
From Consultants and Regulatory Agencies



Snell & Wilmer
LAW OFFICES

P.O. Box 19601
1920 Main Street
Suite 1200
Irvine, California 92714
(714) 253-2700
Fax: (714) 955-2507

Diane R. Smith (714) 253-2720

PHOENIX, ARIZONA

TUCSON, ARIZONA

DIVIDE, CALIFORNIA

November 5, 1990

Hekimian & Associates Consulting
Engineers & Environmental Planners
Huntington Pacifica
18377 Beach Boulevard, Suite 212
Huntington Beach, California 92648

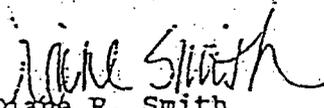
Re: J.C. Carter Company, Inc. Facility, Costa Mesa,
California

Gentlemen:

This firm represents J.C. Carter Company, Inc. It is necessary for us to obtain files in Hekimian & Associates' possession so as to avoid the expense of duplicating existing research performed during the time Hekimian was under contract to J.C. Carter. Specifically, we wish to obtain from your office the files relating to your review of agency records in connection with your site investigation, and any other records which relate to the condition of the property. Would you please have these records delivered to me at the address shown above at your earliest convenience. We very much appreciate your cooperation in this matter. Please call me if there are any questions regarding this request.

Very truly yours,

SNELL & WILMER


Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.
Attention: Gordon Rusk, Vice President
Melodie K. Grace, Esq.
A.L. Simmons
Delta Environmental Consultants, Inc.
Attention: Barbara Mickelson
Michael O'Brien

0201Q

Snell & Wilmer
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PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

November 5, 1990

Converse Environmental Consultants
California
Coppertree Business Park
151 Kalmus Drive, Suite H-3
Costa Mesa, California 92626

Re: Project Number 87-42258-01
J.C. Carter Company, Inc. Facility, Costa Mesa,
California

Gentlemen:

This firm represents J.C. Carter Company, Inc. It is necessary for us to obtain files in Converse Environmental Consultants' possession so as to avoid the expense of duplicating existing research performed during the time Converse was under contract to J.C. Carter. Specifically, we wish to obtain from your office the files relating to your review of agency records in connection with your site investigation, as well as any other records which relate to the technical findings contained in your reports. Would you please have these records delivered to me at the address shown above at your earliest convenience. We very much appreciate your cooperation in this matter. Please call me if there are any questions regarding this request.

Very truly yours,

SNELL & WILMER

Diane R. Smith
Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.
Attention: Gordon Rusk, Vice President
Melodie K. Grace, Esq.
A.L. Simmons
Delta Environmental Consultants, Inc.
Attention: Barbara Mickelson
Michael O'Brien

0202Q

Snell & Wilmer

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Diane R. Smith (714) 253-2720

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

November 5, 1990

Griffin Construction
54712 Cherry Lee Lane
Yorba Linda, California 92686

Attention: Jack Griffin

Re: J.C. Carter Company, Inc. Facility, Costa Mesa,
California

Gentlemen:

It has come to our attention that you may have records relating to a tank which was removed from the J.C. Carter site at 671 West Seventeenth Street, Costa Mesa in 1986. It would be extremely useful to J.C. Carter Company, Inc., which this firm presently represents, if you could make available to us all documents relating to removal of the tank which may be in your possession.

We very much appreciate your cooperation in this matter. If you have any questions, please do not hesitate to contact me at the number shown above. Thank you very much in advance for your anticipated assistance.

Very truly yours,

SHELL & WILMER



Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.

Attention: Gordon Rusk, Vice President

Melodie K. Grace, Esq.

A.L. Simmons

Delta Environmental Consultants, Inc.

Attention: Barbara Mickelson

Michael O'Brien

0203Q

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LAW OFFICES

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Diane R. Smith (714) 253-2720

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

November 5, 1990

Costa Mesa Fire Department
Costa Mesa, California 92628-1200

Re: J.C. Carter Company, Inc. Facility, Costa Mesa,
California

Gentlemen:

It has come to our attention that you may have records relating to a tank which was removed from the J.C. Carter site at 671 West Seventeenth Street, Costa Mesa in 1986. It would be extremely useful to J.C. Carter Company, Inc., which this firm presently represents, if you could make available to us all documents relating to removal of the tank which may be in your possession. We will be happy to pay for copies, or to request these records more formally, if necessary.

We very much appreciate your cooperation in this matter. If you have any questions, please do not hesitate to contact me at the number shown above. Thank you very much in advance for your anticipated assistance.

Very truly yours,

SNELL & WILMER

Diane R. Smith
Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.
Attention: Gordon Rusk, Vice President
Melodie K. Grace, Esq.
A.L. Simmons
Delta Environmental Consultants, Inc.
Attention: Barbara Mickelson
Michael O'Brien

0204Q

Snell & Wilmer
LAW OFFICES

P.O. Box 19601
1920 Main Street
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Irvine, California 92714
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Fax: (714) 955-2507

Diane R. Smith (714) 253-2720

November 5, 1990

County of Orange
Health Care Agency
P.O. Box 355
Santa Ana, California 92702

Re: J.C. Carter Company, Inc. Facility, Costa Mesa,
California

Gentlemen:

It has come to our attention that you may have records relating to a tank which was removed from the J.C. Carter site at 671 West Seventeenth Street, Costa Mesa in 1986. It would be extremely useful to J.C. Carter Company, Inc., which this firm presently represents, if you could make available to us all documents which may be in your possession relating to removal of the tank. We will be happy to pay the cost of copying, or to request the records more formally, if necessary.

We very much appreciate your cooperation in this matter. If you have any questions, please do not hesitate to contact me at the number shown above. Thank you very much in advance for your anticipated assistance.

Very truly yours,

SNELL & WILMER


Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.
Attention: Gordon Rusk, Vice President
Melodie K. Grace, Esq.
A.L. Simmons
Delta Environmental Consultants, Inc.
Attention: Barbara Mickelson
Michael O'Brien

0205Q

Snell & Wilmer

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Diane R. Smith (714) 253-2720

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

November 5, 1990

Schaefer Dixon Associates
22 Mauchly
Irvine, California 92718

Re: 9R4392B - J.C. Carter Company, Inc. Facility, Costa
Mesa, California

Gentlemen:

This firm represents J.C. Carter Company, Inc. It is necessary for us to obtain files in Schaefer Dixon's possession so as to avoid the expense of duplicating existing research performed during the time Schaefer Dixon was under contract to J.C. Carter. Specifically, we wish to obtain from your office the files relating to your review of agency records in connection with your site investigation, and any other records which relate to the condition of the property. Would you please have these records delivered to me at the address shown above at your earliest convenience. We very much appreciate your cooperation in this matter. Please call me if there are any questions regarding this request.

Very truly yours,

SNELL & WILMER

Diane R. Smith
Diane R. Smith

DRS/mh

cc: J.C. Carter Company, Inc.
Attention: Gordon Rusk, Vice President
Melodie K. Grace, Esq.
A.L. Simmons
Delta Environmental Consultants, Inc.
Attention: Barbara Mickelson
Michael O'Brien

0200Q

COSTA MESA FIRE DEPARTMENT
APPLICATION FOR PERMIT

PERMIT FEE: \$16.00. Make checks payable to City of Costa Mesa. This application and fee should be mailed or brought to the Finance Department (Room 106, City Hall, 77 Fair Drive), P. O. Box 1200, Costa Mesa, CA 92626.

Capt Swanson
548-8513

Business Name ITD

Mailing Address 711 W. ...

Permit Address (if different) SAME

Person to Contact Art ... Phone 714-...

Description of Type of Business Auto Shop

Are Other Fire Department Permits In Effect for Premises? If so, list numbers.
None

Section(s) of Fire Code Requiring Permit(s). (See Permit Requirements)

Describe what is to be done and list all hazardous materials and the maximum quantities to be on hand.

REPAIR WORK (USE CRANE) -
757 QUANTITIES TO BE ON HAND
...
...
...

Date: 1/18/85 Applicant's Signature [Signature]

Fire Department Use Only

Place of Assembly Occupant Load

Building Construction Suitable for Occupancy

CLIENT'S COPY

ORANGE COUNTY HEALTH CARE AGENCY
HEALTH SERVICES ORDER

1. No. **010959**

2. DATE: **7-17-86**

TELEPHONE #

(Please Print or Type)

3. CLIENT NAME: **J. L. CARTER CO.** TELEPHONE #

4. PAYOR'S NAME: **GREEN LEAF CO.**

STREET: **1671 W. 17th St.** STREET: **5472 CHERRY LEE LANE**

CITY, STATE, ZIP CODE: **COSTA MESA** CITY, STATE, ZIP CODE: **COSTA MESA**

5. CLIENT #

6. NEW CLIENT RETURNING CLIENT

7. REPORTING UNIT: **HAZ WASTE**

8. CASHIER'S USE ONLY:

9. PRINT PREPARER'S NAME: **NN** **CK # 2136**

10. Write in Code # for Service(s): Write in amount if variable fee:

CODE #	CHECK	CASH	AMOUNT
213	253	-	\$
TOTAL COST	AMOUNT PAID: 253		AMOUNT TO BE BILLED

11. BATCH #

12. INVOICE #

13. PLAN CHECK NUMBER: **16-045**

14. ACCOUNTING INFORMATION:

15. CASHIER'S INITIALS OR SIGNATURE:

16. COMMENTS: **Remove 1 TANK**

17. SUPERVISOR'S SIGNATURE IF REFUND:

18. SIGNATURE OF PERSON RECEIVING REFUND:

Exhibit 4

AFFIDAVIT OF DAVID S. BEARD

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, DAVID S. BEARD, hereby state as follows:

1. My name is David S. Beard. I worked at the property located at 671 West Seventeenth Street in Costa Mesa, California (the "Property"), from 1973-1980, and 1987-2004. I am over the age of 18 and am competent to make this affidavit. I am of sound mind and am executing this affidavit based on my personal knowledge.

2. When I was first hired at the Property, it was owned by Mr. Carter, but shortly thereafter he sold the plant to ITT Corporation ("ITT"). The plant was then operated as the J.C. Carter Company Division of ITT.

3. I was first hired at the Carter Plant to work on the machine shop drill press line. I later worked in the tool crib, then as a test technician in both the aerospace and industrial marine ("IM") divisions, and later as the Engineering Laboratory Manager.

4. My father also worked at the Property before me, from approximately 1965 through 1981, and I used to visit him at work before I worked there.

5. The Property is currently almost entirely paved. That was not always the case. When I first began to work at the Property, only the front (north) portion of the plant was paved. The back (south) portion of the property was an open field. Once the current aerospace test facility was constructed in the 1973-1974 time period, that facility was an isolated paved area connected to the rest of the Carter Plant by a single road. In fact, before I worked at the Property, when I was in high school, I used to ride my road bike on the unpaved portions of the Property, as did other people.

ITT Carter Used TCE and PCE To Clean Parts

6. During the time ITT owned the Property, trichloroethylene ("TCE"), which was commonly referred to as "trike," and perchloroethylene ("PCE"), also known as perc, were used on the Property.

7. ITT Carter designed and manufactured cryogenic pumps for liquid natural gas.

8. From the 1950s to the 1970s there was also a demand for oxygen pumps for the aerospace industry, the steel industry, and other companies that needed to move liquid oxygen. Several space programs, including the Titan I Intercontinental Ballistic Missile Project, required oxygen pumps for their rocket engines. As a result, during the days of ITT Carter there was a high demand for oxygen pumps. In addition to other cryogenic pumps, ITT Carter therefore also designed and manufactured oxygen pumps.

9. The oxygen pumps made by ITT Carter were distinct from the other pumps made at the Property because the oxygen pumps had residual hydrocarbons that needed to be cleaned before exposure to oxygen.

10. The cleaning process for the oxygen pumps was extremely labor intensive and time consuming. Such process was, however, critical because if the oxygen pumps were not cleaned properly there was a risk of explosion when exposed to contaminants such as grease.

11. TCE and PCE were very efficient cleaning agents. The primary use of TCE and PCE at the Property was therefore to clean the oxygen pumps.

12. After the oxygen pumps were cleaned the TCE and PCE was placed in the steel container tank located in a concrete walled underground sump behind Building 9, in what is now the covered inspection staging area. The sump had a large manhole-size opening in the steel tank into which the TCE, PCE, used oil, and any other liquids that needed to be disposed of were stored.

13. Since TCE and PCE were available, and were effective cleaners, ITT Carter also used TCE and PCE to clean other parts.

14. ITT Carter used TCE and PCE at several degreasers on the Property. One was a "vapor degreaser," which was first located in the southeast corner of Property Plant attached as Exhibit I to this affidavit, which reflects the buildings on the property as of the late 1970's. This area of the plant was a "clean room" used to clean aerospace parts very thoroughly. The vapor degreaser was later moved to the building I have drawn onto the Property to the southwest of Building 12. The building was at one time the location of the structure currently designated as Building 8. I have indicated with an "x" the location of the degreaser in that building. ITT also used TCE in another degreaser in the location of the current Building 12, which was then not a building but an outdoor concrete slab. I have indicated with an "x" the location of the degreaser on that slab. This area was also referred to as a "clean room," although it was not an enclosed room at the time.

15. TCE and PCE were not handled with great care during the period of ITT ownership and were spilled at various locations on the Property.

Use Of TCE And PCE At The Property Ended By 1980

16. The demand for oxygen pumps decreased in the late 1970's as the air force and NASA space programs changed course. Specifically, Titan I came to an end and was replaced by Titan II and III, which did not use oxygen as a propellant. As a result, there was a diminished demand for oxygen pumps and the business therefore shifted its focus to other shaft seal pumps which used argon, nitrogen, and hydrazine. TCE and PCE were not used to clean these other fuel pumps.

17. The industry began to discourage the use of TCE and PCE as people learned more about these chemicals. In the late 1970s these chemicals were phased out because they were known to be dangerous and toxic to use.

18. With the decrease in sales of the oxygen pumps, we determined that it was no longer profitable to clean the pumps on site because of the labor intensive cleaning process. The cleaning room was also high maintenance.

19. ITT Carter also learned and appreciated the safety risks involved if the oxygen pumps were not cleaned properly.

20. As a result, we started sending all of the oxygen pumps to Wyle Company to be cleaned sometime between 1978 and 1979.

21. By 1980, the cleaning room where TCE and PCE had been used on the oxygen pumps was shut down and converted into an office building.

22. Since TCE and PCE were primarily used at the Property to clean the oxygen pumps, when ITT Carter stopped cleaning the oxygen pumps on site it also stopped using TCE and PCE to clean other parts.

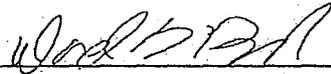
23. Once the underground storage tank behind Building 9 was removed, all chemicals were disposed of in steel drums, sealed and collected by an outside vendor, and taken off site.

Veloz Carter Did Not Use TCE Or PCE At The Property

24. ITT Carter stopped using TCE and PCE around 1978. I do not remember TCE or PCE being used at the Property at all by 1980.

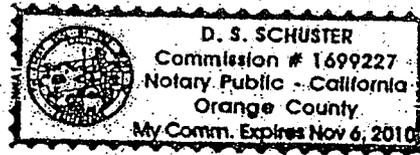
25. TCE and PCE were not used, spilled, or disposed of at the Property during the Veloz Carter era, from 1987-1997, and in fact TCE and PCE were not even present on the Property during that time period.

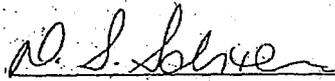
I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that it was executed on this 24th day of November 2008 at Costa Mesa, California.



DAVID S. BEARD

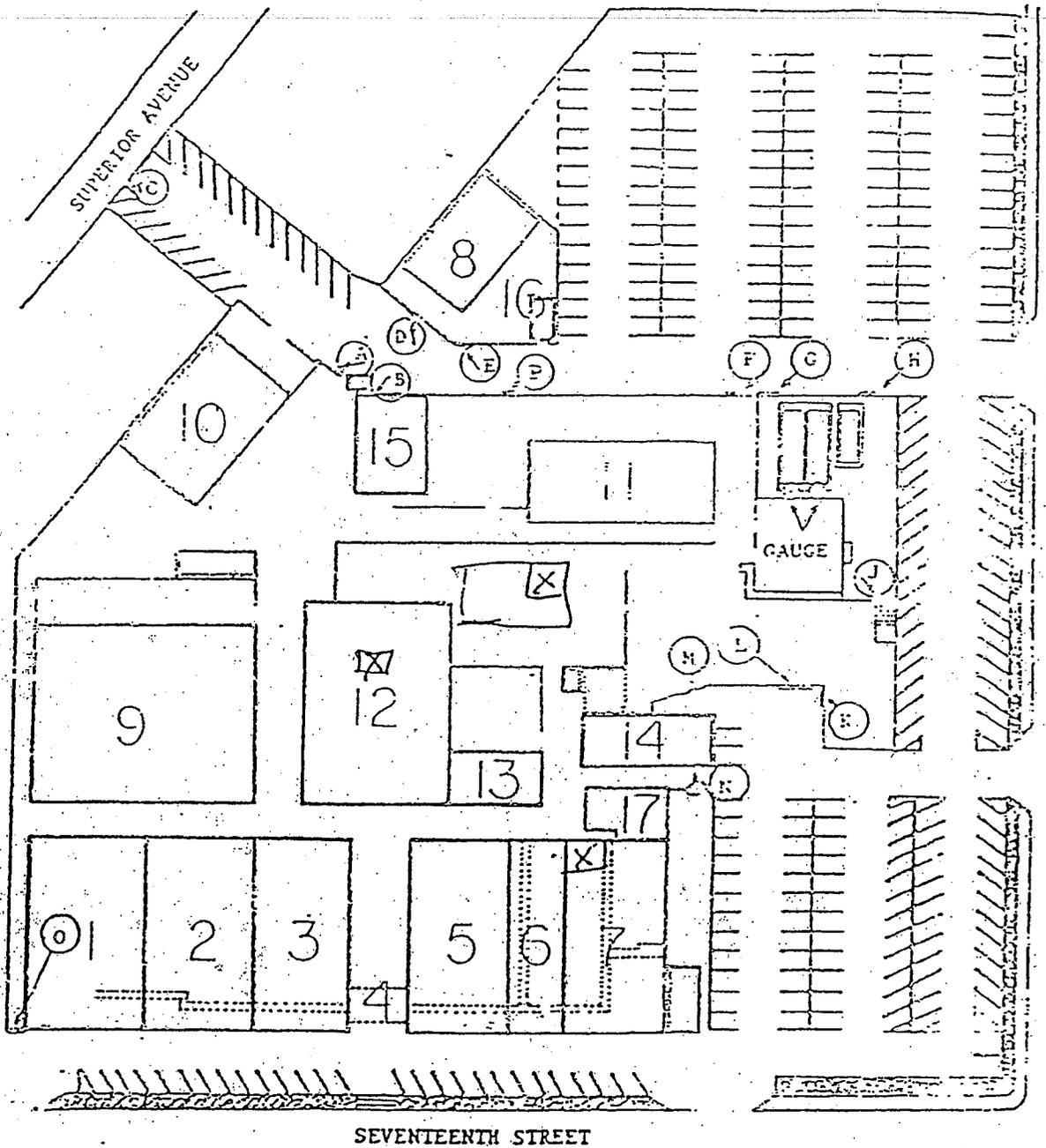
Subscribed and sworn to (or affirmed) before me on this 24st day of November, 2008, by David S. Beard, proved to me on the basis of satisfactory evidence to be the person who appeared before me.





D. S. Schuster, Notary Public

GATE LOCATIONS



J C CARTER CO
A DIVISION OF ITT





CWTDCLIB341258.1

Exhibit 5

AFFIDAVIT OF MICHAEL T. PETROZZI

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, MICHAEL T. PETROZZI, hereby state as follows:

1. My name is Michael T. Petrozzi. I worked at the property located at 671 West Seventeenth Street in Costa Mesa, California (the "Property"), from 1978-1985, and 1989-2002. I am over the age of 18 and am competent to make this affidavit. I am of sound mind and am executing this affidavit based on my personal knowledge.

2. I was the Director and Chief Program Manager of the Industrial Marine ("IM") Division of J.C. Carter Company, Inc. at the Property.

3. When I was first hired at the Property it was owned by ITT Corporation ("ITT") and was operated as the J.C. Carter Division of ITT. ITT hired me to work as a Sales and Application Engineer in the IM Division. I worked in various positions after that and at the time of my retirement in 2002 I was the Vice President of the Cryogenic Pump Division.

ITT Carter Used TCE and PCE To Clean Parts

4. During the time ITT owned the Property, trichloroethylene ("TCE"), which was commonly referred to as "trike," and perchloroethylene ("PCE"), also known as perc, were used on the Property.

5. ITT Carter designed and manufactured cryogenic pumps for liquid natural gas.

6. In the 1970s there was also a demand for oxygen pumps for the aerospace industry, the steel industry, and other companies that needed to move liquid oxygen. Several space programs, including the Titan I Intercontinental Ballistic Missile Project, required oxygen pumps for their rocket engines. As a result, during the days of ITT Carter there was a high

demand for oxygen pumps. In addition to other cryogenic pumps, ITT Carter therefore also designed and manufactured oxygen pumps.

7. The oxygen pumps made by ITT Carter were distinct from the other pumps made at the Property because the oxygen pumps had residual hydrocarbons that needed to be cleaned before exposure to oxygen.

8. The cleaning process for the oxygen pumps was extremely labor intensive and time consuming. Such process was, however, critical because if the oxygen pumps were not cleaned properly there was a risk of explosion when exposed to contaminants such as grease.

9. TCE and PCE were very efficient cleaning agents. The primary use of TCE and PCE at the Property was therefore to clean the oxygen pumps.

10. After the oxygen pumps were cleaned the TCE and PCE was placed in the steel container tank located in a concrete walled underground sump behind Building 9, in what is now the covered inspection staging area. The sump had a large manhole-size opening in the steel tank into which the TCE, PCE, used oil, and any other liquids that needed to be disposed of were stored.

11. I remember TCE because it was particularly effective at degreasing and also had a distinctive odor. TCE and PCE were used in various locations on the Property. One location was a "slosh pan" or wash tank into which machine parts were dunked, in the "deburring area" behind (south of) Buildings 1 and 2. Following the removal of any burrs from the part, the part was then dunked into the slosh pan and cleaned. The parts would get dirty from cooling oils and handling during the machining process. TCE and PCE were used for cleaning parts because they were available and were effective cleaning solvents.

12. At ITT Carter, as was common during the late 1970's, TCE and PCE were 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 and/or PCE.

Use Of TCE And PCE At The Property Ended By 1980

13. The demand for oxygen pumps decreased in the late 1970's as the airforce and NASA space programs changed course. Specifically, Titan I came to an end and was replaced by Titan II and III, which did not use oxygen as a propellant. As a result, there was a diminished demand for oxygen pumps and the business therefore shifted its focus to other shaft seal pumps which used argon, nitrogen, and hydrazine.

14. Given the decrease in sales of the oxygen pumps, it was no longer profitable to clean the pumps on site because of the labor intensive cleaning process. Basically, we became so busy building other types of fuel pumps that we were not focused on oxygen pumps anymore.

15. As TCE and PCE developed a bad reputation, the industry also backed away from using these chemicals. In the late 1970s these chemicals were basically phased out because they were known to be dangerous and toxic to use.

16. ITT Carter also learned and appreciated the safety risks involved if the oxygen pumps were not cleaned properly.

17. Sometime between 1978 and 1979 we started sending the oxygen pumps offsite to be cleaned by Wyle Company.

18. By 1980 the cleaning room where TCE and PCE had been used on the oxygen pumps was shut down and converted into an office building.

19. Since TCE and PCE were primarily used at the Property to clean the oxygen pumps, when we stopped cleaning the oxygen pumps on site we also stopped using TCE and

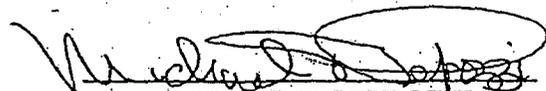
PCE to clean other machine parts. Also, we did not use TCE and PCE to clean the other fuel pumps because they were for hydrocarbon service. By 1980, TCE and PCE were no longer used on the Property.

20. Once the underground storage tank behind Building 9 was removed, all chemicals were disposed of in steel drums, later sealed and collected by an outside vendor and taken off site.

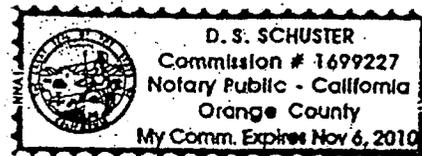
Veloz Carter Did Not Use TCE Or PCE At The Property

21. TCE and PCE were not used, spilled, or disposed of at the Property during the Veloz Carter era, from 1987-1997, and in fact TCE and PCE were not even present on the Property during that time period.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that it was executed on this 21st day of November 2008 at Costa Mesa, California.


MICHAEL T. PETROZZI

Subscribed and sworn to (or affirmed) before me on this 21st day of November, 2008, by Michael T. Petrozzi, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



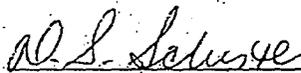

D. S. Schuster, Notary Public

Exhibit 6

AFFIDAVIT OF MONROE F. JAMESON

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, MONROE F. JAMESON, hereby state as follows:

1. My name is Monroe F. Jameson. I worked at the property located at 671 West Seventeenth Street in Costa Mesa, California (the "Property") from 1968 to 2003. I am over the age of 18 and am competent to make this affidavit. I am of sound mind and am executing this affidavit based on my personal knowledge.

2. I was the Supervisor of Customer Sales of J.C. Carter Company, Inc. at the Property.

3. During part of my employment at the Property it was owned by ITT and was operated as the J.C. Carter Company Division of ITT.

4. I was first hired at the Carter Plant as a drill press operator in the machine shop. I later worked as a "setup man" for the automatic chuck machine and turret lathe, the "lead man" on the engineering lathe and drill line, the shop foreman in the machine shop, and then transferred to become the foreman in the Industrial Marine ("IM") machine shop, before I transferred to spare parts sales in 1986 as Department Manager of Spare Parts.

5. The Property is currently almost entirely paved. That was not always the case. When I first began to work at the Property, only the front (north) portion of the plant was paved. The back (south) portion of the property was an open field. Once the current aerospace test facility was constructed in the 1973-1974 time period, that facility was an isolated paved area connected to the rest of the Property by a single road.

ITT Carter Used TCE and PCE To Clean Parts

6. During the time ITT owned the Property, trichloroethylene ("TCE"), which was commonly referred to as "trike," and perchloroethylene ("PCE"), also known as perc, were used on the Property.

7. ITT Carter used TCE and PCE as cleaning solvents. Others at the Property used TCE and PCE to clean oxygen fuel pumps. I personally used TCE and PCE as a degreaser to clean fixtures.

8. When I worked in the machine shop, it was located first in Building 1 and, later in Building 9. Immediately behind (south) of Building 1, there was a degreaser in which heated TCE was used to clean fixtures during the period of ITT ownership.

9. I recall one underground tank. I observed employees dispose of all types of chemicals in this tank, including TCE and PCE, old solvent, jet fuel, and paint. The tank was stored behind Building 9. Residue from the waste chemicals was apparent on the top of the tank. The chemicals were removed by other employees about once a month, but I do not know what they did with it.

Veloz Carter Did Not Use TCE Or PCE At The Property

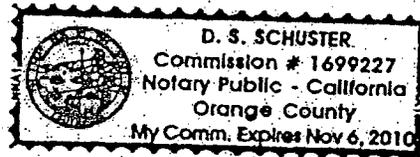
10. We stopped using TCE and PCE at the Property sometime in the late 1970's. TCE and PCE were not used, spilled, or disposed of at the Property during the Veloz Carter era, from 1987-1997, and in fact TCE and PCE were not even present on the Property during that time period.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that it was executed on this 21st day of November at Costa Mesa, California.

Monroe F. Jameson
MONROE F. JAMESON

Subscribed and sworn to (or affirmed) before me on this 21st day of November, 2008, by Monroe F. Jameson, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

D. S. Schuster
D. S. Schuster, Notary Public



documentary evidence, or the legal and equitable reasons that establish ITT and Armatron's responsible party status. Mr. Veloz and representatives of New J.C. Carter and I met with Board staff, and were assured that all appropriate responsible parties should be named.

3. On March 1, 1991, I met with New J.C. Carter and the Board, and the Board indicated a willingness to consider naming other parties to the Order.

4. Documentation in my files further indicates that in April of 1991, I spoke to Ted Cobb, counsel for the State Water Resources Control Board, and that Mr. Cobb advised me that he would recommend that the Board issue orders against, or add ITT and Armatron to, the existing Order, naming them primarily responsible for the remedial activities.

5. On February 3, 1998, after meeting with the Board, I wrote to the Board on behalf New J.C. Carter advising the Board of the fact that ITT and Armatron should be named as respondents under the Order and as responsible parties responsible for the Property. I am unaware of any action taken by the Board to name those parties despite the requests and submittal by New J.C. Carter and Mr. Veloz of clear, to my knowledge unrefuted, and substantial evidence of responsible party status on the part of ITT and Armatron with respect to the Property in question.



Diane R. Smith

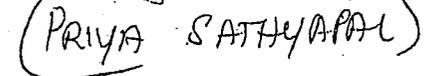
Subscribed and sworn to before me this 15th day of June 2009

Notary Public

See attached certificate.

My commission expires: _____

Affidavit J.C. Carter Company Inc.
Robert Veloz
6.12.09


(PRIYA SATHYA)


CALIFORNIA JURAT WITH AFFIANT STATEMENT

- See Attached Document (Notary to cross out lines 1-6 below)
 See Statement Below (Lines 1-5 to be completed only by document signer[s], *not* Notary)

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on this

15th day of June, 2009, by
Date Month Year

(1) Diane R. Smith
Name of Signer

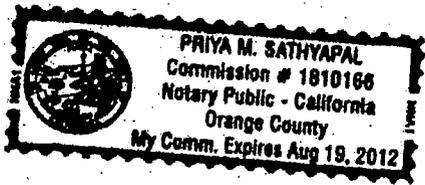
proved to me on the basis of satisfactory evidence to be the person who appeared before me (.) (.)

(and

(2) _____
Name of Signer

proved to me on the basis of satisfactory evidence to be the person who appeared before me.)

Signature [Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Further Description of Any Attached Document

Title or Type of Document: Affidavit of Diane R. Smith

Document Date: 6/15/09 Number of Pages: 2

Signer(s) Other Than Named Above: _____

RIGHT THUMBPRINT OF SIGNER #1
Top of thumb here

RIGHT THUMBPRINT OF SIGNER #2
Top of thumb here

**Summary of No Further Action Request
J.C. Carter Company, Inc.
671 West Seventeenth Street
Costa Mesa, California**

Prepared for:

**Regional Water Quality Control Board -
Santa Ana Region**

Prepared by:

**ENVIRON International Corporation
Snell & Wilmer, LLP**

On behalf of:

Mr. Robert Veloz

October 9, 1997

I. BACKGROUND

A. Site History

The J.C. Carter Company, Inc. (JCC) site is located at 671 West Seventeenth Street, Costa Mesa, California (Figure 1). The site is situated on the northern extension of the Newport Oil Field. Department of Oil and Gas maps clearly show the presence of three abandoned oil exploration and production wells on site. Early aerial photographs clearly show that the property was used for agricultural purposes through the 1940s. Since the early 1950s, the property has been occupied by JCC for machining, assembly, and testing of aviation-related parts.

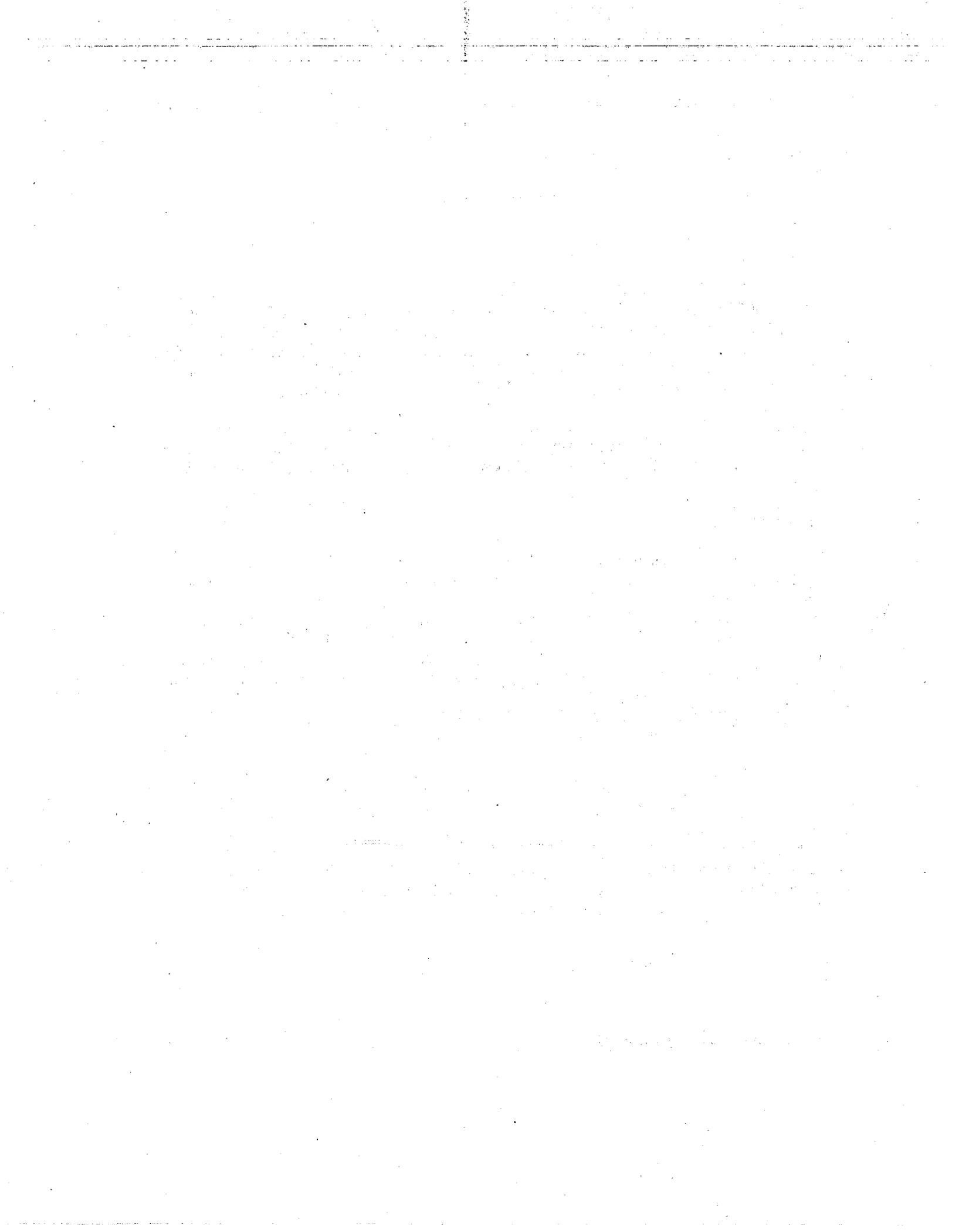
Owners of JCC since formation of the company include ITT Corporation and Armatron International, Inc. The company's owners who have been involved in the site investigations have only owned JCC since 1987, one year after the event that triggered the investigations occurred (see below).

B. Site Setting

The site is situated on approximately nine acres in an industrial area of Costa Mesa (Figure 1). It is approximately one mile north of the Pacific Ocean. Adjacent properties are primarily involved in the automobile service business and miscellaneous industrial activities. It is highly unlikely that land uses at JCC or adjacent properties will change significantly in the foreseeable future. Available records at the Orange County Health Care Agency (OCHAC) and the California Regional Water Quality Control Board (the "Board") show many known petroleum- and chlorinated solvent-contaminated properties and numerous potential sources in the site area.

C. Geology and Hydrogeology at Site and its Vicinity

Shallow ground water is encountered beneath the site between 13 and 32 feet below ground surface (bgs) and flows in a southerly direction. A silty clay layer at approximately 50 feet bgs serves to restrict vertical migration of contaminants from the shallow to the deep aquifer. Regional ground water quality is degraded and unsuitable for domestic uses because of high concentrations (i.e., greater than drinking water maximum contaminant levels [MCLs]) of sodium, chloride, sulfate, and total dissolved solids. The closest active water wells are approximately two miles to the north (i.e., hydraulically upgradient) of the site. In addition, these water wells are geologically separated from the site by the Bolsa-Fairview Fault, which exists approximately 1.5 miles north of JCC.



II. SITE ENVIRONMENTAL CONDITIONS

A. Investigations to Date

In 1986, the removal of an underground cutting oil tank resulted in a series of soil and ground water investigations at JCC. Since then, a total of 45 soil gas sampling points, 14 soil borings, and 17 ground water monitoring wells (13 on-site and 4 off-site) have been installed (Figure 2). Significant and extensive work have been performed by ENVIRON and other consultants, including seven rounds of ground water monitoring since April 1996. The total cost of site investigations to date has been extremely substantial, even putting aside JCC internal costs and attorney fees.

B. Latest Ground Water Sampling Results

During the most recent round of ground water monitoring event in July 1997, trichloroethene (TCE) was found in ground water at a maximum concentration of 3,700 micrograms per liter ($\mu\text{g/l}$). In addition, vinyl chloride was detected at a maximum concentration of 540 $\mu\text{g/l}$. The shallow ground water contamination is primarily found in the southwestern portion of the site (Figure 3). The extensive site investigations performed over the last two years have not identified a significant on-site source area for TCE.

III. WHY NO FURTHER ACTION IS APPROPRIATE

A. Additional Work to be Required by Board Staff

Board staff has indicated to JCC that based on current Board policies, staff will require the company to perform an off-site investigation to further delineate the extent of the ground water plume. The off-site investigation would involve the placing of a number of ground water monitoring wells at the businesses south of JCC. Board staff also indicated that it must, under current Board policies, require that JCC perform on-site cleanup of the contamination in shallow ground water.

B. Staff Recommendation to Approach Full Board

Board staff recommended that JCC approaches the full Board for further guidance to JCC and staff regarding future on- and off-site work.

C. JCC's Position Regarding Off-Site Investigation

The primary objective of an off-site investigation would be to define the southern extent of the contaminated ground water plume. Hughes Electronics' Well HM-14, which is located approximately 600 feet from JCC, serves as a downgradient well for the plume (Figure 4). The latest monitoring result from Well HM-14 did not show elevated concentrations of TCE or vinyl chloride.

According to OCHCA records, three past or present businesses in the area between JCC and Hughes Electronics have documented uses and/or releases of chlorinated solvents, including TCE. Based on the length and nature of nearby business activities, it is likely that undocumented uses and/or releases of chlorinated solvents have also occurred at other properties. Therefore, difficult access and other legal issues will likely arise with respect to isolating potential contributions by JCC and other businesses to any ground water contamination detected in monitoring wells placed in that area.

Further, if off-site cleanup is required in the future, many of the small businesses that may have impacted ground water in that area may not be financially viable to pay for any cleanup costs. This will cause undue hardship on those businesses due to the incurrence of substantial legal fees and other costs, while simultaneously impacting property values at off-site locations. In addition, JCC may be left as the "deep pocket" for off-site cleanup of ground water contamination caused by numerous others. Finally, JCC believes that third-party liability lawsuits that could arise as new investigation results become available would serve no public purpose.

D. JCC's Position Regarding On-Site Cleanup

The major reasons that JCC believes that on-site ground water cleanup should be not required are as follows:

- ▶ The site is situated in a former oil field. Ground water beneath the site area is not used as a potable water source or for other domestic purposes because it is degraded.
- ▶ There are no human receptors for the chlorinated solvents found in ground water beneath the JCC site. Marine organisms are the only potential receptors, based on the site's proximity to the Pacific Ocean. Only 2 of the 17 monitoring wells showed TCE results exceeding the marine toxicity level of 2,000 µg/l. It is likely, and actually inevitable, that the concentrations of TCE will be lowered prior to reaching the marine receptors. Marine toxicity of vinyl chloride has not been established, and the literature indicates no correlation between marine toxicity levels and MCLs.

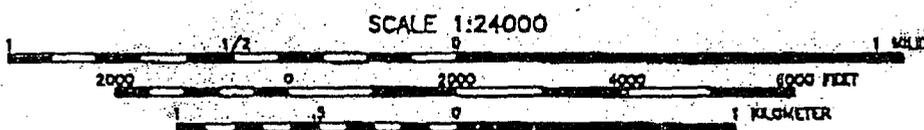
ENVIRON has estimated that cleanup of the TCE in ground water beneath the southwestern portion of the site to 500 µg/l (a level previously suggested by Board staff as "acceptable")

would take approximately three to five years and cost between roughly \$1.5 and 2.5 million. Lower cleanup levels would result in even longer time and significantly higher cost. While JCC understands that maintaining or improving ground water quality generally is important, a better use of resources would make sense from a public policy and resource cost/benefit standpoint. To that end, JCC is willing to make a monetary donation to help improve local water quality (e.g., cleanup of the Newport Back Bay), as opposed to spending the resources to cleanup ground water, which has no beneficial use beneath the site.

IV. CONCLUSIONS

JCC wants to acknowledge the exemplary guidance of the Board staff to date. Staff has been extremely forthcoming and responsive during the course of this project. As indicated above, they recommended that JCC appear before the Board to address its concerns and to obtain clarification of Board policy and direction in unusual circumstances such as those described above.

JCC is particularly concerned with the open-ended nature of this project, both from a time and a financial perspective. With respect to the off-site investigation requirement, JCC has many concerns related to financial and legal liabilities that can occur. With respect to the on-site cleanup requirement, JCC believes that it is not the best use of resources, and the company wishes to offer an alternative to improve water quality. Therefore, JCC requests that the Board agree to no further action (other than continued monitoring of existing on-site wells) for this project.



CONTOUR INTERVAL 40 FEET
 DOTTED LINES REPRESENT 10-FOOT CONTOURS
 NATIONAL GEODETIC VERTICAL DATUM OF 1929

SOURCE: U.S.G.S. 7.5 minute series (topographic)
 Newport Beach Quadrangle, CA, 1965, photorevised, 1981

ENVIRON

Vicinity Map

J.C. Carter Company, 671 W. 17th Street
 Costa Mesa, California

Figure
1

Drafter: JJC

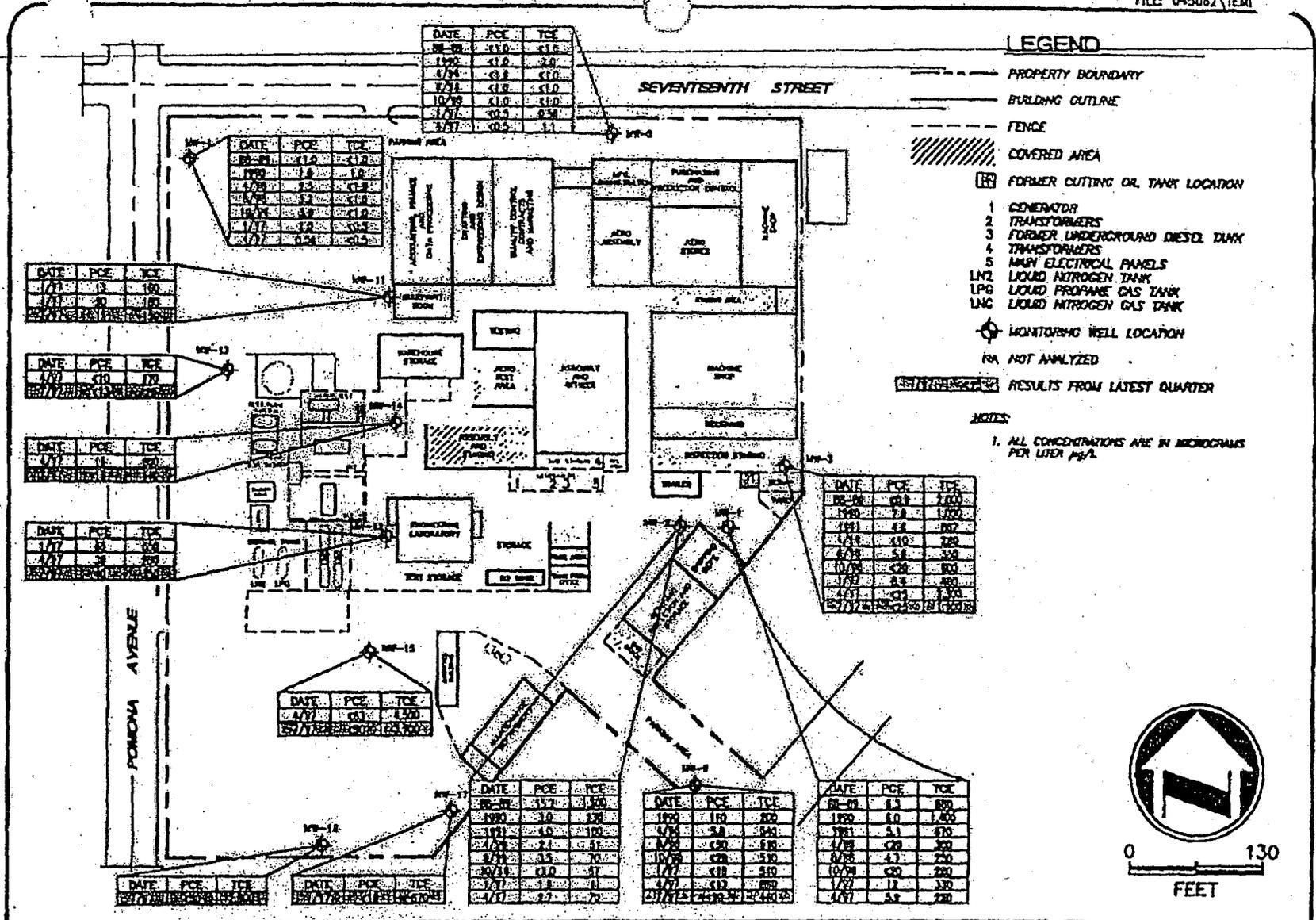
Date: 5/21/96

Contract Number: 04-5052A

Approved:

Revised: 7/16/96

SENT BY: ENVIRON - IRVINE : 10-9-97 : 16:44 : 24- 1805969876:# 9



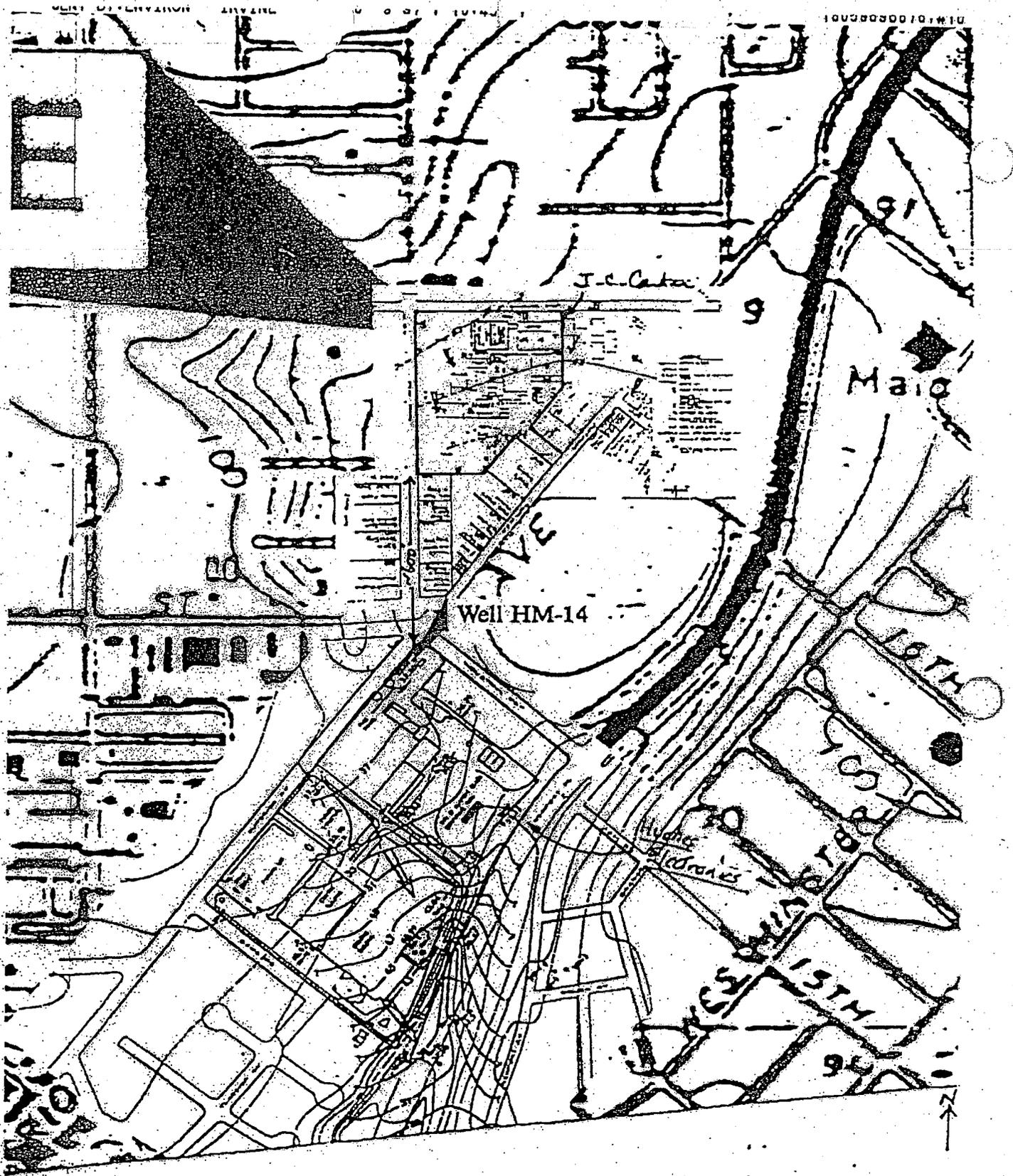


Figure 4. Location of Downgradient Monitoring Well

200'

Minutes of Meeting
October 17, 1997
City Council Chambers of Newport Beach
3300 Newport Blvd
Newport Beach

1. Regional Board Chair Henriques called the meeting to order at 9:35 a.m.

BOARD MEMBERS PRESENT

Melody Henriques, Chair
Jerry A. King, Vice Chair
William T. Hardy, Jr.
Evelyn Hart
John B. Withers
Rodger Siems
Karen Stein
Maurice Gallarda

BOARD MEMBERS ABSENT

Staff Members Present

Gerard J. Thibeault, Executive Officer
Kurt V. Berchtold, Assistant Executive Officer
Joanne E. Schneider, Environmental Program Manager
Karen White, Executive Assistant

Dixie Lass, Chief of the Regional Board's Landfill Section
Hope Smythe, Chief of the Regional Board's Planning Section
Ken Williams, Chief of the Regional Board's Pollutant Investigation Section
Scott Dawson, Environmental Specialist III of the Regional Board's Planning Section
Keith Person, Water Resource Control Engineer of the Regional Board's Landfill Section

Legal Counsel

Ted Cobb

State Board Member

Mary Jane Forster

PUBLIC IN ATTENDANCE

Bob Caustin, Defend the Bay
Barry Meijer, Pacific Southwest Farms
Michael Francis, ODS&M representing Rainbow Recycling Disposal
Jerry Moffatt, Rainbow Recycling Disposal
Norma Gloyer, City Council Member of Newport Beach
Jennifer Taggart, Demetriou, Del Guercio, Springer and Moyer, LLP, representing Rainbow Recycling Disposal
Steve Walter, Delta Environmental Consultants
Mark Seegerel, Delta
Nancy Wheatley, County Sanitation Districts of Orange County
Rod Cruze, City of Riverside

Tim M. Agajanian, Hoggs Brothers Manufacturing
Mohammad Heint, CDMG
Ed Benson, Dover Shores Community
Kevin H. Knodru, County of Orange Integrated Waste Management District
Jim Colston, County Sanitation Districts of Orange County
Michael Moore, County Sanitation Districts of Orange County
Dae Dillion, County of Orange
Peter Kiraiakos, San Timoteo Greenway Conservancy
Mary Markes
Steve Letterly
Chris Crompton, County of Orange

3. Approval of Minutes of Regular Board Meeting of September 11 and 12, 1997

There being no additions or corrections, the minutes of the regular meeting held on September 11 and 12, 1997 were approved as presented.

Board Members Stein and Gallarda abstained from voting on this item. Board Member Siems abstained from voting on the September 12, 1997 minutes.

4. Consideration of Consent Calendar Items

Rescission of Cease and Desist Order

West Hills Golf Associates, Ltd., Western Hills Golf Course Sewage Treatment Plant, Chino Hills, San Bernardino County, Order No. 97-82

NPDES PERMITS - Renewal

Knotts Berry Farm, Buena Park, Orange County, Order No. 97-57
Sunkist Growers, Inc., Ontario, San Bernardino County, Order No. 97-56, with errata sheet

Waste Discharge Requirements - New

Alfonso J. Chavez, dba Garden Products, Inc., Manure Composting Facility, Chino, San Bernardino County, Order No. 97-68
Orange County Public Facilities and Resources Department, Sunset Harbor Phase II Maintenance Dredging Project, Sunset Beach, Orange County, Order No. 97-81

Waste Discharge Requirements - Amended

Riverside Unified School District, Woodcrest Elementary, Riverside County, Order No. 97-67
Orange County Integrated Waste Management Department, Frank R. Bowerman Landfill, Orange County, Order No. 97-70

ACTION: It was moved by Board Member King, seconded by Board Member Gallarda, and unanimously carried to adopt Order Nos. 97-82, 97-57, 97-56, 97-68, 97-81, 97-67 and 97-70, as presented.

5. APPEAL - for an Exemption from the Minimum Lot Size Requirements for Subsurface Disposal System Use - Mr. Jay Davenport, 5515 Amethyst Street, Alta Loma, San Bernardino County

Joanne E. Schneider, Environmental Program Manager, presented this item. Ms. Schneider reviewed the proposed project submitted by Mr. Jay Davenport. Mr. Davenport is proposing to purchase his parents' home that is 2,700 square feet and to build a 1,200 square foot guest house for his parents on the same

one-half acre lot. A second septic tank disposal system would be required. Ms. Schneider reviewed the guidelines for an exemption from the Minimum Lot Size Requirement for Subsurface Disposal System Use guidelines and stated that Mr. Davenport does not qualify for an exemption. Therefore, staff recommended that the Board deny Mr. Davenport's request and encourage him to pursue the offset option, whereby an exemption could be granted. Ms. Schneider answered questions from the Board.

Mr. Davenport reviewed his communications with Regional Board staff and the City of Rancho Cucamonga staff to pursue approval to build the proposed project. He stated that he understood the reason for staff denial and had considered options available to build. However, he urged the Board to reconsider the proposed project and emphasized his strong desire to build a separate guest house to accommodate his parents. Mr. Davenport answered questions from the Board.

ACTION: It was moved by Board Member Hart, seconded by Board Member King, and unanimously carried to deny Mr. Davenport's request for an exemption from the Minimum Lot Size Requirement.

ENFORCEMENT ACTION

Cleanup and Abatement Order:

6. Barry Meijer, dba Pacific Southwest Farms, David Warren and Gene Hogg, Anaheim Disposal Inc., CR Transfer Inc., Rainbow Transfer Recycling, Inc., Chino, San Bernardino County, Cleanup and Abatement Order No. 97-14

Information pertaining to this item is contained in a verbatim transcript. The intent of the item was to create a record for use by the State Water Resources Control Board in considering appeals of Cleanup and Abatement Order No. 97-14, which had been issued by the Executive Officer.

Keith Person, Water Resource Control Engineer of the Regional Board's Landfill Section, presented the staff report and answered questions from the Regional Board assisted by Dixie B. Lass, Chief of the Regional Board's Landfill Section.

Comments were provided by the following:

Tim Agajanian, attorney for the Hoggs
Michael Francis, attorney for Rainbow Transfer Recycling
Robert David Hogg, Hogg Brothers' Manufacturing
Barry Meijer, Pacific Southwest Farms
Bob Feenstra, Milk Producers Council
Keith Taylor, Lewis D'Amato, Brisbois and Bisgaard, representing Taormina Industries and Anaheim Disposal
Barry Love, Taormina Industries
Jim Trujillo, Supervisor, San Bernardino County Department of Environmental Health Services, Local Enforcement Agency

At 1:20 p.m., Regional Board Chair Henriques called for a twenty-minute lunch break.

Regional Board Chair Henriques reconvened the meeting at 1:45 p.m.

PUBLIC HEARING

8. Newport Bay and San Diego Creek Watershed Sediment TMDL - Resolution No. 97-77

Information pertaining to this item is contained in a verbatim transcript.

Regional Board Chair Henriques opened the hearing by reading the Chairman's Statement.

Hope Smythe, Chief of the Regional Board's Planning Section, presented this item. Ms. Smythe began the presentation by reviewing the various changes as noted in Errata Sheets No. 1, and 2, respectively, for tentative Resolution No. 97-77, which would amend the Basin Plan to incorporate the Newport Bay and San Diego Creek Watershed Sediment TMDL. Next, she reviewed and responded to comments received from Chris Crompton, County of Orange, and noted proposed changes to the Basin Plan Amendment to address the County's concerns. Ms. Smythe reviewed California Environmental Quality Act (CEQA) requirements and noted that staff has complied accordingly. Ms. Smythe recommended that the Board adopt Resolution No. 97-77, as amended. Ms. Smythe answered questions from the Board.

Comments were provided by the following:

Bob Burnham, attorney for the City of Newport Beach, spoke on behalf of Ms. Norma Glover, City Council Member for the City of Newport Beach. Mr. Burnham expressed Ms. Glover's disagreement with Mr. Crompton's comments and stated her support of staff's responses to those comments. He also noted that Ms. Glover is in support of staff's recommendation to use 1% changes to habitat acreages as the TMDL quantifiable target that would trigger a review of the Sediment TMDL. He also thanked Board staff for their hard work and progress in developing the Sediment TMDL.

Chris Crompton, County of Orange, talked about the concerns of the County of Orange as expressed in his letter dated October 16, 1997. He stated his disagreement with staff's proposed TMDL component to require an evaluation of the sediment loads from Bonita Creek and Santa Ana Delhi Channel. Mr. Crompton talked about the cost factor related to the scour study and requested that the Sediment Committee be provided additional time to develop this monitoring. Mr. Crompton expressed his concern with the proposed TMDL component to require the Sediment Committee to evaluate compliance with the land-use based sediment load allocations. He perceives this type of evaluation to be a retroactive step in the process. Mr. Crompton answered questions from the Board.

Mark Wolfe, attorney for Defend the Bay, stated his support of the amendment to the Basin Plan to incorporate the Sediment TMDL and requested that the Board adopt Resolution No. 97-77, as presented. He expressed his support of comments submitted by Bob Burnham. Mr. Wolfe also asked for staff's clarification regarding the no net loss of wetlands language contained in Paragraph 8 of Phase I of the Sediment TMDL. Specifically, he asked whether this meant that there should be no net loss of wetland's of comparable type. Ms. Schneider responded by that Board staff relies on the Department of Fish and Game and the U. S. Fish and Wildlife Service to determine appropriate mitigation.

Board Member King commended staff on their achievements in developing the Sediment TMDL. He also thanked the public for their support and comments.

ACTION: It was moved by Board Member King, seconded by Board Member Withers, and unanimously carried to adopt Resolution No. 97-77, as presented.

WORKSHOP

16. Nutrient TMDL Workshop

Regional Board Chair Henriques stated that this item has been postponed to the December 5, 1997 meeting.

17. County Sanitation Districts of Orange County (CSDOC) Ocean Monitoring Program Workshop

Regional Board Chair Henriques stated that this item has been postponed to the December 5, 1997 meeting.

18. J. C. Carter Company, Inc., Costa Mesa, Orange County - Review of Staff's Position to Require Further Characterization and Cleanup of Groundwater Contamination

Ken Williams, Chief of the Regional Board's Pollution Investigation Section, presented this item. Mr. Williams began the presentation by giving a brief history of the site. Since the 1950's the site has been occupied by a manufacturing facility which performs operations which include machining, assembling and testing of aviation-related parts. In March of 1986, during removal of a 500 gallon underground storage tank from the site, soil samples identified the presence of petroleum hydrocarbons, benzene, and xylene. Mr. Williams stated that further soil investigations in 1987 identified trichloroethene (TCE) in the groundwater.

Mr. Williams stated that Board staff had requested J. C. Carter to conduct additional investigations to further define the extent of groundwater contamination. In response to this request, Mr. Williams stated that J. C. Carter contended that no further investigation was warranted. Cleanup and Abatement Order was issued on October 3, 1990, which required J. C. Carter to continue additional investigations at the site. J. C. Carter complied with the requirements of the order. During further investigations, high levels of chlorinated solvents were detected along the southern property line. Based on these findings, Mr. Williams stated that further off-site investigation was required. Mr. Williams indicated that J. C. Carter has expressed concerns about conducting further groundwater investigations off-site, given the possibility of off-site sources of solvents affecting the investigation results and the limited useability of the groundwater given its high salt content. Staff believes that the proposed additional investigation is necessary to define the off-site extent of contamination and to assess the effectiveness of remediation. Therefore, staff recommended that the Board require J. C. Carter to continue characterization of the groundwater plume downgradient, which would include the installation of monitoring wells on off-site properties. Mr. Williams answered questions from the Board.

Comments were provided by the following:

Diane Smith, attorney representing J. C. Carter, presented an overview of the site and the remedial activities. She expressed J. C. Carter's concerns with the high cost factors and small benefits of additional off-site investigations. She also stated that the drinking water wells are located two miles downgradient of the site. However, she emphasized that there is no threat to public health or beneficial use. She stated that J. C. Carter is willing to provide funding for alternate projects to improve water quality, such as restoring the backbay in lieu of further investigation. Ms. Smith answered questions from the Board.

David Liu, Environmental Consultant for J. C. Carter, reiterated comments made by Ms. Smith regarding the requirement of additional investigations. Mr. Liu talked about the various investigative activities conducted by J. C. Carter in response to staff's request. He also expressed J. C. Carter's concerns regarding legal liabilities and additional costs associated with off-site investigation. He also stated that J. C. Carter contends that this is not the best use of resources and urged the Board to reconsider additional offsite investigation and accept J. C. Carter's willingness to contribute toward an alternative project to improve water quality. Mr. Liu answered questions from the Board.

Discussion ensued among the Board Members.

ACTION: It was moved by Board Member Hart to agendaize continuation of this item to the January 23, 1998 meeting, and to request staff to provide additional information regarding the cost factors associated with additional off-site investigation and development of a workplan to characterize the groundwater plume.

The motion failed: Ayes: 3 Noes: 4

It was moved by Board Member King, seconded by Board Member Hart, and unanimously carried to require J. C. Carter to continue characterization of the groundwater plume downgradient of the site.

JONES DAY

3 PARK PLAZA • SUITE 1100 • IRVINE, CALIFORNIA 92614

TELEPHONE: (949) 851-3939 • FACSIMILE: (949) 553-7539

Direct Number: (949) 553-7514
rgrabowski@jonesday.com

JP767029/esp
997303-519001

September 30, 2008

Robert L. Veloz
Marlene J. Veloz,
Michael Veloz
Katherine Canfield:
1502 East Mountain Drive
Santa Barbara, CA 93108

Harry S. Derbyshire
Edith T. Derbyshire:
6817 Vianda Court
Carlsbad, CA 92009

Maureen Partch, as Trustee
c/o Robert L. Veloz
1502 East Mountain Drive
Santa Barbara, CA 93108

Re: Seventeenth Street Realty, LLC Demand for Indemnity

Ladies and Gentlemen:

We represent Seventeenth Street Realty LLC ("Seventeenth Street"), successor in interest to the indemnity rights of Argo-Tech Corporation contained in the Stock Purchase Agreement between J.C. Carter Company, Inc., Robert L. Veloz, Marlene J. Veloz, Harry S. Derbyshire, Edith T. Derbyshire, Michael Veloz, Katherine Canfield, and Maureen Partch (collectively, "Sellers") and Argo-Tech Corporation effective August 1, 1997 (the "Agreement").

The real property located at the former J.C. Carter Company Facility, 671 West 17th Street, Costa Mesa, California ("Property") is the subject of Cleanup and Abatement Order 90-126 ("CAO") issued by the California Regional Water Quality Control Board-Santa Ana Region (SARWQCB). Per the SARWQCB's mandate, Seventeenth Street is now required to comply with the CAO and act to remediate the property. In response to SARWQCB's formal request for an environmental remediation plan to address the CAO, Seventeenth Street prepared a Corrective Action Plan ("CAP"). The CAP was approved by the SARWQCB on August 8, 2008.

LAI-2897302v3

ATLANTA • BEIJING • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS • FRANKFURT • HONG KONG • HOUSTON
IRVINE • LONDON • LOS ANGELES • MADRID • MILAN • MOSCOW • MUNICH • NEW DELHI • NEW YORK • PARIS • PITTSBURGH
SAN DIEGO • SAN FRANCISCO • SHANGHAI • SILICON VALLEY • SINGAPORE • SYDNEY • TAIPEI • TOKYO • WASHINGTON