

ADMINISTRATIVE SETTLEMENT AGREEMENT

ADMINISTRATIVE SETTLEMENT AGREEMENT

This ADMINISTRATIVE SETTLEMENT AGREEMENT (the “Administrative Settlement Agreement”) is entered into this ___ day of _____ 2009 by and between the following, sometimes referred to herein as Party or Parties: (a) COUNTY OF SAN BERNARDINO (“COUNTY”), (b) ROBERTSON’S READY MIX, INC., ROBERTSON’S READY MIX, LTD., RRM PROPERTIES, LTD.(collectively, “RRM”), (c) EDWARD STOUT, EDWARD STOUT AS THE TRUSTEE OF THE STOUT-RODRIGUEZ TRUST (formerly known as the Schulz Family Trust), ELIZABETH RODRIGUEZ, JOHN CALLAGY AS TRUSTEE OF THE FREDERIKSEN CHILDREN’S TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 20, 1985, JOHN CALLAGY AS TRUSTEE OF THE E.F. SCHULZ TRUST, LINDA FREDERIKSEN, LINDA FREDERIKSEN AS TRUSTEE OF THE WALTER M. POINTON TRUST DATED 11/19/91, LINDA FREDERIKSEN AS TRUSTEE OF THE MICHELLE ANN POINTON TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 15, 1985, LINDA FREDERICKSEN AS TRUSTEE OF THE E.F. SCHULZ TRUST, JOHN CALLAGY, MARY CALLAGY (formerly known as MARY MITCHELL), JEANINE ELZIE, STEPHEN CALLAGY, MICHELLE ANN POINTON, AND ANTHONY RODRIGUEZ, (collectively, the “SCHULZ PARTIES”) (all the foregoing parties are hereinafter collectively referred to as the “Settling Parties”), and (d) the CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, SANTA ANA REGION (“RWQCB”).

RECITALS

ADMINISTRATIVE SETTLEMENT AGREEMENT

- A. WHEREAS, the COUNTY is a political and legal subdivision of the State of California and is the owner of certain lands, more particularly described in **Exhibit A** attached hereto and incorporated by this reference (hereinafter collectively “County Land”). The lands include but are not limited to a public solid waste disposal facility known as the Mid-Valley Sanitary Landfill. The COUNTY purchased a portion of the County Land from certain of the SCHULZ PARTIES in the 1990s, after conducting a due diligence investigation;
- B. WHEREAS, the SCHULZ PARTIES are individuals who have some affiliation with the E.F. Schulz Trust (formerly known as the Stout-Rodriguez Trust) which previously owned certain real property (the “Schulz Trust Property”). Certain SCHULZ PARTIES sold the Schulz Trust Property to the COUNTY in the 1990’s. Prior to the sale to the COUNTY, the E.F. Schulz Trust and the SCHULZ PARTIES leased portions of the Schulz Trust Property to various individuals or entities;
- C. WHEREAS, Robertson’s Ready Mix, Inc., a Nevada corporation (and previously a California corporation), RRM PROPERTIES, LTD, and ROBERTSON’S READY MIX, LTD are conducting or are otherwise associated with certain operations on the County Land;
- D. WHEREAS, the RWQCB is an agency of the State of California, which is currently overseeing response actions in the Rialto Colton Basin (“RCB”) being undertaken pursuant to the Porter-Cologne Water Quality Control Act (Water Code, § 13000 et seq.) and the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (“CERCLA”) (42 U.S.C. § 9601 et seq.). The RWQCB contends that it has incurred and will in the future incur CERCLA-recoverable response costs within the meaning of CERCLA section 107

ADMINISTRATIVE SETTLEMENT AGREEMENT

and that it has incurred and will in the future incur costs for “supervising cleanup and abatement activities” within the meaning of Water Code section 13304 for response actions in the RCB;

- E. WHEREAS, to the north and east of County Land (and as depicted in Exhibit B) exists a parcel known as the 160-Acre Parcel, which is a separate source of contamination to the soil and groundwater in the RCB;
- F. WHEREAS, none of the Settling Parties ever operated on or owned any portion of the 160-Acre Parcel;
- G. WHEREAS, the COUNTY, ROBERTSON’S READY MIX, INC., and the SCHULZ PARTIES have been and/or are defendants in several lawsuits related to the existing groundwater contamination in or alleged to be migrating from the RCB, including lawsuits brought by the Rialto Utility Authority, the City of Rialto (collectively, “Rialto”) and/or the City of Colton (“Colton”);
- H. WHEREAS, on January 17, 2003, the RWQCB adopted Cleanup and Abatement Order No. R8-2003-0013 (“Order”), which ordered the COUNTY to, among other things, define the lateral and vertical extent of the perchlorate that is alleged to be discharging from property owned by the COUNTY and to implement a remedial plan to cleanup or abate the effects of the perchlorate that is alleged to be discharging, has allegedly been discharged, or allegedly threatens to be discharged from such land. The COUNTY filed a timely petition of the Order with the State Water Resources Control Board (“SWRCB”), but that petition was placed in abeyance at the mutual consent of the COUNTY and the SWRCB. The COUNTY proceeded to conduct certain investigation and remedial activities in response to the Order, and the RWQCB has approved the Response Action of the COUNTY as that action has progressed;

ADMINISTRATIVE SETTLEMENT AGREEMENT

- I. WHEREAS, on September 17, 2004, the RWQCB adopted an amendment to Cleanup and Abatement Order No. R8-2003-0013 (“Order Amendment”). Among other things, the Order Amendment required the COUNTY to provide replacement water for City of Rialto Well No. 3. The COUNTY filed a timely petition of the Order Amendment with the SWRCB, which petition was placed in abeyance;
- J. WHEREAS, the COUNTY has complied with the Order and the Order Amendment, and has been providing replacement water to Rialto for City of Rialto Well 3, pursuant to the Order Amendment and an agreement between the COUNTY and Rialto, which is entitled “Water Replacement Order Implementation Agreement and Water Rights Lease By and Among The City of Rialto and Rialto Utility Authority On the One Hand and the County of San Bernardino on the Other Hand,” with an effective date of April 1, 2005 (“Implementation Agreement”). The COUNTY reports that to date it has spent more than \$13 million responding to the RWQCB Order and the Order Amendment, and providing replacement water to Rialto;
- K. WHEREAS, each of the Settling Parties expressly does not admit any fact or liability arising out of or relating to the transactions or occurrences alleged in the Order and Order Amendment. The Settling Parties do not admit any of them are responsible for the alleged past or future costs of the investigation, remediation, or monitoring required by the Order and Order Amendment and any damages or response costs alleged to have arisen from the existence of the alleged discharges of waste specified in the Order and Order Amendment;
- L. WHEREAS, the COUNTY has shown a high level of cooperation in responding to the Contamination in the RCB. The Settling Parties did

ADMINISTRATIVE SETTLEMENT AGREEMENT

not manufacture or store perchlorate-containing products, and the Settling Parties have no connection to any of the operations involving perchlorate or TCE at the 160-Acre Parcel that has been identified as a major source of Contamination in the Eastern Plume Area (as defined below). A dispute exists among the Settling Parties and some of the other alleged dischargers as to whether Contamination from the Western Plume Area (as defined below) and Eastern Plume Area has commingled or will commingle in the future. The RWQCB finds that the best evidence supports the existence of two distinct plumes. After analysis of the factual and scientific evidence currently available, the RWQCB finds that even if such commingling has occurred or will occur, the Settling Parties, by responding to the Contamination in the Western Plume Area as set forth herein, will incur at least their reasonably-allocable share of liability in the RCB;

- M. WHEREAS, the Parties intend that, in consideration of the covenants in this Administrative Settlement Agreement, the COUNTY and the other Settling Parties shall have responsibility only for responding to Contamination within the Western Plume Area;
- N. WHEREAS, the COUNTY, in consideration of the covenants contained in this Administrative Settlement Agreement, is willing to implement a Response Action for the Western Plume Area on behalf of the Settling Parties, as set forth herein and to withdraw with prejudice its petitions of the Order and Order Amendment;
- O. WHEREAS, wherever this Administrative Settlement Agreement refers to an obligation of an involved Settling Party, that provision shall be interpreted to mean an obligation to be fulfilled by the COUNTY on behalf of the involved Settling Party;

ADMINISTRATIVE SETTLEMENT AGREEMENT

- P. WHEREAS, this Administrative Settlement Agreement resolves the COUNTY's petitions of the Order and Order Amendment, without either the COUNTY or the RWQCB conceding the positions of the petitions.
- Q. WHEREAS, this Administrative Settlement Agreement contemplates that the County will be subject to the Revised Order, substantially in the form attached as **Exhibit C**.

AGREEMENT

Now therefore, for good and valuable consideration and the covenants contained herein, the Parties agree as follows:

1. Definitions

a. Contamination. The term "Contamination" means: (a) perchlorate; (b) any substance, product, waste or other material of any nature whatsoever which is or becomes listed, regulated, or addressed pursuant to CERCLA (as "hazardous substance" as now or hereafter defined in Section 101(14) of CERCLA or any regulations promulgated under, or as a pollutant or contaminant as now or hereafter defined in Section 101(33) of CERCLA or any regulations promulgated under CERCLA), including TCE; Resource Conservation and Recovery Act, as amended ("RCRA") (42 U.S.C. § 6901 et seq.); the Hazardous Materials Transportation Act, 49 U.S.C. section 1801, et seq; the Toxic Substances Control Act, 15 U.S.C. sections 2601, et seq.; the Clean Water Act, 33 U.S.C. section 1251 et seq.; the California Hazardous Waste Control Act, Health and Safety Code section 25100 et seq.; the California Hazardous Substances Account Act, Health and Safety Code section 25100 et seq. ("HSAA"); the California Safe Drinking Water and Toxic Enforcement Act, Health and Safety Code section 25249.5, et

ADMINISTRATIVE SETTLEMENT AGREEMENT

seq.; the California Hazardous Waste Management Act, Health and Safety Code section 25501, et seq. (Hazardous Materials Response Plans and Inventory); or the California Porter-Cologne Water Quality Control Act, Water Code section 13000 et seq., all as amended from time to time; and (c) any additional substance, material or waste (A) the presence and concentration within, about, at, below or from the Site (i) requires reporting, investigation or remediation under any environmental laws, (ii) causes or threatens to cause a nuisance and poses or threatens to pose a hazard to the health or safety, or (iii) which, if emanated or migrated within, about, at below at or from the Site, would constitute a trespass, or (B) which is determined by any governmental authority with jurisdiction thereof to pose a present or potential hazard to human health or the environment.

b. County Land. The term “County Land” shall mean that certain real property described on **Exhibit A** attached hereto and incorporated herein by this reference.

c. Eastern Plume Area. The term “Eastern Plume Area” shall mean the Contamination located generally to the north, east, and to the southeast of the Western Plume Area, as the Western Plume Area is depicted in **Exhibit B**. Although the lateral and vertical extent of the Eastern Plume Area has not been fully defined, the minimum area and general location of the Eastern Plume Area in the vicinity of the Western Plume Area is depicted in **Exhibit B**.

d. Effective Date. The term “Effective Date” shall mean the date the agreement is executed by all Parties.

e. Future Response Costs. The term “Future Response Costs” shall mean all costs that the RWQCB incurs with regard to overseeing the

ADMINISTRATIVE SETTLEMENT AGREEMENT

Western Plume Response Action after the effective date of the Administrative Settlement Agreement.

f. Past Response Costs. The term “Past Response Costs” shall mean all costs that the RWQCB has incurred overseeing the Western Plume Response Action up until the effective date of the Administrative Settlement Agreement.

g. Porter-Cologne Water Quality Control Act. The term “Porter-Cologne Water Quality Control Act” means the state statutes comprising the Act (Water Code, section 13000 et seq.) and subordinate state laws, including regulations, water quality policies, and administrative orders.

h. Related Parties. The term “Related Parties” means the directors, officers, agents, supervisors, limited and general partners, parents, attorneys, subsidiaries, corporate predecessors, commissioners, council members, board members, elected officials, appointed officials, managers, contractors, shareholders, employees, trustees, estates, beneficiaries, and affiliates, insurers, successors, predecessors and assigns, and all persons or entities acting by, through, under or in concert with any of the foregoing, as applicable.

i. Response Action. The term “Response Action” shall have the same meaning given that term by CERCLA and shall also have the same meaning as “cleanup, abatement, and remedial work” in Water Code section 13304, including actions to require that work to be undertaken.

j. Settling Parties. The term “Settling Parties” shall mean:

- i. The County of San Bernardino;
- ii. RRM; and
- iii. Schulz Parties.

ADMINISTRATIVE SETTLEMENT AGREEMENT

- k. Stonehurst Site. The term “Stonehurst” site shall mean that property shown as the Stonehurst Site in **Exhibit B**.
- l. Western Plume Area. The term “Western Plume Area” shall mean the geographic area shown on **Exhibit B** as the Western Plume Area.
- m. Western Plume Response Action. The term “Western Plume Response Action” shall mean work required by the Revised Order, together with such work as may be added or modified by the RWQCB pursuant to section 13304 of the California Water Code and the National Oil and Hazardous Substance Pollution Contingency Plan, Title 42 U.S.C. section 9605 and Code of Federal Regulations, Title 40, Part 300 (“NCP”) and presented as amendments to the Revised Order. Such amendments will be subject to the Dispute Resolution provisions of this Administrative Settlement Agreement, to the extent permitted by law.

2. Implementation of Western Plume Response Action

In consideration of the covenants and other provisions of this Administrative Settlement Agreement:

- a. The COUNTY shall comply with the Revised Order to be issued by the RWQCB substantially in the form attached hereto as **Exhibit C**. The Revised Order requires the COUNTY to implement the Western Plume Response Action in a manner consistent with CERCLA, the NCP, and the Porter-Cologne Water Quality Control Act. The RWQCB agrees to assist the COUNTY with activities that may be required to demonstrate compliance with the NCP;
- b. The involved Settling Party shall pay the reasonable and documented Past Response Costs and Future Response Costs of the RWQCB associated with the Western Plume Response Action conducted by the involved Settling Party; and

ADMINISTRATIVE SETTLEMENT AGREEMENT

c. The Western Plume Response Action shall not include any Response Action to address Contamination outside of the geographic area of the Western Plume Area. The RWQCB has considered the possibility that some amount of perchlorate and VOCs might have migrated (or in the future might migrate) outside of the Western Plume Area, and has determined that notwithstanding the potential for such migration, the Administrative Settlement Agreement is fair and reasonable and that the Settling Parties are incurring at least their reasonably-allocable share of liability in the RCB by implementing the work required by this Administrative Settlement Agreement. The Settling Parties shall not be responsible for implementing any source control measures on, at, or within the Stonehurst Site or other property not currently owned by the Settling Parties.

d. Upon a demonstration by the Settling Parties to the satisfaction of the RWQCB that the Western Plume Response Action has cleaned up the Western Plume in compliance with the Porter-Cologne Water Quality Control Act, implementing regulations and policies, and CERCLA and its implementing regulations, the RWQCB shall issue a No Further Action Letter. The No Further Action Letter shall conditionally release the Settling Parties, according to terms to be provided in the letter, from performance of further work to clean up the Western Plume and payment of response costs, but shall not affect other provisions of this Administrative Settlement Agreement as specified in Paragraph 13.

3. Force Majeure

a. An Uncontrollable Force (force majeure) is any occurrence beyond the control of the involved Settling Party which causes the involved Settling Party to be unable to perform its obligations hereunder and the involved Settling Party has been unable to overcome by the exercise of due diligence,

ADMINISTRATIVE SETTLEMENT AGREEMENT

including but not limited to flood, drought, earthquake, storm, fire, pestilence, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, action or inaction of legislative bodies, judicial bodies, or regulatory agencies, or other proper authority, which may conflict with the terms of this Administrative Settlement Agreement, or failure, threat of failure or sabotage of facilities which have been maintained in accordance with good engineering and operating practices in California.

b. The involved Settling Party shall not be considered to be in default in the performance of any of the provisions contained in this Administrative Settlement Agreement when and to the extent failure of performance shall be caused by an Uncontrollable Force.

c. If the involved Settling Party because of an Uncontrollable Force is rendered wholly or partly unable to perform its obligations under this Administrative Settlement Agreement, the involved Settling Party shall be excused from whatever performance is affected by the Uncontrollable Force to the extent so affected provided that: (i) the involved Settling Party within two weeks after the occurrence of the Uncontrollable Force, gives the RWQCB written notice describing the particulars of the occurrence, (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Uncontrollable Force, (iii) the involved Settling Party uses reasonable efforts to remedy its inability to perform (this subsection shall not require the settlement of any strike, walkout, lockout, other labor dispute or any other dispute on terms which, in the sole judgment of the involved Settling Party, are contrary to its interest, it being understood that the settlement of any disputes shall be at the sole discretion of the involved Settling Party), and (iv) when the involved Settling Party is able to resume

ADMINISTRATIVE SETTLEMENT AGREEMENT

performance of its obligations under this Administrative Settlement Agreement, the involved Settling Party shall give the RWQCB written notice to that effect.

d. If the involved Settling Party's ability to perform cannot be corrected when the Uncontrollable Force is caused by the actions or inactions of legislative bodies, judicial bodies, or regulatory agencies or other proper authority, this Administrative Settlement Agreement may be amended to comply or conform with the legal or regulatory change which caused the nonperformance if the Parties are able to agree or otherwise resolve the same by Dispute Resolution.

e. If the RWQCB does not agree that the involved Settling Party's nonperformance is attributable to an Uncontrollable Force, then the matter may be subject to the Dispute Resolution procedures set forth in Paragraph 5 of this Administrative Settlement Agreement.

4. Payment of RWQCB Costs

a. Past Response Costs. The SWRCB will provide the COUNTY with an accounting and a bill for all unpaid Past Response Costs. The COUNTY may provide notice of any challenge to the bill for Past Response Costs by letter mailed to the SWRCB and within thirty (60) days after the COUNTY receives the bill. The challenge will then be subject to the Dispute Resolution provisions of this Administrative Settlement Agreement. Unless challenged by the COUNTY, the COUNTY shall pay the Past Response Costs by check within sixty (60) days after receipt of the bill. The check shall be disbursed to the SWRCB according to instructions provided by the SWRCB. A copy of the transmittal letter and a copy of the check shall be sent to:

ADMINISTRATIVE SETTLEMENT AGREEMENT

California Regional Water Quality Control Board,
Santa Ana Region
Attention: Western Area Perchlorate Plume
3737 Main Street, Suite 500
Riverside, California 92501

b. RWQCB Future Response Costs. The involved Settling Party will reimburse the RWQCB for its Future Response Costs associated with the Settling Parties' performance of the Western Plume Response Action pursuant to the Revised Order and this Administrative Settlement Agreement. The SWRCB will provide the involved Settling Party with an accounting of all Future Response Costs as they accrue. The SWRCB will provide quarterly bills for its Future Response Costs. The involved Settling Party may provide notice of any challenge to the quarterly bill for Future Response Costs by letter mailed to the SWRCB and within sixty (60) days after the involved Settling Party receives the quarterly bill. The challenge will then be subject to the dispute resolution provisions of this Administrative Settlement Agreement. Unless challenged by the involved Settling Party, the involved Settling Party shall pay the Future Response Costs by check within sixty (60) days after receipt of the bill. The check shall be disbursed to the SWRCB according to instructions provided by the SWRCB. A copy of the transmittal letter and a copy of the check shall be sent to:

California Regional Water Quality Control Board,
Santa Ana Region
Attention: Western Area Perchlorate Plume
3737 Main Street, Suite 500
Riverside, California 92501

ADMINISTRATIVE SETTLEMENT AGREEMENT

c. Non-Payment of Bill. If a bill is not paid by the involved Settling Party within ninety (90) days after it is sent by the SWRCB, the involved Settling Party may be deemed to be in default of this Administrative Settlement Agreement.

d. Dispute of Bill. If the involved Settling Party disputes a bill, or any part thereof, it shall notify the RWQCB Executive Officer and attempt to informally resolve the dispute with the RWQCB. If the involved Settling Party desires to formally request dispute resolution with regard to the billing, it shall make a request for dispute resolution as set out below in Paragraph 5. Such request for dispute resolution shall be made in writing no later than sixty (60) days after the date of receipt by the involved Settling Party of the bill in dispute. If the dispute pertains to only a portion of the costs included in the billing, the involved Settling Party shall pay all costs which are undisputed.

5. Dispute Resolution

Unless otherwise expressly provided for in this Administrative Settlement Agreement, the dispute resolution procedures of this Paragraph shall be the exclusive mechanism to resolve disputes arising under or with respect to this Administrative Settlement Agreement. However, the procedures set forth in this Section shall not apply to actions by RWQCB to enforce obligations that have not been disputed in accordance with this Section.

a. Notice of Dispute. Any dispute which arises under or with respect to this Administrative Settlement Agreement shall in the first instance be the subject of informal negotiations between the Disputing Parties. The period for informal negotiations shall not exceed twenty-one (21) days from the time the dispute arises, unless it is modified by written

ADMINISTRATIVE SETTLEMENT AGREEMENT

agreement of the parties to the dispute. The dispute shall be considered to have arisen when one party sends the other parties a written Notice of Dispute. A Notice of Dispute must be received by the non-disputing parties within 60 days of the action or inaction that is the subject of the dispute; otherwise, the action or inaction is not subject to dispute or administrative or judicial review.

b. Statements of Position. In the event that the parties cannot resolve a dispute by informal negotiations under Paragraph 5(a), then the position advanced by the RWQCB shall be considered binding unless, within twenty-one (21) days after the conclusion of the informal negotiation period, the involved Settling Party shall serve on the RWQCB a written Statement of Position on the matter in dispute, including, but not limited to, any factual data, analysis or opinion supporting that position and any supporting documentation relied upon by the involved Settling Party. Within twenty-one (21) days after receipt of the involved Settling Party's Statement of Position, the RWQCB will serve on the involved Settling Party its Statement of Position, including, but not limited to, any factual data, analysis, or opinion supporting that position and all supporting documentation relied upon by the RWQCB. Within ten (10) days after receipt of the RWQCB's Statement of Position, the involved Settling Party may submit a Reply. An administrative record of the dispute shall be maintained by the RWQCB and shall contain all statements of position, including supporting documentation, submitted pursuant to this Section.

c. Administrative Decision. The RWQCB Executive Officer or designee shall issue a final administrative decision resolving the dispute that shall be based on the administrative record compiled pursuant to Paragraph 5(b). The decision shall be binding upon the involved Settling Party, subject

ADMINISTRATIVE SETTLEMENT AGREEMENT

only to the right to seek administrative and judicial review of the administrative decision pursuant to Paragraphs 5(d) and 5(e).

d. Review by the RWQCB. Any administrative decision made by the RWQCB Executive Officer or designee pursuant to Paragraph 5(c) shall be reviewable by the RWQCB, provided that a motion for reconsideration of the decision is filed by the involved Settling Party with the RWQCB within twenty-one (21) days of receipt of the RWQCB's decision. The motion shall include a description of the matter in dispute, the efforts made by the parties to resolve it, the relief requested, and the schedule, if any, within which the dispute must be resolved to ensure orderly implementation of this Administrative Settlement Agreement and Revised Order. The RWQCB Executive Officer may file a response to the involved Settling Party's motion. In proceedings on any dispute that is accorded review on the administrative record under applicable principles of law, the involved Settling Party shall have the burden of demonstrating that the RWQCB Executive Officer's decision is not supported by substantial evidence or otherwise not in accordance with law. In the event that a dispute is accorded review on the administrative record under applicable principles of law, reconsideration of the RWQCB Executive Officer's decision shall be on the administrative record compiled pursuant to Paragraph 5(b).

e. Review by the SWRCB and Judicial Review. Action or inaction on the involved Settling Party's motion for reconsideration shall be reviewable by the SWRCB pursuant to California Water Code Section 13320 and associated regulations in Title 23 of the California Code of Regulations. A decision by the RWQCB on the involved Settling Party's motion for reconsideration shall constitute an "action" of a "regional board" within the meaning of Title 23, California Code of Regulations, Section

ADMINISTRATIVE SETTLEMENT AGREEMENT

2050. Should the RWQCB not issue a decision on the involved Settling Party's motion for reconsideration, the failure to do so shall constitute a "failure to act" of a "regional board" within the meaning of Title 23, California Code of Regulations, Section 2050. The involved Settling Party may petition such "action" or "failure to act" to the SWRCB for review in accordance with applicable law and, following the resolution of the petition, may seek judicial review in accordance with applicable law.

f. Interim Effect of Dispute Resolution Invocation. The invocation of dispute resolution procedures under this Paragraph shall not extend, postpone or affect in any way any obligation of the involved Settling Party under this Administrative Settlement Agreement unless the RWQCB agrees otherwise or unless so ordered by the SWRCB or a court of competent jurisdiction.

6. Matters Addressed

a. The "matters addressed" in this Administrative Settlement Agreement include (1) the Western Plume Response Action, (2) past and future Response Actions and response costs for the Western Plume and Eastern Plume Areas, including any associated contamination in or alleged to be migrating from the RCB; and (3) past and future response costs incurred pursuant to this Administrative Settlement Agreement.

b. The Settling Parties intend to seek good faith contribution protection from the federal court for the settlement between the Settling Parties, Rialto and Colton, and, as a result, the Parties do not intend for this Administrative Settlement Agreement to confer contribution protection on the Settling Parties pursuant to CERCLA section 113(f)(2).

c. Nothing in this Section shall limit the RWQCB's rights against any third person or entity that is not a party to this Administrative Settlement

ADMINISTRATIVE SETTLEMENT AGREEMENT

Agreement, including, without limitation, the RWQCB's right to enforce a cleanup of the Western Plume and Eastern Plume Areas and to recover any response costs associated with that cleanup.

7. Covenant Not to Sue by the RWQCB

In consideration for the work that will be performed and the payments that have been and will be made by the Settling Parties under the terms of this Administrative Settlement Agreement and subject to Paragraphs 9 and 10 of this Administrative Settlement Agreement, the RWQCB covenants not to sue or take administrative action against the Settling Parties to compel Response Actions or recover response costs relating to the "matters addressed" in Paragraph 6(a) of this Administrative Settlement Agreement, including but not limited to claims pursuant to CERCLA, the HSAA, the Porter-Cologne Water Quality Control Act and common law. These covenants not to sue shall take effect upon the Effective Date of this Administrative Settlement Agreement. These covenants not to sue extend only to the Settling Parties and their respective Related Parties, and do not extend to any other person or entity.

8. Covenant Not to Sue by the Settling Parties

a. The Settling Parties hereby covenant not to sue and agree not to assert any claims or causes of action against the RWQCB or its officers and employees regarding any matter relating to the Administrative Settlement Agreement, or with respect to any regulatory action taken by the RWQCB involving the Western Plume Area prior to the execution of the Administrative Settlement Agreement, including, but not limited to (1) any direct or indirect claim for reimbursement from the California Hazardous Substance Account; and (2) any claims against the State under section 107(a) of CERCLA, 42 U.S.C. section 9607, sections 25355.5, 25358.3,

ADMINISTRATIVE SETTLEMENT AGREEMENT

and 25360 of the California Health and Safety Code, or section 13304 of the Water Code.

b. These covenants not to sue shall not apply in the event that the RWQCB brings a cause of action or issues an order pursuant to the reservations set forth in Paragraphs 9 and 10, but only to the extent that the Settling Parties' claims arise from the same Response Action, response costs, or damages that the RWQCB is seeking pursuant to the applicable reservation.

c. The Settling Parties reserve, and this Administrative Settlement Agreement is without prejudice to, claims against the RWQCB, for money damages for injury or loss of property or personal injury or death caused by the negligent or wrongful act or omission of any employee of the RWQCB while acting within the scope of his office or employment under circumstances where the RWQCB, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred. However, any such claim shall not include a claim for any damages caused, in whole or in part, by the act or omission of any person, including any contractor, who is not a RWQCB employee; nor shall any such claim include a claim based on RWQCB's selection or approval of Response Actions, or the oversight or approval of the Settling Parties' plans or activities. The foregoing does not constitute a waiver of sovereign immunity or a waiver of any other defenses that would be available to the RWQCB.

9. RWQCB's Reservation of Rights

The Covenant Not to Sue set forth in Paragraph 7 above does not pertain to any matters other than those expressly specified therein. The RWQCB reserves and this Administrative Settlement Agreement is without

ADMINISTRATIVE SETTLEMENT AGREEMENT

prejudice to all rights against the Settling Parties with respect to all other matters, including but not limited to, the following:

- a. Claims based on a failure by the Settling Parties or their heirs, successors or assignees to meet a requirement of or to otherwise enforce this Administrative Settlement Agreement;
- b. criminal liability;
- c. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessment incurred by agencies;
- d. liability for violations of any other local, state or federal law or regulations not covered by this Administrative Settlement Agreement or any liability not covered by this Administrative Settlement Agreement arising from past, present or future ownership, operation, disposal, release, or threat of release of hazardous substances, pollutants, or contaminants, at other sites besides the Western Plume Area;
- e. any liability for activities the Settling Parties engage in at the Western Plume Area that constitute violations of federal or state law and which occur after the Effective Date of the Administrative Settlement Agreement;
- f. the right of the RWQCB to compel the Settling Parties to take a Response Action or to reimburse the RWQCB for additional response costs at the Western Plume Area if, subsequent to the Effective Date of this Administrative Settlement Agreement, conditions at the Western Plume Area previously unknown to the RWQCB as of the Effective Date of this Administrative Settlement Agreement are discovered, or information, previously unknown to the RWQCB, is received in whole or in part, and these previously unknown conditions or this information

ADMINISTRATIVE SETTLEMENT AGREEMENT

indicate(s) that the remedy set forth for the Western Plume Area is not protective of human health and the environment.

10. Further Actions Necessary to Protect Public

Except as specifically provided in this Administrative Settlement Agreement, nothing in this Administrative Settlement Agreement shall limit the power and authority of the RWQCB or of any other State agency to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, cleanup, abate, remediate or minimize an actual or threatened release or discharge of hazardous substances, pollutants, or contaminants, hazardous or solid waste, or waste on, at, or from the Western Plume Area. Further, nothing herein shall prevent the RWQCB from seeking legal or equitable relief to enforce the terms of this Administrative Settlement Agreement.

11. Waiver of Equitable Defenses

In any subsequent administrative or judicial proceeding initiated by the RWQCB to enforce this Administrative Settlement Agreement, the Settling Parties shall not contest their obligation to fully comply with this Administrative Settlement Agreement; provided, however, that nothing in this Paragraph affects the enforceability of the covenants not to sue set forth in Paragraphs 7 and 8. In such proceedings, the Settling Parties may raise any defenses that are relevant to the issue of whether or not they have complied with the terms of the Administrative Settlement Agreement.

12. Conditions Subsequent

In conjunction with this Administrative Settlement Agreement, the Settling Parties have entered into a separate settlement agreement with Rialto and Colton. Section 5.1 of that settlement agreement contains conditions precedent that must be met in order for that agreement to be

ADMINISTRATIVE SETTLEMENT AGREEMENT

effective. If the conditions precedent contained in section 5.1 of that settlement agreement cannot be met (or are not waived in writing by the COUNTY), the COUNTY may elect to void this Administrative Settlement Agreement by providing written notice to the RWQCB of its election to void this Administrative Settlement Agreement, provided such notice is given 30 days from the date it is known that the conditions precedent cannot be met.

13. Termination and Satisfaction

This Administrative Settlement Agreement shall not terminate until the RWQCB issues a No Further Action Letter pursuant to Paragraph 2(d). When such No Further Action Letter has been issued, this Administrative Settlement Agreement shall be terminated except for the provisions of Paragraphs 6, 7, 8, 9, 10, 11, and 14, and such other continuing rights and obligations of the parties under this Administrative Settlement Agreement.

14. Government Liabilities

The State of California shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by the Settling Parties or their agents in carrying out activities pursuant to this Administrative Settlement Agreement, nor shall the State of California be held as party to any contract entered into by the Settling Parties or their agents in carrying out activities pursuant to this Administrative Settlement Agreement.

15. General Provisions

a. Full Authority. Each Party represents and warrants that it/he/she has the right, power, and authority to execute this Administrative Settlement Agreement, that all approvals on its part have been obtained to fully authorize and bind said Party under this Administrative Settlement Agreement, and further represents and warrants that it/he/she has the

ADMINISTRATIVE SETTLEMENT AGREEMENT

exclusive right to prosecute, compromise, and agree to the matters set forth herein, and that it has not sold, assigned, conveyed, or otherwise transferred such right.

- b. Further Assurances; Covenant to Sign Documents. Each Party shall take all actions and do all things, and execute, with acknowledgement or affidavit, if required, any and all documents and writings that may be necessary or proper to achieve the purposes and objectives of this Administrative Settlement Agreement.
- c. Statement of Compliance. Within thirty (30) days following any written request by a Party, the other Parties shall execute and deliver a statement certifying that this Administrative Settlement Agreement is unmodified and in full force and effect or, if there have been modifications hereto, that this Administrative Settlement Agreement is in full force and effect as modified, that there are no current uncured defaults under this Administrative Settlement Agreement, and any other information reasonably requested.
- d. No Agency. It is expressly agreed that, in carrying out this Administrative Settlement Agreement, no relationship of principal and agent shall ever exist between the Parties hereto.
- e. Entire Agreement. This Administrative Settlement Agreement sets forth and contains the entire understanding and agreement of the Parties, and there are no oral or written representations, understandings, or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Administrative Settlement Agreement. To the extent this Administrative

ADMINISTRATIVE SETTLEMENT AGREEMENT

Settlement Agreement conflicts with any prior agreements, this Administrative Settlement Agreement shall control.

f. Incorporation of Recitals. The recitals to this Administrative Settlement Agreement, above, are hereby incorporated herein and made a part hereof.

g. Construction of Agreement. This Administrative Settlement Agreement is the product of arms-length negotiations between the Parties and their respective attorneys. Each of the Parties hereto expressly acknowledges and agrees that this Administrative Settlement Agreement shall be deemed to have been mutually prepared so that the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Administrative Settlement Agreement. The paragraph and section headings used in this Administrative Settlement Agreement are for reference only and shall not affect the construction of this Administrative Settlement Agreement.

h. Representations as to Negotiation Process. The Parties hereto represent to each other that each Party has been represented by counsel with respect to this Administrative Settlement Agreement and all matters covered by and relating to it, that they have been fully advised by such counsel with respect to their rights and with respect to the execution of this Administrative Settlement Agreement. The Parties further represent that each party has entered into this Administrative Settlement Agreement of his, her, or its free will and independent action without undue pressure, coercion or influence of any sort.

i. Notices. All notices called for pursuant to this Administrative Settlement Agreement shall be given in writing by personal delivery, or

ADMINISTRATIVE SETTLEMENT AGREEMENT

recognized overnight delivery service which obtains the signature of the addressee or its agent as evidence of delivery, or confirmed electronic transmission or telecopy/facsimile. All such notices or communications shall be deemed to have been given and received on the first to occur of: (i) actual receipt by any of the addressees listed below; or (ii) the date of delivery by recognized overnight delivery services; and/or (iii) upon receipt by the sender of electronic confirmation of delivery of such notices or communications sent by telecopy/facsimile. A Party may change its address by giving written notice thereof to the other in accordance with the provisions of this section.

COUNTY: Division Manager
 Solid Waste Management
 Division
 2nd Floor
 222 West Hospitality Lane
 San Bernardino, CA 92415-
 0017

ADMINISTRATIVE SETTLEMENT AGREEMENT

WITH A COPY TO: COUNTY COUNSEL
385 North Arrowhead Ave.,
4th Floor
San Bernardino, CA 92415-
0140
Facsimile No. (909) 387-5462

Timothy V. P. Gallagher
GALLAGHER &
GALLAGHER,
a Professional Corporation
Watt Plaza, Suite 950
1925 Century Park East
Los Angeles, CA 90067
Facsimile No. 310 203 2610
ting@thegallaghergroup.com

REGIONAL BOARD: Santa Ana Regional Water
Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3348
ATTN: Executive Officer

WITH A COPY TO: State Water Resources Control
Board
Office of Chief Counsel
1001 I Street, 22nd Floor
[95814]
PO Box 100
Sacramento, CA 95812-0100
ATTN: Santa Ana Regional
Board Counsel

ADMINISTRATIVE SETTLEMENT AGREEMENT

ROBERTSON'S
READY MIX

Dennis Troesh
ROBERTSON'S READY-MIX
P.O. BOX 3600
200 S. Main St. Suite 200
CORONA, CA 92882

WITH A COPY TO:

Thomas N. Jacobson
Attorney at Law
3750 Santa Fe Avenue
Suite 105
Riverside, CA 92507
(951) 682-7882
Fax (951) 682-7884

SCHULZ PARTIES

Ruben A. Castellon, Esq.
Stanzler, Funderburk &
Castellon
3189 Danville Blvd.
Suite 250G
Alamo, CA 94507

WITH A COPY TO:

William W. Funderburk, Esq.
Stanzler, Funderburk &
Castellon
811 Wilshire Blvd., Suite 1025
Los Angeles, CA 909017-2606

- j. Representations As To Due Execution. The Parties represent and warrant to each other that this Administrative Settlement Agreement has been duly executed and appropriately authorized by all required governmental and other authorizations.
- k. Severability. It is agreed that if any terms, covenants, or provisions of this Administrative Settlement Agreement shall be illegal or unenforceable, such illegality or unenforceability shall not invalidate the entire Administrative Settlement Agreement, but this agreement shall be construed

ADMINISTRATIVE SETTLEMENT AGREEMENT

as if the provision containing the illegal or unenforceable part were not a part hereof.

l. Continuing Effect. This Administrative Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective Related Parties.

m. Choice of Law. This Administrative Settlement Agreement shall be interpreted in accordance with and governed in all respects by the laws of the State of California, without regard to any conflict of laws provisions.

n. Amendment. This Administrative Settlement Agreement may only be amended by a written document executed by all Parties hereto, and the Exhibits may be amended by the signatories to those Exhibits, as applicable.

o. Counterparts. This Administrative Settlement Agreement may be executed in any number of counterparts.

IN WITNESS WHEREOF, we have signed this Administrative Settlement Agreement.

SANTA ANA REGIONAL WATER QUALITY CONTROL BOARD

By _____

Its _____

Dated: April ____, 2009

COUNTY OF SAN BERNARDINO

By _____

Its _____

ADMINISTRATIVE SETTLEMENT AGREEMENT

Dated: April ___, 2009

ROBERTSON'S READY MIX, INC.

By _____

Its _____

Dated: April ___, 2009

ROBERTSON'S READY MIX, LTD.,

By _____

Its _____

Dated: April ___, 2009

RRM PROPERTIES, LTD.

By _____

Its _____

Dated: April ___, 2009

EDWARD STOUT

By _____

Dated: April ___, 2009

EDWARD STOUT, AS THE TRUSTEE OF THE STOUT-RODRIGUEZ
TRUST

By _____

Dated: April ___, 2009

ADMINISTRATIVE SETTLEMENT AGREEMENT

ELIZABETH RODRIGUEZ

By _____

Dated: April ____, 2009

JOHN CALLAGY AS TRUSTEE OF THE FREDERIKSEN CHILDREN'S
TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 20, 1985

By _____

Dated: April ____, 2009

JOHN CALLAGY AS TRUSTEE OF THE E.F. SCHULZ TRUST,

By _____

Dated: April ____, 2009

LINDA FREDERIKSEN

By _____

Dated: April ____, 2009

LINDA FREDERIKSEN AS TRUSTEE OF THE WALTER M. POINTON
TRUST DATED 11/19/91

By _____

Dated: April ____, 2009

LINDA FREDERIKSEN AS TRUSTEE OF THE MICHELLE ANN
POINTON TRUST UNDER TRUST AGREEMENT DATED FEBRUARY
15, 1985

Its _____

Dated: April ____, 2009

ADMINISTRATIVE SETTLEMENT AGREEMENT

LINDA FREDERICKSEN AS TRUSTEE OF THE E.F. SCHULZ TRUST,

By _____

Its _____

Dated: April ____, 2009

MICHELLE ANN POINTON

By _____

Dated: April ____, 2009

ANTHONY RODRIGUEZ

By _____

Dated: April ____, 2009

JOHN CALLAGY

By _____

Dated: April ____, 2009

MARY CALLAGY, formerly known as MARY MITCHELL

By _____

Dated: April ____, 2009

JEANINE ELZIE

By _____

Dated: April ____, 2009

ADMINISTRATIVE SETTLEMENT AGREEMENT

STEPHEN CALLAGY

By _____

Dated: April ___, 2009

ATTORNEY'S CERTIFICATE

I, the undersigned, am a member of the State Bar of California and am the attorney for COUNTY OF SAN BERNARDINO in the foregoing Settlement Agreement. I have read the foregoing Settlement Agreement and have advised my client as to the same.

DATED: _____

By: _____

ATTORNEYS' CERTIFICATE

I, the undersigned, am a member of the State Bar of California and am the attorney for RRM in the foregoing Settlement Agreement. I have read the foregoing Settlement Agreement and have advised my client as to the same.

DATED: _____

By: _____

ADMINISTRATIVE SETTLEMENT AGREEMENT

ATTORNEYS' CERTIFICATE

I, the undersigned, am a member of the State Bar of California and am the attorney for the Santa Ana Regional Water Quality Control Board in the foregoing Settlement Agreement. I have read the foregoing Settlement Agreement and have advised our clients as to the same.

DATED: _____

By: _____

ATTORNEYS' CERTIFICATE

I, the undersigned, am a member a of the State Bar of California and am an attorney for EDWARD STOUT, EDWARD STOUT AS THE TRUSTEE OF THE STOUT-RODRIGUEZ TRUST, ELIZABETH RODRIQUEZ, JOHN CALLAGY AS TRUSTEE OF THE FREDERIKSEN CHILDREN'S TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 20, 1985, JOHN CALLAGY AS TRUSTEE OF THE E.F. SCHULZ TRUST, LINDA FREDERIKSEN, LINDA FREDERIKSEN AS TRUSTEE OF THE WALTER M. POINTON TRUST DATED 11/19/91, LINDA FREDERIKSEN AS TRUSTEE OF THE MICHELLE ANN POINTON TRUST UNDER TRUST AGREEMENT DATED FEBRUARY 15, 1985, LINDA FREDERICKSEN AS TRUSTEE OF THE E.F. SCHULZ TRUST, JOHN CALLAGY, MARY CALLAGY, formerly known as MARY MITCHELL, JEANINE ELZIE and STEPHEN

ADMINISTRATIVE SETTLEMENT AGREEMENT

CALLAGY, in the foregoing Settlement Agreement. I have read the foregoing Settlement Agreement and have advised my clients as to the same.

DATED: _____

By: _____

EXHIBIT "A"

PARCEL 1:

SECTION 29, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL DATED OCTOBER 14, 1875.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED PARCELS;

PARCEL A:

THE WEST ONE-HALF OF THE WEST ONE-HALF AND THE SOUTH ONE-HALF OF THE SOUTHEAST ONE-QUARTER OF THE SOUTHWEST ONE-QUARTER OF SAID SECTION.

PARCEL B:

THAT PORTION OF LOT 5 OF BAIRD PARK ACRES IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 19, PAGE 92 OF MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THE VACATED EAST HALF OF MANGO AVENUE DESCRIBED AS FOLLOWS;

BEGINNING AT THE INTERSECTION OF THE CENTERLINE OF SAID MANGO AVENUE WITH THE WESTERLY PROLONGATION OF THE SOUTH LINE OF SAID LOT 5; THENCE NORTH $00^{\circ}24'58''$ WEST, 36.53 FEET ALONG SAID CENTERLINE TO A POINT ON A NON-TAGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 776.24 FEET, A RADIAL LINE THROUGH SAID CURVE BEARS SOUTH $25^{\circ}09'59''$ WEST; THENCE SOUTHEASTERLY 98.33 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF $07^{\circ}16'02''$ TO THE PROLONGATION OF THE SOUTH LINE OF SAID LOT 5; THENCE SOUTH $89^{\circ}42'52''$ WEST, 91.25 FEET ALONG SAID SOUTH LINE AND ITS WESTERLY PROLONGATION TO THE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES IN PARCEL B ARE BASED ON GRID STATE PLANE COORDINATE SYSTEM 1983, ZONE 5. MULTIPLY DISTANCES BY 1.000092576 TO OBTAIN GROUND DISTANCES.

PARCEL C:

THAT PORTION OF THE SOUTHEAST QUARTER OF SAID SECTION 29 DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTH QUARTER CORNER OF THE SAID SECTION 29, SAID QUARTER CORNER BEING ALSO THE INTERSECTION OF THE CENTERLINE OF PAMETTO AVENUE WITH THE CENTERLINE OF HIGHLAND AVENUE; THENCE NORTH $00^{\circ}22'22''$ WEST, 379.25 FEET; THENCE NORTH $89^{\circ}45'50''$ EAST, 815.79 FEET THENCE NORTH $84^{\circ}15'03''$ EAST, 558.41 FEET; THENCE NORTH $78^{\circ}14'05''$ EAST, 1000.40 FEET; THENCE NORTH $85^{\circ}21'29''$ EAST, 218.15 FEET; THENCE NORTH $46^{\circ}22'16''$

EAST, 27.16 FEET; THENCE NORTH 89°40'39" EAST, 6.67 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF ALDER AVENUE; THENCE SOUTH 00°19'21" EAST, 635.15 FEET TO THE INTERSECTION OF THE SAID WESTERLY RIGHT OF WAY OF ALDER AVENUE AND THE SOUTH LINE OF SAID SECTION 29; THENCE SOUTH 89°41'42" WEST, 2668.35 FEET TO THE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES IN PARCEL C ARE BASED ON GRID METRIC STATE PLANE COORDINATE SYSTEM 1983, ZONE 5. MULTIPLY DISTANCES BY 1.000092576 TO OBTAIN GROUND DISTANCES.

PARCEL D:

THAT PORTION OF THE SOUTHEAST QUARTER OF SAID SECTION 29 DESCRIBED AS FOLLOWS;

COMMENCING AT THE SOUTH QUARTER CORNER OF THE SAID SECTION 29, SAID QUARTER CORNER BEING ALSO THE INTERSECTION OF THE CENTERLINE OF PAMETTO AVENUE WITH THE CENTERLINE OF HIGHLAND AVENUE; THENCE NORTH 00°22'22" WEST, 531.23 FEET ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 29 TO THE TRUE POINT OF BEGINNING ALSO TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 9886.65 FEET, A RADIAL LINE THROUGH SAID CURVE BEARS NORTH 00°22'22" WEST; THENCE NORTHWESTERLY 12.50 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 00°04'21"; THENCE THROUGH SAID CURVE BEARS NORTH 01°02'57" WEST; THENCE NORTHEASTERLY 618.03 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 04°34'54"; THENCE NORTH 85°17'48" EAST, 414.38 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1684.42 FEET; THENCE NORTHEASTERLY 330.65 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°14'49"; THENCE 74°02'59" EAST, 905.75; THENCE NORTH 77°57'30" EAST, 318.49 FEET; THENCE SOUTH 47°58'27" EAST, 67.03 FEET; THENCE SOUTH 00°25'14" EAST, 247.52 FEET; THENCE NORTH 89°40'39" EAST, 6.67 FEET; THENCE NORTH 00°19'21" WEST, 717.92 FEET; THENCE SOUTH 89°40'39" WEST, 12.57 FEET; THENCE SOUTH 00°44'40" EAST 274.41 FEET; THENCE SOUTH 42°29'49" WEST, 47.36 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 1211.98 FEET; THENCE ALONG SAID CURVE 392.64 FEET, THROUGH A CENTRAL ANGLE OF 18°33'42"; THENCE SOUTH 71°06'17" WEST, 165.07 FEET; THENCE SOUTH 74°02'59" WEST, 712.51 FEET TO A POINT ON A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1596.42 FEET; THENCE ALONG SAID CURVE 313.37 FEET THROUGH A CENTRAL ANGLE OF 11°14'49"; THENCE SOUTH 85°17'48" WEST, 414.38 FEET TO A POINT ON A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 9798.50 FEET; THENCE ALONG SAID CURVE 623.36 FEET THROUGH A CENTRAL ANGLE OF 03°38'53" TO A POINT ON THE EASTERLY LINE OF THE SOUTHWEST CORNER OF SAID SECTION; THENCE SOUTH 00°22'22", 88.00 FEET TO THE TRUE POINT OF BEGINNING.

THE BEARINGS AND DISTANCES IN PARCEL B ARE BASED ON GRID STATE PLANE COORDINATE SYSTEM 1983, ZONE 5. MULTIPLY DISTANCES BY 1.000092576 TO OBTAIN GROUND DISTANCES.

PARCEL E:

THE EAST 60 FEET OF THE SOUTHEAST ONE-QUARTER OF SAID SECTION.

PARCEL 2:

THE WEST ONE-HALF OF THE NORTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER AND THE NORTH ONE-HALF OF THE SOUTHWEST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER OF SECTION 28, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL DATED OCTOBER 14, 1875.

PARCEL 3:

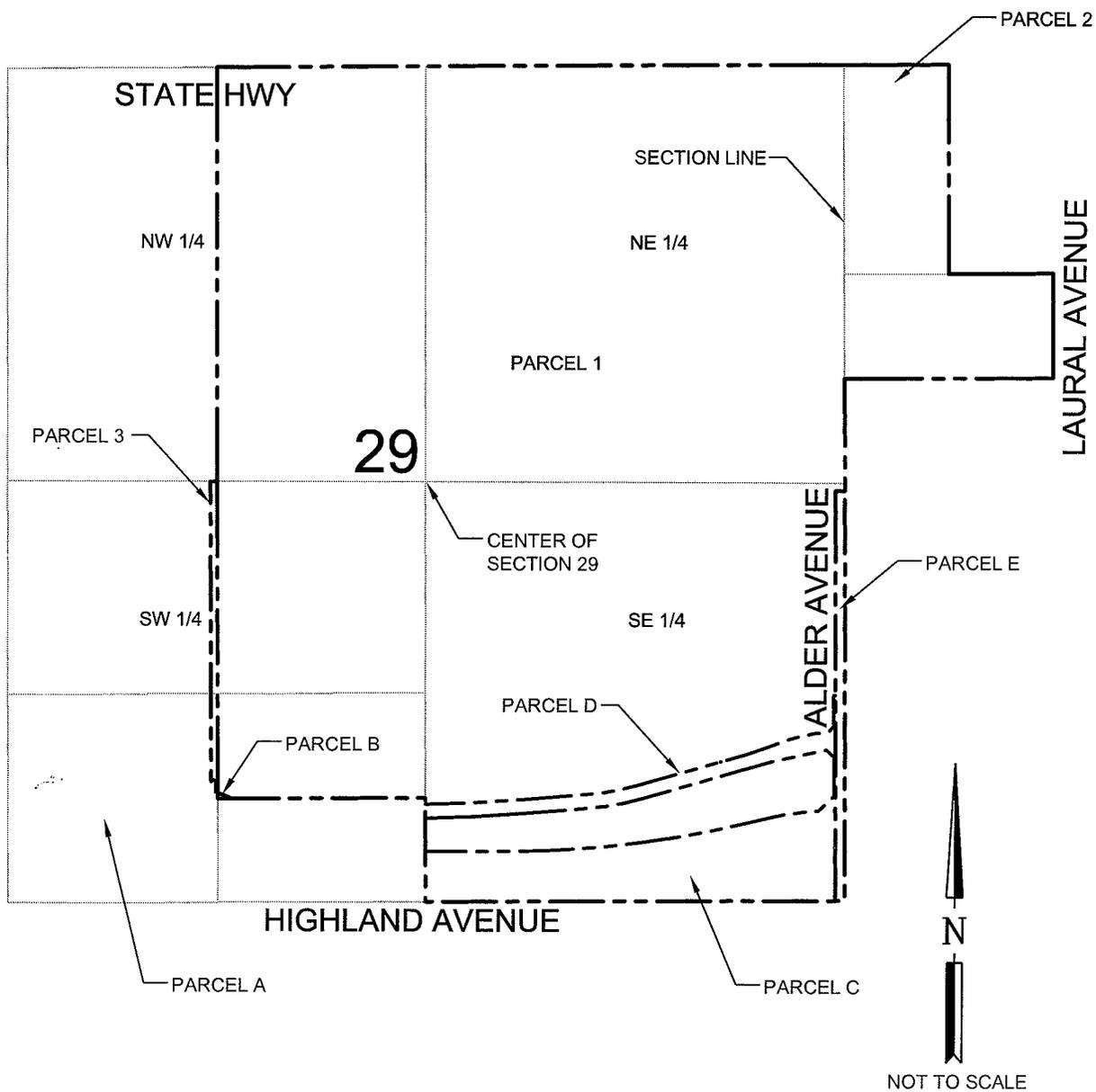
THE EAST 43 FEET OF THE SOUTHWEST ONE-QUARTER OF SECTION 29, TOWNSHIP 1 NORTH, RANGE 5 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF RIALTO, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA ACCORDING TO THE OFFICIAL PLAT OF SAID LAND APPROVED BY THE SURVEYOR GENERAL DATED OCTOBER 14, 1875.

EXCEPTING THEREFORM THE FOLLOWING DESCRIBED PARCEL;

BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY CURVE OF CASMALIA STREET AND THE WESTERLY LINE OF SAID SOUTHWEST QUARTER OF SECTION 29, SAID CURVE CONCAVE NORTHEASTERLY HAVING A RADIUS OF 766.40 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE 14.17 FEET THROUGH A CENTRAL ANGLE OF 01°03'33"; THENCE NORTH 00°20'14" WEST, 66.29 FEET; THENCE NORTH 60°44'43" WEST, 18.06 FEET, THENCE SOUTH 59°47'49" WEST, 17.58 FEET; THENCE SOUTH 00°24'58" EAST PARALLEL TO THE EAST LINE OF SAID SECTION 768.44 FEET TO THE SOUTH LINE OF SAID SECTION; THENCE TO THE SOUTHEAST CORNER OF SAID SECTION, THENCE NORTH 695.73 FEET ALONG THE EAST LINE OF SAID SECTION TO THE POINT OF BEGINNING.

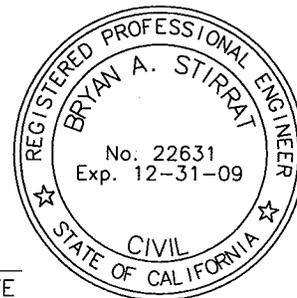
THE BEARINGS AND DISTANCES IN ABOVE DESCRIBED PARCEL ARE BASED ON GRID STATE PLANE COORDINATE SYSTEM 1983, ZONE 5. MULTIPLY DISTANCES BY 1.000092576 TO OBTAIN GROUND DISTANCES.

EXHIBIT "A"

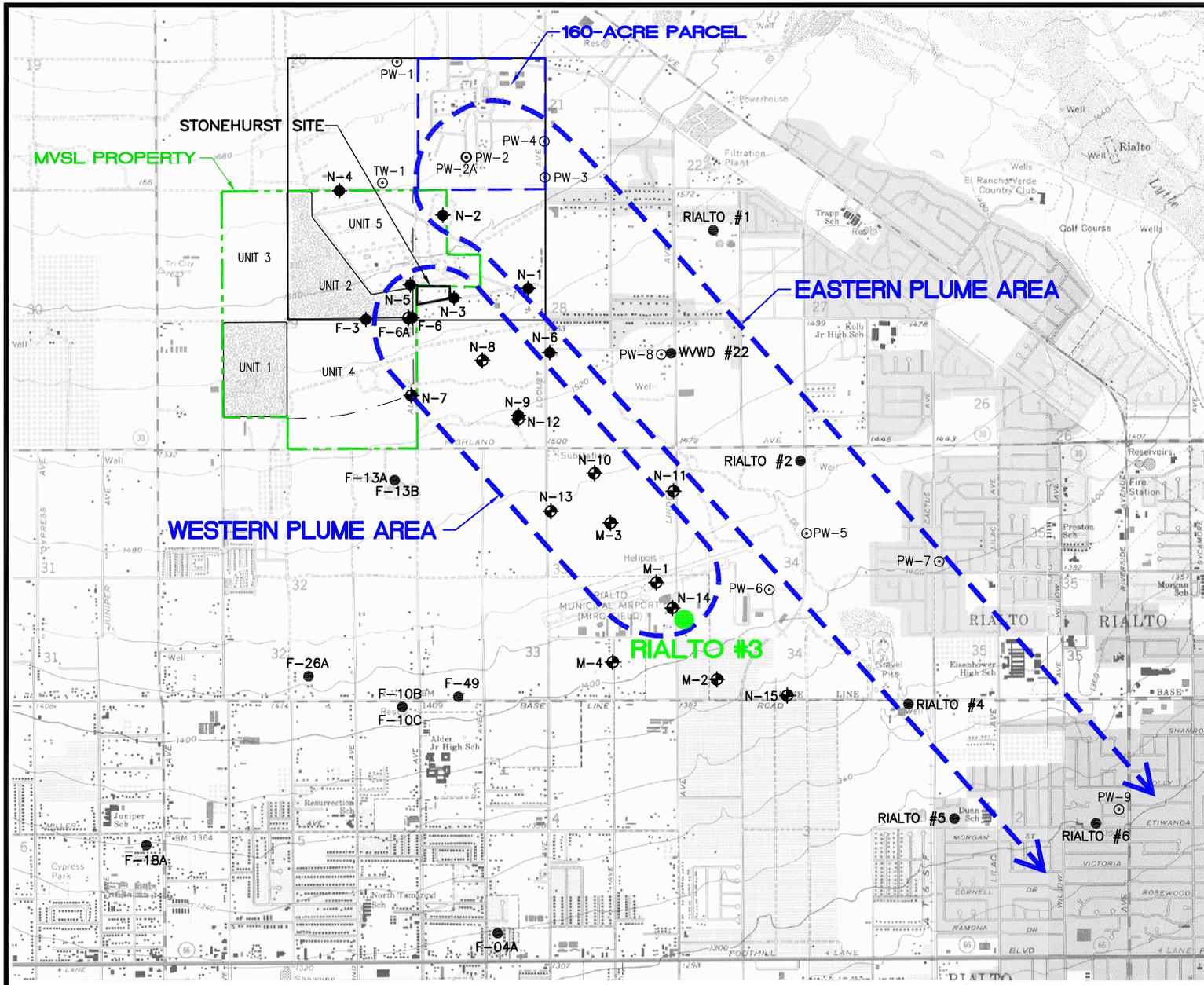


BRYAN A. STIRRAT & ASSOCIATES
CIVIL AND ENVIRONMENTAL ENGINEERS
1360 VALLEY VISTA DRIVE
DIAMOND BAR, CA. 91765
(909) 860-7777

PREPARED UNDER THE
RESPONSIBLE CHARGE OF:



DATE



EXPLANATION:

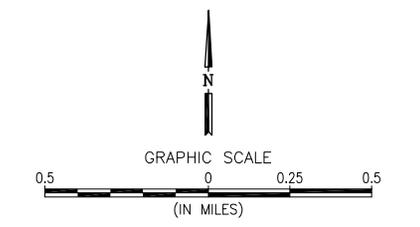
- F-26A WELL NAME
- GROUNDWATER PRODUCTION WELLS
- ◆ PERCHLORATE INVESTIGATION WELLS (GLA)
- MONITORING WELLS BY OTHERS
- ◆ PROJECT PIEZOMETER

REFERENCE

BASE MAP: USGS 7.5 MINUTE SERIES (TOPOGRAPHIC)
 DEVORE, FONTANA, SAN BERNARDINO NORTH
 AND SOUTH CALIFORNIA QUADRANGLES

WELL OVERLAY: RWQCB, 2002; GLA, 2004

MVSL OVERLAY: GEOLOGIC ASSOCIATES, 2004



**Administrative
 Settlement Agreement
 Exhibit B**