ChemRisk®
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Environmental Engineering

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August 23, 1994

Dr. Hasmukh Shah
Vinyl Chloride Panel
Chemical Manufacturers Association
2501 M. Street, N.W.
Washington, DC 20037

SUBJECT: PRESENTATION OF A PB-PK MODEL FOR VINYL CHLORIDE DESIGNED TO BE USED IN RISK ASSESSMENT TO EPA PROPOSAL # CL2-652

ChemRisk®, a division of McLaren/Hart Environmental Engineering Corporation (McLaren/Hart) is pleased to submit this proposal to the Chemical Manufacturers Association Vinyl Chloride Panel (CMA/VCP) This proposal is based on conversations between Dr. Hasmukh Shah and Dr. Richard H Reitz in which Dr Shah informed Dr. Reitz that CMA/VCP would like him to present his ideas for utilizing a physiologically-based pharmacokinetic (PB-PK) model for vinyl chloride (VC) to the Environmental Protection Agency on October 6th at the CMA offices in Washington, DC

ChemRisk understands that CMA/VCP intends to invite other scientists interested in vinyl chloride toxicity to Washington to participate in this meeting as well as the members of the Vinyl Chloride Panel ChemRisk further understands that CMA/VCP wishes to have Dr. Reitz participate in a "pre-meeting" the morning of October 6th to discuss strategy and give a "dry run" prior to the presentation to EPA on the afternoon of October 6.

SCOPE OF WORK

ChemRisk will provide services to CMA/VCP on a time and materials basis. The project will involve three tasks. (1) Preparation of the presentation, (2) Presentation of the research results to CMA/VCP

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(premeeting) and EPA (regular meeting), and (3) follow up activities with CMA/VCP and/or EPA on behalf of CMA/VCP. The estimated time required for each task is listed in the cost estimate below. CMA/VCP will receive an invoice from ChemRisk for the services rendered in the month following completion of the two tasks as outlined in the General Terms and Conditions contract attached to this proposal

COST ESTIMATE

This cost estimate is based on the assumption that Dr. Reitz will need to modify the presentation which he made to CMA/VCP. These modifications will be based on conversations with Dr. Shah and/or members of the VC panel. However, we are assuming that substantial modifications (i.e. taking more than 8 hrs to accomplish) will not be necessary for this project. We have also assumed that interactions with CMA/VCP or EPA on CMA/VCP's behalf will not consume more than two hours of Dr. Reitz's time following the meeting in Washington.

Based on these assumptions, the total charges to CMA/VCP will be in a lump sum not to exceed $4,500. If CMA/VCP wishes Dr. Reitz to undertake additional activities on their behalf, a Change Order will be written and approved by CMA/VCP prior to initiation of those activities.

We understand that CMA/VCP may wish to use a contractual form slightly different from the standard ChemRisk contracts attached to this proposal (as was that case with ChemRisk's contract with the Chlorine Chemistry Council). ChemRisk is willing to accept alternate contracts which are not substantially different from those attached to this proposal Pending final agreement on the exact form of the contract, activities may be commenced upon receipt of the letter of authorization from CMA/VCP to ChemRisk referring to this proposal and authorizing us to proceed on your behalf. (CMA/VCP may wish to contact Dr. James Gibson for details as to how the contract between ChemRisk and CMA/CCC was developed)

McLaren/Hart appreciates the opportunity to be of service to CMA/VCP. Should there be any questions regarding the elements of this proposal, please contact Dr. Reitz directly at (517) 631-7089.

Sincerely,

Michael L Gargas
FOR R. REITZ

Richard H. Reitz, PhD, DABT
Principal Health Scientist
McLaren/Hart, ChemRisk Division

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A Division of McLaren/Hart

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PROJECT AUTHORIZATION FORM

Dr. Hasmukh
Vinyl Chloride Panel
Chemical Manufacturers Association
2501 M. Street, N.W.
Washington, DC 20037

ChemRisk® is hereby authorized to provide professional services as defined in McLaren/Hart Proposal No. CL2-652, presentation of a PB-PK model for vinyl chloride designed to be used in risk assessment to EPA

All work will be performed in accordance with the scope of work as defined in McLaren/Hart Proposal CL2-652, dated August 23, 1994, and the General Terms and Conditions (Form C-5) and the Firm-Fixed-Price and Lump-Sum Agreements provided as attachments to this proposal.

Agreed-to **not to exceed** price: $4,500.00

AUTHORIZATION TO PROCEED:

____
Name

____
Title

____
Representing

____
Address

____

____
Date

____
Signature

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SL 107489

COMMERCIAL TERMS & CONDITIONS
FIRM-FIXED-PRICE AND LUMP SUM AGREEMENTS

1. **INTRODUCTION** - The Commercial Terms & Conditions that follow are submitted as a condition of McLAREN/HART proposal CL2-652, dated August 23, 1994. Acceptance of the foregoing referenced proposal will be based upon the condition that the terms and conditions that follow will be incorporated into any subsequent contract or work authorization for McLAREN/HART services, unless specifically excluded by mutual written agreement.

2. **PROPOSAL TERM** - Unless otherwise stated in the proposal, this offer shall remain valid for a period of thirty (30) calendar days.

3. **PAYMENT TERMS** - Invoices, submitted in accordance with paragraph 7.0 herein, are due and payable to McLAREN/HART within thirty (30) calendar days after receipt of invoice. CLIENT is responsible to notify McLAREN/HART of any invoice discrepancies. Non-payment within the term specified will be a material breach of this contract. CLIENT agrees to remit all payments due under the Contract even if it seeks amount through indemnification from McLAREN/HART on this or other contracts. CLIENT's obligation to make payments under this contract will not in any way be subject to or limited by any third party reimbursement, review for allowability of costs by insurance carriers, or delay due to current or future litigation to recover damages or costs. The contract prices and terms are established hereunder in good faith and are not subject to renegotiation except with the mutual agreement of both principal parties. McLAREN/HART may, after giving seven (7) days written notice, suspend all services, without further liability, until all past due amounts owing are paid in full. Clients without existing credit established with McLAREN/HART may be required to submit advance payments. A finance charge of one percent (1%) per month will be applied to the outstanding balance to accounts not paid (and received) within 45 days of receipt of invoice.

4. **CLIENT INFORMATION** - CLIENT acknowledges that McLAREN/HART cannot accept the liability for the accuracy and completeness of information, (including, but not limited to, specifications, drawings, maps, surveys, reports, historical land usage and operations, results of previous site investigations and surface or subsurface conditions affecting the site), supplied by CLIENT or its agents to McLAREN/HART and acknowledges that McLAREN/HART is relying upon such information or data in the preparation of this proposal without further verification by McLAREN/HART as to its accuracy or completeness.

5. **PROPOSAL PRICE AND SCHEDULE** - McLAREN/HART will endeavor to notify CLIENT in advance of requirements for additional funding or schedule to meet unforeseen or changing conditions. McLaren/Hart shall be under no obligation to perform additional work without a mutually agreeable change order authorization specifying the scope of work to be performed and the corresponding changes in cost and schedule, and McLaren/Hart's right to an equitable adjustment in cost and schedule will not be affected by its proceeding with additional work, with CLIENT knowledge or direction, prior to agreement of such adjustment.

6. **TAXES** - Prices, Rates, and Estimates provided hereunder are exclusive of any federal, state, local or municipal sales, use, or excise taxes on the services or equipment delivered hereunder, which if applicable will be invoiced separately.

7. **INVOICING** - All projects exceeding sixty (60) days in duration will be invoiced monthly based upon the percent completion of the applicable line item or price(s) established under this agreement. Projects shorter in duration than 60 days will be invoiced on a lump sum basis at completion. All invoices will be paid in accordance with 3.0 above.

8. **AGREEMENT** - The Commercial Terms herein and the attached **General Terms and Conditions** (McLAREN/HART Form C-5) are incorporated into the resulting contract and govern the performance of the services and the rights and obligations of the parties.

[END]

GENERAL TERMS AND CONDITIONS

INTRODUCTION - All McLAREN/HART proposals are submitted on the basis of the following General Terms and Conditions. While not intended to be all inclusive, the terms that follow establish the general scope of liability and responsibility that will govern any resulting contract or work authorization resulting from the subject proposal.

2. STANDARD OF SERVICES AND WARRANTY - Services performed by McLAREN/HART under this Agreement shall be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions.

McLAREN/HART warrants that if any of its completed products or services fail to conform to the above professional standard, McLAREN/HART will, at its own expense, perform corrective services of the type originally performed as may be reasonably required to correct such defects, of which McLAREN/HART is notified in writing within six months of the completion of services or delivery of product. No other representation, express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinion, document or otherwise.

3 EXISTING SITE CONDITION AND ACCESS - CLIENT acknowledges that McLAREN/HART has played no part in the creation of any hazardous waste, pollution sources, nuisance, or chemical or industrial disposal problem, if any, which may exist and that McLAREN/HART has been retained for the sole purpose of assisting the CLIENT in assessing any problem which may exist and in formulating a mitigation program, if such is within the scope of work. It is recognized and agreed that McLAREN/HART has assumed responsibility only for making the investigation, and providing subsequent reports and recommendations to the CLIENT. The responsibility for making any disclosures or reports to any third party and for taking corrective, remedial or mitigative action shall be solely that of the CLIENT and/or OWNER unless specifically called out as a contract line item requirement.

CLIENT grants to McLAREN/HART and its subcontractors ACCESS and authority to enter the property ("Site") to fulfill the scope of services called for by this Agreement. McLAREN/HART will take reasonable precautions to minimize damage to the Site and adjoining properties. CLIENT understands and agrees that the use of subsurface exploration equipment may unavoidably cause some damage, the correction of which is not a part of this Agreement unless specified in the scope of services. Client also understands that the discovery of certain conditions may result in a reduction of the property's value.

4 INSURANCE - McLAREN/HART declares that it maintains workers' compensation and employer's liability insurance of a form and in an amount as required by the state in which the Services are being performed; other coverages will typically include: commercial general liability (including contractual and products), and automobile liability (including owned, non-owned and hired) insurance with limits of one million dollars ($1,000,000) per occurrence for bodily injury, property damage, and professional errors and omissions and pollution liability insurance with a limit of one million dollars ($1,000,000). Certificates of insurance to provide evidence of the above general coverage will be provided upon notification of contract award.

5 INDEMNITY - McLAREN/HART shall hold harmless, and indemnify CLIENT, its officers, agents and employees from and against all losses, damages, demands, claims, suits and other liabilities, including reasonable counsel fees and other expenses of litigation, arising out of or related to services performed hereunder; provided however, that such indemnification shall not apply to the extent any losses, damages, liabilities, or expenses result from, are attributable to, or arise out of (a) any negligence or willful misconduct of CLIENT; (b) any delay attributable to CLIENT's conduct; (c) any breach by CLIENT of any warranties or other provisions hereunder; (d) any nonconforming waste or discrepancies in the manifest; or (e) any hazardous material environmental emergency response service except losses, damages, liabilities, or expenses resulting from negligence or willful misconduct by McLAREN/HART after arrival at the scene as to which reasonable knowledge was available to McLAREN/HART to avoid the incident. The total and aggregate obligation of McLAREN/HART pursuant to the provisions of this indemnification shall in no event exceed a maximum of $1,000,000. This indemnification excludes incidental, special, exemplary, punitive or consequential damages, including, (but not limited to), loss of profits or revenue, interference with business operations, or loss of tenants, lenders, investors or buyers or inability to use the property.

CLIENT agrees to indemnify and hold harmless McLAREN/HART (including its officers, directors, employees, and agents), from and against any and all losses, damages, demands, claims, suits and other liabilities, including reasonable counsel fees and other expenses of litigation, arising out of or related to (a) any negligence or willful misconduct of CLIENT, (b) any breach by CLIENT of any warranties or other obligations hereunder, (c) any nonconforming waste or discrepancies in the manifest as defined in applicable regulations, (d) all waste removal assistance rendered by McLaren/Hart to the extent McLaren/Hart followed, or provided a subcontractor to follow, the current established waste removal practices applicable in the locality in which the services are being rendered, (e) any condition existing at the site prior to the arrival of McLAREN/HART of which McLAREN/HART had no actual knowledge or over which McLAREN/HART had no control, or (f) any nonconforming hazardous substance.

6 LIMITATION OF LIABILITY - Notwithstanding any other language in this contract, in no event will the total and aggregate liability of McLaren/Hart exceed the lessor of: (1) one and a half times the contract amount, or (2) $1,000,000.

7 CONFIDENTIALITY - McLAREN/HART agrees to keep confidential and not to knowingly disclose to any person or entity, other than employees and subcontractors performing hereunder, without the prior consent of CLIENT, any data or information not previously known to and generated by McLAREN/HART, or furnished to McLAREN/HART and marked CONFIDENTIAL by CLIENT in the course of performance hereunder; provided, however, that this provision shall not apply to data which are in the public domain, or which were acquired by McLAREN/HART independently from third parties not under any obligation to CLIENT to keep such information confidential. CLIENT agrees that McLAREN/HART may use and publish CLIENT's name and a general description of services performed with respect to the project in describing McLAREN/HART's experience and qualifications to other clients and prospective clients.

8. NON-DISCLOSURE AGREEMENT - The technical and pricing information contained in any proposal submitted by McLAREN/HART as to this project, or in this Agreement or any addendum thereto, is to be considered confidential and proprietary, and shall not be released, disclosed, or otherwise made available to any third party without the express written consent of McLAREN/HART. Any reports, documents or findings that are presented or delivered to CLIENT in complete or partial fulfillment of this agreement shall become the property of CLIENT. CLIENT acknowledges that dissemination or reuse of McLAREN/HART reports or data outside the scope and intent of this Agreement will be at CLIENT's sole risk and liability.

9. **RIGHTS IN DATA** - CLIENT agrees that any patentable or copyrightable concepts, data or software developed by McLAREN/HART as a direct or indirect consequence of services rendered hereunder are the sole and exclusive property of McLAREN/HART. CLIENT shall have unlimited rights and use of all data or software developed under contract to CLIENT

CHANGES - The CLIENT may at any time, by written order, and within the general scope of this contract, make changes to the services called for hereunder If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the Agreement shall be modified in writing accordingly In addition, McLAREN/HART shall be entitled to an equitable adjustment for any actions, omissions, or directions by the CLIENT which cause an increase to the cost of or the time required for the performance of any part of the work under this contract, whether or not directed in writing by the CLIENT McLAREN/HART will endeavor to submit a claim for adjustment under this clause within thirty (30) days from the date the change notification was received from CLIENT or from the date McLAREN/HART first had knowledge of the change McLaren/Hart shall have no obligation to perform the changed work until a mutually agreeable adjustment is reached and executed in writing by both parties Commencement by McLAREN/HART of changed work with the knowledge of the CLIENT prior to a mutual agreement on an equitable adjustment shall not prejudice McLAREN/HART's rights to an equitable adjustment for such work Failure to reach a mutual agreement on any adjustment hereunder after good faith efforts to do so shall constitute a dispute under paragraph 13 of these general terms and conditions.

11 **DELAYS/FORCE MAJEURE** - Neither party shall be deemed in default of this Agreement or any order hereunder to the extent that any delay or failure in the performance of its obligations (other than the payment of money) results from any causes beyond its reasonable control and without its fault or negligence Examples of such causes include, but are not limited to (1) Acts of God or the public enemy, (2) Acts of the Government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) embargoes, (9) earthquakes and (10) unusually severe weather.

12 **TERMINATION** - Either CLIENT or McLAREN/HART may terminate this contract without cause and for its own convenience given seven (7) days written notice. CLIENT will be liable, regardless of contract type, for all costs expended by McLaren/Hart through the date such written termination notice is received by McLAREN/HART, (as well as any excess costs to copy and deliver finished or partially finished data to CLIENT, and all costs of implementing the termination and arriving at settlement thereof, with CLIENT, including all costs of settling and paying claims arising out of subcontracts hereunder), along with associated burden and profit Any termination of this Agreement for a material failure to perform may be exercised only if McLAREN/HART does not cure such failure within thirty (30) days (or more if authorized in writing by the CLIENT) after receipt of the notice from the CLIENT specifying the failure. In the event of a termination for a material failure to perform, McLAREN/HART's liability shall be limited to costs incurred by the CLIENT in excess of the contract price (as that price stood at the time of termination) for completion of the scope of work in effect at the time of the termination. In the event of termination for any reason the parties shall enter into good faith negotiations to arrive at a fair and reasonable quantification of the liabilities set forth in this paragraph Failure to agree on such a quantification of liability shall be deemed a dispute under paragraph 13 of these general terms and conditions

13 **DISPUTES** - All claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or the breach thereof, shall be addressed in the following manner. The parties shall enter into good faith negotiations to select a method of dispute resolution other than litigation, such as, arbitration, mediation, mini trial, or other methods of alternative dispute resolution. In the event that the parties are unable to agree on a method of dispute resolution other than litigation, suit may be brought in a court located nearest the applicable McLAREN/HART office involved with the dispute. Should it be necessary for either party to initiate legal proceedings to enforce any term or condition of this agreement, the prevailing party shall be entitled to all costs and expenses, including reasonable attorneys' fees, incurred in such proceedings Should McLAREN/HART initiate collection proceedings to collect amounts owed hereunder, the added costs of such collection shall be paid by CLIENT

14 **INDEPENDENT CONTRACTOR** - McLAREN/HART is and shall perform its services under this Agreement as an independent contractor and not as the CLIENT's agent, partner, or joint venture. McLAREN/HART is employed to render professional services only, and any payments made by CLIENT are compensation solely for such services rendered McLAREN/HART's review or supervision of work prepared or performed by other individuals or firms employed by CLIENT shall not relieve those individuals or firms of complete responsibility for the adequacy of their work.

15 **CONFORMANCE WITH LAW** - The validity, performance and construction of this Agreement shall be governed and interpreted in accordance with the laws of the state where the majority of the services are being provided.

16 **ASSIGNMENT** - There shall be no assignment of the rights or obligations in this agreement by either party without the written consent of the other party and any assignment absent such consent shall be null and void, and shall render the corresponding duties and obligations of the other party null and void

17 **ENTIRE AGREEMENT** - This Agreement along with McLAREN/HART's proposal, CL2-652, dated August 22, 1994, and its accompanying Commercial Terms, contains the entire agreement and understanding between the parties hereto with respect to the subject services and shall not be varied in its terms by any previous communications, negotiations and agreements, whether oral or written, between the parties with respect to such subject matter, and no addition to or modification or waiver of any provision of this Agreement shall be binding on either party unless made in writing and executed by McLAREN/HART and a duly authorized agent of CLIENT If any portion of this agreement is held invalid or unenforceable, any remaining portion shall continue in full force and effect.

18 **ACCEPTANCE** - This proposal becomes a binding contract on the terms set forth herein when accepted by CLIENT by (1) giving McLAREN/HART formal written acknowledgement hereof, or (2) the performance by CLIENT of any part of the obligations called for herein. IT IS A CONDITION OF THIS PROPOSAL THAT ANY PROVISIONS, WRITTEN OR OTHERWISE, CONTAINED IN ANY ACKNOWLEDGEMENT HEREOF, WHICH ARE INCONSISTENT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS HEREIN CONTAINED, AND ANY ALTERATIONS HERETO, SHALL HAVE NO FORCE OR EFFECT, AND THAT CLIENT BY SUCH ACCEPTANCE THEREBY AGREES THAT ANY SUCH PROVISIONS OR ANY SUCH ALTERATIONS SHALL NOT CONSTITUTE ANY PART OF THE CONTRACT RESULTING FROM ITS ACCEPTANCE OF THIS PROPOSAL.