

Lees Environmental Services, Inc.

September 8, 2006

Mr. George Nicholas
12380 Shady Hills Road
Spring Hill, FL 34610

RE: *Scope of Services and Cost Estimate*
Phase I Environmental Site Assessment
GBY, Inc. Properties (Parcel #s 12-25-17-0000-00100-0000, 12-25-17-0000-00100-0070, & 12-25-17-0000-00200-0031); Suncoast Commercial, Inc. Properties (12-25-17-0000-00200-0030, 12-25-17-0000-00100-0060, & 12-25-17-0000-00200-0032) and Nicholas Property (12-25-17-0000-00400-0010) – Totaling 166.32 Acres (+/-)
Southwest Corner State Road 52 and Suncoast Expressway
Land O'Lakes Zip Code Area of Pasco County, Florida

Dear Mr. Nicholas:

In response to your request, Lees Environmental Services, Inc. (LEES) is providing this proposal letter, which outlines our scope of services and cost estimate to perform a Phase I environmental site assessment (Phase I ESA) on the above referenced contiguous undeveloped properties located on the southwest corner of SR 52 and the Suncoast Expressway in the Land O'Lakes zip code area of Pasco County, Florida. All of the above described parcels of land will be incorporated into one (1) Phase I ESA report.

The scope of work proposed for the Phase I ESA will be performed in conformance with the scope of work and limitations of the American Society of Testing and Materials (ASTM) Standard of Practice E 1527 for conducting Phase I environmental site assessments.

The primary purpose of the Phase I ESA proposed herein will be to check the properties for the significant presence of recognized environmental conditions that may or could exist on the subject properties. The term "recognized environmental condition" means the presence or likely presence of hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the properties or into the ground, groundwater, or surface water of the properties. The term includes hazardous substances or petroleum products even under conditions in compliance with the laws. The term is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

The scope of services that we will provide for the Phase I ESA will include the following activities:

- Task I: Conduct a review of available literature regarding the past history and current status of the subject properties, which will include a review of historical aerial photographs of the subject sites and abutting/adjacent properties. ***A review will be performed of recorded current and past property ownership records for the past 50 years on the property if that information is provided to LEES by the user or person(s) employing the Phase I ESA.*** Interviews of on-site and off-site owners and/or tenants and other knowledgeable parties will be performed as appropriate, concerning existing and past site activities. All of these activities will be performed in an attempt to identify recognized environmental conditions on the properties.
- Task II: Perform a visual reconnaissance of the accessible areas of the subject sites to identify, if possible, significant existing or abandoned potential on-site concerns and possible contaminant sources that would be visually evident at the ground surface level. Provide a brief site overview of the subject properties describing significant features and improvements, as applicable, and provide a brief non-intrusive assessment based on available literature of the environmental setting (including topography and general geology/hydrogeology) of the subject sites and immediate surrounding areas.
- Task III: Perform a brief pollution source reconnaissance of the accessible areas of the abutting and immediately adjacent sites (current land uses only), in an attempt to identify activities or concerns that could have had, or may have, an adverse environmental impact upon the subject properties.
- Task IV: Specifically check available U.S. Environmental Protection Agency (USEPA) and Florida Department of Environmental Protection (FDEP) lists and reports in accordance with ASTM search criteria; and review other available FDEP and County files and records (if applicable) to check for potential on-site or adjacent site pollution sources, if they were reported to or permitted by FDEP.
- Task V: Prepare three (3) originals of the Phase I ESA report that will incorporate all of the information obtained for the properties during the assessment, along with our findings and evaluations, as appropriate.

Our proposed cost to perform the Phase I ESA is \$1,800.00. ***The Phase I ESA scope of work proposed herein does not include any assessment for radon gas, asbestos containing materials on-site, lead-base paint, lead in drinking water, wetland boundary flagging, or listed species concerns.*** However, we can assist you with these services, if requested or required.

Prior to beginning and/or during our assessment work, we would appreciate receiving any of the following information and documents concerning the subject site, if they are available:

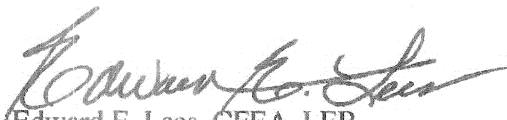
1. Property site plans/surveys and legal descriptions.
2. Any existing site environmental, geotechnical or soils investigation reports.
3. Any existing or development site plans.
4. Any available (old or recent) property appraisal reports.
5. Copies of recorded deeds, liens, or other recorded instruments concerning the property during the past 50 years.

For written acceptance of the Phase I ESA scope of work proposed herein and attached General Conditions, and for written authorization to access the subject properties, please sign in the space provided below and then fax the signature page to 727/842-8532. We would appreciate receiving one (1) signed original via regular mail at your convenience. Upon receiving your authorization, we will proceed with coordinating a time to access the properties to perform our work. Generally, we like to have three (3) weeks to complete the Phase I ESA activities and report.

We sincerely appreciate this opportunity to be of service to you. If you have any questions, please do not hesitate to call.

Sincerely,

LEES ENVIRONMENTAL SERVICES, INC.


Edward E. Lees, CFEA, LEP
President


Nicholas M. Makris
Project Manager

Attachments: General Conditions
Pasco County Property Appraiser Information

Nicholas-GBY-Suncoast-NicholasProp-Pb-I.pro

AUTHORIZED BY:

Signature: George Nicholas

Printed Name: GEORGE NICHOLAS

Company: SUNCOAST COMMERCIAL

^{INC.}
Title

President

Date: 9/11/06



Annotations by Lees Environmental Services, Inc.

Lees

Environmental Services, Inc.
6710 Embassy Blvd., Suite 102
Port Richey, FL 34668

2005 Pasco County, Florida
Aerial Photograph
(Not to Scale)

GBY, Inc., Suncoast Commercial, & Nicholas Properties
(166.32 Acres +/-)
Southwest Corner SR 52 & Suncoast Expressway
Land O' Lakes Zip Code Area of Pasco County, Florida

Date: Sept. 2006
Project:



GENERAL CONDITIONS

Lees Environmental Services, Inc.

CONTRACT PRICE AND PAYMENT

Payment for services performed and invoiced to the Client by Lees Environmental Services, Inc. (LEES), as Consultant, are due and payable upon receipt. Invoiced amounts not received within 30 days of invoice date, will be subject to a finance charge of one and one-half percent per month, or the highest interest amount permitted by law, until the amount owed plus interest is paid in full. In the event legal action is necessary for the collection of a past due account, Client will be responsible for paying all court costs and attorneys fees, as appropriate. Any invoiced amounts not paid within 45 days will result in a lien being filed and recorded against the subject property where the work was performed.

WARRANTY

Consultant warrants that the services provided to the Client will be performed in a professional manner in accordance with sound consulting practices and procedures similar to those provided by other professionals practicing in the same or similar locality. CONSULTANT MAKES NO OTHER WARRANTY EITHER EXPRESS OR IMPLIED. Consultant will correct any defects in the services that are not performed in accordance with the above stated warranty at no additional charge to Client.

INDEMNIFICATION

Client and Consultant agree to indemnify each other against any and all liability, loss or damage including court costs and legal fees, that either may suffer as a result of any and all claims, demands, actions, costs or judgments against the indemnified party, and indemnifying party's negligence arising from work performed in accordance with this agreement. Consultant will be responsible for meeting the standard of care or level of practice established or maintained by the community of similar engineers and/or consultants working on similar projects in the area. Client acknowledges that environmental assessment/remediation engineering projects may create extraordinary risks and as such, Client agrees to limit Consultants liability to the Client (including its directors, officers, and employees, and all contractors, et. al.) arising from Consultants professional acts, errors or omissions, such that the total aggregate liability by Consultant to all those named shall not exceed Consultants insurance amount of one million dollars.

PROPERTY ACCESS

Client assumes and accepts all liability and warrants to Consultant that he has the right and full authority to provide right-of-entry onto the subject property (whether owned or not), and onto any abutting/adjacent properties, if necessary, for Consultant to perform the work contracted herein.

INSURANCE

LEES maintains Comprehensive General Liability, Professional and Pollution Liability Insurance in the amount of \$1 million dollars with a maximum combined limit of 2 million dollars.

ENVIRONMENTAL ASSESSMENT/REMEDIALATION LIMITATIONS

Client acknowledges that all phases of environmental site assessments may fail to find through both intrusive and non-intrusive site assessment methods, significant evidence indicating the presence of contamination constituents in the soil and/or groundwater on the subject site. Client therefore acknowledges and agrees to hold Consultant harmless for Consultants failure to discover contamination on the property using generally approved environmental assessment methods. In such case, Client agrees to limit Consultants liability to the Client (including its directors, officers, and employees, and all contractors, et. al.) arising from Consultants professional acts, errors or omissions, such that the total aggregate liability by Consultant to all those named shall not exceed Consultants insurance amount of one million dollars.

MATERIALS HANDLING AND RETENTION

In the event that materials on the assessed site, including but not limited to, soil and groundwater samples and drill or boring cuttings, contain substances or constituents hazardous or detrimental to human health, safety or the environment as defined by federal, state, or local statutes, regulations, or ordinances, such materials shall remain the property of Client or Property Owner. It will be Clients sole responsibility, using a manifest signed by Client as generator, to have such materials transported to a location selected by Client for final disposal. Client recognizes and agrees that at no time will Consultant assume title of said materials.

REPORTING

Consultant will provide a report containing the findings of the assessment work directly to the Client. It will be Clients or Property Owner's responsibility to inform any environmental or regulatory agency(s), if applicable, as to the findings of the assessment work performed if contamination is discovered on-site requiring notification. Consultant shall not be held responsible for any contamination discovered on the property, or any subsequent change in property value as a result of the assessment findings.