

DRAFT FOR REVIEW

November 3, 2009

Reference No. 053180-98

Mr. Tim McHugh
Ingrox Ltd.
11 St. Andrews Street
Ingersoll, Ontario
N5C 1K6

Dear Mr. McHugh:

Re: Scope of Work and Cost Estimate
Environmental investigation
38 Thames Street South, Ingersoll, Ontario

1.0 INTRODUCTION

Pursuant to your request, Conestoga-Rovers & Associates (CRA) is pleased to submit this scope of work and cost estimate to Ingrox Ltd. to conduct an Environmental Investigation of the former Maude Wilson Memorial Pool property located at 38 Thames Street South in Ingersoll, Ontario (Property or Site).

The Site was most recently occupied by the Maude Wilson Memorial Pool, which was an outdoor swimming pool operated between 1948 and 1991. The Site was first developed for industrial purposes in 1873 as part of the Noxon farm implement manufacturing plant. Between 1873 and 1948, the Site was also occupied by several other industrial entities. The Site is currently owned by the Town of Ingersoll. A historic gasoline service station was located between the Site and the adjacent 50 Thames Street South property owned by Ingrox Ltd.

It is CRA's understanding that Ingrox Ltd. is considering exchanging ownership of the western portion of the 50 Thames Street South property for ownership of the Site, and redeveloping the Site and the eastern portion of the 50 Thames Street South property together. The line depicting the approximate location of the proposed severance of the 50 Thames Street South property is shown on Figure 1. CRA further understands that environmental investigations have not been conducted at the Property to assess soil and groundwater quality. Without an appropriate soil and groundwater quality investigation, the extent of any environmental liability associated with the Site cannot be assessed. The historic operations conducted at the Site, as well as historic and

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current operations conducted on nearby lands, have the potential to impact soil and groundwater quality at the Property.

The purpose of the Environmental Investigation, described herein, is to complete a preliminary investigation of soil and groundwater quality at the Site.

2.0 SCOPE OF WORK

The following investigation activities are proposed:

- Advancement of three boreholes at the Property to a maximum depth of approximately 5 metres below grade and instrumentation of the boreholes as overburden monitoring wells.
- Collection of one soil sample from each borehole and one groundwater sample from each monitoring well, and chemical analysis of the samples for petroleum hydrocarbon fractions (F1-F4), metals, polycyclic aromatic hydrocarbons (PAHs), and volatile organic compounds (VOCs). One duplicate groundwater sample will be collected and analyzed for quality assurance/quality control (QA/QC) purposes.
- Surveying of the monitoring well, and collection of groundwater level measurements to determine the approximate direction of shallow groundwater flow.
- Analytical data assessment and reporting.

Borehole Advancement and Soil Sampling

CRA will advance three boreholes to a maximum depth of approximately 5 metres below ground surface (bgs) using a truck-mounted Diedrich D-120 drill rig (or equivalent). For the purpose of this scope of work and cost estimate, it is assumed that bedrock will not be encountered during the borehole advancement activities. Soil samples will be retrieved from the boreholes at regular intervals and screened for geologic interpretation and the presence of undifferentiated organic vapors using a photoionization detector (PID). CRA personnel will log all boreholes and mark their locations for future reference. The approximate borehole locations are indicated on Figure 1.

Based on the close proximity of the Thames River and local topography, it is anticipated that shallow groundwater at the Site generally flows in a northwesterly direction.

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The rationale for the proposed borehole/ monitoring well locations is provided below:

<i>Borehole/Monitoring Well Location</i>	<i>Rationale</i>
MW1	<ul style="list-style-type: none">• Investigate general soil and groundwater quality on the western portion of the Site
MW2	<ul style="list-style-type: none">• Investigate general soil and groundwater quality on the central portion of the Site
MW3	<ul style="list-style-type: none">• Investigate general soil and groundwater quality on the eastern portion of the Site in the vicinity of the former gasoline service station located adjacent to the southeast corner of the Site and down gradient of the dry-cleaning business and former gasoline service stations located to the east and southeast of the Site

One soil sample will be collected from each borehole and analyzed for petroleum hydrocarbon fractions (F1-F4), metals, PAHs, and VOCs. All soil samples will be submitted to a CALA certified laboratory for analysis.

If impacted soils are encountered during borehole advancement, the drill cuttings will be drummed and stored on Site. These impacted soils will require characterization as wastes, as outlined in Ontario Regulation 347, and disposal off Site. All down-hole equipment will be decontaminated between each borehole. If the wash water is found to be impacted, the wash water will be drummed and temporarily stored on Site pending characterization and off-Site disposal. Characterization and off-Site disposal costs for drill cuttings and/or decontamination water (if required) have not been included in the cost estimate for this investigation.

Groundwater Sampling

Each borehole will be completed as a permanent 2-inch diameter groundwater monitoring well with a well screen installed to straddle the observed groundwater table. The monitoring wells will be surveyed to determine relative elevations. Prior to groundwater sampling, groundwater elevation measurements will be collected from the monitoring wells. The groundwater elevation measurements will be used to determine the approximate direction of shallow groundwater flow at the Site. The monitoring wells will be developed prior to sampling to

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ensure that representative groundwater samples are obtained. One groundwater sample will be collected from each monitoring well and submitted for chemical analysis for petroleum hydrocarbon fractions (F1-F4), metals, PAHs, and VOCs. A duplicate groundwater sample will be collected from one of the monitoring wells and analyzed for QA/QC purposes. All groundwater samples will be submitted to a CALA certified laboratory for analysis.

Report Preparation and Submission

Upon receipt of the analytical data generated from the samples collected, CRA will conduct an analytical data review to assess the accuracy and the reliability of the data. CRA will then prepare a report summarizing the analytical data generated with comparative reference to appropriate MOE generic groundwater quality criteria as contained in the MOE document entitled "*Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the Environmental Protection Act*", dated March 9, 2004.

Based on CRA's review of the analytical data, recommendations for further investigations to delineate the impacted area will be provided (if required).

3.0 PROJECT SCHEDULE

Environmental investigations of this nature typically require approximately 5 to 6 weeks to complete, dependant on the availability of drilling contractors and the turn-around-time of the laboratory analytical results. CRA will schedule the project immediately upon authorization to proceed.

4.0 ESTIMATED COST

CRA's estimated cost to complete the Environmental Investigation, based on the scope-of-work defined herein, is shown in Table 1, excluding GST. CRA costs are developed on a time and materials basis for the work conducted. CRA does not charge a premium for overtime, weekend or holiday work necessary to meet client deadlines.

**CONESTOGA-ROVERS
& ASSOCIATES**

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We appreciate the opportunity to submit this proposal to Ingrox Ltd. to conduct the Environmental Investigation. Please contact the undersigned at 519-884-0510 if you require further information or clarification.

Yours truly,

CONESTOGA-ROVERS & ASSOCIATES

Michael Gierman, P. Eng.

TB/ev/5
Encl.

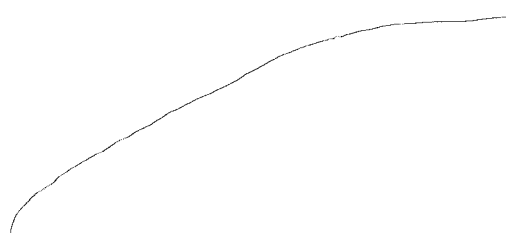


TABLE 1

**COST ESTIMATE
ENVIRONMENTAL INVESTIGATION
38 THAMES STREET SOUTH, INGERSOLL, ONTARIO**

<i>Task Description</i>	<i>CRA Fees and Disbursements</i>	<i>Subcontractor Costs</i>
Field Activities		
• Subcontractor setup, utility locates, HASP, etc.	\$500	-
• Advancement of three boreholes to 5 metres below grade, and completion of the boreholes as groundwater monitoring wells	-	\$4,800
• Supervision of borehole advancement, monitoring well installation, and soil and groundwater sampling (assuming 1.5 days on-site)	\$1,650	-
• Surveying of monitoring wells	\$400	-
• Field supplies (PID meter, survey equipment, horiba, solonist, gloves, travel, etc.)	\$600	-
Chemical analyses (3 soil samples and 4 groundwater samples):		
• Three soil samples for analysis for petroleum hydrocarbon fractions (F1-F4), metals, PAHs, and VOCs (each \$430)	-	\$1,290
• Four groundwater samples for analysis for petroleum hydrocarbon fractions (F1-F4), metals, PAHs, and VOCs (includes one duplicate sample, each \$370)		\$1,480
Subtotal	\$3,150	\$7,570
Data assessment and reporting:		
• Project manager	\$500	-
• Field technician	\$3,500	-
Subtotal	\$4,000	\$0
SUBTOTAL	\$7,150	\$7,570
TOTAL (excluding GST)		\$14,720

