

EXHIBIT B

TO: Fox Valley Developers, LLC

Re: **Budgetary Proposal to Remediate and Dispose of all Hazardous Materials, as defined below, in the manner authorized by applicable Environmental Laws for Subject Property and Interior Demolition Work – Old Copley Hospital - 502 S. Lincoln Avenue / 310 Weston Avenue Aurora, IL**

Konrad Construction, Inc. is providing the following proposal to furnish labor, equipment, material and legal disposal to remove the following at the above address:

Included in this information is the definition of the scope of work and any clarification of what is incorporated in the work.

Prior to Commencement

1. Notification of the Illinois State Environmental Protection Agency (EPA) in accordance with EPA Standard 40CFR.61.145
2. Notification of EPA-approved disposal site of future deposition of asbestos waste in accordance with the National Emission Standards for Hazardous Air Pollutants (NESHAPS) 40 CFR 61, Subpart M.

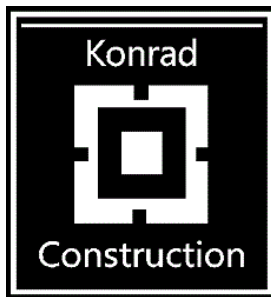
Scope of Work

Environmental Remediation and Removal

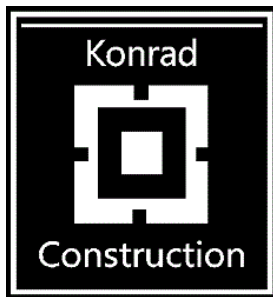
Konrad Construction proposes to furnish all necessary labor, supervision, tools, equipment, permits, and materials for the removal and disposal of all Hazardous Materials, as defined below, in the manner authorized by applicable Environmental Laws and by IDPH licensed contractors/workers for Old Copley Hospital, including but not limited to removal of the following:

1. Floor tile and mastic
2. Pipe insulation
3. Elbows
4. Transite panels
5. Spray on insulation Oil removal
6. Fuel removal
7. Water containing Asbestos

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8. Laundry Chemicals
9. PCB's
10. Lead
11. Lead Paint
12. Human Feces/Parts
13. Radon
14. Air cell pipe Insulation
15. Gaskets on boilers
16. Boiler breeching
17. Roof felt paper
18. Cementitious fittings
19. Mag pipe insulation
20. Incinerator insulation
21. Flashing Cement
22. Troweled ceiling plaster
23. Exterior coating Material
24. Magnesium Block insulation
25. Contractor further agrees to remediate the Subject Property such that that all Hazardous Materials, as defined below, are removed from the Subject Property in the manner authorized by applicable Environmental Laws.
 - a. For purposes of this Scope, the term "Hazardous Materials" shall mean each and every element, compound, chemical mixture, contaminant, pollutant, material, waste or other substance which is defined, determined or identified as hazardous or toxic under Environmental Laws, as defined below, or the release of which is will create statutory environmental cleanup liability under the Environmental Laws. The term "Hazardous Materials" include: "hazardous substances" as defined in CERCLA; "extremely hazardous substances" as defined in EPCRA; "hazardous waste" as defined in RCRA; "hazardous materials" as defined in HMTA; "chemical substance or mixture" as defined in TSCA; crude oil, petroleum and petroleum products or any fraction thereof (including "petroleum" as that term is defined in 42 U.S.C. §6991(8)); radioactive materials including source, by-product or special nuclear materials; asbestos or asbestos-containing building materials (ACBM"); and regulated lead based paint ("PbPaint").
 - b. For purposes of this Scope "Environmental Laws" shall mean any federal, state, county or local law, statute, ordinance, order, decree, rule or regulation (including but not limited to judicial orders, administrative orders, consent contracts and permit conditions) relating to releases, discharges, emissions or disposals to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use, handling, storage or disposal of polychlorinated biphenyls, asbestos or urea



formaldehyde, to the treatment, storage, disposal or management of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.* ("CERCLA"), the Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* ("RCRA"), the Toxic Substances Control Act, 15 U.S.C. §2601, *et seq.* ("TSCA"), the Occupational, Safety and Health Act, 29 U.S.C. §651, *et seq.*, the Clean Air Act, 42 U.S.C. §7401, *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. §1251, *et seq.*, the Safe Drinking Water Act, 42 U.S.C. 300f, *et seq.*, and §3001, *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. §1801, *et seq.* ("HMTA"), the Clean Water Act, 33 U.S.C. §1251, *et seq.*, the Uranium Mill Tailing Radiation Control Act, 42 U.S.C. §655, *et seq.*, the Federal Insecticide, Fungicide and Rodenticide Act, 42 U.S.C. §136, *et seq.*, the National Environmental Policy Act, 42 U.S.C. §4321, *et seq.*, the Noise Control Act, 42 U.S.C. §4901, *et seq.*, the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. §4821, *et seq.*, the Department of Housing and Urban Development Act, 42 U.S.C. 3531, *et seq.*, the Emergency Planning and Community Right to Know Act, 42 U.S.C. §11001, *et seq.* ("EPCRA"), and the Illinois Environmental Protection Act, and other comparable federal, state, county or local laws and all rules, regulations and guidance documents promulgated pursuant thereto or published thereunder, as any or all of the foregoing may from time to time be amended, supplemented or modified with the force of law.

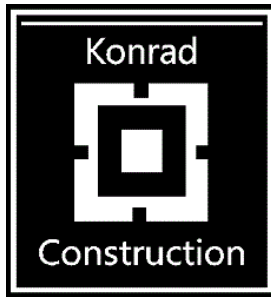
26. Contractor further agrees to provide independent (3rd Party) air monitoring at all times;
27. Contractor further agrees to provide Fox Valley Developers and the City of Aurora with written certification from a qualified environmental expert that all Hazardous Materials have been removed from the Property and disposed of in compliance with the Environmental Laws and that the Property is suitable for residential development under the Environmental Laws.

Demolition

Konrad Construction proposes to furnish all necessary labor, supervision, tools, equipment, permits, and materials for Interior Demolition of the Old Copley Hospital, including but not limited to removal of the following:

1. 9 roofs to structure – and then Reroof all roofs
2. All insulation on roofs
3. All gravel on roofs
4. Windows
5. All Aluminum Clad framing
6. All Cooling tower from roof
7. All HVAC equipment from roof

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8. All Blue cladding on roof
9. All electrical components
10. All panels on each floor
11. All elevators and shafts
12. All Plaster and nonstructural walls
13. All duct work on all floors
14. All Graffiti on exterior walls
15. Blue cladding on power house building
16. All carpet
17. All wall tile
18. All doors and windows
19. Boilers in the basement
20. Generators
21. Cooling towers on power plant
22. All soffits and ceilings
23. Laundry facility
24. All lighting
25. Sprinkler system
26. Disconnect all utilities
27. Old ambulance entrance
28. All toilets and plumbing fixtures
29. All data and low voltage lines
30. All drywall
31. All plumbing pipes

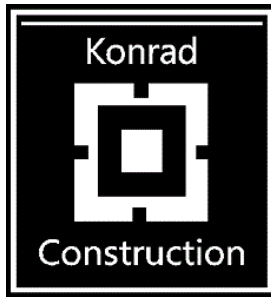
Contractor further agrees to maintain all fencing around the buildings and to properly secure and board up all windows and openings and make all buildings weather tight.

General Procedures

For the purpose of the safety and in order to minimize the potential for the contamination of the individuals, access to the actual work area will be restricted once all the work has commenced. No personnel will be allowed access to any designated work area without proper attire and respiratory protection.

Contract Base

This proposal is based upon the specification or verbal instructions provided concerning the removal of materials. Any deviations from the described may constitute a change order and will be negotiated separately.



Regulatory Note

All work will be performed in a professional manner and in complete compliance with the current standing Occupation Safety and Health Administrations (OSHA) regulations, with all applicable United States Environmental Protection Agency rules and regulations, along with acceptable industry practices.

On Site Utilities and Storage

Property owner will provide electric, water and access to a sanitary drain per floor for use in the abatement. Daily storage of equipment will be necessary until completion of the project. Restroom facilities will also need to be provided on site.

Respiratory Protection

Contactor adheres to stringent requirements for its staff respiratory protection program. This program does comply with all applicable Federal USDOL/OSHA asbestos regulations.

Clearance/Abatement Documentation

All applicable documentation including, but not limited to, EPA notification, worker certification, and waste manifests will be provided upon the completion of the job or as needed. It takes ten working days for the permits to be pulled.

Confidentiality

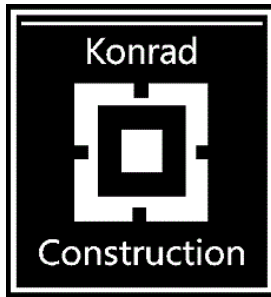
Owing to responses to hazardous material abatement, we will at all times during the project adhere to a policy of strict confidentiality. Abatement workers will endeavor to remain in the work areas at all times and will at no time come in contact with other trades or the public while wearing protective clothing or respirators.

Worker Certification

All abatement workers will have all necessary accreditations for the performance of the work. All personnel will receive site-specific training.

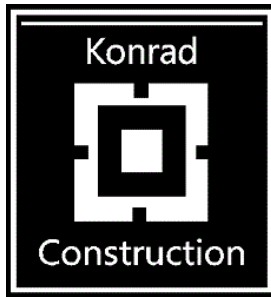
Insurance

General liability insurance including asbestos liability from the subcontractor providing the work. Each policy shall have base coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. Workers Compensation coverage to also be provided.



KONRAD CONSTRUCTION, INC.
GENERAL TERMS AND CONDITIONS

1. These General Terms and Conditions are an integral part of the Proposal to Fox Valley Developers, LLC (hereinafter the "Client") and supersede any and all conflicting Client Terms and Conditions
2. The term "Konrad Construction" shall mean Konrad Construction, Inc.
3. This proposal is valid for thirty (30) days from the date above written. Upon execution by the Client, this Proposal, including these Terms and Conditions, shall become our Agreement for Professional Services. Any additions, deletions, or changes to this Proposal or these Terms and Conditions by the Client shall be subject to an acceptance in writing prior to execution of work by Konrad Construction. Allowing Konrad Construction to commence work or preparation of work will constitute acceptance by Client of this proposal and all of its Terms and Conditions.
4. Client acceptance of this proposal in writing, via email, a purchase order or other mechanism, followed by client canceling or delaying work after Konrad Construction has incurred costs to commence accepted work will require client to be charged and pay for such expenses incurred, regardless if the work is performed.
5. (a) The scope of the project shall be only that as is described in this Agreement and include all and only such work as Konrad Construction deems necessary to carry out and complete the project. The project scope shall not be altered except by mutual agreement and proper written authorization to proceed via change order or contract modification.
(b) Unless otherwise expressly agreed, the fees and charges for the project as set forth in this Agreement constitute and are based on Konrad Construction's best estimates of time and effort required to complete the project.
(c) The Client warrants that Konrad Construction will be able to proceed with the project without delay or interruption.
(d) For those projects involving conceptual project development work, activities are often not fully definable in the initial planning. As the project progresses, the facts uncovered may dictate a change in direction which may alter the scope. Konrad Construction will inform the client of identified unusual situations so that negotiation of change in scope can be accomplished if required.
(e) If, during the course of the prescribed work, additional services are requested, such additional scope of work and compensation shall be agreed to in writing prior to undertaking additional work. If, for any reason additional services, are requested by the Client, and Konrad Construction delivers them in good faith without written authorization, Konrad Construction shall be compensated in accordance with its then prevailing fee schedule or rate sheet as applicable.
6. Estimates, opinions and statement of probable construction costs prepared by Konrad Construction are its best judgment as a design professional and are supplied for the general guidance of the Client. As Konrad Construction has no control over the costs of labor and material, contractor bid and costing methods, or over competitive market conditions, Konrad Construction cannot and does not guarantee that such estimates will not vary from contractor's bids or actual cost to the client.
7. Konrad Construction shall not be responsible for a Contractor's construction means, methods, techniques, warranties, sequence or procedures, or for safety precautions and programs in or for the safety and integrity of any such Contractors; or third persons work, or for the act or omissions of any Contractor or third person, or their agents or employees
8. (a) Konrad Construction makes no warranty, either expressed or implied, as to its findings, design, recommendations, plans, drawings, calculations, specifications, or professional advice except that they have been prepared in accordance with current generally accepted professional practices.
(b) The Client shall make no demand for liquidated or actual damages for delays.
(c) The Client will make no demand for damages resulting from loss of use or lost business opportunities due to delays.
9. Drawings, calculations, and specifications developed by Konrad Construction as instruments of service for this project are and shall remain at all times the exclusive property of Konrad Construction until they are paid for in full.
10. (a) Unless stated otherwise in the proposal, the Client shall pay Konrad Construction as the work proceeds, with fees and other project costs invoiced as the work progresses. Terms shall be net thirty (30) days. Overdue accounts are subject to a service charge of 1.5 percent per month on the unpaid balance. This is an annual rate of 18 percent.
(b) Invoices shall be considered correct as rendered if not questioned in writing within ten (10) calendar days of the date of the invoice.
(c) Failure to pay any invoice when due shall entitle Konrad Construction to suspend or terminate all work on the project, at its option. In the event of such suspension or termination, Client waives all rights, claims, etc., which it might otherwise have against Konrad Construction as a direct or indirect result of such suspension or termination.
(d) Should Konrad Construction bring any action or proceeding at law or in equity to enforce payment of unpaid invoices, together with any and all service charges, and if Konrad Construction recovers judgment in any sum, Konrad Construction shall also recover as reasonable counsel fees 40 percent of the amount decreed due for principal, service charges and interest, as well as litigation and collection expenses, witness fees and court costs.
11. Konrad Construction shall not be liable for an omission causing an increase in the cost of the related project which may have been a required part of the related project had Konrad Construction not made the omission.



12. (a) This Agreement may be terminated by either party upon ten (10) days written notice should the other party fail substantially to perform in accordance with its terms.
(b) In the event this Agreement is terminated, Konrad Construction shall be paid its compensation for services performed to the termination date, including reimbursable expenses and termination expenses, pursuant to this paragraph.
13. (a) Neither party shall hold the other responsible for damages or delay caused by acts of God, strikes, lockouts, accidents, or other events beyond the party's control.
(b) Konrad Construction will not be responsible for special, accidental or consequential damages. Nor shall it be responsible for damage to its work caused by other parties.
(c) Under no circumstances will Konrad Construction be liable for damages of any kind in excess of the value of this agreement.
14. In the event any provisions of this agreement shall be held to be invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provisions, terms, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.
15. This Agreement shall be binding upon both parties and their respective successors, assigns, and personal representative. Neither party shall assign its or his interest in this Agreement without written consent of the other.
16. The client named on this proposal/contract agrees that Konrad Construction, Inc. incurs substantial recruiting, screening, training, administrative and marketing expenses in connection with the Konrad Construction, Inc. employee(s) that it will provide to deliver EHS services for this proposal/ contract. The client agrees that if the client hires, directly or indirectly, any Konrad Construction, Inc. employee within 365 days of the contracted service, the client will pay \$50,000 to Konrad Construction, Inc.
17. Insurance Fees- A 1.8% insurance fee will be billed based on the total value of this project work. Any other special insurance requirements of the client that cost over and beyond what our extensive coverage currently offers will be billed to the client for this project work.
18. This Agreement constitutes the entire and integrated Agreement between the Client and Konrad Construction, and supersedes all prior negotiations, representations or agreements, whether written or oral except as are specifically incorporated by reference. This Agreement may not be amended except by written instrument signed by Konrad Construction.
19. This Agreement shall be governed by the laws of the State of Illinois.