

July 21, 2006



SAN DIEGO REGIONAL  
WATER QUALITY  
CONTROL BOARD

Rebecca Stewart  
**Compliance Assurance Unit**  
California Regional Water Quality Control Board  
9174 Sky Park Court Suite #100  
San Diego, CA 92123

**Excellent Coatings Inc.** 2005 JUL 27 P 12: 44

RE: CA:10-0019114.02:Rstewart

Dear Ms. Stewart,

**We are in receipt of your letter of June 8<sup>th</sup>, 2006. We would like to appeal the assessment of the civil liability of \$3500.00. We acknowledge that we have not submitted the annual report for the FY 2004-05 in a timely manner. The delay in submitting the report was due to confusion as to how to comply with the additional requirements.**

**Excellent Coatings, Inc. has been working with the City of Vista Storm Water Quality Inspection Agency to comply with the storm water management requirements. It was our understanding that compliance with the local authority would fulfill our obligation to comply with all the Water Quality Inspection requirements. To that end, we have addressed numerous issues raised in the annual inspections by the City of Vista. These actions includes covering our outside storage area, cleaning up and disposing of leaking containers, establishing and implementing a Storm Water Prevention Plan, and building a secondary containment area for the material on the outside storage.**

**The last two years have been very challenging at Excellent Coatings, Inc. Business conditions have created an extreme negative cash flow and the need to eliminate positions at the company. In addition, we have several key employees who had to deal with major personal issues. Over the last 90 days we have worked diligently to resolve as many of the issues as humanly possible and we feel that we can honor all of our reporting requirements in the future.**

We are respectfully submitting the annual reports for both year 2004/2005 and 2005/2006. We are also respectfully requesting that you would waive the civil fine you have levied on our company. Such a fine will cause additional financial hardship on our company and will further minimize our ability to implement our storm water policies.

Sincerely,

**Gil Lackritz, President, CFO, Storm Water Coordinator**  
Excellent Coatings, Inc.