

Time Submitted: 11:30

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FACSIMILE COVER SHEET

*STIP
4/25/1*

To: Susan L. Hugo
Alameda Cty. Health Care Services Agency

Facsimile Telephone: (510) 569-4757

Office Telephone: (510) 271-4530

From: Peter Turner

Billing Number: 5260-56

Date: November 2, 1992

Cover Page plus 2 page(s)

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MESSAGE:

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ATTORNEYS

November 2, 1992

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BY FACSIMILE TRANSMISSION

R. Stevens Condie, Esq.
11 Embarcadero West, Suite 140
Oakland, California 94607

Re: Underground Storage Tanks at Bashland Property

Dear Mr. Condie:

As you know, this law firm represents Catellus Development Corporation ("Catellus") in connection with environmental matters relating to the property located at 4015 Hollis Street, Emeryville, California (the "Property").

Bashland, Inc. ("Bashland") has owned the Property since approximately 1985. In connection with pending eminent domain proceedings, possession of the Property has been transferred to the Redevelopment Agency of the City of Emeryville, which in turn has transferred possession to Catellus for incorporation into a redevelopment project in the area.

As the owner of the Property, Bashland is required to comply with all state and local laws governing its use, including those relating to the closure of Bashland's underground storage tanks and associated piping located at the Property. See California Health and Safety Code, Section 25298. Because Bashland is unwilling to assume responsibility for the closure of the tanks, Catellus, as the contractor for the redevelopment project, recently had the tanks removed from the Property.

We recently received a copy of the letter sent to Bashland by Susan Hugo, a Senior Hazardous Materials Specialist with the Alameda County Department of Environmental Health, dated October 20, 1992. The letter directs Bashland, as the owner of the Property, to take various steps to facilitate the closure of the tanks in compliance with applicable environmental laws. We have

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been advised by Ms. Hugo that Bashland has indicated that it will not comply with the steps outlined in the letter.

Because Catellus has conducted the tank closure activities at the Property to date, ~~Ms. Hugo has authorized Catellus to proceed with the steps outlined in her letter on behalf of Bashland.~~ As we have advised you previously, any costs, expenses and/or liabilities incurred by Catellus in the tank closure process will be offset against the fair market value of the Property for purposes of determining any condemnation award to Bashland in the pending condemnation proceedings.

Please do not hesitate to call if you have any comments or questions.

Very truly yours,


Peter O. Turner

PCT/jf

cc: Susan Hugo