LOWNEY ASSOCIATES
Environmental/Geotechnical/Engineering Services

Mountain View
Oakland
San Ramon
Fullerton

August 3, 2001
1744-1

Mr. Kevin Schaefer
1100 Grand Street
Alameda, California 94501

RE: SOIL QUALITY EVALUATION
1455 5TH STREET
OAKLAND, CALIFORNIA

Dear Mr. Schaefer:

This letter summarizes the results of our soil quality evaluation performed at 1455 5th Street in Oakland, California. This letter report was prepared in accordance with our agreement dated July 25, 2001.

INTRODUCTION

This work was performed for Mr. Kevin Schaefer who is considering purchasing the site for residential development. The scope of work for this study was outlined in our agreement dated July 25, 2001 and included the following tasks.

- Drilling two exploratory borings to an approximate depth of 2½ feet.
- Collecting two soil samples from each boring for laboratory analysis.

SOIL QUALITY EVALUATION

Subsurface Investigation

On July 26, 2001, staff geologist Charles Mertler directed a subsurface exploration program and advanced two borings (SS-1 and SS-2) to an approximate depth 2½ feet. Fill material, containing bits of glass and brick, was observed in the shallow soil of both borings. Exploratory boring SS-1 was drilled on the southwest side of the property; boring SS-2 was drilled near the northwest corner of the northernmost building. Both borings were randomly located on the site to evaluate shallow soil quality. Soil samples were obtained from each of the borings at approximate depths of ½ to 1 foot and 2 to 2½ feet. Soil samples for laboratory analysis were collected using hand-sampling equipment in brass liners. The ends of the liners were covered in Teflon film, fitted with plastic end caps, taped, and labeled with a unique identification number. The samples were then placed in an ice- chilled cooler, and transported to a state-certified analytical laboratory with chain of custody documentation.

Soil Sample Collection and Analyses

Four soil samples were analyzed for total petroleum hydrocarbons in the gasoline range (TPHg), benzene, toluene, ethylbenzene, and xylenes (BTEX), and methyl tertiary butyl

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ether (MTBE) (EPA Test Method 8015/8020); total petroleum hydrocarbons in the diesel range (TPHd) (EPA Test Method 8015M); organochlorine pesticides (EPA Test Method 8081); and total arsenic, lead, mercury, and cadmium (EPA Method 6000/7471). These analyses were selected to help evaluate soil quality on the site.

None of the samples contained detectable concentrations of total petroleum hydrocarbons as gasoline, BTEX, MTBE, or pesticides. Only one sample (SS-1@0.5'-1.0') contained a detectable concentration of total petroleum hydrocarbon as diesel at 6.5 parts per million (ppm). Analytical results for metals are presented in Table 1. Copies of the analytical reports and chain of custody documentation are attached.

Table 1. Analytical Results of Selected Soil Samples
(concentrations in parts per million)

Boring Number	Arsenic	Lead	Mercury	Cadmium
SS-1@0.5'-1.0'	4.7	410	8.0	<0.5
SS-1@2.0'-2.5'	<1.0	2.7	0.081	<0.5
SS-2@0.5'-1.0'	<1.0	3.0	<0.05	<0.5
SS-2@2.0'-2.5'	<1.0	2.8	<0.05	<0.5
Residential PRG*	0.39	400	23	37

< Indicates that the compound was not detected at or above the stated laboratory reporting limit
* Preliminary Remediation Goal--EPA Region 9.
NE Not established

CONCLUSIONS AND RECOMMENDATIONS

Metal concentrations detected in on-site soil appeared to be consistent with typical background concentrations, with the exception of lead and mercury in sample SS-1@0.5' 1.0'. Naturally occurring lead and mercury concentrations are generally less than 500 ppm and less than 1 ppm, respectively. In addition, the concentrations of arsenic and lead detected in sample SS-1@0.5'-1.0' exceed the Preliminary Remediation Goals (PRGs) (USEPA 1996) for a residential site; arsenic, however, appears typical of background levels. The PRGs are risk-based concentrations developed by EPA Region 9; PRGs are for use as screening levels in determining if further evaluation is warranted, in prioritizing areas of concern, in establishing initial cleanup goals, and in estimation of potential health risks.

The source of the contamination revealed in sample SS-1@0.5'-1.0' is unknown; it appears, however, that the sample was collected from a fill material, containing bits of glass and brick. Therefore, it is possible that the elevated concentration of lead detected in sample SS-1@0.5'-1.0' is lead-based paint contamination. Based on our experience with lead-based paint-impacted soil, soil samples demonstrating total lead concentrations of greater than 100 ppm may exceed the soluble threshold limit concentration (STLC), or California's hazardous waste criteria of 5 ppm, and therefore may be considered a hazardous waste. Depending on its extent, soil containing greater than 100 ppm total lead may require

excavation and off-haul to an appropriate disposal facility. Alternatively, regulatory agency approval may be required to leave the material in place.

To help determine the source of the site contamination and help evaluate if additional contamination is present, a Phase I environmental site assessment should be performed prior to purchasing the property. Further evaluation of the soil quality also should be performed. If soil from the site is to be transported off-site for any reason, it must be appropriately characterized to evaluate off-site disposal options.

LIMITATIONS

This report was prepared for the sole use of Mr. Kevin Schaefer in evaluating soil quality at the 1455 5th Street at the time of this study. We make no warranty, expressed or implied, except that our services have been performed in accordance with environmental principles generally accepted at this time and location. The chemical and other data presented in this report can change over time and are applicable only to the time this study was performed. We are not responsible for the data presented by others.

The accuracy and reliability of geo- or hydrochemical studies are a reflection of the number and type of samples taken and extent of the analyses conducted, and are thus inherently limited and dependent upon the resources expended. Chemical analyses were performed for specific parameters during this investigation, as detailed in the scope of services. Please note that additional constituents not analyzed for during this evaluation may be present in soil and ground water at the site. Our sampling and analytical plan was designed using accepted environmental principles and our judgment for the performance of a preliminary soil quality evaluation and was based on the degree of investigation approved by you. It is possible to obtain a greater degree of certainty, if desired, by implementing a more rigorous soil and ground water sampling program or evaluating the risk posed by the contaminants detected, if any.

Thank you for choosing us to assist you. If you have any questions, please call and we will be glad to discuss them with you.

Very truly yours,

LOWNEY ASSOCIATES

Gretchen L. Snoey
Senior Staff Engineer

Stason I. Foster, P.E.
Principal Environmental Engineer

REGISTERED PROFESSIONAL ENGINEER
STASON I. FOSTER
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STATE OF CALIFORNIA

SIF:GLS:tjc

Copies: Addressee (2)

MV, 1744-1 5th Street Ph I.doc

John Walton
1100 Grand Street
Alameda, Ca. 94501

August 8th, 2001

Mr. Andrew A. Hall
Ms. Jean S. Hall
791 56th Avenue
Oakland, Ca. 94621

RE: 1455 5th Street, Oakland, Ca.

Dear Mr. Hall and Ms. Hall,

I am eager to proceed with the closing of 1455 5th Street.

At the recommendation of Larry Jones, I hired Lowney and Associates to conduct a Phase II soil test. The results of said test are attached.

As the test revealed, high concentrations of lead and arsenic were found in the top level of soil. The level of lead in the soil exceeds the EPA goals by 400%.

An exploratory conversation with the City of Oakland referred me to a hazardous waste removal organization. In order to bring the property's lead levels down, removal of the top 12" of soil is necessary.

This is estimated to be approximately 133 tons of soil; all of which would need to be transferred to a Class 1 Hazardous Waste facility. 133 tons is approximately 7 truckloads of dirt.

Therefore, in good faith, I am requesting a price reduction of $38 500.00 on the purchase price. This is based on the following calculation:

7 truckloads of Class 1 Hazardous Waste @ $4500 each	$31 500.00
Further Soil Testing (STLC)	$5 000.00
Excavation of Soil	$2 000.00
Total	$38 500.00

Ideally, I would like this to be credited out of escrow, after closing. I look forward to your response concerning this matter.

Please also note that I have not received your initial disclosure statement on this property.

Sincerely,

John Walton