

white - env. health
yellow - facility
pink - files

ALAMEDA COUNTY, DEPARTMENT OF ENVIRONMENTAL HEALTH

1131 Harbor Bay Pkwy
Alameda CA 94502
510/567-6700

Hazardous Materials Inspection Form

II, III

Site ID # 3789 B Site Name SIMEON PROJECT Today's Date 11/10/99
Site Address 1410 & 1450 64th Street
City Emeryville Zip 94608 Phone _____

_____ MAX AMT stored > 500 lbs, 55 gal., 200 cft.?

Inspection Categories:

- _____ I. Haz. Mat/Waste GENERATOR/TRANSPORTER
- _____ II. Hazardous Materials Business Plan, Acutely Hazardous Materials
- _____ III. Under ground Storage Tanks

* Calif. Administration Code (CAC) or the Health & Safety Code (HS&C)

Comments:

ON SITE MEETING - regarding reported (11/9/99) H2S being detected at the site during excavation in preparation of construction of building. Also uncovered buried drums, railroad ties, wood, tar like asphalt layers in the old refinery area. Monitoring H2S; up to 10 ppm detected.
Met Doby Davidson (EHS) - observed excavation trench along 64th St w/ asphalt layers & bricks.

Advised Doby to:

- 1) Address H2S - source, extent, impact to future land use since HRA did not address H2S,
- 2) Potential remediation necessary?
- 3) Need to collect data for RA, RMP
- 4) Monitoring required
- 5) Submit report

Contact _____
Title _____
Signature _____

Inspector _____
Signature Susan Hays

II, III



SIMEON
COMMERCIAL
PROPERTIES

655 Montgomery Street
Suite 1190
San Francisco, CA
94111-2630

ph: 415/986-2002
fax: 415/986-2130

October 18, 1999

Ravi Arulanantham
Regional Water Quality Control Board
1515 Clay St., Ste. 1400
Oakland, CA 94612

Susan Hugo
Alameda County Health Care Services
1131 Harbor Bay Parkway, Ste. 250
Alameda, CA 94502-6577

Re: 64th Street and Hollis Street
Emeryville

Dear Ravi and Susan:

Thank you for your involvement in reviewing and approving the Risk Management Plan for our development. We plan to begin the grading operation on the site on October 27, 1999. South Bay Construction is our general contractor for the work. If you have questions please call either myself or South Bay's Project Manager for the job, Chuck English (707-829-9559; cell phone: 707-975-4261).

We look forward to a successful project, one that requires good cooperation among many groups including Simeon, South Bay Construction, the Board and ACDEH.

Thank you again for your help.

Sincerely,
SIMEON Commercial Properties

Pierson Forbes

cc: Michelle Kriegman King
Chuck English

OCT. 24. 1999

New Emeryville centers will match

■ Hollis Street project at site of former furniture warehouse will rhyme with its companion building

THE PROJECT: Hollis Street Business Center, 1410 64th St., Emeryville

THE PLAYER: SIMEON Commercial Properties Inc., San Francisco

It's getting difficult to tell what's old and what's new in Emeryville. EmeryTech is an old building renovated to look new. EmeryStation is a new building designed to look old. But with the building craze in Emeryville now, developers looking at small lots located next to existing neighborhoods are coming up with creative ways to make offices look like they go together.

But when developers get into the business of turning warehouses constructed during the early part of the century into offices, there are limitations involved. Grungy old warehouses weren't made to house hundreds of workaholic tech workers.

No one expects a Ford Model-T to look like a Porsche. So why not make the best of what Emeryville has to offer? High ceilings, roll-up doors and aged wood beams are what many companies want anyway.

Russ Pitto, chief executive officer and founder of SIMEON Commercial Properties Inc., brought that thinking to Hollis Street Business Center, his first commercial project in Emeryville. When the project opens next year, there will be a lot of the old mixed in with the new.

Like many industrial warehouses constructed during the earlier part of the century, "it has great bones. It's got beautiful wood truss ceilings," he said.

The business center, a 150,000-square-foot former furniture warehouse, will lose about 20,000 square feet as part of the renovation project. To make up for losing valuable warehouse space, the San Francisco developer will build a second-floor mezzanine.

SIMEON Commercial has also purchased land next door to the warehouse from Ryerson Steel to



BLUEPRINTS
Psyche Pascual

build a 90,000-square-foot office and a 647-space garage. When the 220,000-square-foot, two-building complex is completed next year, both buildings will match.

SIMEON Commercial was named after the town of San Simeon in Central California, home of Hearst Castle. But make no mistake, Pitto is no relation to the Hearsts.

Pitto, a former real estate and securities attorney, became a commercial developer in 1983, long before the growth spurt that pushed the Silicon Valley up into the Peninsula and into the East Bay. After watching commercial development cropping up all over the Bay Area, he decided to go into business himself, building office and industrial complexes.

Up until five years ago, SIMEON Commercial focused on commercial development. In 1995 Pitto launched the residential side of the business. He now has three housing projects under way in Denver and one 500-home development, a venture with Shea Homes that will break ground next year in Napa County's American Canyon.

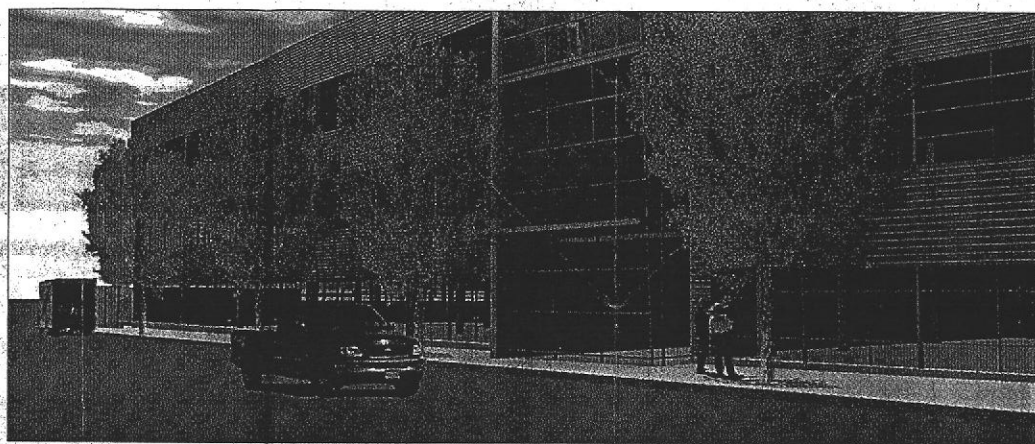
"We like to build communities near where we find jobs for people," Pitto said. "American Canyon is, interestingly enough, a 35-minute drive from Marin County."

Hollis Street Business Center is a venture with Kennedy Real Estate Advisors out of Seattle, and Pitto has expanded his partnerships with investors to finance more acquisitions and developments. Earlier this year, Pitto formed a venture with Rockwood Capital called SimRock Ventures LLC to acquire and develop more properties.

THE RENT: \$2.25 a square foot

WHO'S MOVING IN: Biotech, Internet and software firms

Situated between EmeryTech and EmeryStation, Hollis Street is



EMERYVILLE'S HOLLIS STREET Business Center, to open next year, is shown in a rendering. It will mix the old in with the new.

likely to see some of the same biotech, Internet and software firms that have made the other two complexes their home. One brand-name children's apparel company was expected to sign last week. "Based on the activity we're seeing, we've hit the market at the right time with the right product," Pitto said. "Emeryville's time has come."

TRICK OR TREAT TOWERS: If you were driving by Treat Towers earlier this month and saw people unfurling a banner, you were one of the lucky few. It wasn't Greenpeace, and it wasn't a prank.

The banner reading "Nextel" — one of Treat Towers' newest tenants — was just up for placement, said, Sally Blatt, project manager for Spieker Properties Inc., which owns the offices. By next month, wireless-telephone company Nextel Communications Inc. and Barclays Global Investors, an arm of the British bank, Barclays P.L.C., will have their names on the building.

Nextel's presence has grown in the past month. The company leased an additional 19,000 square feet to consolidate several divisions now based in Oakland, Blatt said. Nextel now has 75,000 square feet under lease.

"I can now say we're 75 percent

leased," Blatt said. "That's something to drink champagne about."

Corks are flying over other new leases that were recently signed:

Insurance company New York Life signed an eight-year lease for 10,000 square feet. California Bank and Trust signed a 10-year lease for 3,500 square feet. Green Tree Financial Services signed a three-year lease for 3,200 square feet.

Yoshikami Capital, a money-management firm, will move out of 2121 N. California Blvd. into Treat Towers. Officials signed a five-year lease for 4,500 square feet.

There are also some tech and telecommunications tenants. Emerald Solutions, a software company from Bellevue, Wash., has leased 9,000 square feet. GST Telecom, a fiber-access provider, signed a five-year lease for 19,000 square feet on the south tower's fifth floor. GST workers will move in in January.

GST is the second telecommunications firm to take space at Treat Towers. MVX.com also signed a lease for 3,500 square feet earlier this year.

RESTLESS HEADHUNTERS: A lot of people seem to be talking about the new 8,000-square-foot office Heidrick & Struggles International, an international executive search firm, has leased at Emery-

Station in Emeryville.

Heidrick & Struggles already has offices in money centers such as Menlo Park and San Francisco. But when the venture capital flows into the East Bay, so do the people who find execs for growing firms.

Heidrick & Struggles is simply following the new Net firms, said Geoffrey Sears, an architect and partner at Wareham Development Inc., which built EmeryStation and plans a second phase next year.

"That's a big validation for Emeryville being an Internet location," he said. "Hopefully lawyers and accountants will be following."

CUSH PUSH: Now that Cushman & Wakefield's San Ramon office has snared two brokers from a competing real estate brokerage, CB Richard Ellis, the company is stepping up its industrial leasing.

Former CB Richard Ellis brokers Graden Travis and Matt Bracco, have left the firm's Walnut Creek office to start Cushman's a new industrial division. Travis, a 15-year veteran, first vice president and one of CB Richard Ellis' top-producing brokers, was named director for Cushman & Wakefield's San Ramon office.

"I'm really looking at this as an opportunity to expand our industrial presence not just in the Tri-

Valley but in the East Bay," said Joe Cook, senior managing director for Cushman & Wakefield in Northern California. "We now have two of the most senior and most productive industrial brokers in the East Bay."

Cook said the San Ramon office will add two to four more brokers, not just to handle industrial property, but office properties as well. Four to six new brokers will be hired in Cushman & Wakefield's office in Oakland.

AMP BUYS BUILDING: Pleasanton-based AMP Printing has purchased a building at 6955 Sierra Court in Dublin from Washington Mutual Bank for just \$4.9 million. AMP is expected to move in by Dec. 1.

AMP originally started in Dublin in a lot next to the building it is buying on Sierra Court, President Jeff Main said.

Psyche Pascual's Blueprints column on East Bay construction and development runs the second and fourth Sunday of each month in the Times Business section. She can be reached at 925-952-2670 or by e-mail at ppascual@cctimes.com. Items can also be faxed to her at 925-952-2665 or mailed to Blueprints, The Times, P.O. Box 8099, Walnut Creek, CA 94596-8099.

ALAMEDA COUNTY
HEALTH CARE SERVICES

AGENCY
DAVID J. KEARS, Agency Director



ENVIRONMENTAL HEALTH SERVICES

1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577
(510) 567-6700
(510) 337-9335 (FAX)

October 15, 1999

Mr. Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street, Suite 1190
San Francisco, CA 94111- 2630

Subject: Ryerson / Lowenberg (64th and Hollis Streets, Emeryville, CA) (STID# 3789)

Dear Mr. Forbes:

The Alameda County Department of Environmental Health ("ACDEH") and the Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") have reviewed the "Final Risk Management Plan (RMP) for the 64th Street Properties", dated August 30, 1999, prepared by Erler & Kalinowski, Inc. ("EKI"), in connection with the above-referenced properties at 64th and Hollis Street in Emeryville, California (the "Site"). The RMP describes the short-term and long-term risk management plans to be taken, during and after Simeon Commercial Properties' ("Simeons") planned redevelopment of the Site, for the mitigation of potential risks to human health and the environment associated with residual pollution on the Site. During a meeting on July 28, 1999, ACDEH and the Regional Board staff have discussed with you and EKI the various components of the RMP and issues of concern both agencies have regarding the draft RMP dated July 2, 1999.

A risk management plan dated August 9, 1999 included a child day care facility as one of the potential uses at the Site. Based on the review of the Site data, additional investigation, such as soil gas survey, would be required to determine that the child care facility is an acceptable use for the subject property. Therefore, the child care facility as a potential use for the Site was removed from the final RMP dated August 30, 1999. If a child care facility is to be added in the future, then additional collection of data and risk assessment will be necessary to validate that such a child care scenario is an acceptable use at the site.

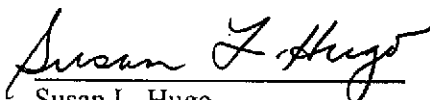
ACDEH and Regional Board staffs concur with the general scope of the RMP. Based on the information provided to both agencies, it appears that the RMP comprehensively addresses the human health and the environmental issues during construction and after completion of the planned development (commercial /office uses) of the subject site.

A deed restriction must be recorded for the Site, which requires property owner/s complying with the approved RMP. In addition, the Regional Board and ACDEH will be notified if land use changes from the intended commercial use. The deed restriction must be recorded prior to completion of Site redevelopment. It is our understanding that Simeon will ensure that their contractors implement the RMP during redevelopment of the site and that ACDEH and the Regional Board will be notified when redevelopment begins.


Mr. Pierson Forbes
RE: Ryerson / Lowenburg Properties, Emeryville, CA
October 15, 1999
Page 2 of 2

If you have any questions regarding this letter or the subject site, please contact me at (510) 567-6780, e-mail: shugo@co.alameda.ca.us or Ravi Arulanantham at (510) 622-2308, e-mail: ra@rb2swrcb.ca.gov.

Sincerely,

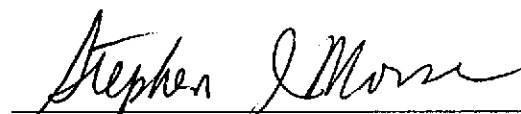


Susan L. Hugo
Hazardous Materials Specialist



Ravi Arulanantham, Ph.D.
Staff Toxicologist, Cal-EPA / S.F. Bay RWQCB

Concur:



Stephen Morse, P.E. Chief
Toxics Cleanup Division, Cal-EPA / S.F. Bay RWQCB

c: Mee Ling Tung, Director, Environmental Health
Claudia Cappio / Ignacio Dayrit, City of Emeryville, 2200 Powell St., 12th Floor, Emeryville, CA 94608
Margaret Rosegay, Pillsbury, Madison & Sutro, LLP, 235 Montgomery Street, San Francisco, CA 94104
Michelle Kriegman King, EKI, 1730 South Amphlett Boulevard, Suite 320, San Mateo, CA 94402
SH / files

Pillsbury

FACSIMILE TRANSMITTAL COVER SHEET

235 MONTGOMERY STREET
 SAN FRANCISCO, CALIFORNIA 94104
 MAILING ADDRESS: P. O. BOX 7880
 SAN FRANCISCO, CA 94120-7880
 TELEPHONE: (415) 983-1000 FAX: (415) 983-1200

Madison &
 Sutro LLP

DATE: October 14, 1999	MUST BE SENT BY:	# PAGES	
		W/COVER: 10 + 1 Cover	
TO: Susan Hugo	COMPANY: Alameda County Environmental Health Department	FAX NO: (510) 337-9335	PHONE NO: (510) 567-6780
FROM: Margaret Rosegay	FILE #: 79105-000-0001	USER #: 07565	

IF YOU HAVE NOT PROPERLY RECEIVED THIS FAX, PLEASE CALL (415) 983-6114. THANK YOU

MESSAGE:

Susan, attached is a copy of the deed restriction for the Simeon property in Emeryville. I understand that Ravi is around today, and hopefully we can get the RMP squared away. Many thanks.

Meg Rosegay

CONFIDENTIALITY NOTICE: The document accompanying this FACSIMILE transmission may contain confidential information which is legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, or the person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in this transmission is strictly PROHIBITED. If you have received this transmission in error, please immediately notify us by telephone and mail the original transmission to us. Thank you.

Operator: _____ Time Sent: _____ Batch ID: _____

Recording Requested By:

SIMEON COMMERCIAL PROPERTIES

When Recorded, Mail To:

Loretta K. Barsamian, Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street
Oakland, California 94612

**COVENANT AND ENVIRONMENTAL RESTRICTION
ON REAL PROPERTY**

64TH AND HOLLIS STREET PROPERTIES/EMERYVILLE, CALIFORNIA

This Covenant is made as of the 6th day of October, 1999 by HOLLIS STREET INVESTORS, LLC ("Covenantor") who is the Owner of record of that certain property located at 64th and Hollis Streets in the City of Emeryville, County of Alameda, State of California (A.P.N. 049-1500-001-03 and 049-1500-001-04), more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter referred to as the "Burdened Property" or "Property"), for the benefit of the California Regional Water Quality Control Board for the San Francisco Bay Region (the "Board"), with reference to the following facts:

A. The Burdened Property and groundwater underlying the property contain hazardous materials.

B. Contamination of the Burdened Property. Soil and groundwater at the Burdened Property is contaminated with weathered, heavy petroleum hydrocarbons as the result of historical petroleum refinery operations on the Property in the early 1900's. In addition, the groundwater beneath the Burdened Property is contaminated with chlorinated volatile organic compounds ("VOCs") that are migrating onto the property from several upgradient sources.

There are no known sources of VOCs on the Burdened Property. Petroleum hydrocarbons and VOCs constitute hazardous materials as that term is defined in Health & Safety Code Section 25260. With the implementation of a Risk Management Plan and the execution of this Covenant, remediation of the soil and groundwater at the Burdened Property has been determined by the Board to be unnecessary at this time. A Risk Management Plan for the Property, attached as Exhibit B and incorporated herein by reference, will become effective for purposes of this agreement upon its approval by the Board and by the County of Alameda, Department of Environmental Health ("County").

C. Exposure Pathways. The contaminants addressed in this Covenant are present in soil and groundwater on the Burdened Property. Without compliance with the Risk Management Plan, exposure to petroleum hydrocarbons in the soils at the Burdened Property could take place via in-place contact and wind dispersal, resulting in potential dermal contact or inhalation by humans. The risk of public exposure to the contaminants will be minimized and controlled through implementation of the Risk Management Plan. The purpose of the restrictions on the use of the Burdened Property contained in this Covenant is to eliminate any significant risks to human health posed by exposure to the remaining hazardous materials.

D. Adjacent Land Uses and Population Potentially Affected. The Burdened Property is used for office, commercial and/or industrial purposes and is adjacent to industrial and commercial land uses. High-rise residential property is located in the vicinity of the Burdened Property.

E. Full and voluntary disclosure to the Board and to the County of the presence of hazardous materials on the Burdened Property has been made and extensive sampling of the Burdened Property has been conducted.

F. Covenantor desires and intends that in order to benefit the Board, and to protect the present and future public health and safety, the Burdened Property shall be used in such a manner as to avoid potential harm to persons or property that may result from hazardous materials that may have been deposited on portions of the Burdened Property.

ARTICLE I

GENERAL PROVISIONS

I.1. Provisions to Run with the Land. This Covenant sets forth protective provisions, covenants, conditions and restrictions (collectively referred to as "Restrictions") upon and subject to which the Burdened Property and every portion thereof shall be improved, held, used, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The restrictions set forth in Article III are reasonably necessary to protect present and future human health and safety or the environment as a result of the presence on the land of hazardous materials. Each and all of the Restrictions shall run with the land, and pass with each and every portion of the Burdened Property, and shall apply to, inure to the benefit of, and bind the respective successors in interest thereof, for the benefit of the Board and all Owners and Occupants. Each and all of the Restrictions are imposed upon the entire Burdened Property unless expressly stated as applicable to a specific portion of the Burdened Property. Each and all of the Restrictions run with the land pursuant to section 1471 of the Civil Code. Each and all of the Restrictions are enforceable by the Board.

I.2. Concurrence of Owners and Occupants Presumed. All purchasers, lessees, or possessors of any portion of the Burdened Property shall be deemed by their purchase, leasing, or possession of such Burdened Property, to be in accord with the foregoing and to agree for and among themselves, their heirs, successors, and assignees, and the agents, employees, and lessees

of such owners, heirs, successors, and assignees, that the Restrictions as herein established must be adhered to for the benefit of the Board and the future Owners and Occupants of the Burdened Property and that the interest of the future Owners and Occupants of the Burdened Property shall be subject to the Restrictions contained herein.

I.3. Incorporation into Deeds and Leases. Recordation of this covenant shall be deemed binding on all successors, assigns, and lessees, regardless of whether a copy of this Covenant and Agreement has been attached to or incorporated into any given deed or lease.

ARTICLE II

DEFINITIONS

II.1. Board. "Board" shall mean the California Regional Water Quality Control Board for the San Francisco Bay Region and shall include its successor agencies, if any.

II.2. Improvements. "Improvements" shall mean all buildings, roads, driveways, regradings, and paved parking areas, constructed or placed upon any portion of the Burdened Property.

II.3. Occupants. "Occupants" shall mean Owners and those persons entitled by ownership, leasehold, or other legal relationship to the exclusive right to occupy any portion of the Burdened Property.

II.4. Owner or Owners. "Owner" or "Owners" shall mean the Covenantor and/or its successors in interest, who hold title to all or any portion of the Burdened Property.

ARTICLE III

DEVELOPMENT, USE AND CONVEYANCE OF THE BURDENED PROPERTY

III.1. Restrictions on Development and Use. Covenantor promises to restrict the use of the Burdened Property as follows:

- a. Development of the Burdened Property shall be restricted to industrial, commercial or office space;
- b. The Covenantor shall notify the Board and the County of any planned change in the type of use of the Burdened Property (e.g., from commercial to residential), and shall not change the type of use of the Burdened Property unless expressly permitted in writing by the Board;
- c. No Owners or Occupants of the Property or any portion thereof shall conduct any excavation work on the Property, except in accordance with the Risk Management Plan. Any contaminated soils brought to the surface by grading, excavation, trenching, or backfilling shall be managed by Covenantor or his agent in accordance with the Risk Management Plan and all applicable provisions of local, state and federal law;
- d. All uses and development of the Burdened Property shall be consistent with any applicable Board Order or Risk Management Plan, each of which is hereby incorporated by reference including future amendments thereto. All uses and development of the Burdened Property shall preserve the integrity of any cap and any groundwater monitoring system installed on the Burdened Property pursuant to the requirements of the Board, unless otherwise expressly permitted in writing by the Board.
- e. As specified in the Risk Management Plan, no Owners or Occupants of the Property or any portion thereof shall drill, bore, otherwise construct, or use a well for the purpose of extracting water for any use, including but not limited to, domestic, potable, or industrial uses, unless expressly permitted in writing by the Board.
- f. The Owner shall notify the Board of each of the following: (1) The type, cause, location and date of any disturbance to any cap which could affect the ability of such cap to

perform its function and (2) the type and date of repair of such disturbance. Notification to the Board shall be made by registered mail within ten (10) working days of both the discovery of such disturbance and the completion of repairs;

g. The Covenantor agrees that the Board, and/or any persons acting pursuant to Board orders, shall have reasonable access to the Burdened Property for the purposes of inspection, surveillance, maintenance, or monitoring, as provided for in Division 7 of the Water Code.

h. No Owner or Occupant of the Burdened Property shall act in any manner that will aggravate or contribute to the existing environmental conditions of the Burdened Property. All use and development of the Burdened Property shall preserve the integrity of any capped areas.

III.2. Enforcement. Failure of an Owner or Occupant to comply with any of the restrictions, as set forth in paragraph III.1, shall be grounds for the Board, by reason of this Covenant, to have the authority to require that the Owner modify or remove any improvements constructed in violation of that paragraph. Violation of the Covenant shall be grounds for the Board to file civil actions against the Owner as provided by law.

The Covenantor plans to lease portions of the Burdened Property to space or office tenants who will have no rights under their leases to alter the property in any fashion. The Covenantor intends to assume all responsibility for compliance by such lessees with the Restrictions contained in this Covenant. Absent any indication of such lessee's active involvement in violations of the Restrictions contained in this Covenant, the Board will look first to the Owner of the Burdened Property for compliance with the terms of this Covenant. So long as the Owner is responsive and has the capacity to address compliance issues, the Board will not look beyond the Owner to such lessees.

III.3. Notice in Agreements. After the date of recordation hereof, all Owners and Occupants shall execute a written instrument which shall accompany all purchase agreements or leases relating to the property. Any such instrument shall contain the following statement:

The land described herein contains hazardous materials in soils and in the ground water under the property, and is subject to a deed restriction dated as of _____, 199_, and recorded on _____, 199_, in the Official Records of _____ County, California, as Document No. _____ which Covenant and Restriction imposes certain covenants, conditions, and restrictions on usage of the property described herein. This statement is not a declaration that a hazard exists.

ARTICLE IV

VARIANCE AND TERMINATION

IV.1. Variances. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or any portion thereof may apply to the Board for a written variance from the provisions of this Covenant. Termination. Any Owner or, with the Owner's consent, any Occupant of the Burdened Property or a portion thereof may apply to the Board for a termination of the Restrictions as they apply to all or any portion of the Burdened Property. Term. Unless terminated in accordance with paragraph IV-2 above, by law or otherwise, this Covenant shall continue in effect in perpetuity.

ARTICLE V

MISCELLANEOUS

V.1. No Dedication Intended. Nothing set forth herein shall be construed to be a gift or dedication, or offer of a gift or dedication, of the Burdened Property or any portion thereof to the general public.

V.2. Notices. Whenever any person gives or serves any notice, demand, or other communication with respect to this Covenant, each such notice, demand, or other communication shall be in writing and shall be deemed effective (a) when delivered, if

personally delivered to the person being served or official of a government agency being served, or (b) three (3) business days after deposit in the mail if mailed by United States mail, postage paid certified, return receipt requested:

If To: "Covenantor"

Mr. Russell Pitto
Simeon Commercial Properties
655 Montgomery Street, Suite 1190
San Francisco, CA 94111-2630

If To: "Board"

Regional Water Quality Control Board
San Francisco Bay Region
Attention: Executive Officer
1515 Clay Street
Oakland, California 94612

V.3. Partial Invalidity. If any portion of the Restrictions or terms set forth herein is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if the invalid portion had not been included herein.

V.4. Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not a part of the Covenant.

V.5. Recordation. This instrument shall be executed by the Covenantor and by the Executive Officer of the Board. This instrument shall be recorded by the Covenantor in the County of Alameda within ten (10) days of the date of execution.

V.6. References. All references to Code sections include successor provisions.

V.7. Construction. Any general rule of construction to the contrary notwithstanding, this instrument shall be liberally construed to effect the purpose of this instrument and the policy and purpose of the Water Code. If any provision of this instrument is found to be ambiguous, an

interpretation consistent with the purpose of this instrument that would render the provision valid shall be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, the parties execute this Covenant as of the date set forth above.

Covenantor: _____

By: _____

Title: _____

Date: _____

Agency: State of California
Regional Water Quality Control
Board, San Francisco Bay Region

By: Loretta K. Barsamian
Loretta K. Barsamian

Title: Executive Officer

Date: October 6, 1999

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of ALAMEDA

On October 6, 1999 before me, Linda A. Sabau, Notary Public
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared Loretta K. Barsamian, Executive Officer, California Regional Water Quality Control Board, San Francisco Bay Region
NAME(S) OF SIGNER(S)

personally known to me -OR- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Linda A. Sabau
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> CORPORATE OFFICER	<u>COVENANT AND ENVIRONMENTAL RESTRICTION ON REAL PROPERTY</u> TITLE OR TYPE OF DOCUMENT
_____ TITLE(S)	_____ TITLE OR TYPE OF DOCUMENT
_____ TITLE(S)	_____ NUMBER OF PAGES
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED <input type="checkbox"/> ATTORNEY-IN-FACT <input type="checkbox"/> GENERAL <input type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input checked="" type="checkbox"/> OTHER: <u>Executive Officer</u>	<u>October 6, 1999</u> DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)
California Regional Water Quality Control Board

SIGNER(S) OTHER THAN NAMED ABOVE

SIGNER(S) OTHER THAN NAMED ABOVE

Hugo, Susan, Public Health, EH

From: mkking@ekiconsult.com
Sent: Thursday, August 19, 1999 3:22 PM
To: shugo@co.alameda.ca.us
Subject: addition to letter

Susan,

As discussed, attached is sample language to include at the end of the second paragraph of the RMP approval letter.

"The RMP includes a screening risk analysis for potential future on-site commercial building occupants and for children at a potential day care facility. Results of the screening risk analysis indicate that adverse health effects due to potential exposure of those populations to chemicals of concern in groundwater are not likely to occur."

I hope this language is helpful. Please call or e-mail with any additional questions. Thanks,

Michelle

Makeover: Gymboree to combine operations

Continued from NEWS -1

keting the space.

Gymboree officials expressed excitement about the prospect of moving to Emeryville.

"We actually design things and to be around other businesses in the design industry is a big priority for us," said Jordan Goldstein, Gymboree's director of external affairs. "Emeryville stands out to our management as a stimulating and creative environment."

Keeping company operations in one building was also a lure. On the peninsula, Gymboree employees are scattered throughout three buildings. Emeryville's central location and access to mass transit also were appealing.

High-density land use

The Hollis Business Center, a joint venture between Simeon and Kennedy Real Estate Advisers, calls for the construction of 90,000 square feet of new space and the refurbishment of the 130,000-square-foot Breuner's warehouse now at the site.

Construction of a 640-car, four-story parking garage also is planned.

Emeryville City Manager John Flores said the project is unique because the multistory garage meets a city goal to develop land for higher-density uses.

Simeon paid \$8 million for the 6.4-acre site in the city's historic Butchertown district, in reference to the establishment of stockyards and slaughterhouses in Emeryville from 1840 to 1920.

Gold Rush boomtown

The Emeryville Historical Society said that the town grew rapidly with the onset of the Gold Rush as migrants demanded more than gold. By the 1880s, the region formerly was given the "Butchertown" moniker as new facilities were built and stockyards were enlarged.

However, new technologies introduced after the turn of the century made Butchertown obsolete by 1920.

The resurgence of urban areas, where aging industrial properties were readily available, has made Emeryville similar to San Francisco's South of Market area.

Industrial to high-tech

In the same vein that industrial space in the South of Market district has been a magnet for the high-tech, multimedia, urban sophisticate sect, developers have breathed new life for the same uses in properties throughout Emeryville.

Among Simeon's predecessors in the market was Ellis Partners, which acquired the former Grove Valve and Regulator Co. (65th and Hollis) and converted it into what is now EmeryTech.

Kava Massih Architects of Berkeley designed the space for the Simeon project. The plan features high ceilings and expansive interior space — staples of developments in the Emeryville and South of Market markets — to provide optimal space flexibility to the tenants.

Developers pushing these projects are taking advantage of the demand by tenants for quality offices. The space crunch has sent vacancy rates plunging in East Bay markets.

In Emeryville's case, data from Cushman & Wakefield of California showed that city's third-quarter office vacancy rate was 3.6 percent, down dramatically from 11 percent during the same period in 1998.



COMMERCIAL
REAL ESTATE

AN AFFILIATE OF THE WOODMONT COMPANIES

Project will give upscale look to Emeryville's 'Butchertown'

By David Scholz
STAFF WRITER

EMERYVILLE — Simeon Commercial Properties has started a \$45 million project to transform another former manufacturing site into a project designed for the business needs of the 21st century.

The San Francisco-based real estate company recently earned local council approval for its 220,000-square-foot office project and parking garage near 64th and Hollis.

It is expected to be finished by next October. By year's end,

Gymboree Corp. is expected to relocate its world headquarters to the site — dubbed the Hollis Business Center. The company's headquarters employs between 300 and 350 workers at its current locations in Burlingame.

The developer of clothes and accessories for children up to 7 years old is in negotiations for a long-term lease for as much as 130,000 square feet, according to Tony Beatty, a broker with BT Commercial which is mar-

Please see **Makeover**, NEWS-9

Oakland Tribune

November 4, 1999

Larry Westland
BT Commercial Real Estate
Oakland, CA

(See reverse)

BT

COMMERCIAL
REAL ESTATE

AN AFFILIATE OF THE WOODMONT COMPANIES

Hugo, Susan, Public Health, EH

From: mkking@ekiconsult.com
Sent: Tuesday, August 24, 1999 4:51 PM
To: Hiatt.Gerald@epamail.epa.gov
Cc: pforbes@simprop.com; ra@rb2.swrcb.ca.gov; SHugo@co.alameda.ca.us;
Wilson.Patrick@epamail.epa.gov
Subject: Re: day care scenario

Gerry-

Thanks for your response...don't worry about the timing. Ravi is out of town until Thursday, so we will be following up with him then.

With regard to Johnson-Ettinger ("J-E") type modeling, my understanding is that the version included in RBCA is the diffusion-limited endpoint of the J-E model; in very permeable, sandy or gravelly soils, the RBCA model would underestimate indoor air concentrations because advective transport would dominate. However, in the near-SF Bay environment, such as the site in Emeryville, the soil is typically clayey or silty. Thus, I would expect volatilization at the Site to be diffusion-dominated (i.e., the RBCA/J-E model would be appropriate). Nonetheless, I would be interested learning more about the results of the Region 8 studies—real world data is always helpful when the numerical models have not really been calibrated!

I appreciate your input with regard to vinyl chloride carcinogenicity. As indicated above, we will talk on Thursday regarding appropriate assumptions. I would think that a full-time, 0 to 6 year scenario coupled with a 7 to 12 year after school scenario (3 hrs/day) would be conservative. Any additional suggestions?

FYI, as an additional conservative assumption, we decided to use the maximum concentration detected, rather than the 95% UCL.

Thanks,

Michelle

At 04:25 PM 8/24/99 -0700, Hiatt.Gerald@epamail.epa.gov wrote:

Michelle,

Sorry for taking so long to get back to you. I have been out of the office for a

week and didn't leave a msg on my voicemail warning callers I wouldn't be able

to return calls right away.

I actually have some concerns about using risk assessment, especially one based

on groundwater-to-indoor air modelling to address this particular pathway.

My

experience has been that the GW->soil vapor->indoor air models contain significant uncertainties and therefore may give misleading answers about indoor

exposure potential. My preference for assessing such a pathway is to perform soil vapor sampling and follow-up with indoor air monitoring if there is any potential for an indoor exposure. (Having vinyl chloride as a major

contaminant

eliminates many confounding factors for indoor air monitoring as there are very

few indoor consumer sources of VC.)

My concern about using modelling and risk assessment on this pathway is heightened by some recent data collected by our RCRA program in Region 8 when they performed indoor air monitoring at a number of sites where groundwater is

contaminated by VOCs. Their results showed indoor air concentrations that GREATLY exceeded predictions made by Johnson-Ettinger type modeling. I don't yet know all the details, but supposedly the measurements were made at different

sites with varying subsurface characteristics.

My concern with this approach would also be heightened by the fact that your project involves vinyl chloride and a day care center. There is ample evidence

in the literature that infants and young children are highly susceptible (more

so than adults) to the carcinogenic action of VC. This heightened susceptibility was not factored into the current toxicity values (IRIS) used for

vinyl chloride risk assessment, however a reassessment is underway by our ORD office. At this point it is not clear how the reassessment will settle issues

related to pharmacokinetic modelling (which would tend to decrease our toxicity

values) and infant/childhood sensitivity (which would tend to increase our toxicity values).

In light of all of this uncertainty in both the GW->indoor air modelling and the

vinyl chloride toxicity values, my recommendation for vinyl chloride sites has

been to first perform soil vapor monitoring underneath/immediately adjacent to

any residences and/or buildings. If vinyl chloride is detected above a screening level (which is often the detection limit b/c of the very low risk-based concentration) to move to indoor air monitoring to ensure there is no

detectable VC indoors. Periodic remonitoring of soil vapor and/or indoor air may be necessary to follow any changes as the GW plume migrates or matures (since VC is a breakdown product of other chlorinated solvents).

In terms of exposure frequency and duration values for such a day care risk assessment, I would be inclined to be very conservative b/c of the uncertainties

regarding whether current toxicity testing adequately addresses potential

childhood susceptibilities.

Gerald Hiatt, Ph.D.
Sr. Risk Assessor
U.S. EPA, Region 9
(415) 744-2319
Fax 744-1916

mkking@ekiconsult.com on 08/20/99 09:50:17 AM

To: Gerald Hiatt/R9/USEPA/US@EPA
cc: pforbes@simprop.com, ra@rb2.swrcb.ca.gov, SHugo@co.alameda.ca.us

Subject: day care scenario

Gerry-

As I mentioned in my voice mail message to you, Eler & Kalinowski, Inc. (EKI) is working with the RWQCB & Alameda County on a site in Emeryville that is undergoing redevelopment. A petroleum refinery was present on the site in the early 1900's. Residual petroleum hydrocarbons (high molecular weight, low mobility) are present in soil and groundwater. BTEX and PAH concentrations are generally not detected. In addition, a VOC plume from upgradient, off-site sources is migrating in groundwater under the property (e.g., TCE up to 170 ug/L, vinyl chloride up to 6.1 ug/L).

Based on discussions with the RWQCB & Alameda County, the remediation plan is to cap the site with buildings, asphalt, concrete, or 3 feet of clean fill in landscaped areas; perform groundwater monitoring; and manage the site through institutional controls, including risk management protocols & a deed restriction. Site plans call for limited landscaping (e.g., tree cut outs, small landscape strips). A potential tenant is interested in having a child day care facility for employees who work at the site. The only complete exposure pathway for building occupants and the children would be volatilization of the VOCs from groundwater. Ravi is seeking your input regarding the exposure assumptions for the child scenario. Is a 0 to 6 year, 250 day/year exposure adequate? Should we include an "after school" scenario for 2 to 3 hours a day for years 7 through 12? We would appreciate your input.

I look forward to hearing from you soon. Thanks, in advance, for your assistance.

Michelle

Hugo, Susan, Public Health, EH

From: Hiatt.Gerald@epamail.epa.gov
Sent: Tuesday, August 24, 1999 4:25 PM
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To: shugo@co.alameda.ca.us
Subject: addition to letter

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I hope this language is helpful. Please call or e-mail with any additional questions. Thanks,

Michelle

8/19/99

Talked to Michelle King: re:

Assumptions used for child care scenario:

- 1) Ages used: what about extended care, do we know the type of child care arrangement by the tenant, age limit, what about child care after school.

used best professional judgment

Erler & Kalinowski, Inc.

Consulting Engineers and Scientists

1730 South Amphlett Boulevard, Suite 320
San Mateo, California 94402-2714
(650) 578-1172
Fax (650) 578-9131

MULTIPLE FACSIMILE TRANSMISSION COVER SHEET

DATE: 11 August 1999 FROM: Derby Davidson, P.E.
TIME: 1:18 PM PROJECT: Simeon
NO. OF PAGES (INCL. COVER): 3 PROJECT NO: 990016.01

TO THE FOLLOWING:

Name: Susan Hugo
Company: ACDEH
Fax: 510-337-9335

Name: Ravi Arulanantham
Company: RWQCB
Fax: 510-622-2464

Name:
Company:
Fax:

Name:
Company:
Fax:

Name:
Company:
Fax:

Name:
Company:
Fax:

For Review and Comment

As Requested

For Approval

For Information and Coordination

DESCRIPTION: Proposed RMP Approval Letter

REMARKS: Hopefully, this is acceptable. You should already have RMP. Simeon will need approval prior to start of construction (now scheduled for 30 August). Please call if you have questions or need to discuss anything.

[To be typed on Alameda County letterhead]

11 August 1999

Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street
Suite 1190
San Francisco, CA 94111-2630

Subject: Ryerson/Lowenberg Properties (64th and Hollis Streets, Emeryville, CA)

Dear Mr. Forbes:

The Alameda County Department of Environmental Health ("ACDEH") and the Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") have reviewed the *Final Risk Management Plan for the 64th Street Properties*, dated August 4, 1999 ("RMP"), prepared by your consultant Eler & Kalinowski, Inc. ("EKI") in connection with the above-referenced properties at 64th and Hollis Streets in Emeryville, California (the "Site"). The RMP describes the short-term and long-term risk management plans to be taken, during and after Simeon Commercial Properties' ("Simeon's") planned redevelopment of the Site, for the mitigation of potential risks to human health and the environment associated with residual pollution on the Site. ACDEH and Regional Board staff have discussed with you and EKI various components of the RMP. ACDEH and Regional Board staff have also reviewed the *Phase I and Phase II Environmental Site Assessment for 64th Street Properties*, dated May 20 1999, prepared by EKI.

ACDEH and Regional Board staff concur with the general scope of the RMP. Based on the information provided to ACDEH and Regional Board staff and their review of same, it appears that the RMP comprehensively addresses the human health and environmental issues at the Site and fulfills the risk management plan requirements stated in the Regional Board and ACDEH letter dated 7 June 1999, → intended land use commercial office space & parking only.

As stated in the 7 June 1999 letter, a deed restriction must be recorded for the Site that requires the property owner (1) to comply with the RMP and (2) to contact the Regional Board if the land use changes from the intended commercial and day care use. This deed restriction must be recorded prior to the completion of Site redevelopment. Based on ACDEH and Regional Board staff conversations with you, I understand that Simeon (1) will ensure that their contractors implement the RMP during redevelopment of the Site and (2) will notify the ACDEH and the Regional Board when redevelopment begins. No other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. I understand that the RMP will be implemented and the deed restriction will be recorded once Simeon acquires the Site.

Please contact Susan L. Hugo at (510) 567-6780 if you have any questions regarding this matter.

Sincerely,

Meeling Tung, Director

Concurrence: _____
Regional Water Quality Control Board
San Francisco Bay Region

cc: Meg Rosegay, PM&S
Michelle Kriegman King, EKI



California Regional Water Quality Control Board

San Francisco Bay Region



Winston H. Hickox
Secretary for
Environmental
Protection

Internet Address: <http://www.swrcb.ca.gov>
1515 Clay Street, Suite 1400, Oakland, California 94612
Phone (510) 622-2300 FAX (510) 622-2460

Gray Davis
Governor

June 7, 1999
File No. 2223.09(SIM)

Mr. Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street
Suite 1190
San Francisco, CA 94111-2630

RE: Ryerson/Lowenberg Properties (64th and Hollis Streets, Emeryville, CA)

Dear Mr. Forbes:

The Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") and the Alameda County Department of Environmental Health ("ACDEH") have reviewed the Phase I and Phase II Environmental Site Assessment prepared by Erler & Kalinowski, Inc. ("EKI"), dated May 20, 1999, in connection with the above-referenced properties at 64th and Hollis Streets in Emeryville, California (the "Site"). These properties were previously studied by EKI on behalf of Sybase, Inc. in conjunction with a proposed development project that ultimately did not go forward (Final Site Investigation Report, dated September 6, 1995). In addition, EKI previously prepared a Risk Management Plan for the subject properties on behalf of Sybase (Final Risk Management Plan for the 64th and 65th Street Properties, dated October 26, 1995) which was reviewed and approved by the Board in a letter, dated November 15, 1995. The intended land use for the Sybase project was commercial office space and parking, which is consistent with that planned by Simeon.

It is the Regional Board's understanding that the same tenants have occupied the building since the 1995 investigation and that the western portion of the Site has remained fenced and vacant. Environmental conditions reported in the 1999 investigation are similar to those reported in 1995.

Based on the data presented in these EKI reports, it is apparent that groundwater across the eastern portion of the Site (the Lowenberg property) has been impacted by low concentrations of volatile organic compounds ("VOCs") from off-site sources, as identified in the EKI Phase I and Phase II Environmental Site Assessment. In addition, soils and groundwater in the southeastern portion of the Site have been impacted by leakage from former underground fuel storage tanks ("USTs") located in this area. These tanks were removed in 1990, and a "no further action" letter was issued by the ACDEH in March 1996 after semi-annual monitoring revealed that residual concentrations of total purgeable petroleum hydrocarbons and BTEX were low and were decreasing or remaining stable.

Soils and groundwater in the western portion of the Site (the Ryerson Paved Lot property) are also impacted by high molecular weight petroleum hydrocarbons attributable to a petroleum refinery that was located on the property in the early 1900's. The petroleum compounds have very low solubility and have not migrated to any significant degree.

In general, the Regional Board does not pursue enforcement action against a property owner whose land overlies contaminated groundwater if that contamination is solely the result of the migration of groundwater contaminants from an off-site source or sources, or reflective of low concentrations measured over a large region with a long history of industrial activity. Accordingly, the Regional Board

California Environmental Protection Agency

will not name current and future owners of the subject property as dischargers with respect to groundwater pollution from off-site sources so long as the subject property owners (1) do not engage in activities that could contribute to the existing contamination and (2) continue to provide reasonable site access to any responsible party engaged in investigation and/or remediation of the contamination.

It is not the Board's expectation that active remediation of the VOCs in groundwater beneath the Site is necessary. Further, based on the low solubility and weathered nature of the heavy petroleum hydrocarbons associated with the historical refining operations on the Site, and the ACDEH closure of the USTs on the Lowenberg property, the Regional Board does not believe that any active remediation is required to address residual contaminants originating from on-site sources.

In addition, Simeon intends to submit a Risk Management Plan ("RMP") for the Site that will describe the short-term and long-term risk management plans to be taken, during and after Simeon's planned redevelopment of the Site, for mitigation of potential risks to human health and the environment associated with residual pollution on the Site. It is the Regional Board's understanding that this RMP will be similar to that which was previously prepared and approved for the Sybase project. Moreover, a deed restriction must be recorded for the Site that requires the property owner to comply with the RMP and to contact the Regional Board if the land use changes from the intended commercial use. This letter is contingent upon Simeon's preparation of an RMP, approval of that RMP by the Regional Board, and recording of such a deed restriction for the Site. Assuming Simeon's RMP is approved by the Board and such a deed restriction is recorded for the Site, no other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. It is the Board's understanding that the RMP will be implemented once Simeon acquires the subject properties.

If you have any questions, please contact Ravi Arulanantham of my staff at (510) 622-2308 or e-mail: ra@rb2.swrcb.ca.gov.

Sincerely,

Loretta K. Barsamian
Executive Officer



Stephen I. Morse
Chief, Toxics Cleanup Division

Concurrence: _____
Alameda County Health Agency
Department of Environmental Health

cc: Meg Rosegay, PM&S
Michelle Kriegman King, EKI

c:\dd\working\simeon1.doc

Erler & Kalinowski, Inc.

Consulting Engineers and Scientists

1730 South Amphlett Boulevard, Suite 325
San Mateo, California 94402-2714
(650) 578-1172
Fax (650) 578-9131

MULTIPLE FACSIMILE TRANSMISSION COVER SHEET

DATE: 3 June 1999 FROM: Michelle Kriegman King, Ph.D.
TIME: 2:48 PM PROJECT: Simeon-Emeryville
NO. OF PAGES (INCL. COVER): 4 PROJECT NO: 990016.00

TO THE FOLLOWING:

Name: Ravi Arulanantham
Company: RWQCB
Fax: 510-622-2464

Name: Pierson Forbes
Company: Simeon Commercial
Fax: 415-986-2130

Name: Susan Hugo
Company: ACDEH
Fax: 510-337-9335

Name: Meg Rosegay
Company: Pillsbury, Madison & Sutro
Fax: 415-983-1200

For Review and Comment
 For Approval

As Requested
 For Information and Coordination

DESCRIPTION:

Final Draft Comfort Letter for 64th Street Property, Emeryville

REMARKS:

Ravi et al.--

The final draft comfort letter has been revised, as discussed.

--Michelle

If there are questions, please contact me at (650) 578-1172.

[To be typed on Regional Board letterhead]

June __, 1999

Mr. Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street
Suite 1190
San Francisco, CA 94111-2630

RE: Ryerson/Lowenberg Properties (64th and Hollis Streets,
Emeryville, CA)

Dear Mr. Forbes:

The Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") and the Alameda County Department of Environmental Health ("ACDEH") have reviewed the Phase I and Phase II Environmental Site Assessment prepared by Erler & Kalinowski, Inc. ("EKI"), dated May 20, 1999, in connection with the above-referenced properties at 64th and Hollis Streets in Emeryville, California (the "Site"). These properties were previously studied by EKI on behalf of Sybase, Inc. in conjunction with a proposed development project that ultimately did not go forward (Final Site Investigation Report, dated September 6, 1995). In addition, EKI previously prepared a Risk Management Plan for the subject properties on behalf of Sybase (Final Risk Management Plan for the 64th and 65th Street Properties, dated October 26, 1995) which was reviewed and approved by the Board in a letter, dated November 15, 1995. The intended land use for the Sybase project was commercial office space and parking, which is consistent with that planned by Simeon.

It is the Regional Board's understanding that the same tenants have occupied the building since the 1995 investigation and that the western portion of the Site has remained fenced and vacant. Environmental conditions reported in the 1999 investigation are similar to those reported in 1995.

Based on the data presented in these EKI reports, it is apparent that groundwater across the eastern portion of the Site (the Lowenberg property) has been impacted by low concentrations of volatile organic compounds ("VOCs") from off-site sources, as identified in the EKI Phase I and Phase II Environmental Site Assessment. In addition, soils and groundwater in the southeastern portion of the Site have been impacted by leakage from former underground fuel storage tanks ("USTs") located in this area. These tanks were removed in 1990, and a "no further

action" letter was issued by the ACDEH in March 1996 after semi-annual monitoring revealed that residual concentrations of total purgeable petroleum hydrocarbons and BTEX were low and were decreasing or remaining stable.

Soils and groundwater in the western portion of the Site (the Ryerson Paved Lot property) are also impacted by high molecular weight petroleum hydrocarbons attributable to a petroleum refinery that was located on the property in the early 1900's. The petroleum compounds have very low solubility and have not migrated to any significant degree.

In general, the Regional Board does not pursue enforcement action against a property owner whose land overlies contaminated groundwater if that contamination is solely the result of the migration of groundwater contaminants from an off-site source or sources, or reflective of low concentrations measured over a large region with a long history of industrial activity. Accordingly, the Regional Board will not name current and future owners of the subject property as dischargers with respect to groundwater pollution from off-site sources so long as the subject property owners (1) do not engage in activities that could contribute to the existing contamination and (2) continue to provide reasonable site access to any responsible party engaged in investigation and/or remediation of the contamination.

It is not the Board's expectation that active remediation of the VOCs in groundwater beneath the Site is necessary. Further, based on the low solubility and weathered nature of the heavy petroleum hydrocarbons associated with the historical refining operations on the Site, and the ACDEH closure of the USTs on the Lowenberg property, the Regional Board does not believe that any active remediation is required to address residual contaminants originating from on-site sources.

In addition, Simeon intends to submit a Risk Management Plan ("RMP") for the Site that will describe the short-term and long-term risk management plans to be taken, during and after Simeon's planned redevelopment of the Site, for mitigation of potential risks to human health and the environment associated with residual pollution on the Site. It is the Regional Board's understanding that this RMP will be similar to that which was previously prepared and approved for the Sybase project. Moreover, a deed restriction must be recorded for the Site that requires the property owner to comply with the RMP and to contact the Regional Board if the land use changes from the intended commercial use. This letter is contingent upon Simeon's preparation of an RMP, approval of that RMP by the Regional Board, and recording of such a deed restriction for the Site. Assuming Simeon's RMP is approved by the Board and such a deed restriction is recorded for the Site, no other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. It is the Board's understanding that the RMP will be implemented once Simeon acquires the subject properties.

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Stephen I. Morse
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Concurrence:

Alameda County Health Agency
Department of Environmental Health

cc: Meg Rosegay, PM&S
Michelle Kriegman King, EKI

Erler & Kalinowski, Inc.

Consulting Engineers and Scientists

1730 South Amphlett Boulevard, Suite 320
San Mateo, California 94402-2714
(650) 578-1172
Fax (650) 578-9131

MULTIPLE FACSIMILE TRANSMISSION COVER SHEET

DATE: 3 June 1999 **FROM:** Michelle Kriegman King, Ph.D.
TIME: 11:20 AM **PROJECT:** Simeon-Emeryville
NO. OF PAGES (INCL. COVER): 4 **PROJECT NO:** 990016.00

TO THE FOLLOWING:

Name: Ravi Arulanantham
Company: RWOCB
Fax: 510-622-2464

Name: Pierson Forbes
Company: Simeon Commercial
Fax: 415-986-2130

Name: Susan Hugo
Company: ACDEH
Fax: 510-337-9335

Name: Meg Rosegay
Company: Pillsbury, Madison & Sutro
Fax: 415-983-1200

For Review and Comment

As Requested

For Approval

For Information and Coordination

DESCRIPTION:

Revised Draft Comfort Letter for 64th Street Property, Emeryville

REMARKS:

Ravi et al. —

The draft comfort letter has been revised, as discussed. Please call with any additional questions or comments.

--Michelle

If there are questions, please contact me at (650) 578-1172.

DRAFT

[To be typed on Regional Board letterhead]

June __, 1999

Mr. Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street
Suite 1190
San Francisco, CA 94111-2630

RE: Ryerson/Lowenberg Properties (64th and Hollis Streets,
Emeryville, CA)

Dear Mr. Forbes:

The Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") and the Alameda County Department of Environmental Health ("ACDEH") have reviewed the Phase I and Phase II Environmental Site Assessment prepared by Erler & Kalinowski, Inc. ("EKI"), dated May 20, 1999, in connection with the above-referenced properties at 64th and Hollis Streets in Emeryville, California (the "Site"). These properties were previously studied by EKI on behalf of Sybase, Inc. in conjunction with a proposed development project that ultimately did not go forward (Final Site Investigation Report, dated September 6, 1995). In addition, EKI previously prepared a Risk Management Plan for the subject properties on behalf of Sybase (Final Risk Management Plan for the 64th and 65th Street Properties, dated October 26, 1995) which was reviewed and approved by the Board in a letter, dated November 15, 1995. The intended land use for the Sybase project was commercial office space and parking, which is consistent with that planned by Simeon.

It is the Regional Board's understanding that the same tenants have occupied the building since the 1995 investigation and that the western portion of the Site has remained fenced and vacant. Environmental conditions reported in the 1999 investigation are similar to those reported in 1995? → P. 23 high core HVOCs

Based on the data presented in these EKI reports, it is apparent that groundwater across the eastern portion of the Site (the Lowenberg property) has been impacted by low concentrations of volatile organic compounds ("VOCs"), and ~~petroleum hydrocarbons from off-site sources~~, as identified in the EKI Phase I and Phase II Environmental Site Assessment. In addition, soils and groundwater in the southeastern portion of the Site have been impacted by leakage from former underground fuel storage tanks ("USTs") located in this area. These tanks were removed in

DRAFT

1990, and a "no further action" letter was issued by the ACDEH in March 1996 after semi-annual monitoring revealed that residual concentrations of total purgeable petroleum hydrocarbons and BTEX were low and were decreasing or remaining stable.

Soils and groundwater in the western portion of the Site (the Ryerson Paved Lot property) are also impacted by high molecular weight petroleum hydrocarbons attributable to a petroleum refinery that was located on the property in the early 1900's. The petroleum compounds have very low solubility and have not migrated to any significant degree.

In general, the Regional Board does not pursue enforcement action against a property owner whose land overlies contaminated groundwater if that contamination is solely the result of the migration of groundwater contaminants from an off-site source or sources, or reflective of low concentrations measured over a large region with a long history of industrial activity. Accordingly, the Regional Board will not name current and future owners of the subject property as dischargers with respect to groundwater pollution from off-site sources so long as the subject property owners (1) do not engage in activities that could contribute to the existing contamination and (2) continue to provide reasonable site access to any responsible party engaged in investigation and/or remediation of the contamination.

It is not the Board's expectation that active remediation of the VOCs in groundwater beneath the Site is necessary. Further, based on the low solubility and weathered nature of the heavy petroleum hydrocarbons associated with the historical refining operations on the Site, and the ACDEH closure of the USTs on the Lowenberg property, the Regional Board does not believe that any active remediation is required to address residual contaminants originating from on-site sources.

In addition, Simeon intends to submit a Risk Management Plan ("RMP") for the Site that will describe the short-term and long-term risk management plans to be taken, during and after Simeon's planned redevelopment of the Site, for mitigation of potential risks to human health and the environment associated with residual pollution on the Site. It is the Regional Board's understanding that this RMP will be similar to that which was previously prepared and approved for the Sybase project. Moreover, a deed restriction must be recorded for the Site that requires the property owner to comply with the RMP and to contact the Regional Board if the land use changes from the intended commercial use. Assuming Simeon's RMP is similarly prepared and approved by the Board and such a deed restriction is recorded for the Site, no other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. It is the Board's understanding that the RMP will be implemented once Simeon acquires the subject properties.

City requirements?

DRAFT

If you have any questions, please contact Ravi Arulanantham of my staff at (510) 622-2308.

Sincerely,

Loretta K. Barsamian
Executive Officer

Stephen I. Morse
Chief, Toxics Cleanup Division

Concurrence:

SUSAN HUGO
Alameda County Health Agency
Department of Environmental Health

cc: Meg Rosegay, PM&S
Michelle Kriegman King, EKI

6/3/99
I need desk
2)

Erler & Kalinowski, Inc.

Consulting Engineers and Scientists

1730 South Amphlett Boulevard, Suite 320
San Mateo, California 94402-2714
(650) 578-1172
Fax (650) 578-9131

MULTIPLE FACSIMILE TRANSMISSION COVER SHEET

DATE: 1 June 1999 **FROM:** Michelle Kriegman King, Ph.D.
TIME: 2:14 PM **PROJECT:** Simeon-Emeryville
NO. OF PAGES (INCL. COVER): 4 **PROJECT NO:** 990016.00

TO THE FOLLOWING:

Name: Ravi Arulanantham
Company: RWQCB
Fax: 510-622-2460

Name: Pierson Forbes
Company: Simeon Commercial
Fax: 415-986-2130

Name: Susan Hugo
Company: ACDEH
Fax: 510-337-9335

Name: Meg Rosegay
Company: Pillsbury, Madison & Sutro
Fax: 415-983-1200

- For Review and Comment
- For Approval
- As Requested
- For Information and Coordination

DESCRIPTION:

Draft Sample Comfort Letter for 64th Street Property, Emeryville

REMARKS:

Ravi—

As identified in my voice mail message, attached is a copy of a draft sample comfort letter for the 64th Street Property in Emeryville. The closing date for the transaction is Thursday, June 3rd. We would appreciate the opportunity to discuss the sampling results with you and Susan. If possible, Simeon would also like to receive a comfort letter prior to the 3rd. Please call me at your earliest convenience. Thanks!

--Michelle

If there are questions, please contact me at (650) 578-1172.

MAY-26-1999 11:43

PILLSBURY

4154774751 P.02

[To be typed on Regional Board letterhead]

May __, 1999

Mr. Pierson Forbes
Simeon Commercial Properties
655 Montgomery Street
Suite 1190
San Francisco, CA 94111-2630

RE: Ryerson/Lowenberg Properties (64th and Hollis Streets,
Emeryville, CA)

Dear Mr. Forbes:

The Regional Water Quality Control Board for the San Francisco Bay Region ("Regional Board") has reviewed the Phase I and Phase II Environmental Site Assessment prepared by Erler & Kalinowski, Inc. ("EKI"), dated May 20, 1999, in connection with the above-referenced properties at 64th and Hollis Streets in Emeryville, California (the "Site"). These properties were previously studied by EKI on behalf of Sybase, Inc. in conjunction with a proposed development project that ultimately did not go forward (Final Site Investigation Report, dated September 6, 1995). ✓

Based on the data presented in these EKI reports, it is apparent that groundwater across the eastern portion of the Site (the Lowenberg property) has been impacted by volatile organic compounds ("VOCs") and petroleum hydrocarbons from several off-site, upgradient sources, as identified in the EKI Phase I and Phase II Environmental Site Assessment. In addition, soils and groundwater in the southeastern portion of the Site have been impacted by leakage from former underground fuel storage tanks located in this area. These tanks were removed in 1990, and a "no further action" letter was issued by the Alameda County Department of Environmental Health ("ACDEH") in March 1996 after semi-annual monitoring revealed that residual concentrations of total purgeable petroleum hydrocarbons and BTEX were low and were decreasing or remaining stable.

Soils and groundwater in the western portion of the Site (the Ryerson property) are also impacted by high molecular weight petroleum hydrocarbons attributable to a petroleum refinery that was located on the property in the early 1900's. The petroleum compounds have very low solubility and have not migrated to any significant degree.

In general, the Regional Board does not pursue enforcement action against a property owner whose land overlies contaminated groundwater if that contamination is solely the result of the migration of groundwater contaminants from an off-site source or sources. Accordingly, the Regional Board will not name current and future owners of the subject property as dischargers with respect to groundwater pollution from off-site sources so long as the subject property owners continue to provide reasonable site access to any responsible party engaged in investigation and/or remediation of the contamination.

Although it is not the Board's expectation that remediation of the groundwater beneath the Site is necessary, the Regional Board would look to upgradient source property owners to conduct any investigation and/or remedial activities that might be required in the future to address contaminants migrating onto the Site. Further, based on the low solubility and weathered nature of the heavy petroleum hydrocarbons associated with the historical refining operations on the Site, and the ACDEH no closure of the UST's on the Lowenberg property, the Regional Board does not believe that any remedial action is required to address residual contaminants originating from on-site sources.

In addition, Simeon intends to submit a Risk Management Plan ("RMP") for the Site that will describe the short-term and long-term risk management plans to be taken, during and after Simeon's planned redevelopment of the Site, for mitigation of potential risks to human health and the environment associated with residual pollution on the Site. EKI previously prepared an RMP for the subject properties on behalf of Sybase (Final Risk Management Plan for the 64th and 65th Street Properties, dated October 26, 1995) which was reviewed and approved by the Board. Assuming Simeon's RMP is similarly approved by the Board, no other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. It is the Board's understanding that the RMP will be implemented once Simeon acquires the subject properties.

If you have any questions, please contact Ravi Arulanantham of my staff at (510) _____.

Sincerely,

Loretta K. Barsamian
Executive Officer

Stephen I. Morse
Chief, Toxics Cleanup Division

MAY-26-1999 11:44

PILLSBURY

4154774751 P.04

Concurrence:

Alameda County Health Agency
Department of Environmental Health

cc: Meg Rosegay, PM&S
Michelle Kriegman King, EKI

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

2101 WEBSTER STREET, Suite 500
OAKLAND, CA 94612
Tel: (510) 286-1255
FAX: (510) 286-1380



Mr. John Bruno
Director, Real Estate and Facilities
Sybase, Inc.
6475 Christie Avenue
Emeryville, CA 94608

November 15, 1995
File No.: 2223.09 (SA)
NBT Case File

Subject: Properties at 1410, 1450 64th Street and 1465 65th Street, Emeryville,
Alameda County.

Dear Mr. Bruno:


Board Staff reviewed the *Final Risk Management Plan for the 64th and 65th Street Properties*, dated October 26, 1995 (RMP), prepared by Eler and Kalinowski, Inc. The RMP describes the short-term and long-term risk management plans to be taken, during and after Sybase, Inc.'s planned redevelopment of the subject properties, for the mitigation of potential risks to human health and environment associated with the residual pollution. Board Staff have discussed with you and your consultants various components of the RMP during meetings held on a monthly basis.

Board Staff concur with general scope of the RMP. Based on the information provided to us and Board Staff's review of the same, it appears that the RMP comprehensively addresses the human health and environmental issues at the subject properties and no other plans or procedures, except those provided for in the RMP, will be required in connection with the planned redevelopment. I understand the RMP will be implemented once Sybase, Inc. acquires the subject properties or portions thereof.

Please contact Sumadhu Arigala at (510) -286-0434, if you have any questions regarding this letter.

Sincerely,

Loretta K. Barsamian,
Executive Officer


Stephen I. Morse,
Chief, Toxics.

CC: Susan Hugo
Alameda County Department of Environmental Health
1131 Harbor Bay Parkway, # 250
Alameda, CA 94502-6577

Thomas Sullivan
AMB Corporate Real Estate Advisors, Inc.
505 Montgomery Street
San Francisco, CA 94111

Michelle King
Erler and Kalinowski, Inc.
1730 So. Amphlett Blvd., Suite 320
San Mateo, CA 94402

ENVIRONMENTAL
PROTECTION
95 NOV 17 PM 1:42

**CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION**

2101 WEBSTER STREET, Suite 500
OAKLAND, CA 94612
Tel: (510) 286-1255
FAX: (510) 286-1380



Mr. John Bruno
Sybase, Inc.
6475 Christie Avenue
Emeryville, CA 94608

September 25, 1995
File No.: 2223.09 (SA)
NBT Case File

Mr. Thomas Sullivan
AMB Corporate Real Estate Advisors, Inc.
505 Montgomery Street
San Francisco, CA 94111

Subject: 64th and 65th Street Properties, Emeryville, Alameda County.

95-1-36
CENTRAL
NOTION

Dear Mr. Bruno and Mr. Sullivan:

Board Staff reviewed the *Final Site Investigation Report for the 64th and 65th Street Properties*, dated September 5, 1995, prepared by Erler and Kalinowski, Inc (the "Report"). The Report summarizes the soil and groundwater investigations conducted to date, at the subject site, and outlines a risk management plan to manage the residual pollution. Board Staff have discussed with you and your consultants various components of the Report during meetings held on a monthly basis.

Board Staff concur with the conclusions and recommendations presented in the report, and acknowledge that the characterization of the subject site is adequate and complete. The outlined approach to the short-term and long-term risk management plans are appropriate to manage the residual pollution. I understand a final site wide risk management plan will be developed and implemented in future.

Please contact Sumadhu Arigala at (510) -286-0434, if you have any questions regarding this letter.

Sincerely,

Lawrence P. Kolb,
Acting Executive Officer

A handwritten signature in black ink, appearing to read "Stephen I. Morse".
Stephen I. Morse,
Chief, Toxics.

ENVIRONMENTAL
PROTECTION
95 SEP 27

Susan Hugo

Alameda County Department of Environmental Health
1131 Harbor Bay Parkway, # 250
Alameda, CA 94502-6577

Michelle King

Erler and Kalinowski, Inc.
1730 So. Amphlett Blvd., Suite 320
San Mateo, CA 94402

COUNTY OF ALAMEDA
HEALTH CARE SERVICES AGENCY
ENVIRONMENTAL HEALTH BILLING
DRAWER N ALAMEDA, CA 94501
PHONE: (510) 567-6858
FAX: (510) 337-1139

MAILING
 ADDR.

ATTN: John Bruno
 Sybase, Inc.
 6475 Christie Avenue
 Emeryville CA 94608

PREMISES
 ADDR.

Sybase, Inc.
 64th St. and 65th St.
 Emeryville CA 94608

ACCOUNT NO.	SLS	PURCHASE OR	SHIP VIA	DUE DATE	TERMS	INV. DATE	PAGE
				09/28/95	30 days	08/28/95	1

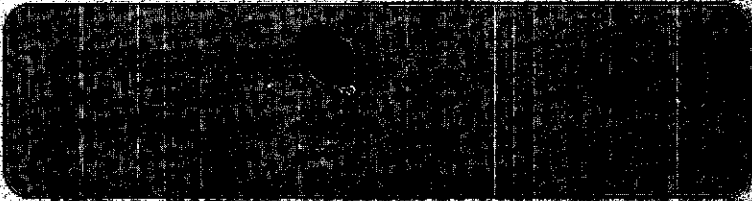
QTY FEE	QTY FEE	COMPUTER CODE	DESCRIPTION	PRICE/EA.	EXT. PRICE
\$1,800.00		STID 5567	Site Mitigation	\$90.00/hr.	N/A

8% PENALTY - 30 DAYS FROM INVOICE DATE
FOR EXPLANATION OF FEE SEE BACK OF INVOICE

FEE AMOUNT	\$1,800.00
DEPOSIT	
FEE TOTAL	\$1,800.00



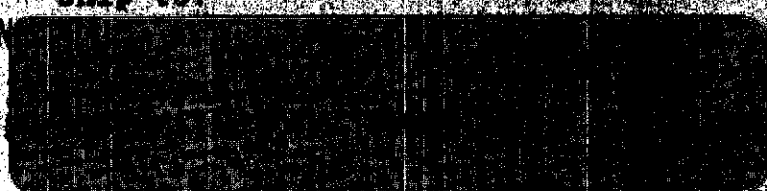
5820 Shellmound Street / Suite 500 / Emeryville, CA 94608
 510-922-3500 • 510-922-4500 ext



Please bill to:
 5820 Shellmound St., Emeryville, CA
 Include P.O. number on all
 packing slips and invoices.

PLEASE READ THE FOLLOWING INFORMATION

By placing the above goods in a container, you agree to the specifications, terms, and conditions of purchase. The goods are sold as is, with no warranty, express or implied. The attached invoice represents the total amount due for the goods and services. The amount of additional items to be purchased is indicated on the invoice.



Phone: 000-0000

Sybase Phone: (510) 922-3500

DATE: Jun 26 1995
 VISIT: SEAWAY FOB DESTINATION;

Buyer: Bruce Tomasko
 Terms: net 30
 Tax: 0

#	Qty	Unit	Dept	Description	Unit Cost	Extension	Due Date
1	1	ea	14500	SOIL/GROUNDWATER INVESTIGATION @ 64TH & 65TH ST. PROPERTY	1,800.00	1,800.00	06/30/95



Underground Contamination Investigations, Groundwater Consultants, Environmental Engineering

June 20, 1995

Ms. Juliet Blake

Alameda County Environmental Health Department
Hazardous Materials Division
1131 Harbor Bay Parkway, Room 250
Alameda, California 94502

Re: Request for File Review - **Ryerson Steel & Aluminum**
1465 65th Street, Emeryville, California

Dear Ms. Blake:

On behalf of our client, Rix Industries, located at 6460 Hollis Street in Emeryville, California, Hageman-Aguiar, Inc., would like to set-up an appointment to review the your files with regard to any Preliminary Site Assessment and/or Quarterly Groundwater Monitoring reports conducted at the above referenced Ryerson Steel & Aluminum facility.

Hageman-Aguiar requests that file review be conducted under the supervision of non-technical staff personnel. We understand that a fee of \$16 per hour will be charged by the County for non-technical staff supervision during the review time.

Please contact Gary Aguiar or myself at (510) 284-1661 as soon as possible to set-up this file review appointment.

Thank You!

HAGEMAN-AGUIAR, INC.

Gerard F. Aarons
Gerard F. Aarons
Geologist

RECEIVED

JUN 21 1995

ENVIRONMENTAL HEALTH SERVICES
NORTH COUNTY

Hageman - Aguiar, Inc.

3732 Mt. Diablo Blvd., Suite 372 Lafayette CA 94549 (510) 284-1661 FAX (510) 284-1664

FAX TRANSMISSION SHEET

ATTN: Juliet Blake

COMPANY: Alameda County Env. Health

FAX: (510) 337-9335

FROM: Jerry Aarons

COMMENTS: *Please call me to confirm receipt of this Request*

This transmittal is page 1 of 2

ALAMEDA COUNTY
HEALTH CARE SERVICES

AGENCY
DAVID J. KEARS, Agency Director



RAFAT A. SHAHID, Assistant Agency Director

Alameda County
Environmental Protection Division
1131 Harbor Bay Parkway, Room 250
Alameda CA 94502-6577

CC4580

June 16, 1995

Mr. John Bruno
Sybase, Inc.
6475 Christie Avenue
Emeryville, California 94608

**RE: Soil and Groundwater Investigation at 64th and 65th Street
Properties, Emeryville, California 94608**

Dear Mr. Bruno:

A review of our records indicate that a deposit has not been submitted in regards to the soil and groundwater investigation project being conducted at the referenced site. This deposit is authorized under Section 3-141.6 of the Ordinance Code of the County of Alameda and is used to cover the expenses incurred by the County personnel in the execution of their oversight responsibilities associated with the project. Records of the time County employees commit to the project are maintained and the deposit is charged an hourly rate of \$90.00. Upon completion of the project, the balance of the deposit will be refunded to the responsible party or their designee.

Please submit a deposit of \$ 1,800.00 made payable to Environmental Health Services within ten days upon receipt of this letter.

If you have any questions concerning this letter, please contact me at (510) 567-6780.

Sincerely,

Susan L. Hugo
Senior Hazardous Materials Specialist

cc: Rafat A. Shahid, Director, Environmental Health
Mee Ling Tung, Acting Chief, Environmental Protection
Division / file
Michelle Kriegman-King, Erler & Kalinowski, Inc.
1730 So. Amphlett Blvd., Suite 320 San Mateo, CA 94402

STID 5567

64th & 65th St Emeryville CA 94608



PIERSON FORBES

655 Montgomery Street, Suite 1190
San Francisco, CA 94111-2630

ph: 415/986-2002 ext.21 • fax: 415/986-2130

email: pforbes@simprop.com

Pillsbury



Madison &
Sutro LLP

235 MONTGOMERY STREET
SAN FRANCISCO, CA 94104
TEL: (415) 983-1305 FAX: (415) 983-1200
MAILING ADDRESS: P.O. BOX 7880
SAN FRANCISCO, CA 94120-7880
e-mail: rosegay_mn@pillsburylaw.com

MARGARET N. ROSEGAY

**Erler &
Kalinowski, Inc.**

Consulting Engineers and Scientists

1730 So. Amphlett Blvd., Suite 320
San Mateo, California 94402

650 (415) 578-1172
Fax (415) 578-9131

Michelle Kriegman King, Ph.d.

4487902510

50388

4487902510



1182-3368-1

2-10-95

LYNN WARNER

415-989-1446

SUSAN HAYER

510 567-6700

PUBLIC AFFAIRS MANAGEMENT

Healthcare Service Agency - ALAMEDA COUNTY

101 THE EMBARCADERO STE 210

11315 HARBOR BAY PARKWAY

SAN FRANCISCO

CA 94105

Alameda, CA

94502

663



REVISION DATE 4/94

160

X

New Emeryville centers will match

■ Hollis Street project at site of former furniture warehouse will rhyme with its companion building

THE PROJECT: Hollis Street Business Center, 1410 64th St., Emeryville

THE PLAYER: SIMEON Commercial Properties Inc., San Francisco

It's getting difficult to tell what's old and what's new in Emeryville.

EmeryTech is an old building renovated to look new. EmeryStation is a new building designed to look old. But with the building craze in Emeryville now, developers looking at small lots located next to existing neighborhoods are coming up with creative ways to make offices look like they go together.

But when developers get into the business of turning warehouses constructed during the early part of the century into offices, there are limitations involved. Grungy old warehouses weren't made to house hundreds of workaholic tech workers.

No one expects a Ford Model-T to look like a Porsche. So why not make the best of what Emeryville has to offer? High ceilings, roll-up doors and aged wood beams are what many companies want anyway.

Russ Pitto, chief executive officer and founder of SIMEON Commercial Properties Inc., brought that thinking to Hollis Street Business Center, his first commercial project in Emeryville. When the project opens next year, there will be a lot of the old mixed in with the new.

Like many industrial warehouses constructed during the earlier part of the century, "it has great bones. It's got beautiful wood truss ceilings," he said.

The business center, a 150,000-square-foot former furniture warehouse, will lose about 20,000 square feet as part of the renovation project. To make up for losing valuable warehouse space, the San Francisco developer will build a second-floor mezzanine.

SIMEON Commercial has also purchased land next door to the warehouse from Ryerson Steel to



BLUEPRINTS

Psyche Pascual

build a 90,000-square-foot office and a 647-space garage. When the 220,000-square-foot, two-building complex is completed next year, both buildings will match.

SIMEON Commercial was named after the town of San Simeon in Central California, home of Hearst Castle. But make no mistake, Pitto is no relation to the Hearsts.

Pitto, a former real estate and securities attorney, became a commercial developer in 1983, long before the growth spurt that pushed the Silicon Valley up into the Peninsula and into the East Bay. After watching commercial development cropping up all over the Bay Area, he decided to go into business himself, building office and industrial complexes.

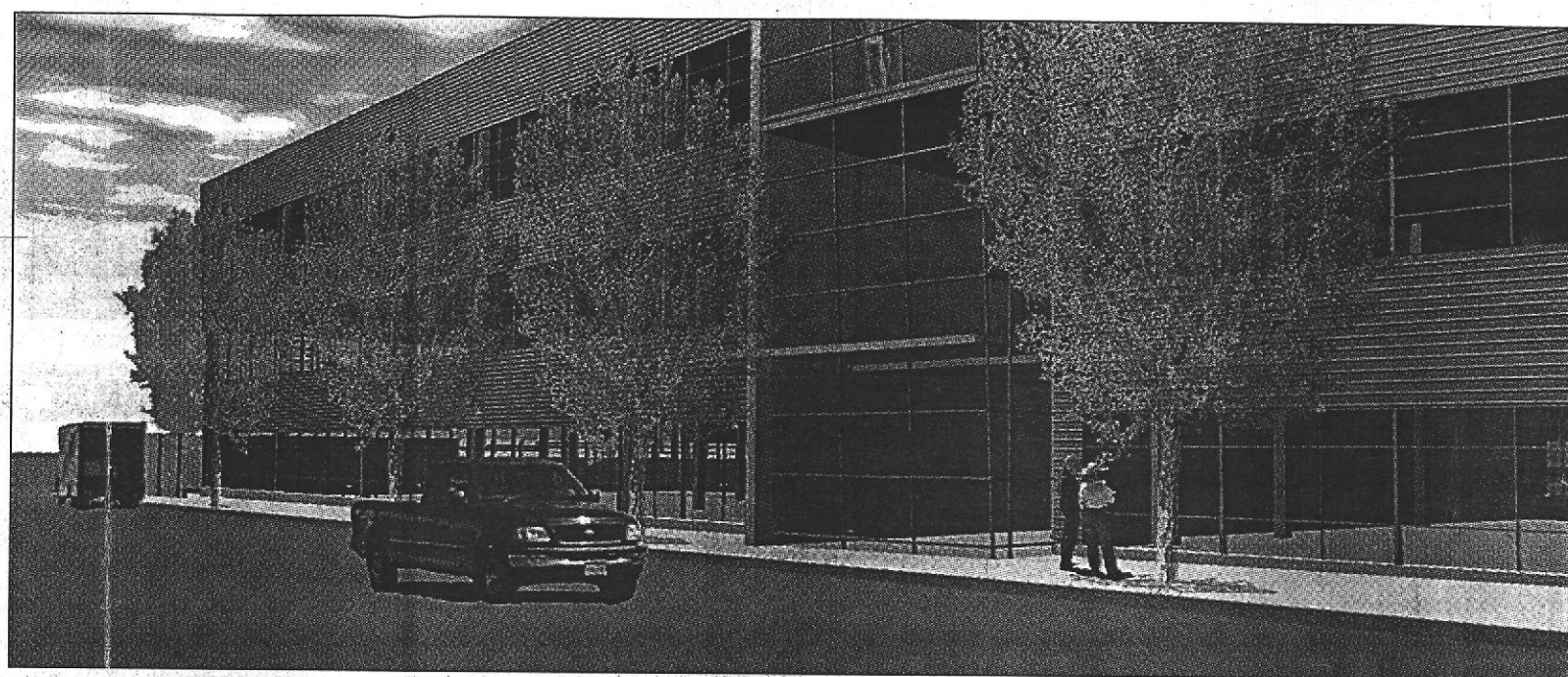
Up until five years ago, SIMEON Commercial focused on commercial development. In 1995 Pitto launched the residential side of the business. He now has three housing projects under way in Denver and one 500-home development, a venture with Shea Homes that will break ground next year in Napa County's American Canyon.

"We like to build communities near where we find jobs for people," Pitto said. "American Canyon is, interestingly enough, a 35-minute drive from Marin County."

Hollis Street Business Center is a venture with Kennedy Real Estate Advisors out of Seattle, and Pitto has expanded his partnerships with investors to finance more acquisitions and developments. Earlier this year, Pitto formed a venture with Rockwood Capital called SimRock Ventures LLC to acquire and develop more properties.

THE RENT: \$2.25 a square foot

WHO'S MOVING IN: Biotech, Internet and software firms
Sited between EmeryTech and EmeryStation, Hollis Street is



EMERYVILLE'S HOLLIS STREET Business Center, to open next year, is shown in a rendering. It will mix the old in with the new.

likely to see some of the same biotech, Internet and software firms that have made the other two complexes their home. One brand-name children's apparel company was expected to sign last week.

"Based on the activity we're seeing, we've hit the market at the right time with the right product," Pitto said. "Emeryville's time has come."

TRICK OR TREAT TOWERS: If you were driving by Treat Towers earlier this month and saw people unfurling a banner, you were one of the lucky few. It wasn't Greenpeace, and it wasn't a prank.

The banner reading "Nextel" — one of Treat Towers' newest tenants — was just up for placement, said, Sally Blatt, project manager for Spieker Properties Inc., which owns the offices. By next month, wireless-telephone company Nextel Communications Inc. and Barclays Global Investors, an arm of the British bank, Barclays P.L.C., will have their names on the building.

Nextel's presence has grown in the past month. The company leased an additional 19,000 square feet to consolidate several divisions now based in Oakland, Blatt said. Nextel now has 75,000 square feet under lease.

"I can now say we're 75 percent

leased," Blatt said. "That's something to drink champagne about."

Corks are flying over other new leases that were recently signed:

Insurance company New York Life signed an eight-year lease for 10,000 square feet. California Bank and Trust signed a 10-year lease for 3,500 square feet. Green Tree Financial Services signed a three-year lease for 3,200 square feet.

Yoshikami Capital, a money-management firm, will move out of 2121 N. California Blvd. into Treat Towers. Officials signed a five-year lease for 4,500 square feet.

There are also some tech and telecommunications tenants. Emerald Solutions, a software company from Bellevue, Wash., has leased 9,000 square feet. GST Telecom, a fiber-access provider, signed a five-year lease for 19,000 square feet on the south tower's fifth floor. GST workers will move in in January.

GST is the second telecommunications firm to take space at Treat Towers. MVX.com also signed a lease for 3,500 square feet earlier this year.

RESTLESS HEADHUNTERS: A lot of people seem to be talking about the new 8,000-square-foot office Heidrick & Struggles International, an international executive search firm, has leased at EmeryS-

tation in Emeryville.

Heidrick & Struggles already has offices in money centers such as Menlo Park and San Francisco. But when the venture capital flows into the East Bay, so do the people who find execs for growing firms.

Heidrick & Struggles is simply following the new Net firms, said Geoffrey Sears, an architect and partner at Wareham Development Inc., which built EmeryStation and plans a second phase next year.

"That's a big validation for Emeryville being an Internet location," he said. "Hopefully lawyers and accountants will be following."

CUSH PUSH: Now that Cushman & Wakefield's San Ramon office has snared two brokers from a competing real estate brokerage, CB Richard Ellis, the company is stepping up its industrial leasing.

Former CB Richard Ellis brokers Graden Travis and Matt Bracco, have left the firm's Walnut Creek office to start Cushman's a new industrial division. Travis, a 15-year veteran, first vice president and one of CB Richard Ellis' top-producing brokers, was named director for Cushman & Wakefield's San Ramon office.

"I'm really looking at this as an opportunity to expand our industrial presence not just in the Tri-

Valley but in the East Bay," said Joe Cook, senior managing director for Cushman & Wakefield in Northern California. "We now have two of the most senior and most productive industrial brokers in the East Bay."

Cook said the San Ramon office will add two to four more brokers, not just to handle industrial property, but office properties as well. Four to six new brokers will be hired in Cushman & Wakefield's office in Oakland.

AMP BUYS BUILDING: Pleasanton-based AMP Printing has purchased a building at 6955 Sierra Court in Dublin from Washington Mutual Bank for just \$4.9 million. AMP is expected to move in by Dec. 1.

AMP originally started in Dublin in a lot next to the building it is buying on Sierra Court, President Jeff Main said.

Psyche Pascual's Blueprints column on East Bay construction and development runs the second and fourth Sunday of each month in the Times Business section. She can be reached at 925-952-2670 or by e-mail at ppascual@cctimes.com. Items can also be faxed to her at 925-952-2665 or mailed to Blueprints, The Times, P.O. Box 8099, Walnut Creek, CA 94596-8099.