CORNISH & CAREY COMMERCIAL
ONCOR INTERNATIONAL
5980 Horton Street, Suite 100 • Emeryville • California 94608 • (510) 923-6200 • Fax (510) 923-6260

Jim Clark
Vice President

Direct Line: (510) 923-6247 Fax: (510) 923-6260
Email: jclark@ccarey.com

FAX COVER SHEET

If all pages are not received, please call (510) 923-6200 as soon as possible to request re-transmission.

9

Date/Time Sent — No. of pages, including cover page.

To: Sworn Hugo **Fax:** 337-9335

Company:

Subject:

Per Your Request.

GRIBI Associates
Geological and Environmental Consulting Services

June 21, 2001

Alameda County Department of
Environmental Health
1131 Harbor Bay Parkway, 2nd Floor
Alameda, CA 94502-6577

Attention: Ms. Susan Hugo

Subject: Evaluation of Recent Soil and Groundwater Sampling Results
Liquid Sugars Facility
1275 66th Street, Emeryville, California
GA Project No.: 201-01-01

Ladies and Gentlemen:

This letter seeks to provide a balanced evaluation of recent soil and groundwater sampling activities conducted by Lowney Associates as part of a possible property transfer and redevelopment of the site for residential purposes. These recent sampling activities are reported in *Phase I Environmental Site Assessment and Soil and Ground Water Quality Evaluation* (Lowney Associates, May 2, 2001) and *Supplemental Soil Quality Evaluation* (Lowney Associates, May 29, 2001). In our evaluation, we are also relying on our past experience on the site, having conducted several investigations on the site and in the immediate site area.

BACKGROUND

On April 16 and 17, 2001, Lowney Associates drilled and sampled 14 soil borings for soil samples (SS-1 through SS-14 on Figure 1) and five soil borings for grab groundwater samples (EB-1 through EB-5). Soil samples from the 14 borings were generally collected at depths of 0-½ feet and 2½-3 feet. On May 17, 2001, Lowney Associates drilled and sampled 11 soil borings. A total of six soil samples from depths ranging from about 1 foot to 5 feet were collected for laboratory analysis. Laboratory analyses included the following:

CAM 17 metals	28 soil samples
Lead only	2 soil samples
PNAs	11 soil samples
PCBs	21 soil samples
VOCs	19 soil samples, 5 water samples
Pesticides	20 soil samples
Semi-VOCs	6 soil samples
TPH-G,TPH-D/MO,BTEX	11 soil samples
pH	3 soil samples

Laboratory analytical results showed the following:

- **Metals:** Of the 30 soil samples, the only possible exceptions to "background" levels included:

  Arsenic: 25 ppm and 35 ppm of Arsenic in soil samples from 0- ½ feet in depth in SS-4 and SS-7, respectively.

  Lead: 440 ppm from 2½-3' in SS-11
  190 ppm from 0-½' in SS-9
  140 ppm from 3½-4' in SS-22
  280 ppm from 3½-4' in SS-23

  STLC Lead: 16 ppm from 0-½' in SS-9

- **PNAs:** No detections.

- **PCBs:** No detections.

- **VOCs:**

  Soil: Of the 19 soil samples, one sample (SS-7 at 0-½') contained 70 ppm of Acetone.

  Groundwater:
  EB-1: PCE = 11 ppb
  EB-2: PCE = 150 ppb
  EB-3: 1,1-DCE = 26 ppb; 1,1-DCA = 2.9 ppb; 1,1,1-TCA = 1.6 ppb
  EB-4: MTBE = 83 ppb

- **Pesticides:** No detections.

- **Semi-VOCs:** Of the six soil samples, one soil sample (SS-4 at 2½-3') contained 0.16 ppm of Dibenzofuran and 0.54 ppm of Fluorine.

- **TPH-G,TPH-D/MO,BTEX:** Of the 11 soil samples, the following detections were reported:

  SS-4: TPH-G = 66 ppm and TPH-D = 740 ppm at 2½-3'
  SS-5: Benzene = 0.0054 at 0-½'; TPH-G = 1.3 ppm and TPH-D = 1.0 ppm at 2½-3'
  SS-7: TPH-D = 34 ppm and TPH-MO 54 ppm at 0- ½'
  SS-16: TPH-D = 2.5 ppm at 1½-2'
  SS-18: TPH-G = 47 ppm and TPH-D = 680 ppm of TPH-D at 5-5½'
  SS-23: TPH-D = 4.4 ppm at 3 ½-4'

- **pH:** pH levels in the deeper soil samples from SS-3, SS-6, and SS-9 were 9.0, 8.8, and 7.5, respectively.

Soil borings along the northeast side of the site (SS-9, SS-11, SS-12, SS-16, SS-17, SS-18, SS-21, SS-22, and SS-23) encountered apparent fill material associated with a possible former creek bed down to about four feet in depth. Groundwater was encountered in the five groundwater sampling borings (EB-1 through EB-5) at depths ranging from about six feet to 20 feet below surface grade.

EVALUATION OF RESULTS

Possible environmental conditions identified during the soil boring investigations include: (1) Moderate concentrations of diesel range hydrocarbons in shallow soils in borings SS-4 and SS-18; (2) A low concentration of PCE in the grab groundwater sample in boring EB-2; (3) Low levels of Arsenic in near-surface soil samples from borings SS-4 and SS-7; and (4) Low levels of Lead in shallow soil samples from borings SS-9, SS-11, SS-22, and SS-23.

It is our understanding that Pulte Homes wishes to develop the site for multiple-tenant residential use, with residential living spaces on the second floor only. While all soil boring results would easily meet generally accepted Risk-Based Screening Levels (RBSLs) for commercial receptors, there is some question about whether or not some of the results meet residential RBSLs. However, we believe that the results from the investigation do not raise significant concerns for the planned multi-tenant residential use of the property. Our rationale for this conclusion is based on the following specific conditions.

Diesel-Range Hydrocarbons

The Regional Board's residential RBSL for TPH-D in shallow uncovered soil is 500 ppm, and the TPH-D concentrations in SS-4 and SS-18 were 740 ppm and 680 ppm, respectively. The SS-18 boring was located adjacent to a former LSI railspur, and the source of identified hydrocarbons is not known. There is no indication from nearby boring results that this TPH-D result is part of a large release. Further, we believe that the TPH-D result of 680 ppm in boring SS-18 is close enough to the 500-ppm residential RBSL that is should not warrant significant concern.

The SS-4 boring was sited within the former Mohawk fuel AST "footprint". Previous Aqua Science borings within this "footprint" area (B-8, B-9, and B-10 on attached Figure 2) contained TPH-D concentrations of <1 ppm, 45 ppm, and 670 ppm at about three feet in depth. Further, a shallower soil sample from SS-4 contained only 3.3 ppm of TPH-D. When these results are taken in total, they do not indicate a large-scale release that would appear to hamper uncovered residential land use. In fact, the average of these TPH-D concentration is 292 ppm, well below the residential RBSL for uncovered near-surface soils.

PCE in Groundwater

Boring EB-2, which encountered 150 ppb of PCE in groundwater, was located in the extreme northeast (upgradient) corner of the site. Groundwater samples from borings EB-1, EB-3, and EB-4, located immediately downgradient from EB-2, contained no significant PCE or other volatile organic compounds. These results indicate that while some PCE has migrated onto the site from offsite sources (probably Fabco), there is not a significant PCE (or HVOC) problem on the site that would preclude the planned residential development.

Arsenic

Of the 28 soil samples analyzed, only two samples encountered Arsenic levels that, according to Lowney Associates, exceeded "background" levels (<10 ppm). These were near-surface soil samples (0-½') in borings SS-4 and SS-7, which contained 25 ppm and 35 ppm of Arsenic, respectively. Deeper samples from these borings contained background levels of Arsenic, and there is no indication from other nearby borings of a widespread Arsenic problem at the site.

We reviewed Arsenic soil results for several sites in the East Bay where background levels were encountered. We found that it was not unusual to see background Arsenic concentrations in the 15-ppm to 30-ppm range. Thus, we do not consider the two samples out of 28 containing Arsenic concentrations in the 25-ppm to 35-ppm range to be divergent from background levels.

Note that the Regional Board's residential RBSL for Arsenic in uncovered surface soil is only 0.39 ppm, and the EPA Region 9 residential PRG is 22 ppm. However, these concentrations are guidelines only, and we do not believe that they are reasonably attainable on residential sites throughout the East Bay.

Lead

Of the 30 soil samples analyzed, only four samples contained Lead concentrations which appeared to exceed "background" levels. Of these four samples, only two samples contained Lead concentrations that exceeded the Regional Boards residential RBSL for uncovered surface soil of 200 ppm. These included 440 ppm in soil at 2½-3' in SS-11 and 280 ppm in soil at 3½-4' in SS-23. Note that the EPA Region 9 residential PRG for Lead is 400 ppm.

We discussed Lead issues with Mr. Roger Brewer of the San Francisco Bay Regional Water Quality Control Board. Mr. Brewer stated that the 200-ppm residential RBSL is to be used as a guideline only, and is not meant as a cleanup level. Thus, on a site such as ours, where there are only two samples out of 30 that only moderately exceed the 200-ppm RBSL, the EPA Region 9 residential PRG of 400 ppm may be applicable.

Mr. Brewer also stated that for purposes of characterization of an area, the Board generally accepts averaging of sample results over an area that does not exceed 1,000 square feet (30 ft x 30 ft). Applying this method to the SS-11 Lead result, there are three samples of fill soils within the 1,000

square feet area (SS-11 at 0-½', 11 ppm; SS-11 at 2½-3', 440 ppm; and SS-16 at 1½-2', 6.8 ppm). The average Lead concentration in these three samples is 153 ppm. Applying this method to the SS-23 Lead result, there are three samples of fill soils within the 1,000 square foot area (SS-9 at 0-½', 190 ppm; SS-9 at 2½-3', 6.8 ppm; and SS-23 at 3½-4', 280 ppm). The average Lead concentration in these three samples is 159 ppm. These results further demonstrate that the risk for residential receptors associated with Lead in shallow soils at the site is not significant.

The second Lowney Associates report states that the STLC Lead concentration of 16 ppm for the SS-9 sample exceeds the California waste limit of 5ppm. The STLC analysis is typically run to meet landfill waste disposal requirements and is a measure of soluble Lead that could leach to groundwater in the event of landfill disposal. This result is only meaningful if the soil is excavated and, hence, becomes a waste. The soil as it currently exists in the ground is not hazardous and, we believe, does not pose a risk for future residential use of the property. (Note also that there is no indication of significant Lead impacts to groundwater. Groundwater samples from downgradient Gribi Associates boring IB-6 and well MW-2 contained 5 ppb and 8 ppb of Lead, respectively)

RECOMMENDATIONS

We believe that no additional investigation or remediation is warranted for this site, and that residential land use is appropriate, based on the relatively low concentrations of detected contaminants. While moderate concentrations of Diesel-range hydrocarbons were detected in shallow soils in two isolated areas of the site, these concentrations are only slightly above the Regional Board's residential RBSL, for uncovered soil of 500 ppm. Although two of the 28 soil samples contained Arsenic concentrations that were slightly higher that "background" levels, these results clearly do not indicate a significant Arsenic problem at the site, and should not preclude residential development of the property. Similarly, while two of the 30 soil samples contained Lead concentrations that exceeded the Regional Board's residential RBSL for uncovered soil of 200 ppm, these results clearly do not indicate a significant Lead problem at the site, and should not preclude residential development of the property. Relative to groundwater quality, the Lowney Associates investigation identified very low levels of PCE and related VOCs on the extreme northeast corner of the project site, with no significant migration onto the site. Also, while low levels of some hydrocarbons are present on the southwest side of the site, these hydrocarbons in groundwater meet residential risk standards.

As a condition of residential land use on the site, we recommend provisions that include the following:

- If soil is to be excavated and removed from the site, then this soil should be characterized and disposed of appropriately.
- After completion of construction-related activities and prior to occupancy, shallow soils in landscape or other uncovered areas of the site should be sampled for CAM 17 Metals and TPH-D analyses.

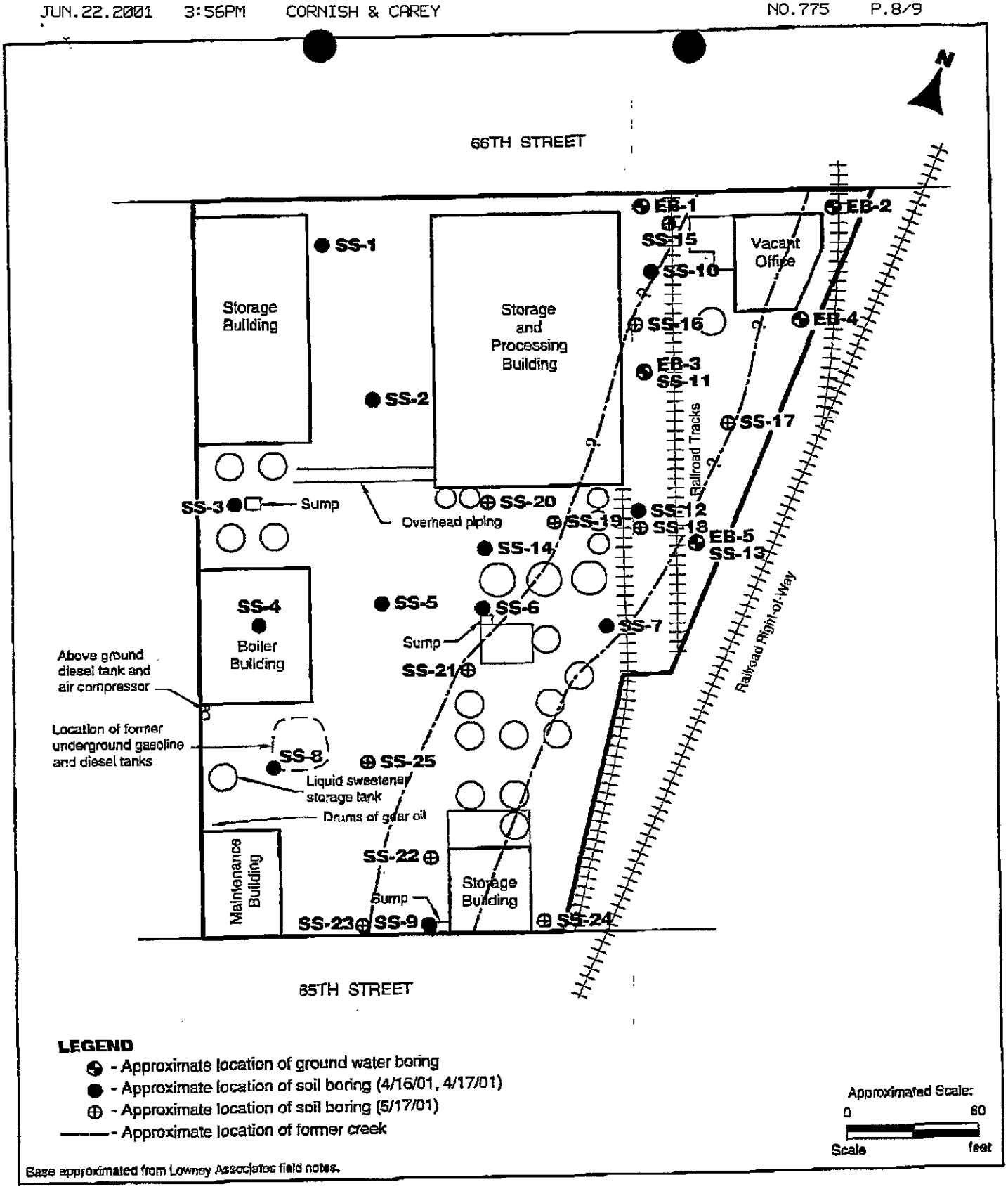
We appreciate the opportunity to provide this information for your review. Please contact us if there are questions or if additional information is required.

Very truly yours,

James E. Gribi
Registered Geologist
California No. 5843

JEG:ct

c John Boshard, Richards and Sterling



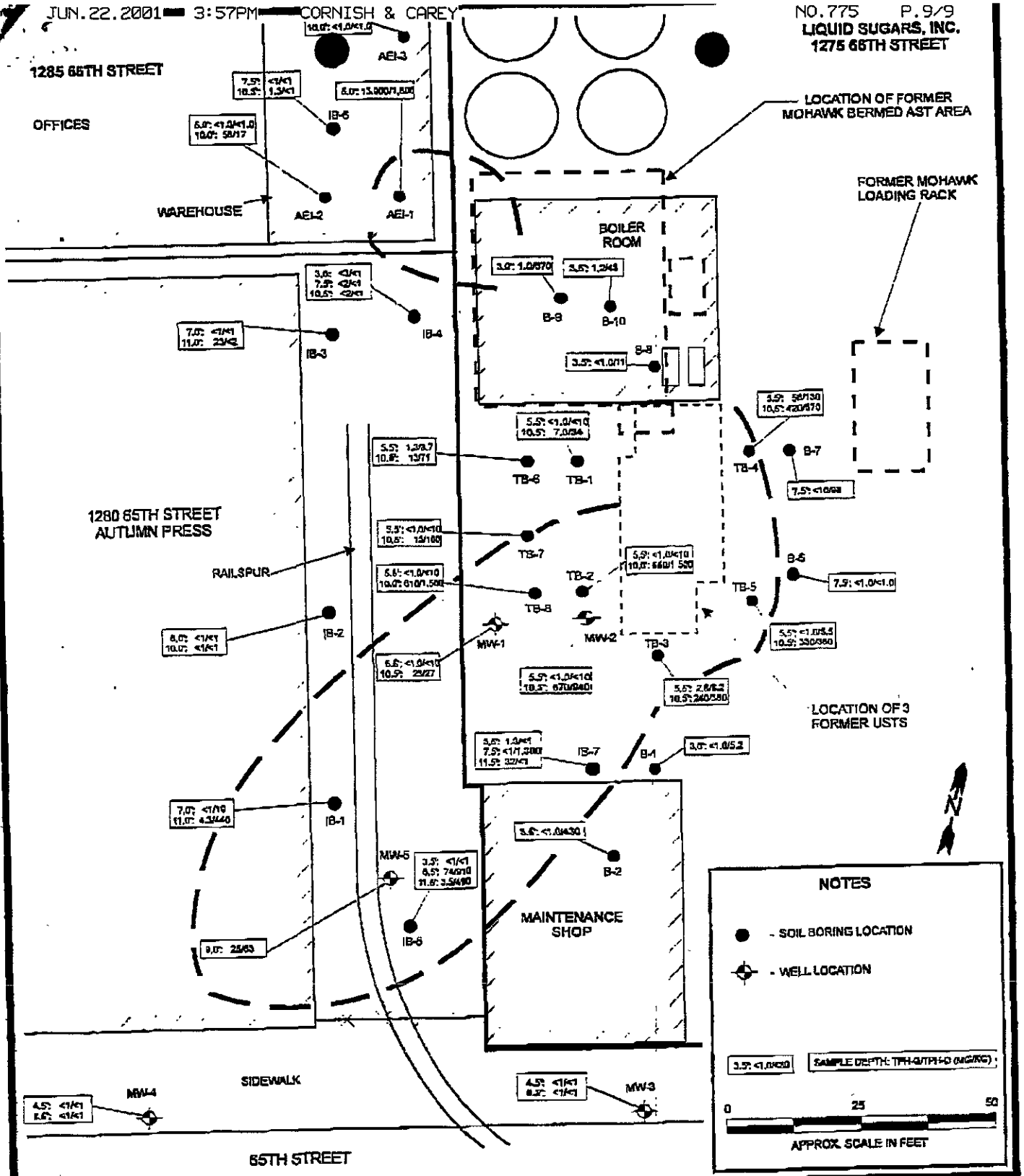
SITE PLAN

1269 66TH STREET, 1274 65TH STREET
Emeryville, California

LOWNEY ASSOCIATES
Environmental/Geotechnical/Engineering Services

FIGURE 2
1424-4

LIQUID SUGARS, INC.
1275 65TH STREET



DESIGNED BY:	CHECKED BY: SS	SOIL TPH-G AND TPH-D RESULTS	DATE: 07/14/00	FIGURE: 3
DRAWN BY: JG	SCALE:	LIQUID SUGARS, INC. SITE 1275 & 1285 65TH STREET EMERYVILLE, CALIFORNIA	GRIBI Associates	
PROJECT NO: 149-01-03				

DeLeon's Auto Repair

28160 Industrial Boulevard
Hayward CA 94545

Owner: Nestor DeLeon
510-887-2945

Green Business Certification Inspection – New Location

Date: 2001

Organization	Certification areas	Signature	Date	Status/ Comments
Hayward Fire/ Hazmat Danilo Galang 583-4925 Steve Buscovich fax 583-3641	Hazardous Materials Hazardous Waste			
Hayward Source Control Gayle Tupper 881-7993 fax 881-7903	Sanitary Discharge Clean Water Pollution Prevention	Joe Mendoza for: Gayle Tupper	6/21/01	100 pts for P2.
Nora Lew 415-749-4793 Robert Delarno 415-749-5154 fax 415-928-0338	Air Quality			
City Public Works Vera Dahle Lacaze 583-4725 583-3610 FAX	Solid Waste Reduction			
Hayward Water Conservation - Edith Jacklin 583-4727 583-3610 FAX	Water Conservation			
	Energy Conservation			

Post-it® Fax Note 7671	Date 6/22/01	# of pages ▶ 1.
To Pam Evans	From Joe Mendoza	
Co./Dept. Green business	Co. City of Hayward	
Phone # 567-6770	Phone # 510-881-7968	
Fax # 337-9335	Fax # 510-881-7903	