JAY-PHARES CORPORATION

Commercial Real Estate Development
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FAX MEMORANDUM
(8 Pages)

DATE: November 27, 1995

TO: Cheryl Nelson, Sr. Environmental Scientist
Harding Lawson Associates
FAX NO: (415) 884-3300

CC: Bruce Qualls, ASPI
FAX NO: (510) 678-4815

CC: Barney Chan, A.C.H.S.A.
FAX NO.: (510) 337-9335

CC: R. Gilcrease, Drake Builders
FAX NO: (510) 527-7053

CC: Charles Conway, Augeas Corp.
For Rosanna Garrison
FAX NO: (415)726-1217

CC: Joe Derhake, All Environmental, Inc.

CC: H.K. Phares, III

FROM: John Jay, Jay Phares Corp.

RE: Soil Samples Laboratory Results
Under Shoe Repair and Breezeway
Foothill Square, Oakland, CA

Following, please find five (5) additional soil samples (A-E) taken from under the shoe repair shop and breezeway which are located west of the former Young's Cleaners.

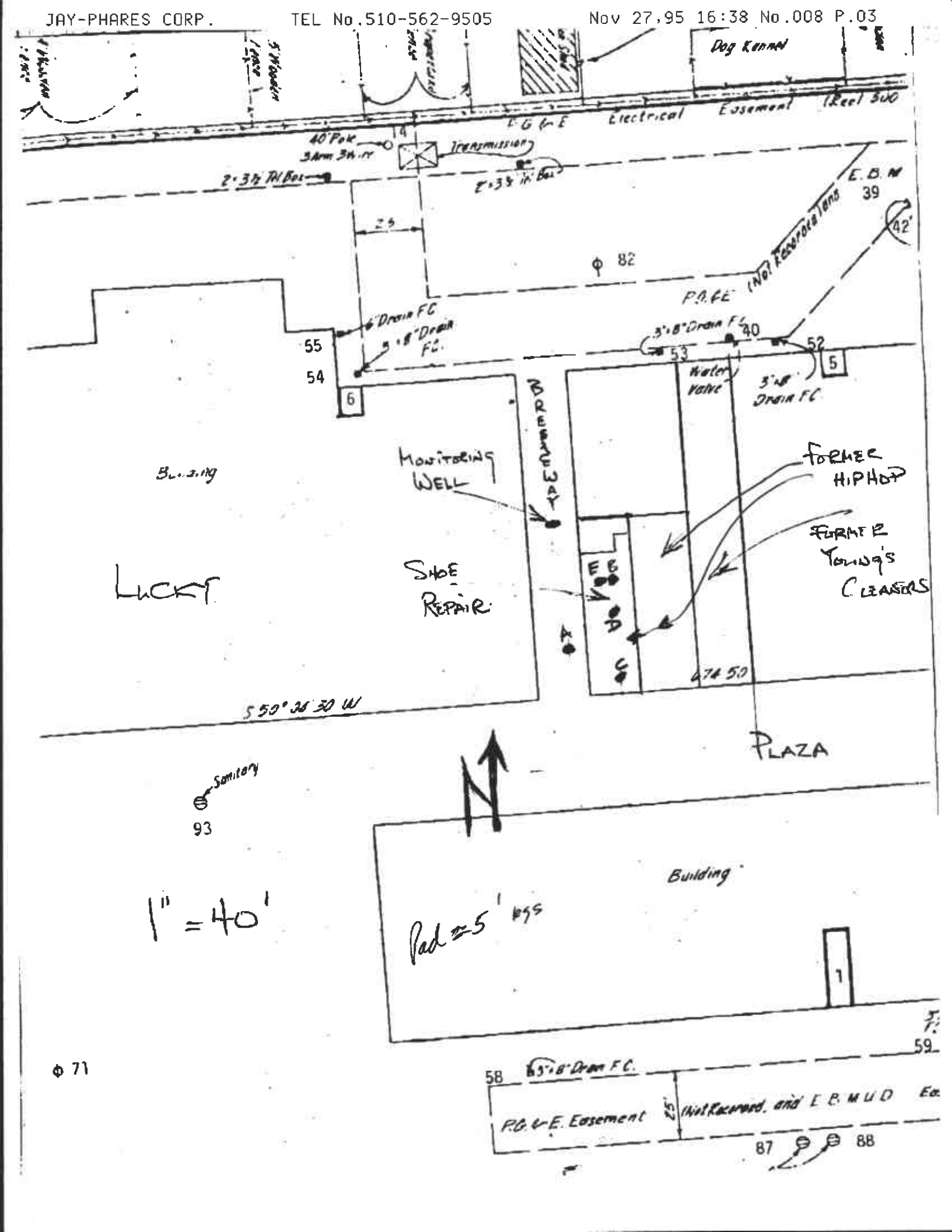
The contamination under the former Young's Cleaners, the next adjacent shop space to the west (former Hip Hop) and the plaza area in front of both the former cleaners and Hip Hop have been excavated pursuant to the guidelines set forth in Augeas work plan.
Unfortunately, however, these new test results would seem to indicate the "PERC" traveled across a subterranean slab which underlays the existing building, and as a result, soils contamination above "action levels" has extended farther west then originally anticipated. The good news is the contamination seems not to have penetrated below the slab in significant concentrations (See Sample D).

We must now evaluate remediation alternatives. Our structural engineer is now analyzing the consequences of (i) removing the concrete floor under the shoe repair and (ii) excavating both under the shoe repair and then beyond into the breezeway. We expect going beyond the west wall of the shoe repair will result in major shoring, concrete underpinning of bearing columns along that wall, and other extraordinary expenses we are not currently able to afford economically. Nevertheless, if we continue excavating into the breezeway and reach a "below action limits" condition, we will have completed our contaminated soils remediation obligations which combined with a benign risk assessment relative to underlying ground water should create conditions conducive to redevelopment financing and the construction of a new Lucky Supermarket.

Alternatively, we believe a more practical approach may be to excavate only under the shoe repair and wait until construction of the new Lucky Store until excavating in the breezeway area, or even farther westerly under areas upon which other existing buildings are now located. A preliminary redevelopment site plan follows. Please note we propose to locate the new Lucky over a portion of what is now the breezeway and that the buildings west of the breezeway will be demolished to accommodate construction of the new Lucky. Given the apparent shallow depth of the contamination, its known northerly limit (please note the monitoring well previously dug in the breezeway found no soil or water contamination in any significant concentrations), and the likely limited additional contamination westerly from the breezeway, awaiting construction of the new Lucky for "final" clean up would certainly be our most economic approach and one likely to satisfy our lenders - if it is satisfactory to American Stores and its consultants.

Please advise as soon as possible the requirements of Harding Lawson and American Stores Properties, Inc.

Your assistance in this matter is deeply appreciated.


Dog Kennel
P.G. & E. Electrical Easement (Reel 3140
40' Pole
Transmission
2-3½" Tel Box
E.B.M.
39
42'
82
P.O.C.E.
(Not Recorded)
6" Drain F.C.
8" Drain F.C.
3-8" Drain F.C.
40
52
53
55
54
6
5
Water Valve
3" AB Drain F.C.
Building
Monitoring Well
FORMER HIPHOP
FORMER YOUNG'S CLEANERS
LUCKY
SHOE REPAIR
474.50
S 50° 36' 30" W
PLAZA
Sanitary
93
1" = 40'
Building
Pad = 5' BGS
1
59
58
3-8" Drain F.C.
P.G. & E. Easement
25'
(Not Recorded) and E.B.M.U.D. Ea
87
88
71

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Soil Samples
27-Nov-95

SAMPLE	LOCATION	DEPTH FROM FF	PARTS/BILLION CONTAMINATION LEVELS	
A	Breezeway 18' North of South entrance 6' West of East Wall	5'	1,2 Dichloroethene Chloroform Trichloroethene Tetrachloroethene	19 700 1500 570 2787
B	Under Shoe Repair 7' West of East Wall 43' No. of South (Frontwall)	5'	1,2 Dichloroethene Chloroform Trichloroethene	180 1400 1600 3185
C	Under Shoe Repair 7' West of East Wall 5' North of south (Frontwall)	5'	1,2 Dichloroethene Chloroform Trichloroethene Tetrachloroethene	44 2100 1600 500 4244
D	Under Shoe Repair 7' West of East Wall 30' North of South Wall	9'	1,2 Dichloroethene Chloroform Trichloroethene Tetrachloroethene	26 180 37 15 258
E	Under Shoe Repair 12' West of East Wall 43' North of South Wall	5'	1,2 Dichloroethene Chloroform Trichloroethene Tetrachloroethene	25 650 360 970 2005

SAMPLE A.

Chloromethane	N.D.		-----
Vinyl Chloride	N.D.		-----
Bromomethane	N.D.		-----
Chloroethane	N.D.		-----
Trichlorofluoromethane	N.D.	45/66/5	-----
1,1-Dichloroethene	N.D.		87.9
Methylene Chloride	N.D.	Brecciny	-----
1,2-Dichloroethene (TOTAL)	19		83.2
1,1-Dichloroethane	N.D.		-----
Chloroform	700		84.1
1,1,1-Trichloroethane	N.D.		-----
Carbon Tetrachloride	N.D.		-----
1,2-Dichloroethane	N.D.		-----
Trichloroethene	1500		107.3
1,2-Dichloropropane	N.D.		-----
Bromodichloromethane	N.D.		-----
2-Chloroethylvinylether	N.D.		-----
Trans-1,3-Dichloropropene	N.D.		-----
Cis-1,3-Dichloropropene	N.D.		-----
1,1,2-Trichloroethane	N.D.		-----
Tetrachloroethene	570		86.4
Dibromochloromethane	N.D.		-----
Chlorobenzene	N.D.		-----
Bromoform	N.D.		-----
1,1,2,2-Tetrachloroethane	N.D.		-----
1,3-Dichlorobenzene	N.D.		-----
1,4-Dichlorobenzene	N.D.		-----
1,2-Dichlorobenzene	N.D.		92.7

SAMPLE B.

Chloromethane	N.D.		-----
Vinyl Chloride	N.D.		-----
Bromomethane	N.D.		-----
Chloroethane	N.D.	7' into shoe repair	-----
Trichlorofluoromethane	N.D.		-----
1,1-Dichloroethene	N.D.		87.9
Methylene Chloride	N.D.		-----
1,2-Dichloroethene (TOTAL)	180	70/48/5	83.2
1,1-Dichloroethane	N.D.		-----
Chloroform	1400		84.1
1,1,1-Trichloroethane	N.D.		-----
Carbon Tetrachloride	N.D.		-----
1,2-Dichloroethane	N.D.		-----
Trichloroethene	770		107.3
1,2-Dichloropropane	N.D.		-----
Bromodichloromethane	N.D.		-----
2-Chloroethylvinylether	N.D.		-----
Trans-1,3-Dichloropropene	N.D.		-----
Cis-1,3-Dichloropropene	N.D.		-----
1,1,2-Trichloroethane	N.D.		-----
Tetrachloroethene	1600		86.4
Dibromochloromethane	N.D.		-----
Chlorobenzene	N.D.		-----
Bromoform	N.D.		-----
1,1,2,2-Tetrachloroethane	N.D.		-----
1,3-Dichlorobenzene	N.D.		-----
1,4-Dichlorobenzene	N.D.		-----
1,2-Dichlorobenzene	N.D.		92.7

SAMPLE C

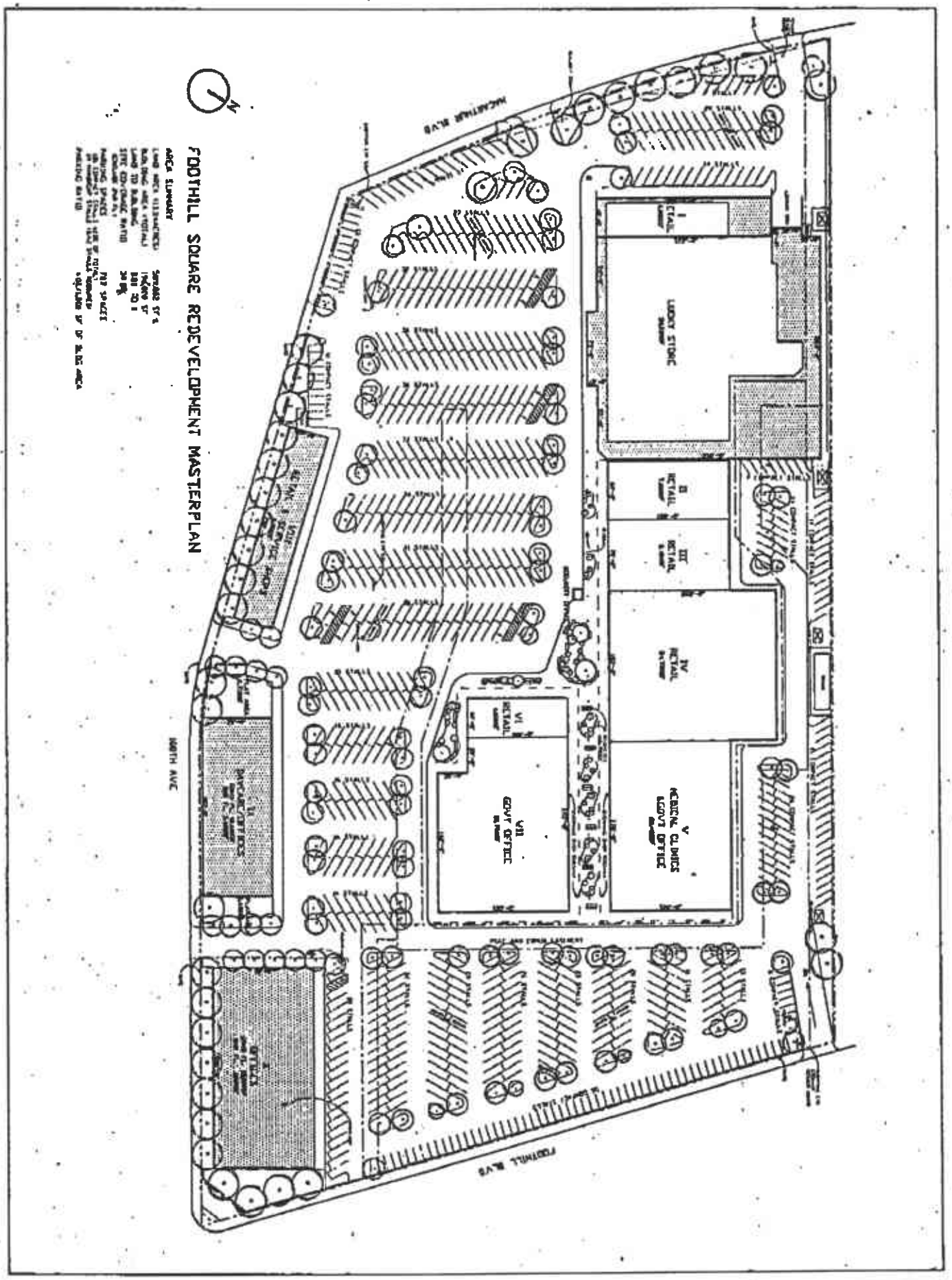
Chloromethane	N.D.		-----
Vinyl Chloride	N.D.		-----
Bromomethane	N.D.		-----
Chloroethane	N.D.		-----
Trichlorofluoromethane	N.D.	7' into shop repair	-----
1,1-Dichloroethene	44		87.9
Methylene Chloride	N.D.		-----
1,2-Dichloroethene (TOTAL)	1200	57/48/5	83.2
1,1-Dichloroethane	N.D.		-----
Chloroform	2100		84.1
1,1,1-Trichloroethane	N.D.		-----
Carbon Tetrachloride	N.D.		-----
1,2-Dichloroethane	N.D.		-----
Trichloroethene	1600		107.3
1,2-Dichloropropane	N.D.		-----
Bromodichloromethane	N.D.		-----
2-Chloroethylvinylether	N.D.		-----
Trans-1,3-Dichloropropene	N.D.		-----
Cis-1,3-Dichloropropene	N.D.		-----
1,1,2-Trichloroethane	N.D.		-----
Tetrachloroethene	500		86.4
Dibromochloromethane	N.D.		-----
Chlorobenzene	N.D.		-----
Bromoform	N.D.		-----
1,1,2,2-Tetrachloroethane	N.D.		-----
1,3-Dichlorobenzene	N.D.		-----
1,4-Dichlorobenzene	N.D.		-----
1,2-Dichlorobenzene	N.D.		92.7

SAMPLE D

Chloromethane	N.D.		-----
Vinyl Chloride	N.D.	7' into shop repair	-----
Bromomethane	N.D.		-----
Chloroethane	N.D.		-----
Trichlorofluoromethane	N.D.		-----
1,1-Dichloroethene	N.D.		87.9
Methylene Chloride	N.D.	57/48/9	-----
1,2-Dichloroethane (TOTAL)	26		83.2
1,1-Dichloroethane	N.D.		-----
Chloroform	180		84.1
1,1,1-Trichloroethane	N.D.		-----
Carbon Tetrachloride	N.D.		-----
1,2-Dichloroethane	N.D.		-----
Trichloroethene	37		107.3
1,2-Dichloropropane	N.D.		-----
Bromodichloromethane	N.D.		-----
2-Chloroethylvinylether	N.D.		-----
Trans-1,3-Dichloropropene	N.D.		-----
Cis-1,3-Dichloropropene	N.D.		-----
1,1,2-Trichloroethane	N.D.		-----
Tetrachloroethene	15		86.4
Dibromochloromethane	N.D.		-----
Chlorobenzene	N.D.		-----
Bromoform	N.D.		-----
1,1,2,2-Tetrachloroethane	N.D.		-----
1,3-Dichlorobenzene	N.D.		-----
1,4-Dichlorobenzene	N.D.		-----
1,2-Dichlorobenzene	N.D.		92.7

SAMPLE E.

Chloromethane	N.D.	12' into shoe	-----
Vinyl Chloride	N.D.		-----
Bromomethane	N.D.	repair	-----
Chloroethane	N.D.		-----
Trichlorofluoromethane	N.D.	70/53/5	-----
1,1-Dichloroethene	N.D.		87.9
Methylene Chloride	N.D.		-----
1,2-Dichloroethene (TOTAL)	25		83.2
1,1-Dichloroethane	N.D.		-----
Chloroform	650		84.1
1,1,1-Trichloroethane	N.D.		-----
Carbon Tetrachloride	N.D.		-----
1,2-Dichloroethane	N.D.		-----
Trichloroethene	360		107.3
1,2-Dichloropropane	N.D.		-----
Bromodichloromethane	N.D.		-----
2-Chloroethylvinylether	N.D.		-----
Trans-1,3-Dichloropropene	N.D.		-----
Cis-1,3-Dichloropropene	N.D.		-----
1,1,2-Trichloroethane	N.D.		-----
Tetrachloroethene	970		86.4
Dibromochloromethane	N.D.		-----
Chlorobenzene	N.D.		-----
Bromoform	N.D.		-----
1,1,2,2-Tetrachloroethane	N.D.		-----
1,3-Dichlorobenzene	N.D.		-----
1,4-Dichlorobenzene	N.D.		-----
1,2-Dichlorobenzene	N.D.		92.7



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FOOTHILL SQUARE SHOPPING CTR

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