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**ADMITTED IN CALIFORNIA, DISTRICT OF COLUMBIA AND NEW YORK

***ADMITTED IN CALIFORNIA AND HAWAII

December 14, 2004

Robert W. Schultz, R.G. Hazardous Materials Specialist Alameda County Healthcare Services Agency 1131 Harbor Bay Parkway, Suite 250 Alameda, CA 94502-6577

Re: Property at 2093 Railroad Avenue, Livermore, Alameda County, California Reference Number RO0002632

Dear Mr. Schultz:

Pursuant to your letter of November 2, 2004, I will answer the questions contained therein as follows:

- 1. We purchased the property in 1984.
- 2. Enclosed please find a list of those tenants which are presently on the property and those tenants which we have information about. I am sure, as you can understand, inasmuch as the vast majority of our tenants over the years have been "Mama and Papa" operations, we do not know their whereabouts, or for that matter still have records which reflect their names.
- 3. You have our names and addresses as reflected in your letter of November 2, 2004.
- 4. The property was formally owned by Southern Pacific Railway, I do not have a contact number or name to provide to you.
- 5. I do not have this information, I am sure that the utility companies and the city have this information.
- 6. Those records which we have in our possession.

Alamodo County

Environmental Medity

7. The information provided hereinabove is true and correct to their best of my knowledge and is provided under penalty of perjury.

I have also enclosed for you a portion of a copy of a Phase I Environmental Site Assessment for the property which was performed on June 23, 2004 by Kleinfelder, Inc. of Oakland, California. This report was prepared pursuant to the process of selling the property.

I direct your attention to the second page, that being page 2 of 39, dealing with J Cleaners. As you can see, Kleinfelder were aware that on February 10, 2004, an Unauthorized Release Form that was issued. In essence their findings indicate that they found no information or evidence to indicate that the issuance of such a form was related to J Cleaners. As you can also see, they specifically examined the J Cleaners and the rest of the premises and believe that in all likelihood that the PCE may have come from a location at 2008 First Street (Valley Gas) located 70 feet to the south of our property.

To the best of my recollection, since we have owned the property, Jay Cleaners is the only cleaning facility that has been on the property.

Very truly yours,

Bley and Bley

By

Stephen Bruce Bley

Eno

cc: Mr. Bisio w/enc

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PHASE I ENVIRONMENTAL
SITE ASSESSMENT
VILLAGE LIVERMORE
2009-2111 RAILROAD AVE.
LIVERMORE, CALIFORNIA 94550

June 23, 2004

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A Report Prepared for:

Urban Development Resource, Corp. 253-A 26th Street, #310
Santa Monica, California 90402

PHASE I ENVIRONMENTAL SITE ASSESSMENT VILLAGE LIVERMORE 2009-2111 RAILROAD AVE. LIVERMORE, CALIFORNIA 94550

Kleinfelder Project No: 45286/ENV

Orien Richmond

Prepared by:

Orien Richmond

Staff Environmental Scientist

Terence McManus, REA

Bay Area Environmental Manager

KLEINFELDER, INC.

1970 Broadway, Suite 710 Oakland, California 94612 (510) 628-9000

(510) 628-9009 (Fax)

June 23, 2004

1.0 EXECUTIVE SUMMARY

Kleinfelder, Inc. (Kleinfelder) was retained by Urban Development Resource, Corp. to conduct a Phase I Environmental Site Assessment (ESA) for the property occupied by a commercial building, identified by the address of 2009-2111 Railroad Avenue, Livermore, California (Plate 1). In this report, the property will be referred to hereafter as "the site". Kleinfelder's authorized scope of services also included a preliminary geotechnical evaluation of the site, as well as an asbestos and lead-paint survey of site structures. Results of those studies were presented separately, in reports dated June 1 and June 18, 2004, respectively.

The property is an approximately 5.57 acre parcel on the south side of Railroad Avenue between South Livermore Avenue on the east and South L Street on the west. Commercial and retail buildings are located south of the site along West 1st Street. A muffler repair shop, dance studio and computer store are located north and east of the site in the northeast corner of the block. The former Central Pacific Railroad (CPRR) right-of-way passes though the central part of the property. The project site contains a former Albertson's grocery store and adjacent retail shops including several restaurants and a drycleaners in a single large building on the north side of the property (Plate 2). There is a historic railroad station building located on the west side of the property that currently contains a real estate office and a dance studio.

The site has been developed since some time prior to 1884, when the CPRR and its associated structures (grain warehouses, hay warehouses, freight unloading structures) were located on the site. Between 1893 and 1907, a passenger and freight depot building, a stock corral, and two new hay warehouses were built on the site. Between 1917 and 1929, two of the large warehouses on the site were demolished and replaced by smaller buildings. Between 1944 and 1959, a lumberyard was established in the northwest comer of the site. By 1965, the passenger and freight depot building had been remodeled with a concrete addition on the north side of the original wooden structure. In the early 1970's the present-day large commercial building (2009-2111 Railroad Avenue) was constructed on a portion of the old CPRR property.

The Site is listed in federal, state, and local environmental databases including HAZNET (Hazardous Waste Information System), EMI (Emissions Inventory Data), CLEANERS (Dry Cleaner Facilities), RCRIS (Resource Conservation and Recovery Information System), and FINDS (Facility Index System). During a site visit on June 7, 2004, Kleinfelder observed no surface petroleum hydrocarbon staining or distressed vegetation on the site. We noted a total of eight electrical transformers on the site (see Plate 3). No leaks were observed around the



transformers. We were unable to confirm whether or not the transformers potentially contain PCB fluids. Several HVAC units were noted on the roof and no leaks other than water were observed there.

We have performed a Phase I ESA in general conformance with the scope and limitations of American Society for Testing and Materials (ASTM) Designation E 1527-00 for the property located at 2009-2111 Railroad Ave, Livermore, California. Results of our assessment identified no Recognized Environmental Conditions (RECs), except for the following:

- Past use of the site for railroad operations and associated facilities. While we have
 identified no known releases of hazardous materials on the site from the past railroad
 uses, based on Kleinfelder's experience at similar railroad properties, we believe that the
 potential exists for chemically-impacted soil and/or groundwater on the site as a result of
 the historic railroad activities.
- The presence of the J Cleaners dry cleaning facility (2093 Railroad Avenue). A recent Unauthorized Release Form for J Cleaners was issued by the ACDEH on February 10, 2004. While the release form noted a discharge of PCE and indicated that an aquifer used for a drinking water supply had been affected, Kleinfelder found no onsite data confirming that a release of PCE has occurred at the facility. Available information for a nearby property on the north side of Railroad Avenue (Treadwell & Rollo, 2004), indicates the presence of PCE in groundwater down-gradient of the J Cleaners facility, and suggests that the dry cleaners may be the source of the PCE. No further information regarding this unauthorized release could be confirmed at the time of our report.
- The presence of chemicals of concern in soil and groundwater at 2008 1st Street (Valley Gas) located 70 feet to the south at the southwest corner of the site. The EDR Report (Appendix A) indicates that a release of gasoline into the underlying soil was discovered at the property on February 23, 1988 during the removal of one or more underground storage tanks (USTs). The EDR Report also indicates that MTBE has been detected in groundwater at the property at a concentration of 47,000ppb. Groundwater monitoring has been undertaken at the site since 1988. Monitoring wells onsite and immediately down-gradient from the site continue to have the highest hydrocarbon and oxygenate concentrations (Conor Pacific 2003). MTBE is occasionally detected up to 0.25 miles west/northwest of the property near the corner of Railroad Avenue and South P Street, denoting the farthest down-gradient detection of this compound. It appears to be likely that petroleum hydrocarbons and MTBE in groundwater from this property may extend beneath the southwest corner of the subject site.

LESSEE INFORMATION

Tenant	Period of Occupation	Contact	Address & Telephone	Nature of Business
Amador Judo	01/1/97 - Present	Rory or Patricia Rebmann	2105 Railroad Ave Livermore, CA 94550 925 455-6054	Jude Instruction
Casa Orozco	04/1/04 - Present	Louise Orozco	325 S. L Street Livermore, CA 94550 925 373-3992 - Office 925 449-3045 - Rest	Mexican food restaurant
C & M Associates	07/1/82 - Present	Ralph Martin	5506 Sunol Blvd #200 Pleasanton, CA 94566 925 462-1500	Sub-lesses to other tenants
Celadon Restaurant	05/1/98 - Present	Candice Dea	3211 Georgia St Oakland, CA 94602 510 530-6618 - Home 510 238-1306 - Work	Chinese food restaurant
Dance Studio	11/1/99 - Present	Ashley Rebmann	2280 Bluebell Dr Livermore, CA 94551 925 455-6054	Dance instruction
Diabetic Heaven	06/1/96 - Present	Florence Ruskey	2091 Railroad Ave Livermore, CA 94550 925 606-8055	Diabetic food & confections
in Between Stitches	01/1/02 - Present	Melissa R. Emery	2033 Railroad Ave Livermore, CA 94550 925 371-7064	Stitchery supplies
J Cleaners	01/1/95 - Present	Ki-Sun Choi Mi Kyung Kim	2193 Railroad Ave Livermore, CA 94550 925 455-4444	Dry cleaners
Lucky's Store	03/9/80 - 12/31/99	Alberton's Inc.	PO Box 20 Boise, ID 83726 208 395-6200	Grocery store
Railroad Café	04/1/88 - Present	Ralph Studebaker	2041 Railroad Ave Livermore, CA 94550 925 447-0235	Restaurant
Samina Fabric House	11/1/01 - Present	Faisat & Samina Khan	2089 Railroad Ave Livermore, CA 94550 925 371-8862	Fabrics
Blockbuster Video	09/6/89 - 12/27/99	Unknown	Unknown	Video rental

LESSEE INFORMATION

Tenant	Period of Occupation	Contact	Address & Telephone	
Associates Financial Services	07/1/99 - 05/1/00	J. L. Kauffman	PO Box 660237 Dallas, TX 75266	Financial services
House of Health & Beauty	02/1/95 - 9/30/99	Garry Dykstra	Unknown	Beauty salon
Van's Health Foods	08/15/98 - 11/30/98	Unknown	Unknown	Health foods
Furniture Store	08/16/00 - 03/31/01	Richard Burns	Unknown	Furniture & gift store
Torlakson for Senate	07/1/00 - 10/31/00	Unknown	Unknown	Campaign headquarters
Whitestone Books	03/23/98 - 05/15/01	Brian Rice	2145 First Street Livermore, CA 94550	Book store
Judy's Fashion Place	04/1/96 - 12/31/99	Unknown	Unknown	Clothing shop