

INTRODUCTION

This report presents the results of an Environmental Site Assessment (ESA) performed by Fugro West, Inc. (Fugro) at 111 Pine Street (Subject Property), located in San Francisco, California. The ESA was authorized on November 9, 1994, and was performed in general accordance with the scope of services outlined in our Proposal No. 9437-7660, dated November 8, 1994.

Purpose and Scope

The purpose of the ESA was to provide the client with information for use in evaluating potential environmental concerns associated with the Subject Property. In conducting the ESA, Fugro assessed the property for visible signs of possible contamination, researched public records, and conducted interviews with representatives of the public, property management, and regulatory agencies. This was performed to determine the need, if any, for additional environmental sampling or soil/groundwater exploration.

This project was performed in general accordance with the American Society for Testing and Materials (ASTM) Standard Practice Designation E 1527-94.

Limitations

This report has been prepared to aid Ervin, Cohen, Jessup (ECJ) and Summit Commercial Properties, Inc. (Summit) in identifying and addressing environmental site conditions at 111 Pine Street. This report is prepared for the sole benefit of ECJ, Summit and of its affiliated entities, assignees, investors, or lenders thereto, and Summit and may not be relied upon by any other person or entity without the written authorization of Fugro West, Inc.

During this ESA, Fugro relied on database information, interviews with the property owners, regulatory officials, and other private individuals. Fugro has assumed, where reasonable to do so, that the information provided is true and accurate. If information to the contrary is discovered, our conclusions and recommendations may not be valid.

Certain environmental hazards are impossible to identify visually and their presence can only be verified by testing and analysis. In addition, Fugro can make no direct inferences as to the subsurface conditions at the Subject Property based on the ESA scope of work, which does not include a detailed investigation of the subsurface.

Fugro obtained environmental agency database information from Environmental Data Resources, Inc. The databases usually present the location of the entities by street address. In many cases this is the only reasonable means by which we may locate a database entry; the actual proximity of an entry to the Subject Property may not be accurately indicated by the street address given.

The conclusions and recommendations describe only the conditions present at the time of our survey, in areas that were observed. The scope of this report is limited to matters expressly covered.

SITE DESCRIPTION

The Subject Property is located on the 100 block of Pine Street in San Francisco, California (Plate 1). The legal description of the site is as follows:

- A 0.29 acre tract of land, assessors parcel number 03-0266-001.

The Subject Property (Appendix A, Photo No. 1,) consists of an eighteen-story office building with approximately 42 lease spaces (Plate 2). In addition, there is a basement consisting of engineering facilities and leasable space.

The building was reportedly constructed in 1965 using poured-in-place concrete columns on concrete piles, with stone and glass window exterior finishes. Water services are provided to the Subject Property by the San Francisco Water Department, sewage services are provided by the San Francisco Public Works Department, and electricity is supplied by Pacific Gas and Electric (PG&E). The surrounding and adjacent properties generally consist of office buildings and retail and commercial businesses.

The tenants of the office building consist of law offices, sales departments of various companies, public and private banking offices, and other offices. Only administrative duties are conducted out of the office lease spaces.

The nearest major thoroughfare to the Subject Property is the adjacent Pine Street (Plate 2). The Subject Property is easily accessible from this thoroughfare. Property usage along this portion of Pine Street consists largely of office buildings and retail and commercial businesses.

RECORDS REVIEWS

Fugro researched, and as necessary, contacted and/or visited the appropriate federal, state, regional, county, and city agencies for the following information and data regarding the Subject Property. In many cases, Fugro relied upon lists provided by various agencies which indicated properties that are known or suspected to have hazardous substances contamination. In addition, Fugro obtained environmental agency databases from Environmental Data Resources, Inc. The databases were reviewed to identify the notifications, registrations, and documented environmental incidents regarding the Subject Property and sites in the vicinity of the Subject Property. The following sections summarize our findings.

Superfund Sites

Federal Superfund. According to the U.S. Environmental Protection Agency (EPA) National Priorities List (NPL) database search, dated January 10, 1994, no such sites (commonly referred to as Superfund sites) are located within a one mile radius of the Subject Property.

Cal-Sites (AWP)

The Annual Work Plan (AWP) contains a listing of all verified hazardous waste sites that are or will be targeted for abatement by the CAL/EPA. These sites may be discovered by CAL/EPA, another government agency, a responsible party or a concerned citizen. New sites are added to this

database as they are verified and the "Preliminary Assessment, Site Investigation and Hazard Ranking System" processes are completed. This database is updated once annually after the approval of the California state legislature. According to the database search, dated June 1993, neither the Subject Property nor sites listed within a one mile radius of the Subject Property were listed in the State of California Cal-Sites AWP listings.

Cal-Sites List (ASPIS)

The Cal-Sites list is a compilation of sites which have been brought to the attention of the CAL/EPA, through various means, as being possible sites of hazardous waste activity or contamination. It should be noted that the Cal-Sites list is an informational database and not necessarily an action list. According to the database search, dated May 1994, the project site is not listed in the Cal-Sites ASPIS list. However, there are 88 sites within a one-quarter mile radius of the Subject Property listed in the Cal-Sites ASPIS list. Of the 88 sites, 87 are listed as either "low priority" or "no further action required". Of the 87 sites, none are located within 500 feet in the upgradient direction of the Subject Property. One site listed as "medium priority" is located approximately 700 feet from the Subject Property in a crossgradient direction. Due to the site's distance, location topographically (crossgradient from the Subject Property) and the status of the Cal-Sites ASPIS listing, Fugro considers this site to have a low potential to have impacted the Subject Property. The remaining 87 Cal-Sites within one-quarter mile of the Subject Property are considered to have a low potential to have impacted the Subject Property. An additional 370 Cal-Sites are documented at a distance of greater than one-half mile from the Subject Property. Due to their distance from or location relative to the Subject Property, Fugro considers these 370 Cal-Sites to have a low potential to have impacted the Subject Property.

CERCLIS

Each region of the EPA produces a Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Information System (CERCLIS) list. CERCLIS is a list of all potentially hazardous waste sites identified by the EPA. All sites identified are assessed by the EPA or an appropriate state agency to determine what action, if any, needs to be taken. Once on a CERCLIS list, the site remains there permanently and may be re-assessed in the future. The identification of a site from the CERCLIS list implies only that the site has been brought to the attention of the EPA and does not necessarily confirm that an actual health or environmental threat currently exists or has ever existed.

According to the database search, dated June 30, 1994, two CERCLIS sites are located within one-half mile of the Subject Property. At each of the sites, the EPA conducted site assessments and determined that no further action was required. Therefore, Fugro considers these sites to have a low potential to have impacted the Subject Property.

RCRA

The EPA has jurisdiction over Resource Conservation and Recovery Act (RCRA) sites and maintains an Information System (RCRIS) of privately owned and operated facilities for which notifications have been filed as required by RCRA regulations. RCRIS serves to track the status of registrations, permits, reports, inspections, and enforcement activities of those facilities regulated under the RCRA. Among those facilities listed are generators, and treatment/storage/disposal facilities (TSD) facilities for hazardous waste. RCRA sites are considered possible sources of

contamination to adjacent properties. According to the database search, dated July 1, 1994, no RCRA TSDF facilities listings are located within one mile of the Subject Property, and there are eight RCRA GEN listings located within one-eighth mile of the Subject Property. The sites listed are not on or adjacent to the Subject Property and none are listed as having violations, therefore these sites are considered to have a low potential to have impacted the Subject Property.

Hazardous Waste Information System (HWIS)

The Hazardous Waste Information System (HWIS) identifies hazardous waste generators and hazardous waste treatment storage and disposal facilities in the state of California. The list is maintained by the California Environmental Protection Agency. HWIS sites are considered possible sources of contamination to adjacent properties.

According to the database search, dated December 3, 1993, there are 11 HWIS listings within one-eighth mile of the Subject Property. The sites listed are not on or adjacent to the Subject Property and therefore are considered to have a low potential to have impacted the Subject Property.

Emergency Response Notification System (ERNS)

Fugro reviewed the EPA Emergency Response Notification System (ERNS) report regarding the release of oil and hazardous substances. According to the database search, dated December 31, 1993, no ERNS incidents have occurred on the Subject Property.

Registered Underground Storage Tanks (UST)

USTs are regulated under Subtitle I of the Resource Conservation and Recovery Act (RCRA) and must be registered with the state department responsible for administering the UST program. The presence of a UST on an adjacent property only represents a potential environmental concern. According to the database search, dated October 15, 1990, three sites on the Subject Property are listed as having a total of nine USTs. However, according to Mr. Scott Pozzi, the building manager, two of the sites (and eight of the USTs) are actually remote properties owned or administered by the building tenants; therefore, the UST site address listed is incorrect. The other listed UST is a 300-gallon diesel aboveground storage tank (AST) used for an emergency generator for a former tenant at the Subject Property. The AST is no longer in service, but has not been "closed" in accordance with applicable regulations. The AST was observed to be in good condition. No leaks, stains, or odors were observed on or near the AST. Fugro considers this AST to have a low potential to have impacted the Subject Property. For more information, refer to the section of this report on Site Reconnaissance regarding the AST.

In addition, there are nine other UST sites within one-eighth mile of the Subject Property that contain a total of 18 registered USTs. None of these additional USTs are on or adjacent to the Subject Property. In addition, none of these UST sites are listed on the LUST database. Therefore, Fugro considers these USTs to have a low potential to have impacted the Subject Property.

Leaking Underground Storage Tanks (LUST)

The RWQCB catalogs leaking underground storage tanks (LUST listings). According to database search, dated May 31, 1994, there are 28 registered LUST facilities located within one-half mile of the Subject Property. The 28 LUST sites were reviewed regarding each site's distance from the Subject Property and the regional groundwater gradient direction. Based on those reviews, 27 of the 28 listed LUST sites were considered to have a low potential to have impacted the Subject Property.

The remaining LUST site (MLHIRP Partnership, 36 Battery Street) is located approximately 200-feet upgradient of the Subject Property. In July 1986, one seven foot deep ground water monitoring well was installed approximately ten feet downgradient of the subject LUST site. Analysis of groundwater samples from the subject monitoring well indicated 7,200 parts per million (ppm) of Total Petroleum Hydrocarbons as gasoline (TPH-G). Subsequent sampling of the monitoring well indicated decreasing levels of TPH-G. The most recent sample analysis, dated May 1994, indicated levels of 4.8 ppm TPH-G. On November 2, 1994, two additional wells, located approximately 20 to 25 feet east of the LUST (i.e., in the presumed downgradient direction) were installed. Results of samples collected from these monitoring wells were not available at the time of the preparation of this report. Based on the information reviewed by Fugro, the MLHIRP LUST is considered to have a high potential to have impacted or to impact the Subject Property.

Notify 65

California Proposition 65, the California Safe Drinking Water and Toxic Enforcement Act, prohibits the contamination of drinking water with chemicals known to cause cancer or reproductive toxicity. The Act also requires public notice or warning of any exposure, or unauthorized releases or discharges of such chemicals into potential sources of public drinking water. The California State Water Resources Control Board maintains a database of Proposition 65 records of known discharges and releases of chemicals that are known to cause cancer and reproductive toxicity. According to the database search, dated October 1993, the Subject Property is not listed on the Proposition 65 Notification Records. However, four sites are listed within a one mile radius of the Subject Property. Three of these are located topographically crossgradient to the Subject Property and are therefore considered to have a low potential to have impacted the Subject Property. The fourth site, located at 630 Pine Street, is situated topographically upgradient to the Subject Property at a distance of approximately one-half mile. Due to the distance of this site from the Subject Property, Fugro considers this site to have a low potential to have impacted the Subject Property.

California Hazardous Materials Incident Report System

The California Hazardous Material Incident Report System (CHMIRS) contains information on reported hazardous material incidents, including accidental releases or spills. According to the database search, dated December 1991, the Subject Property is not listed on the CHMIRS listing. However, there is one site located within a one-eighth mile radius of the Subject Property. The site is located approximately 500 feet north and topographically crossgradient of the Subject Property. Fugro considers this site to have a low potential to have impacted the Subject Property. An additional 10 CHMIRS sites are documented at a distance of greater than one-eighth mile from the Subject Property. Due to their distance from or location relative to the Subject Property, Fugro considers these 10 CHMIRS sites to have a low potential to have impacted the Subject Property.

CORTESE Listing -Hazardous Waste and Substances Site List

The Hazardous Waste and Substances Site list is a compilation by the State of California Office of Planning and Research, of potential and confirmed hazardous waste and substance sites throughout California. This list includes tank leaks compiled by the Water Resource Control Board, abandoned hazardous waste sites compiled by the Toxic Substance Control Division of the California Department of Health Services, contaminated public water drinking wells compiled by the Environmental Health Division of the California Department of Health Services, California Bond Expenditure Sites (also known as the State Superfund list) and solid waste disposal sites with known migration of hazardous waste. According to the database search, dated July 1992, the Subject Property is not listed in the State of California CORTESE listings. However, 143 sites are listed within a one mile radius of the Subject Property. Fugro considers 142 of these CORTESE sites to have a low potential to have impacted the Subject Property due to their distance from the Subject Property or their location relative to the Subject Property. Refer to the LUST section of this report for information on the LUST/CORTESE site (MLHIRP Partnership, Battery Street (36)), which Fugro considers to have a high potential to have impacted the Subject Property.

Manufactured Gas Plant (Coal Gas) Sites

Prior to the widespread use of natural gas, combustible gas was manufactured from coke, coal and oil at thousands of plant sites throughout the United States. The manufactured gas plants yielded large quantities of by-products during their operation including complex mixtures of coal tars, sludges, oils, and other chemicals. Coal tar and other waste products from the gasification plants were frequently disposed on the plant site. These practices have left behind coal tar contamination at many former manufactured gas plant sites. The information provided by EDR was obtained from Real Property Scan, Inc. The EDR report indicated that there is one Coal Gas site within one-quarter mile of the Subject Property, five within one-half mile of the Subject Property, and 30 within one mile of the Subject Property. These sites are located topographically crossgradient or downgradient to the Subject Property. Due to this orientation and their distance from the Subject Property, Fugro considers these sites to have a low potential to have impacted the Subject Property.

Solid Waste Facilities/Landfill Sites (SWF/LS)

Solid Waste Facilities/Landfill Sites (SWF/LS) records typically contain an inventory of solid waste disposal facilities or landfills in a particular state. These may be active or inactive facilities or open dumps. According to the database search, dated March 1993, neither the Subject Property nor any other sites within a one-half mile radius of the Subject Property are included in the SWF/LS listing.

State Waste Activity Tracking (SWAT)

State Waste Activity Tracking (SWAT) contains information on ground water monitoring of sanitary landfills compiled by the State Water Resources Control Board. According to the database search, dated August 1994, neither the Subject Property nor any other sites within a one-half mile radius of the Subject Property are listed in the SWAT listing.

Toxic Pits

Toxic Pits Cleanup Act Sites identifies sites suspected of containing hazardous substances where cleanup has not yet been completed. This database is compiled by the State Water Resources Control Board. According to the database search, dated June 1994, neither the Subject Property nor any other sites within a one mile radius of the Subject Property are listed in the Toxic Pits listing.

San Francisco Department of Public Health, Local Oversight Program (LOP)

According to Ms. Lenette O'Brien of the LOP, there was no file maintained at LOP regarding 111 Pine Street.

San Francisco Department of Public Health, Hazardous Materials Program (HMP)

According to Ms. Sukey Schwartz of the HMP, there was no file maintained at HMP regarding 111 Pine Street.

San Francisco Fire Department (SFFD)

Documents found in SFFD files included:

- A permit for a 300-gallon diesel storage tank, dated May 23, 1983.
- A permit to store flammable liquids in a stationary tank (300-gallon diesel tank), dated November 29, 1989.
- A permit to store flammable liquids (paints and oils) in a flammable liquid locker, dated April 8, 1992 (Building Maintenance).

Fugro personnel observed these facilities during the performance of the site reconnaissance activities. Each facility was observed to be in good condition with no evidence of environmental concern. Fugro considers these facilities to have a low potential to have impacted the Subject Property.

PHYSICAL SETTING

This section describes the general physical and environmental setting of the Subject Property and surrounding areas.

Topography and Surface Drainage

According to the United States Geological Survey (USGS) San Francisco North, California 7.5-minute topographic quadrangle map, the Subject Property lies at an elevation of approximately 10 feet above mean sea level. The general terrain is flat with a regional slope to the east-northeast. Almost all nearby land is developed or paved with asphalt. Surface drainage and runoff are directed into storm drains located on Pine Street and Battery Street. The Subject Property did not appear to receive significant surface runoff from an upgradient direction.

Site Geologic Conditions

The Subject Property is located in the northeastern portion of the City of San Francisco, on the San Francisco Peninsula within the Coast Ranges geomorphic province. The Coast Ranges geomorphic province lies between the Great Valley province and the Pacific Ocean, and extends for approximately 550 miles. The Coast Ranges show strong northwest-southeast trends, induced by folds and faults of the same trend. The chain contains predominately sedimentary rocks underlain by two unlike types of basement rocks, mostly of middle Mesozoic age. One of these basement rock types is the widespread Franciscan Formation, and the other is granitic (Norris 1990). Bedrock in the site vicinity consists of shale and sandstone of the Franciscan Formation and is found at a depth of approximately 250 feet below ground surface (bgs). Sediments in the site vicinity include artificial fill (loose to medium dense fine sand with some rubble and debris) to a maximum depth of approximately 20 feet bgs, underlain by Quaternary bay deposits (the "Bay Mud", which consists of soft to medium stiff silty clay interbedded with lenses of silty sand and traces of decayed organic material) to a depth of approximately 50 feet bgs. Sediments underlying the Bay Mud include dense sands and marine clays (Dames and Moore, 1987).

Groundwater

The Subject Property lies within the Market Street Groundwater Basin, which occupies a broad alluvium-filled valley and filled tideland area extending southwest from San Francisco Bay. Groundwater occurs in unconsolidated Quaternary alluvium, sand, and fill material. No well-defined continuous sand aquifers occur (DWR, 1975). The San Francisco Water Department provides potable water service to the area, mostly from Hetch-Hetchy reservoir in the Sierra Nevada. Groundwater in the site vicinity is not used for drinking water. The Subject Properties' general terrain is flat with a regional slope to the east-northeast. Shallow groundwater flow is generally directed toward the east-northeast. Shallow groundwater in nearby monitoring wells has been encountered at a depth of approximately ten feet bgs.

Radon

In early 1990, the California Department of Health Services, in conjunction with the EPA, conducted a survey of the radon levels found in the indoor air of homes across the state. Radon is a colorless, odorless, tasteless radioactive gas that is produced as a natural decay product of uranium. Due to its radioactivity, studies have shown that at elevated levels there is a link between radon and lung cancer. Persons living in a building with elevated radon concentrations may have an increased risk of contracting lung cancer over a period of years.

The survey determined that about 5.5 percent of homes in the San Francisco area are expected to exceed 4 pico curies per liter of air (pCi/l), the level EPA recommends action be taken to reduce radon levels. Potentially high radon levels are associated with geologic uplift, the uranium/lignite belt, or granite or shale outcrops.

Due to the low percentage of houses in this area expected to exceed the EPA action level, Fugro considers radon levels to have a low potential to have impacted the Subject Property.

Other Environmental Issues and Constraints

Wetlands. Undeveloped land is subject to U.S. Army Corp of Engineers (COE) jurisdiction if mandatory criteria for wetlands identification are present. Wetlands are defined as areas that have a predominance of hydric soils, and are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

According to the United States Geological Survey (USGS) San Francisco North, California 7.5-minute topographic quadrangle map, no wetlands are located within a one mile radius of the Subject Property.

Floodplain. According to the City of San Francisco Planning Department, the Subject Property is not located within the 100 year floodplain.

Public Water System. The San Francisco Water Department provides water service to the area, mostly from Hetch-Hetchy reservoir in the Sierra Nevada. Due to groundwater quantity issues, groundwater in the site vicinity is not used for drinking water.

Indoor Air Quality. According to Mr. Price, two studies of indoor air quality had been performed at the Subject Property. In 1993, a tenant on the first floor of the building (Wells Fargo Bank) had complained of hot, stuffy air. In a report dated October 5, 1993, an unidentified consultant indicated levels of carbon monoxide (CO) in the building did not exceed two parts per million (ppm) in a 26-hour test (According to the report, "California ambient indoor air standards are not to exceed 20 ppm for one-hour or 9 ppm over eight hours"). However, air temperatures of up to 80°F were noted in the back room of the International Micronet office, apparently due to overnight operation of unspecified equipment.

In April of 1994, the California State Banking office on the tenth floor had similar complaints. According to a report by the California Occupational Safety and Health Administration, levels of carbon dioxide (CO₂) and CO measured on April 25, 1994, did not exceed the Permissible Exposure Limit (PEL) defined in the California Code of Regulations (CCR), Title 8, Section 4155. Measured levels were 438 ppm CO₂ (PEL + 5,000 ppm) and less than 2 ppm CO (PEL = 35 ppm). In both cases, monitoring of indoor air quality indicated that parameters monitored were within acceptable ranges. Therefore, Fugro considers these cases to have a low potential to have impacted the Subject Property.

Drinking Water Fountains. According to Mr. Tom Price, the building's chief engineer, the building contains no drinking water fountains.

Oil and Gas Wells and Pipelines. According to the State of California Department of Conservation Division of Oil, Gas, and Geothermal Resources-Regional Wildcat Map W3-10, dated July 31, 1993, no oil and gas fields exist within a one mile radius of the Subject Property.

Faults. The Subject Property is located approximately nine and one-half miles east of the San Andreas fault and nine and one-half miles west of the Hayward fault, both of which are considered active by the California Division of Mines and Geology (DMG, 1992).

SITE HISTORY AND HISTORICAL USE INFORMATION

The initial task of the ESA was to gather and review available information on the Subject Property from the various agencies and individuals, as listed in Appendix B.

Deed Records

Fugro conducted a historical chain-of-title review for the Subject Property. Chain-of-title information was provided by Trammell Crow Company (TCC), the current property management company, and was investigated by First American Title Insurance Company. Title information covers the period from July 14, 1964 to May 26, 1994.

Title to the Subject Property has been vested in the current owner, One Eleven Pine Street Associates, since at least December 18, 1986. The listed property owner on July 4, 1964 was Haas and Haynie, a Partnership.

According to warranty deed copies, no industrial, mineral production, waste management, or fuel storage companies were identified as past owners, nor were there any petroleum pipeline easements recorded on the Subject Property.

Fire Insurance Maps

Sanborn Fire Insurance Maps locate buildings, streets, and some types of equipment in areas of certain population density. Certified copies of Sanborn maps for the subject property vicinity were obtained from the Sanborn Mapping and Geographical Information Service, Pelham, New York. Fugro reviewed Sanborn maps from 1887, 1899, 1913, 1948, 1950, 1974, and 1994.

- The 1887 map shows four structures on the Subject Property. The structures on the western and northern portion of the site are labeled "Paints and Oils". A structure south of the site is labeled "Whol. Drugs Laboratory". A structure north of the site, across Pine Street, is labeled "Paints and Oils". Notations indicate that paints and oils were stored in vaults beneath the sidewalks adjacent to this structure.
- The 1899 map shows four structures on the Subject Property, of which the western and northern portions are labeled "Paints and Oils". Another notation indicates that oils were stored in the basement of the northern structure. Another notation names the facility as "W.P. Fuller and Company". A structure approximately 50 feet south of the Subject Property is labeled "Paints and Oils".
- The 1913 map indicates that most of the structures in the Subject Property vicinity are different from the structures on the 1899 map, which is probably due to the widespread destruction of the area caused by the 1906 earthquake and resulting fires. Four structures labeled "Store" are shown on the Subject Property.
- The 1948 map shows a single, three-story structure labeled "Store" on the Subject Property. A structure labeled "Auto Parking Garage" is shown on the site, currently occupied by the MLHIRP garage at 36 Battery Street.
- The 1950 map is similar to the 1948 map.

- The 1974 map shows the current building on the Subject Property.
- The 1994 map is similar to the 1974 map.

Historical fire insurance maps reviewed indicated that facilities labeled "Paints and Oils" were listed on the Subject Properties. Other historical information (i.e., Haines Directories) were not available for the time period of concern. Therefore, information indicating whether these materials were manufactured, retailed, or both, is not available. However, the current structure on the Subject Property includes a basement that would have required the excavation of soils to a depth of at least 15 feet bgs. Groundwater is currently found at approximately 10 feet bgs. If releases at these sites had impacted the soils at the Subject Property, the impacted soils would probably have been removed during the construction of the current structure. Therefore, Fugro considers the historic presence of these facilities to have a low potential to have impacted the Subject Property.

Building Permits

Fugro reviewed city building department records to determine past property usages and owners, and site construction/demolition activities. The records were reviewed at the City of San Francisco Building Department offices at 1660 Mission Street in San Francisco, California. Included in the file was a permit issued by the BBI, dated April 26, 1978 for a fuel tank. Documents reviewed indicated that the subject permit was for the 300-gallon AST for the emergency generator previously discussed.

City Directories

Fugro reviewed Haines Directories at the City of San Francisco Public Library. Haines directories dating from the mid-1970s to present were available. The structures during this time period are consistent with the current structures. Tenants listed in the Haines Directory were consistently commercial/retail in nature. The review of Haines Directories by Fugro revealed no evidence of recognized environmental conditions.

Historical Aerial Photographs

Aerial photographs from Pacific Aerial Surveys of Oakland, California were reviewed for the presence of any suspect environmental features which may have affected the Subject Property. A selected aerial photograph is included in Appendix D. The following summarizes the aerial photograph review.

- 1935 The Subject Property and surrounding areas appear to be completely developed. Nearby streets appear to be in the same locations as current streets. Buildings of one to approximately five stories occupy almost all properties in the vicinity. A structure which appeared to be approximately two to three stories high was observed on the site. All the structures on the Subject Property block appeared to be taller than the other structures on the Subject Property.
- 1938 No significant changes to the Subject Property or adjacent properties were observed.
- 1948 No significant changes to the Subject Property or adjacent properties were observed.

- 1955 No significant changes to the Subject Property or adjacent properties were observed.
- 1958 The structure on the Subject Property (which appears to be the same structure observed on earlier photographs) appears to have four stories. No significant changes to adjacent properties were observed.
- 1963 The former structure on the Subject Property is gone. No structures or objects are visible on the Subject Property.
- 1969 A tall structure, which appears to resemble the current structure, is visible on the Subject Property. The appearance of the 1969 structure coincides with the approximate construction date of the Subject Property.
- 1975 No significant changes to the Subject Property or adjacent properties were observed.
- 1979 No significant changes to the Subject Property or adjacent properties were observed.
- 1985 No significant changes to the Subject Property or adjacent properties were observed.
- 1991 No significant changes to the Subject Property or adjacent properties were observed.

The sequence of aerial photographs indicates that the Subject Property and almost all nearby properties were developed prior to 1935. The present day office building on the Subject Property appeared in the late 1950's and remained relatively unchanged to the present.

SITE RECONNAISSANCE AND INTERVIEWS

On November 11, 1994, Mr. William Bassett and Mr. Joseph Colton, both of Fugro, visited the Subject Property to perform a site reconnaissance and conduct interviews with property personnel. During the site walk-through, Fugro observed surface conditions, conducted interviews, and identified adjoining properties.

Of the 42 lease spaces in the office building, one vacant lease space and common areas were accessed at the time of the site reconnaissance.

On-Site Interviews

Fugro interviewed Mr. Scott Pozzi and Mr. Tom Price of TCC at the Subject Property. Mr. Pozzi is the property manager for the Subject Property and Mr. Price is the building's Chief Engineer. They were questioned with regard to general site operations and history. Information gathered is presented in the following sections as appropriate. Mr. Price accompanied Fugro personnel during the site inspection.

Interior Surface Observations and Conditions

The tenants of the office building consist of law offices, sales departments of various companies, public and private banking offices, and other offices. According to Mr. Price, only administrative duties are conducted in each lease space and none of the office tenants are known to store or use chemicals of any type or quantity. None of the tenants are manufacturers or industrial in nature.

Occupied lease spaces and elevator shafts were not accessible to Fugro for inspection. A 300-gallon above-ground diesel storage tank, located in the basement, was used to supply fuel for an emergency electric generator owned and used by Western Union, a former tenant. Western Union vacated the building in the 1970s and left the generator and storage tank onsite. A City of San Francisco License Certificate (No. 000737) issued by the office of the Tax Collector lists the tank owner as One Eleven Pine Street Associates, Suite 1425, 111 Pine Street, San Francisco, California.

According to Mr. Price, the tank was licensed even though it was unused because maintaining the annual fee for licensing was less costly than removing the tank. The tank was mounted on a stand approximately six inches off the floor and was located within a concrete block vault which was accessible only through a two-foot square access door. Viewed through the access door, the floor of the vault appeared clean. No stains, leaks or odors were observed on or near the tank, except for a small stained area on the top of the tank around the fill pipe area. Two steel drums of waste oil were located in the basement. The drums were set on wheeled dollies, and the bungs were in place. A flammable liquids storage cabinet located in the basement contained oils and greases. No stains, leaks, or odors were observed on or near the drums or the storage cabinet. Fugro considers these facilities to have a low probability to have impacted the Subject Property. Fugro considers the AST to have a low potential to have impacted the Subject Property.

Exterior Surface Observations and Conditions

Fugro personnel walked accessible areas of the Subject Property looking for any surface evidence of potentially hazardous materials.

The exterior areas of the Subject Property, including sidewalks and access areas, appeared to be well maintained with no evidence of distress. If present, distressed vegetation may indicate the presence of suspect conditions in the subsurface. No evidence of underground storage tanks or other equipment associated with potential environmental concerns were identified on the exterior grounds of the Subject Property.

Drainage of surface water at the Subject Property is directed toward storm drains located on Pine Street and Battery Street adjacent to the Subject Property. Drainage systems appeared to be generally free of blockage and functioning well.

Potential PCB-Containing Electrical Equipment

The Toxic Substance Control Act (TSCA) regulates any electrical transformer with mineral oil containing polychlorinated biphenyls (PCBs) in concentrations greater than 50 parts per million (ppm). Such transformers are considered PCB-containing and require appropriate remediation should they be found to be damaged or leaking.

According to Mr. Price, the building contains twelve "dry" electric transformers. These transformers are air cooled and do not contain mineral oils that may contain PCBs. Mr. Price stated that two transformers owned by PG&E were located under the sidewalks adjacent to the building; he did not know whether or not they contained PCBs. Fugro considers the presence of these "dry" transformers to have a low potential to have impacted the Subject Property.

Fluorescent light fixtures were present in the building. Fluorescent light fixtures utilize ballasts and capacitors which may contain PCBs. However, according to Mr. Price, all fluorescent light ballasts in the building had been changed out to non-PCB ballasts. None of the ballasts observed appeared to be damaged or leaking. Any unlabeled ballast should be considered to contain PCBs until tested. When removed, ballasts containing PCBs must be disposed of as hazardous waste. If ballasts containing PCBs are present in the building, Fugro would consider the ballasts to have a low potential to have impacted or to impact the Subject Property.

Adjacent Properties

The following sections identify the structures and apparent usage of the properties adjacent to and within 100 feet of the Subject Property:

North The Subject Property borders Pine Street. A 30-story office building exists on the north side of Pine Street.

South The property adjacent to the south is 444 Market Street, a 30-story office building.

East The Subject Property borders Front Street. A 25-story office building (388 Market Street) exists on the east side of Front Street. The top ten floors of the 388 Market street building are residential condominiums.

West The property adjacent to the west is a 5-story office building with retail stores on the ground floor.

No surficial conditions were observed that indicate contamination originating from adjoining properties has affected the Subject Property. A detailed investigation into the chemicals, operations, and processes used on the adjacent properties was not performed.

Contract Services

Solid waste (consisting primarily of office waste, especially paper) was stored in plastic garbage bags, then placed on the sidewalk nightly and picked up by Golden Gate Garbage Service. No unusual wastes, pesticide odors or unusual conditions were noted in any of the areas surveyed during this assessment.

FINDINGS AND CONCLUSIONS

Fugro has performed a ESA Environmental Site Assessment of the office building located at 111 Pine Street in San Francisco, California. This assessment was conducted in general conformance with the scope and limitations of the ASTM Practice E 1527. Any exceptions to, or deletions from this practice are described in the limitations section of this report.

This assessment has revealed no evidence of recognized environmental conditions in connection with this property except for the following:

Regulatory agency databases and other sources were reviewed to identify on-site and nearby properties which may have affected the Subject Property. Our review identified the following:

Regulatory agency databases and other sources were reviewed to identify on-site and nearby properties which may have affected the Subject Property. Our review identified the following:

- According to the database search, dated May 1994, the project site is not listed in the Cal-Sites ASPIS list. However, there are 88 sites within a one-quarter mile radius of the Subject Property listed in the Cal-Sites ASPIS list. Of the 88 sites, 87 are listed as either "low priority" or "no further action required". Of the 87 sites, none are located within 500 feet in the upgradient direction of the Subject Property. One site listed as "medium priority" status is located approximately 700 feet from the Subject Property in a crossgradient direction. Due to the site's distance, location topographically (crossgradient from the Subject Property) and the status of the Cal-Sites ASPIS listing, Fugro considers this site to have a low potential to have impacted the Subject Property. The remaining 87 Cal-Sites listed within one-quarter mile of the Subject Property are considered to have a low potential to have impacted the Subject Property. An additional 370 Cal-Sites are documented at a distance of greater than one-half mile from the Subject Property. Due to their distance from or location relative to the Subject Property, Fugro considers these 370 Cal-Sites to have a low potential to have impacted the Subject Property.
- According to the database search, dated June 30, 1994, two CERCLIS sites are located within one-half mile of the Subject Property. At each of the sites, the EPA conducted site assessments and determined that no further action was required. Therefore, Fugro considers these sites to have a low potential to have impacted the Subject Property.
- According to the database search, dated July 1, 1994, no RCRA TSDF facilities listings are located within one mile of the Subject Property, and there are eight RCRA GEN listings located within one-eighth mile of the Subject Property. The sites listed are not on or adjacent to the Subject Property and none are listed as having violations, therefore these sites are considered to have a low potential to have impacted the Subject Property.
- According to the database search, dated December 3, 1993, there are 11 HWIS listings within one-eighth mile of the Subject Property. The sites listed are not on or adjacent to the Subject Property and therefore are considered to have a low potential to have impacted the Subject Property.

- According to database search, dated October 15, 1990, three sites on the Subject Property are listed as having a total of nine USTs. However, according to Mr. Scott Pozzi, the building manager, two sites (and eight of the USTs) are actually remote properties owned or administered by the building tenants; therefore, the UST site address listed is incorrect. The other listed UST is a 300-gallon diesel aboveground storage tank (AST) used for an emergency generator for a former tenant at the Subject Property. The AST is no longer in service, but has not been "closed" in accordance with applicable regulations. The AST was observed to be in good condition. No leaks, stains, or odors were observed on or near the AST. Fugro considers this AST to have a low potential to have impacted the Subject Property. For more information, refer to the section of this report on Site Reconnaissance regarding the AST.

In addition, there are nine other UST sites within one-eighth mile of the Subject Property that contain a total of 18 registered USTs. None of these additional USTs are on or adjacent to the Subject Property. In addition, none of these UST sites are listed on the LUST database. Therefore, Fugro considers these USTs to have a low potential to have impacted the Subject Property.

- A total of 28 LUST sites were identified within one-half mile of the Subject Property. Based on each site's location, distance from the Subject Property, and the reported regional groundwater gradient direction, 27 of the 28 listed LUST sites were considered to have a low potential to have impacted the Subject Property.

The remaining LUST site (MLHIRP Partnership, 36 Battery Street) is located approximately 200-feet upgradient of the Subject Property. In July 1986, one seven-foot-deep monitoring well was installed approximately ten feet downgradient of the subject LUST site. Analysis of groundwater samples from the subject monitoring well indicated 7,200 parts per million (ppm) of Total Petroleum Hydrocarbons as gasoline (TPH-G). The most recent sample analysis, dated May 1994, indicated levels of 4.8 ppm TPH-G. On November 12, 1994, two additional wells, approximately 20 to 25 feet downgradient of the subject LUST, were installed. Results of samples collected from these monitoring wells were not available at the time of the preparation of this report. Based on the information reviewed by Fugro, the MLHIRP LUST is considered to have a high potential to have impacted or to impact the Subject Property.

- According to the database search, dated October 1993, the Subject Property is not listed on the Proposition 65 Notification Records. However, four sites are listed within a one mile radius of the Subject Property. Three of these are located topographically crossgradient to the Subject Property and are therefore considered to have a low potential to have impacted the Subject Property. The fourth site, located at 630 Pine Street, is situated topographically upgradient to the Subject Property at a distance of approximately one-half mile. Due to the distance of this site from the Subject Property, Fugro considers this site to have a low potential to have impacted the Subject Property.

- According to the database search, dated December 1991, the Subject Property is not listed on the CHMIRS listing. However, there is one site located within a one-quarter mile radius of the Subject Property. The site is located approximately 500 feet north and topographically crossgradient of the Subject Property. Fugro considers this site to have a low potential to have impacted the Subject Property. An additional 10 CHMIRS sites are documented at a distance of greater than one-eighth mile from the Subject Property. Due to their distance from or location relative to the Subject Property, Fugro considers these 10 CHMIRS sites to have a low potential to have impacted the Subject Property.
- According to the database search, dated July 1992, the Subject Property is not listed in the State of California CORTESE listings. However, 143 sites are listed within a one mile radius of the Subject Property. Fugro considers 142 of these CORTESE sites to have a low potential to have impacted the Subject Property due to their distance from the Subject Property or their location relative to the Subject Property. Refer to the LUST section of this report for information on the LUST/CORTESE site (MLHIRP Partnership, Battery Street (36)), which Fugro considers to have a high potential to have impacted the Subject Property.
- The EDR report indicated that there is one Coal Gas site within one-quarter mile of the Subject Property, five within one-half mile of the Subject Property, and 30 within one mile of the Subject Property. These sites are located topographically crossgradient or downgradient to the Subject Property. Due to this orientation and their distance from the Subject Property, Fugro considers these sites to have a low potential to have impacted the Subject Property.
- Documents found in SFFD files included:
 - A permit for a 300-gallon diesel storage tank, dated May 23, 1983.
 - A permit to store flammable liquids in a stationary tank (300-gallon diesel tank), dated November 29, 1989.
 - A permit to store flammable liquids (paints and oils) in a flammable liquid locker, dated April 8, 1992.

Fugro personnel observed these facilities during the performance of the site reconnaissance activities. Each facility was observed to be in good condition with no evidence of environmental concern. Fugro considers these facilities to have a low potential to have impacted the Subject Property.

Fugro reviewed and describes the general physical and environmental setting of the Subject Property. Our review identified the following:

- In early 1990, the California Department of Health Services conducted a survey of radon levels found in the indoor air of homes across the state. The survey determined that about 5.5 percent of homes in the San Francisco area are expected to exceed 4 pico curies per liter of air (pCi/l), the level EPA recommends action be

taken to reduce radon levels. Due to the low percentage of houses in this area expected to exceed the EPA action level, Fugro considers radon levels to have a low potential to have impacted the Subject Property.

- Two studies of indoor air quality had been performed at the Subject Property. In 1993, a tenant on the first floor of the building (Wells Fargo Bank) had complained of hot, stuffy air. In April of 1994, the California State Banking office on the tenth floor had similar complaints. In both cases, monitoring of indoor air quality indicated that parameters monitored were within acceptable ranges. Therefore, Fugro considers these cases to have a low probability to have impacted the Subject Property.

Sanborn Fire Insurance Maps locate buildings, streets, and some types of equipment in areas of certain population density. Certified copies of Sanborn maps for the subject property vicinity were obtained from the Sanborn Mapping and Geographical Information Service, Pelham, New York. Fugro reviewed Sanborn maps from 1887, 1899, 1913, 1948, 1950, 1974, and 1994.

- Historical fire insurance maps reviewed indicated that facilities labeled "Paints and Oils" were listed on the Subject Properties. Other historical information (i.e., Haines Directories) were not available for the time period of concern. Therefore, information indicating whether these materials were manufactured, retailed, or both, is not available. However, the current structure on the Subject Property includes a basement that would have required the excavation of soils to a depth of at least 15 feet bgs. Groundwater is currently found at approximately 10 feet bgs. If releases at these sites had impacted the soils at the Subject Property, the impacted soils would probably have been removed during the construction of the current structure. Therefore, Fugro considers the historic presence of these facilities to have a low potential to have impacted the Subject Property.

On November 11, 1994, Mr. William Bassett and Mr. Joseph Colton, both of Fugro, visited the Subject Property to perform a site reconnaissance and conduct interviews with property personnel. During the site walk-through, Fugro observed surface conditions, conducted interviews, and identified adjoining properties.

- A 300-gallon above ground diesel storage tank, located in the basement, was used to supply fuel for an emergency electric generator owned and used by Western Union, a former tenant. Western Union vacated the building in the 1970s and left the generator and storage tank onsite. A City of San Francisco License Certificate (No. 000737) issued by the office of the Tax Collector lists the tank owner as One Eleven Pine Street Associates, Suite 1425, 111 Pine Street, San Francisco, California.

According to Mr. Price, the tank was licensed even though it was unused because maintaining the annual fee for licensing was less costly than removing the tank. The tank was mounted on a stand approximately six inches off the floor and was located within a concrete block vault which was accessible only through a two-foot square access door. Viewed through the access door, the floor of the vault appeared clean. No stains, leaks or odors were observed on or near the tank, except for a small stained area on the top of the tank around the fill pipe area. Two steel drums of waste oil were located in the basement. The drums were set on wheeled dollies, and

the bungs were in place. A flammable liquids storage cabinet located in the basement contained oils and greases. No stains, leaks, or odors were observed on or near the drums or the storage cabinet. Fugro considers these facilities to have a low probability to have impacted the Subject Property.

- Fluorescent light fixtures were present in the building. Fluorescent light fixtures utilize ballasts and capacitors which may contain PCBs. However, according to Mr. Price, all fluorescent light ballasts in the building had been changed out to non-PCB ballasts in 1987. None of the ballasts observed appeared to be damaged or leaking. Any unlabeled ballast should be considered to contain PCBs until tested. When removed, ballasts containing PCBs must be disposed of as hazardous waste. If ballasts containing PCBs are present in the building, Fugro would consider the ballasts to have a low potential to have impacted or to impact the Subject Property.

RECOMMENDATIONS

After performing this ESA, Fugro recommends that assessment and remediation activities at the MLHIRP LUST facility be periodically reviewed to evaluate the potential impact of this facility on the Subject Property and to monitor the responsible party's remedial activities. In addition the currently unused 300-gallon UST no longer in service should be closed.