

July 1, 2004
1341-25

Mr. James Van Sickle
VENTURE CORPORATION
600 Miller Avenue
Mill Valley, California 94941

**RE: PHASE I ENVIRONMENTAL SITE
ASSESSMENT UPDATE
VENTURE COMMERCE CENTER
SACRAMENTO, CALIFORNIA**

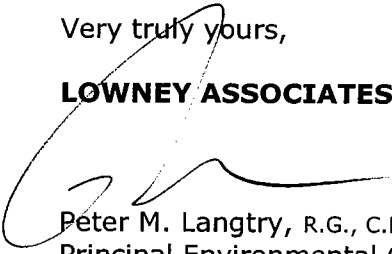
Dear Mr. Van Sickle:

As requested, we have performed a Phase I environmental site assessment update at the proposed Venture Commerce Center site in Sacramento, California. This report was prepared in accordance with our agreement dated June 7, 2004.

We refer you to the text of the report for details regarding this study. Thank you for choosing us to assist you. If you have any questions, please call and we will be glad to discuss them with you.

Very truly yours,

LOWNEY ASSOCIATES



Peter M. Langtry, R.G., C.H.G.
Principal Environmental Geologist

PML:VMT

Copies: Addressee (2)

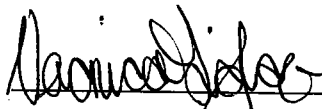
OK, 1341-25 VCC Sacramento

**Phase I Environmental
Site Assessment Update**
Venture Commerce Center
Sacramento, California

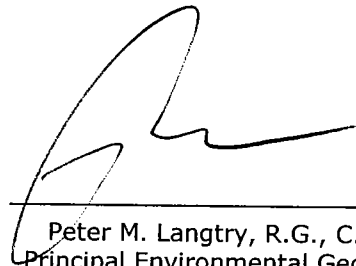
This report has been prepared for:

Venture Corporation
600 Miller Avenue, Mill Valley, California 94941

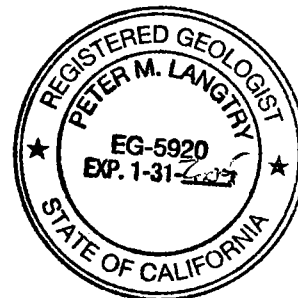
July 1, 2004
Project No. 1341-25



Veronica M. Tiglao
Staff Environmental Engineer



Peter M. Langtry, R.G., C.H.G.
Principal Environmental Geologist
Quality Assurance Reviewer



Mountain View

Fairfield

Oakland

San Ramon

Fullerton

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**PHASE I ENVIRONMENTAL SITE ASSESSMENT UPDATE
VENTURE COMMERCE CENTER
SACRAMENTO, CALIFORNIA**

1.0 INTRODUCTION

1.1 Purpose

This Phase I environmental site assessment update was performed for Venture Corporation, who we understand is considering the purchase of the site, shown on Figures 1 and 2, for commercial development. The planned development includes five commercial condominium buildings totaling approximately 86,400-square feet.

The purpose of this study was to strive to document recognized environmental conditions at the site related to current and historic use of hazardous substances and petroleum products. The term "recognized environmental conditions" means the presence or likely presence of hazardous substances or petroleum products on a property under conditions that indicate a significant release or significant threat of a release into the ground, ground water, or surface water.

1.2 Scope of Work

As requested, the scope of work for this study was performed as outlined in our agreement dated June 7, 2004. The scope of work included the following tasks.

- Reconnaissance of the site and limited drive-by survey of adjacent properties for readily observable indications of current or historic activities that have or could significantly impact the site.
- Interviews with knowledgeable persons to evaluate past land uses.
- Acquisition and review of a regulatory agency database report to evaluate potential impacts to the site from reported contamination incidents at nearby facilities.
- Review of available regulatory agency files to obtain information about the use and storage of hazardous materials at the site.
- Collection of soil samples for laboratory analysis.

Our scope of services did not include sampling or analysis of on-site building materials, air, or ground water. The limitations of this Phase I environmental site assessment update are presented in Section 6; the terms and conditions of our agreement are presented in Appendix A.

2.0 SITE RECONNAISSANCE

2.1 Site Location and Ownership

The approximately 10-acre site is currently denoted as Assessor's Parcel Number (APN) 225-0080-055 and is located north of Duckhorn Drive, in Sacramento, California. The site is located in a mixed residential and undeveloped area and is bounded by a Caltrans irrigation easement to the north and east, Duckhorn Drive and residential and vacant properties to the south, and vacant properties to the west. The site is owned by The Cambay Group, Inc.

2.2 Topographic Features and Hydrogeology

Based on U.S. Geological Survey (USGS) topographic maps (USGS, 1978), the site's elevation is approximately 20 feet above mean sea level. Topography in the vicinity of the site slopes gently to the southwest toward the Sacramento River. Based on information obtained during our concurrent geotechnical investigation, the shallow water-bearing zone was not encountered at depths of up to 20 feet. Ground water beneath the site likely flows to the southwest.

2.3 Site Visit

To observe current site conditions, our representative, Staff Environmental Engineer Veronica Tiglao, visited the site on June 22, 2004 and was unaccompanied. At the time of our site visit, the subject property was vacant. The site was generally flat and site had been previously tilled. The approximately top 6-inches of soil was relatively loose and dry. A concrete-paved sidewalk was observed along the southern property boundary, adjacent to Duckhorn Drive. Some grasses and weeds were observed along the north and south sides of the sidewalk. Streetlights, fire hydrants, street signs, Sacramento Municipal Utility District (SMUD) utility vaults and electrical panels, and PacBell manholes and electrical panels were also observed along the southern property boundary.

Additional observed site features are listed in Table 1.

Table 1. Additional Readily Observable Site Features

Site Features		Comments
Heating/Ventilation/Air Conditioning System	<input type="checkbox"/> Natural Gas and/or Electrical <input type="checkbox"/> Fuel Oil	
Potable Water Supply	<input type="checkbox"/> Municipal <input type="checkbox"/> On-Site Well	
Sewage Disposal Syst.	<input type="checkbox"/> POTW <input type="checkbox"/> On-Site Septic	
Transformers	<input type="checkbox"/> Present <input checked="" type="checkbox"/> Not Observed <input type="checkbox"/> PG&E <input type="checkbox"/> Privately Owned	
Other Features	<input type="checkbox"/> Aboveground Storage Tanks <input type="checkbox"/> Agricultural Wells <input type="checkbox"/> Air Emission Control Systems <input type="checkbox"/> Auto Servicing Areas <input type="checkbox"/> Boilers <input type="checkbox"/> Burning Areas <input type="checkbox"/> Chemical Mixing Areas <input type="checkbox"/> Chemical Storage Areas <input type="checkbox"/> Clean Rooms <input type="checkbox"/> Drainage ditches <input type="checkbox"/> Elevators <input type="checkbox"/> Emergency Generators <input type="checkbox"/> Equipment Maintenance Areas <input type="checkbox"/> Garbage Disposal Areas <input type="checkbox"/> HazMat Storage Areas <input type="checkbox"/> High Power Transmission Lines <input type="checkbox"/> Hoods and Ducting <input type="checkbox"/> Hydraulic Lifts <input type="checkbox"/> Petroleum Pipelines <input type="checkbox"/> Petroleum Wells <input type="checkbox"/> Ponds or Streams <input type="checkbox"/> Railroad Lines <input type="checkbox"/> Row crops or orchards <input type="checkbox"/> Stockpiles of Soil or Debris <input type="checkbox"/> Sumps or clarifiers <input type="checkbox"/> Transformers <input type="checkbox"/> Underground Storage Tanks <input type="checkbox"/> Vehicle Maintenance Areas <input type="checkbox"/> Vehicle Wash Areas <input type="checkbox"/> Waste Water Neutralization Systems <input type="checkbox"/> Wells	

Note: An unchecked box does not warrant that these features are not present on-site; it only states that these features were not readily observed during our site visit.

2.4 Site Vicinity Drive-By Survey

To evaluate adjacent land use, we performed a limited drive-by survey. Our observations are presented in Table 2.

Table 2. Adjacent Properties

Business Name and Address	Direction from Site	Observations
Caltrans Irrigation Easement	North	Paved Road
Terracina Meadows Apartments	South	Multi-Family Residential Complex
Vacant Property	South	Vacant Lot; Under Development
Vacant Property	South	Vacant Lot; Observed Stockpiles of Soil and Concrete Debris
Caltrans Irrigation Easement	East	Paved Road
Vacant Property	West	Vacant Lot

2.5 Interview

During our study, we contacted Mr. William Scott of the Cambay Group for general information regarding past and current site usage. Mr. Scott was asked to complete a questionnaire; a copy of the completed questionnaire is presented in Appendix B.

Based on the completed questionnaire and conversations with Mr. Scott, The Cambay Group, Inc. has owned the site since October 1998. The previous site owner was the Moore Family. Mr. Scott reported that the site had been historically used for agricultural purposes. Mr. Scott was unaware of any previous structures or hazardous materials used or stored at the site. Additionally, a drainage ditch reported by Mr. Scott to be located between the site and Interstate 5 is likely located within the Caltrans Irrigation Easement.

3.0 HISTORICAL REVIEW

To help evaluate the site history, we reviewed and relied upon the information presented in the following report.

Phase I Environmental Site Assessment, Moore Property, Interstate 5 and Del Paso Boulevard, Sacramento, California (Kleinfelder, September 1998)

The environmental site assessment for the property located on the southwest corner of Interstate 5 and Del Paso Road in Sacramento was a study of a 113-acre property which included the subject site. Based on information obtained during the study, the property previously was used for agricultural purposes, specifically rice and sugar beet fields, from at least 1937 to 1984. Following cessation of agricultural use of the site, the project site appeared as vacant land. Visual observations of the site at the time of the September 1998 site assessment indicated that the site was vacant land.

No information was found indicating that significant quantities of hazardous materials other than those likely used during the course of agricultural activities were stored at the site. Additionally, no hazardous material incidents had been reported in the site vicinity that appeared likely to significantly impact the site. The report concluded that an additional file review at the Agricultural Commissioners office could be conducted to obtain further information on pesticide use at the site.

4.0 REGULATORY RECORDS

4.1 City and County Agencies File Review

To obtain information on hazardous materials usage and storage, we requested readily available information at the Sacramento Building Department (SBD), Sacramento Fire Department (SFD), and Sacramento County Environmental Management Division (SCEMD) pertaining to the site with APN 225-0080-055. Representatives from the SBD, SFD, and SCEMD reported that files were not available for the site.

4.2 Regulatory Agency Database Report

During this study, a regulatory agency database report was obtained and reviewed to help establish whether contamination incidents have been reported in the site vicinity. A list of the database sources reviewed, a detailed description of the sources, and a radius map indicating the location of the reported facilities relative to the project site are presented in Appendix C.

There were no reported nearby hazardous materials spills or releases with a potential to significantly impact the site. The potential for site impact was evaluated based on information in the database records regarding the type of release, current case status, and distance and direction from the site.

5.0 LIMITED SOIL QUALITY EVALUATION

5.1 Soil Sample Collection

On June 17, 2004, and under the supervision of Principal Environmental Geologist Peter M. Langtry, R.G., C.HG., Staff Engineer Luke Montoya directed a subsurface exploration program and logged four exploratory borings for a concurrent geotechnical investigation (EB-1 through EB-4) to approximate depths of 20 feet at selected locations across the site. Fill generally consisting of stiff, brown, clay was encountered to approximated depths of 2 to 4 feet below ground surface (bgs). Selected soil samples were obtained from the fill and first encountered native soil beneath fill in the borings for environmental analysis. Ground water was not encountered. Soil sampling protocol and permits are presented in Appendix D.

5.2 Laboratory Analyses

Four fill samples were analyzed for organochlorine pesticides and polychlorinated biphenyls (PCBs) (EPA Test Method 8081A and 8082), total petroleum hydrocarbons as diesel (TPHd) and motor oil (TPHmo) (EPA Test Method 8015), 17 California Assessment Manual (CAM) metals (EPA Test Method 6010/7000), and asbestos (polarized light microscopy). These analyses were selected to help evaluate the quality of the fill.

Four soil samples collected from the upper 1 to 2 feet of native soil were analyzed for organochlorine pesticides (EPA Test Method 8081) and pesticide-related metals (lead, arsenic, cadmium, and mercury) (EPA Test Method 7470/6010). These analyses were

selected to help evaluate if the site has been impacted by past agricultural activity at the site.

Analytical results are presented in Table 3. Copies of the analytical reports and chain of custody documentation are presented in Appendix D.

Table 3. Analytical Results of Selected Soil Samples
(concentrations in parts per million)

Sample Number	Depth (feet)	PCBs	TPHd	TPHmo	Asbestos	Organochlorine Pesticides	Arsenic ¹	Cadmium ¹	Lead ¹	Mercury ¹
EB-1	3½ - 4	<0.05	<1.0	<50	ND	ND	3.4	<0.5	4.6	<0.05
EB-1	5½ - 6	NA	NA	NA	NA	ND	3.9	<0.5	5.3	0.061
EB-2	1½ - 2	<0.05	<1.0	<50	ND	ND	3.7	<0.5	4.9	<0.05
EB-2	5½ - 6	NA	NA	NA	NA	ND	3.6	<0.5	4.3	<0.05
EB-3	1½ - 2	<0.05	<1.0	<50	ND	ND	2.8	<0.5	4.8	<0.05
EB-3	3½ - 4	NA	NA	NA	NA	ND	3.0	<0.5	6.7	<0.05
EB-4	1½ - 2	<0.05	<1.0	<50	ND	ND	5.5	<0.5	5.9	<0.05
EB-4	3½ - 4	NA	NA	NA	NA	ND	3.3	<0.5	5.7	<0.05
Residential ESL ²		0.22	100	500	--	--	5.5	1.7	200	2.5
Industrial ESL ²		0.74	100	1000	--	--	5.5	7.4	750	10

- 1 Other CAM 17 metals analyzed were not detected at or above the laboratory reporting limit or were significantly below their respective residential and commercial ESLs in samples analyzed for CAM 17 Environmental Screening Level-SF-CRWQCB, July 2003
 2 Indicates that the compound was not detected at or above the stated laboratory reporting limit
 ND Not detected above laboratory reporting limits
 NA Not analyzed

The Environmental Screening Levels (ESLs), revised from earlier Risk-Based Screening Levels (RBSLs), presented in Table 3 are published by the San Francisco Bay California Regional Water Quality Control Board (CRWQCB) to address environmental protection goals presented in the *Water Quality Control Plan for the San Francisco Bay Basin* (CRWQCB, 1995). RBSLs were developed to protect human and ecological health and to be protective of beneficial uses of ground water. The presence of a chemical at a concentration above an ESL does not necessarily indicate that adverse impacts to human health or the environment are occurring; exceeding ESLs indicates that the potential for impacts may exist and that additional evaluation may be needed.

6.0 CONCLUSIONS

6.1 Historical Summary

Based on the information reviewed, the site was developed with rice and/or sugar beet fields as early as 1937. Site information prior to 1937 was unavailable from sources researched, but based on our experience, site use prior to 1937 likely was either agricultural or undeveloped land. By 1998, the site appeared as vacant land.

6.2 Agricultural Use

The site was used for agricultural purposes for several decades. During the course of agricultural use, pesticides, such as DDT, likely were applied to crops in the normal course of farming operations. There is no indication of any uncontrolled release of pesticides to the site. Soil sampling for the evaluation of residual pesticides at the site is discussed below (Section 6).

6.3 Chemical Storage and Use

No information was found indicating that significant quantities of hazardous materials, other than those likely used during the course of agricultural activities, historically have been used or stored at the site.

6.4 General Soil Quality

Laboratory analyses of four fill samples (near-surface samples) did not detect PCBs, TPHd, TPHmo, asbestos, or organochlorine pesticides above their respective laboratory reporting limits. Except for arsenic, CAM 17 metals analyzed were either not detected or below their respective residential and commercial ESLs. Arsenic was detected at a concentration of up to 5.5 ppm; the residential and commercial ESL for arsenic is 5.5 ppm. However, arsenic concentrations detected appeared consistent with typical background levels. Based on the laboratory results, additional sampling of fill does not appear required.

Laboratory analyses of the four soil samples collected from native soil, underneath the overlying fill layer (at depths of approximately 2 to 4 feet bgs), did not detect organochlorine pesticides above their respective laboratory reporting limits. Concentrations of arsenic, lead, and mercury detected were below their respective residential and commercial ESLs and appeared consistent with typical background levels. Cadmium was not detected above laboratory reporting limits.

The soil does not appear to have been significantly impacted by past agricultural use. Based on the laboratory results, additional soil sampling does not appear required.

6.5 Urban Runoff Pollution Prevention Program

The Urban Runoff Pollution Prevention Program, also called the Non-Point Source Program, was developed in accordance with the requirements of the 1986 San Francisco Bay Basin Water Quality Control Plan to reduce water pollution associated with urban storm water runoff. This program was also designed to fulfill the requirements of the Federal Clean Water Act, which mandated that the EPA develop National Pollution Discharge Elimination system (NPDES) Permit application requirements for various storm water discharges, including those from municipal storm drain systems and construction sites.

Construction activity resulting in a land disturbance of 1 acre or more, or less than 1 acre but part of a larger common plan of development or sale, must obtain a Construction Activities Storm Water General Permit. A Notice of Intent (NOI) and Storm Water Pollution Prevention Plan (SWPPP) must be prepared prior to commencement of construction.

6.6 Potential Environmental Concerns Within the Site Vicinity

Based on the information obtained during this study, no hazardous material incidents have been reported in the site vicinity that would be likely to significantly impact the site. As is typical to many commercial/industrial areas, several facilities in the vicinity, however, were reported as hazardous materials users. If leaks or spills occur at these facilities, contamination could impact the site, depending upon the effectiveness of cleanup efforts.

6.7 General Conclusions

We understand that Venture Corporation is considering purchasing the property for commercial development. Based on the information obtained during this survey, the planned use appears compatible with the known on-site environmental conditions. No further work appears required other than that presented in Section 6.

7.0 LIMITATIONS

As with all site assessments, the extent of information obtained is a function of client demands, time limitations, and budgetary constraints. Our conclusions and recommendations regarding the site are based on readily observable site conditions, review of readily available documents, maps, aerial photographs, and data collected and/or reported by others. Due to poor or inadequate address information, the regulatory agency database report listed several sites that may be inaccurately mapped or could not be mapped; leaks or spills from these or other facilities, if nearby, could impact the site. As directed by you, we are relying on information presented in reports provided to us by you or your representative. We are not responsible for the accuracy of information or data presented by others.

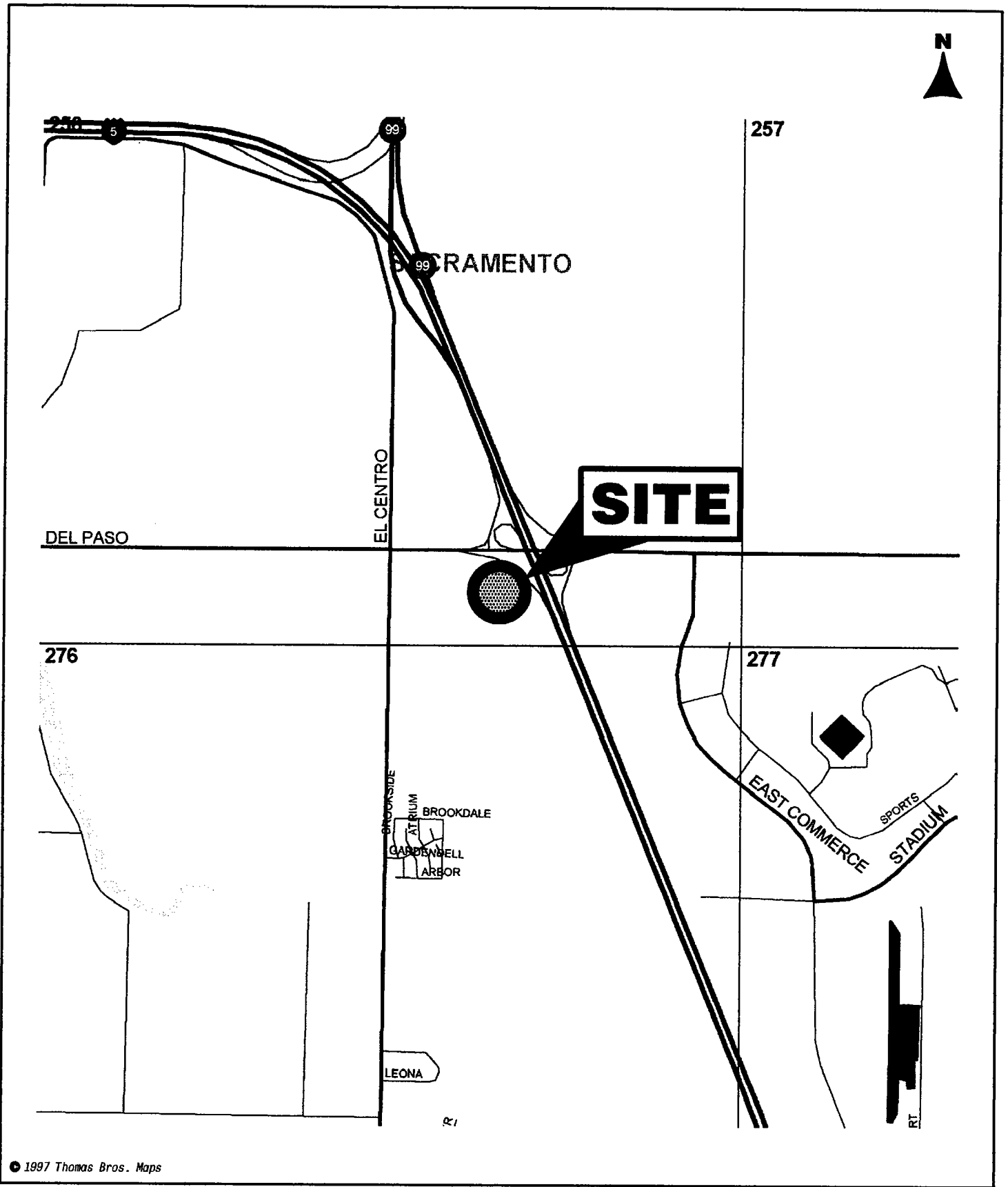
Because publicly available information often cannot affirm the presence of recognized environmental conditions, there is the possibility that such conditions exist. Our conclusions and recommendations in this site assessment update are qualified in that no ground water, air, or building material analyses were performed. Sampling and analysis lead to a more reliable assessment of environmental conditions, conditions that often cannot be noted from typical Phase I activities. Should you desire a greater degree of confidence, these samples should be obtained and analyzed to further evaluate environmental conditions. Our recommendation that no further work appears required is not a guarantee of site cleanliness; it is only a statement that there is no affirmative representation that the site has been significantly impacted.

This report was prepared for the sole use of Venture Corporation. We make no warranty, expressed or implied, except that our services have been performed in accordance with environmental principles generally accepted at this time and location.

8.0 REFERENCES

Kleinfelder. September 1998. *Phase I Environmental Site Assessment, Moore Property, Interstate 5 and Del Paso Boulevard, Sacramento, California.*

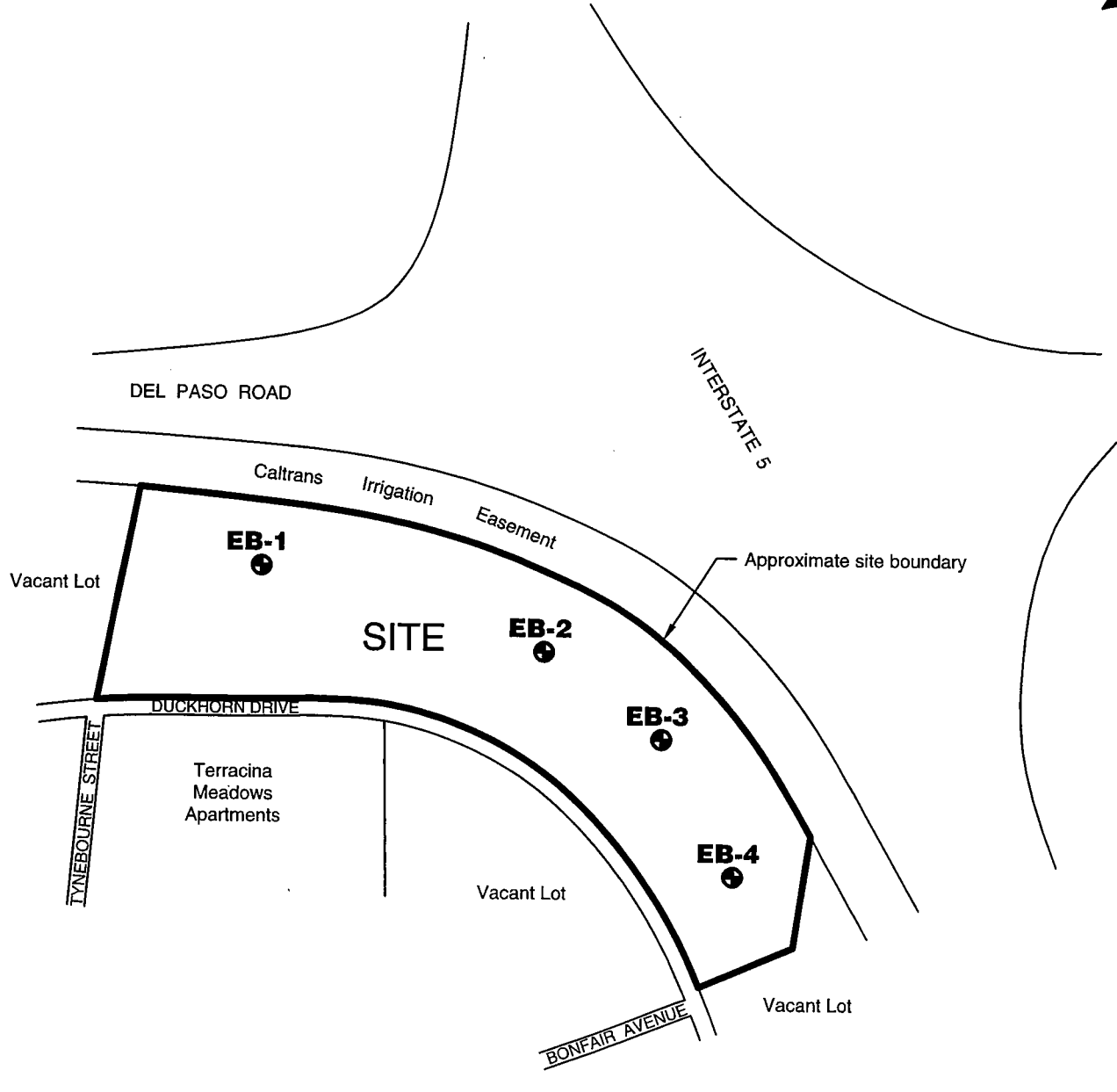
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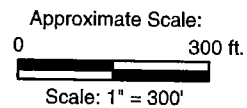
6/04'EB

VICINITY MAP
VCC SACRAMENTO
 Sacramento, California



LEGEND

⊕ - Approximate location of exploratory boring



Base approximated from Lowney Associates field notes.

12/00/EB

SITE PLAN
 VCC SACRAMENTO
 Sacramento, California