

APPENDIX K

Environmental Site Assessment



**PHASE I
ENVIRONMENTAL SITE ASSESSMENT**

**Capital Towers and Villas
1500 7th Street
Sacramento, California 95814**

**Prepared for:
Holliday Fenoglio Fowler, L.P.
Houston, Texas**

**April 6, 2012
IVI Project No.: PC2030241**



IVI Assessment Services, Inc.

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PROPERTY CONDITION & ENVIRONMENTAL
DUE-DILIGENCE

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April 5, 2012

Mr. Travis M Fincher
Holliday Fenoglio Fowler, L.P.
9 Greenway Plaza, Suite 700
Houston, Texas 77046
(713) 852-3430
tfincher@hfflp.com

Re: Phase I Environmental Site Assessment
Capital Towers and Villas
1500 7th Street
Sacramento, California 95814
IVI Project No.: PC2030241

Dear Mr. Fincher:

IVI Assessment Services, Inc. ("IVI") is pleased to submit this copy of our Phase I Environmental Site Assessment on the above-referenced property. This report outlines the findings of IVI's site reconnaissance, historical land use research, review of governmental records, interviews, and our Pre-Survey Questionnaire.

I declare that, to the best of my professional knowledge and belief, I meet the definition of *environmental professional* as defined in § 312.10 of 40 CFR 312 and I have the specific qualifications based on education, training, and experience to assess a *property* of the nature, history, and setting of the *subject property*. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Please contact the undersigned at **619.254.3124** or by email at scott.pritchard@ivi-intl.com should you have any questions.

Sincerely,

IVI Assessment Services, Inc.
DRAFT
Environmental Professional

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TABLE OF CONTENTS

Cover Sheet	
Transmittal Letter	
	Page
1.0 EXECUTIVE SUMMARY	1
2.0 INTRODUCTION.....	6
3.0 SALIENT ASSIGNMENT INFORMATION	11
4.0 SITE DESCRIPTION.....	12
5.0 HISTORICAL USE	17
6.0 REGULATORY REVIEW	27
7.0 SITE RECONNAISSANCE.....	50
8.0 INTERVIEWS.....	61
9.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	64
10.0 LIMITING CONDITIONS.....	69

APPENDICES

Photographs.....	A
Pre-Survey Questionnaire	B
Maps and/or Historical Aerial Photographs	C
Computerized Environmental Report	D
Correspondence.....	E
Previous Reports	F
Testing Results.....	G



This report documents IVI's findings from our Phase I Environmental Site Assessment on the Capital Towers and Villas, located at 1500 7th Street, Sacramento, California (the "Subject"). The property, which is situated in an urban area characterized by residential, commercial retail and office development, consists of a 10.21-acre parcel improved with an approximately 49 and 51-year-old (built in 1961 and 1963), 409-unit, two, three and 15 story, apartment complex. The Subject consists of a single 15-story apartment tower (built in 1963) complete with 203 apartment units and 4,229 SF of retail space within six separate tenant spaces all located on the first floor along with 68 villa buildings (built in 1961); of the 68 total units at the villas, 64 are residential and four are support. The villas are set in eight separate clusters with each cluster connected by unit access breezeways and roof systems. Amenities consist of an Olympic sized swimming pool with spa, a fitness room, three separate community laundry rooms, a business center, a community room, and an on-site leasing office. The Subject's design is a hybrid between a garden apartment complex with unit access provided at grade and via elevated shared breezeways and a high-rise unarticulated apartment building with units accessed via a single entry serving an elevator bank and interior double loaded corridors. Apartments consist of studios, one-bedroom, two-bedroom, and three-bedroom units. Parking is provided at grade and via a four level free-standing parking garage. The Subject occupies an entire city block and is bound by 7th Street to the east, N Street to the north, P Street to the south and 5th Street to the west. Prior to the construction of the existing improvements the site was developed with retail shops, residences, apartment buildings and several churches.

The purpose of this Phase I Environmental Site Assessment was to assess existing site conditions and render an opinion as to the identified or potential presence of recognized environmental conditions in connection with the property within the scope and limitations of ASTM International's Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-05, Freddie Mac Guidelines and the limitations identified herein. Exceptions to or deletions from the scope of work are described in Section 2.0.

This assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the Subject; except for the following:

Area-wide Groundwater Contamination

The Downtown Sacramento Railyard, located approximately 0.42 mile north and crossgradient of the Subject, is an approximately 240-acre site that was used for heavy industrial activities to maintain and repair trains. From review of numerous groundwater monitoring reports, dated 2006 – 2012, it was found that groundwater in the area is polluted with solvents (chlorinated volatile organic compounds or VOCs), metals and petroleum hydrocarbons. The contamination plume (South Plume Study Area (SPSA)) from this property extends over a mile to the south; including partially below the Subject. The responsible party, S. Thomas Enterprises of Sacramento, LLC (Thomas), is in the process of remediating the site via groundwater pump and treat systems, soil vapor

extraction (SVE) and the removal of impacted soil; all under the oversight of the Central Valley Water Board and DTSC.

The current groundwater monitoring well network consists of 180 monitoring wells; 12 of which are extraction wells. The monitoring wells are in approximately 84 locations and are screened in 5 separate water-bearing zones. Several monitoring wells are located within 7th and P Streets to the southeast of the Subject; in addition, several extraction wells are located just to the southeast of the Subject along P Street.

From review of the report entitled *2011 Semiannual Groundwater Monitoring and Remediation Systems Operation and Maintenance Report, The Railyards, Sacramento, California*, prepared by ERM dated February 22, 2012, it was noted that contamination from the Railyards has impacted several geologic formations in the Subject area with Total Halogenated Volatile Organic Compounds (THVOCs) and 1, 4-dioxane (1,4-DXE). It was noted that the THVOC and 1,4-DXE plumes appear generally stable and groundwater flow direction appears to be consistent with historical flow directions. As previously noted, several extraction wells are located just to the southeast of the Subject; as such, the outer edges of some of the contamination plumes appear to have partially migrated under the eastern portion of the Subject property (mainly the 1,4-DXE plume in the Lower Sand Zone and Gravel Zone).

Based on the fact that contaminated groundwater has migrated under the Subject property, there is a potential for a Vapor Encroachment Condition (VEC) at the Subject. IVI compared the most recent contamination concentrations from groundwater samples obtained from monitoring wells located along the Subject's southern and eastern borders (along 7th and P Streets, respectively) to the Environmental Screening Levels (ESLs) set forth in the California Regional Water Quality Control Board, San Francisco Region's publication: *Screening for Environmental Concerns at Sites with Contaminated Soil and Groundwater, Interim Final November 2007, Revised May 2008*. It should be noted that the Central Valley Regional Water Quality Control Board does not maintain specific ESLs and refers to the San Francisco Region Board's publication. Under most circumstances, the presence of a chemical in groundwater at concentrations below the corresponding ESL can be assumed to not pose a significant, long-term (chronic) threat to human health and the environment.

From review of Table E-1 (*Groundwater Screening Levels for Evaluation of Potential Vapor Intrusion Concerns (volatile chemicals only)*) in the above discussed Region Board publication, it does not appear that the Regional Board has assigned a value for potential vapor intrusion concerns to 1,4-DXE. Nevertheless, the general ESL for 1,4-DXE in groundwater, where groundwater is not a current or potential drinking water source was noted to be 50,000 micrograms/liter (ug/L); which is well above the most recent concentrations obtained from the monitoring wells surrounding the Subject (<6.3 ug/L). Based on these values it is not suspected that there would be a vapor intrusion concern at the Subject from the contamination plume originating from the Railyards property.

Based on this information and the fact that the Subject is connected to the municipal water system, there does not appear to be significant health risk to the Subject occupants from this known area wide contamination. In addition, the Responsible Party has been identified and is in the process of remediating the groundwater contamination in the area. As such, no further action or investigation appears warranted at this time.

In addition, the following historical RECs were identified which warrant mention:

Underground Storage Tank (UST)

Records at the Sacramento County Environmental Management Department (SCEMD) contained records regarding a former 4,000-gallon diesel UST that was removed from the Subject on May 17, 1991 under permit and supervision of SCEMD. The UST was located approximately 40 feet southeast of the tower building. The UST formerly supplied fuel to the heating system for the tower, which now currently uses natural gas. The SCEMD's records contain soil testing data from soil obtained during UST removal activities. The samples were analyzed for TPH and BTEX. Only TPH at a concentration of 48 parts per million was detected in the excavated soil stock pile sample. Based on the low levels of contamination, the SCEMD issued a case closure letter on December 10, 1991 for the Subject's removed UST. Based on the current regulatory status, this removed UST is not suspected to be of a significant environmental concern to the Subject and no further action or investigation is warranted at this time.

Underground Storage Tanks (USTs)

From review of historic Sanborn maps of the Subject it appears that the former parking lot in the northeast corner of the Subject had fueling service and is suspected to have contained USTs. The parking lot with fueling service appears to have only been in operation during the 1950s, just prior to the construction of the current improvements. It is assumed that any tanks associated with the former fueling service would have been discovered and removed during site preparation for the current improvements; however, no records of any USTs being removed from this portion the Subject were discovered. Nevertheless, over 50 years have passed since the USTs were likely removed, indicating natural attenuation of contamination not removed during their excavation, if any, has likely occurred. In addition, this former onsite facility was not identified on any databases that report releases or contamination conditions. Based on this information, these former USTs are not suspected to be of a significant environmental concern to the Subject and no further action or investigation appears warranted at this time.

Hydraulic Oil Spill

Approximately seven gallons of hydraulic oil leaked to soil from the elevator equipment associated with the elevator in the parking garage in 1992. Discolored/contaminated soil was removed in 1993 by Wallace-Kuhl and Associates Inc. (WKA), a consulting firm contracted by Capital Towers. WKA performed a site assessment in 1993 to determine

the vertical and lateral extent of the contamination. No TPH was detected in any of the soil samples or the groundwater sample. Nevertheless, the Sacramento County Environmental Management Department (SCEMD) subsequently requested quarterly monitoring of the onsite groundwater monitoring well. Four quarters of groundwater sampling was performed between February 1994 and November 1994. No TPH was detected in any of the quarterly sampling events. Based on these results, a case closure letter was issued by the SCEMD on January 18, 1995. The monitoring well was abandoned on March 2, 1995. Based on the current regulatory status, this spill listing is not suspected to be of a significant environmental concern to the Subject and no further action or investigation is warranted at this time.

In addition, the following items of environmental concern were identified, which warrant mention:

Asbestos-Containing Material (ACM)

Villas - From review of the above listed reports and interviews with property management, it appears that the villas were gut renovated in 2001/2002. In addition, the villas' roofs were noted to have been recently replaced. Based on the date of villas' renovation, it is unlikely that appreciable quantities of asbestos containing materials were used during the renovations. However, according to a limited asbestos survey performed in 2007, the drywall/joint compound, exterior stucco and cement board (in the pool room) were found to contain asbestos. These non-friable materials were observed to be in good condition during the current assessment of the Subject. In addition, although unlikely due to the renovation dates, other observed non-friable materials, such as resilient floor finish assemblies and built up roofing materials may contain asbestos. These non-friable materials were also observed to be in good condition during the current assessment.

Tower - Previously surveys have identified ACMs in the form of acoustical ceiling sprayed-on material in the tower building (apartments 10F & 12F) at 7% Chrysotile. The spray-on material appeared to be heavily painted, basically encapsulating it. ACM was previously detected in joint compound found in the elevator lobby (2% Chrysotile). Pipe elbow insulation in the boiler room contained between 3 and 7% Chrysotile and 30% Amosite. Other pipe and water tank insulations were also found to contain between 5-10% Chrysotile. Fire door insulation containing 45% Chrysotile was found in the maintenance room. Drywall/joint compound and window putty were also found to contain <1% Chrysotile. In addition, the non-friable wallboard assemblies, resilient floor finishes, mastics, caulking and roofing assemblies may contain asbestos. Since the observed suspect and confirmed materials are in good condition and the potential for fiber release is low, no further action is recommended at this time, other than maintaining the materials in good condition under an Asbestos Operations and Maintenance (O&M) Program.

According to building management, an Asbestos O&M Program is currently in place. However, a copy of the Asbestos O&M Program was not made available for review. IVI recommends that a copy of the Asbestos O&M Program be made available for review

and updated if necessary to include all of the above mentioned asbestos and suspect asbestos containing materials. All activities involving ACM should be conducted in accordance with governmental regulations.

Lead-Based Paint (LBP)

Since the Subject was constructed prior to the Consumer Product Safety Commission's 1978 ban on the sale of LBP to consumers and the use of LBP in residences, there is a potential that LBP may have been applied at the Subject. Testing would be required in order to determine whether LBP exists. Painted surfaces observed by IVI were in good condition with no evidence of pervasive peeling or flaking. No further action is recommended at this time other than maintaining the suspect LBP in good condition under an Operations and Maintenance (O&M) Program. Of note, all activities involving LBP should be conducted in accordance with the OSHA Lead in Construction regulations (CFR Part 1926.62), EPA's Lead-Based Paint Renovation, Repair and Painting Program Rule and RCRA guidelines.

Mold & Moisture Management Plan (MMP)

Although microbial growth is ubiquitous and may occur in a very short time span, an effort was made to identify conspicuous microbial growth in the common areas surveyed through visual observations and olfactory senses in accordance with Freddie Mac Environmental Site Assessment Guidelines. Moreover, our Pre-survey Questionnaire requested information pertaining to known microbial growth or tenant complaints regarding same. Interviews with property management did not reveal any issues or tenant complaints concerning moisture or microbial growth. Based on the above efforts, conspicuous microbial growth was not identified at the time of our survey except on the ceiling and wall of the abandoned clubhouse leasing support building. The mold appears to be due to an active roof leak. Once the associated roof repairs have occurred all affected non-porous surfaces should be cleaned. Affected porous materials, namely sheetrock, should be removed and replaced.

According to property management, a Moisture Management Plan (MMP) has not been developed for the Subject. IVI recommends that an MMP be developed and implemented at the Subject.

2.1 General

IVI was retained by Holliday Fenoglio Fowler, L.P. (“Client” or “User”) to prepare a Phase I Environmental Site Assessment, in conformance with ASTM International’s Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E 1527-05, Freddie Mac Guidelines on the Subject in accordance with our Agreement dated March 23, 2012.

This ESA was specifically prepared for the use and reliance of HFF and Freddie Mac, as an aid in underwriting and evaluating the collateral that would secure the Subject’s mortgage. This ESA is exclusively for the use of HFF and is not for the use and benefit of, nor may it be relied upon by, any other person or entity, for any purpose, without the advance written consent of IVI or as described in this ESA.

This report may be relied upon by HFF, Freddie Mac, and their successors and/or assigns including any statistical rating agency that provides a rating on securities backed in part by the mortgage; independent auditors, accountants, attorneys and other professionals acting on behalf of the lender or its successors and assigns; government agencies that have regulatory authority over the lender or its successors and assigns; designated persons pursuant to an order or legal process of any court or government agency; and prospective purchasers of the mortgage

2.2 Purpose and Scope

2.2.1 Purpose

The purpose of this report is to identify Recognized Environmental Conditions in connection with the property, using the methodology recommended by ASTM International in order to qualify for the innocent landowner defense to CERCLA liability and/or to help understand potential environmental conditions that could materially impact the operation of the business associated with the Subject. Specifically, this methodology is referred to as *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* Designation: E 1527-05.

The term Recognized Environmental Condition is defined by ASTM Standard E 1527-05 as “...the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include *de minimis* conditions that generally do not present a material risk of harm

to public health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.”

2.2.2 Scope

In general, the scope of this assessment consisted of reviewing readily available information and environmental data relating to the property; interviewing readily available persons knowledgeable about the site; reviewing readily available maps, aerial photographs and records maintained by federal, state, and local regulatory agencies; and conducting a site visit.

Of importance, the client is advised that federal, state, and local laws may impose environmental assessment obligations beyond the scope of this practice. Client is also notified that there are likely to be other legal obligations with regard to hazardous substances or petroleum products discovered on the Subject that are not addressed in this practice and that may pose risks of civil and/or criminal sanctions for non-compliance.

The specific scope of this assignment included the following:

2.2.2.1 Performing a site reconnaissance to characterize on-site conditions and assess the site’s location with respect to surrounding property uses and natural surface features. In addition, IVI conducted a reconnaissance of the surrounding roads and readily accessible adjacent properties to identify obvious potential environmental conditions on neighboring properties. Photographs taken as part of the site reconnaissance are provided in Appendix A.

The site visit was conducted on April 28, 2012, by Jennifer Polmateer representing IVI. The site was represented by Mr. Armando Cesar, the Maintenance Supervisor. It was cloudy and the temperature was approximately 60° F at the time of our site survey. IVI conducted the site reconnaissance in a systematic manner focusing initially on the exterior, which was surveyed in a grid pattern. IVI also surveyed a representative sampling of the interior spaces in a systematic manner.

2.2.2.2 Interviewing persons familiar with the property to obtain information on present and previous on-site activities potentially resulting in the environmental degradation of the site or adjoining properties. A Pre-Survey Questionnaire to be filled out and returned to IVI by someone knowledgeable about the site

was provided to Ms. Patricia Heminger. A copy of the Pre-Survey Questionnaire is provided in Appendix B.

The following table presents a summary of the individuals contacted or to whom requests for documentation were made as part of this assessment:

Name	Affiliation	Telephone No.
Patty Holms	City of Sacramento Development Services	(916) 808-5002
Susan Genovese	Sacramento County Environmental Management Department	(916) 875-8549
Elise Ladd	Sacramento Metropolitan Fire District - Fire Prevention Bureau	(916) 942-3300
Armando Cesar	Subject Property	(916) 447-3288
Alicia Soul	Subject Property	(916) 447-3288

- 2.2.2.3 If provided, reviewing of information such as previously prepared appraisals, building plans and specifications, and environmental reports.
- 2.2.2.4 Reviewing readily available historical documents, such as topographic maps, aerial photographs, city directories, Sanborn Fire Insurance Maps and atlases, to identify previous activities on and in the vicinity of the Subject. Copies of these documents are included in Appendix C.
- 2.2.2.5 Reviewing readily available environmental databases maintained by federal, state, and local agencies within the approximate minimum search distances as described within the Regulatory Review Section 6.0 of this report. A copy of the Computerized Environmental Report, provided by Environmental Data Resources, Inc. can be referenced in Appendix D.
- 2.2.2.6 Conducting a visual survey of readily accessible common areas to identify the presence of the most obvious and common types of suspect asbestos containing materials (ACM). The basis for “suspect” determination is taken from the materials listed in Appendix G of the United States Environmental protection Agency (USEPA) publication Managing Asbestos in Place (also known as the Green Book). All building materials listed within Appendix G of the Green Book are considered to be suspect ACMs at the Subject. This screening is not intended to be used for demolition, abatement, renovation, or repair work.



THIS LIMITED SURVEY IS NOT TO BE CONSTRUED AS A COMPREHENSIVE ASBESTOS SURVEY, WHICH OFTEN ENTAILS DESTRUCTIVE TESTING OR THE SURVEY OF AREAS BEHIND WALLS, ABOVE CEILINGS, IN TENANT SPACES AND IN OTHER TYPICALLY INACCESSIBLE AREAS. MOREOVER, IVI DOES NOT WARRANT THAT ALL ACMs AT THE SUBJECT HAVE BEEN IDENTIFIED.

- 2.2.2.7** Reviewing published radon occurrence maps to determine whether the site is located in an area with a propensity for elevated radon concentrations.

In addition, IVI conducted a short-term radon screening at the site utilizing passive diffusion charcoal radon detectors. In accordance with good and customary practice, the canisters were placed at least 20" above the finished floor in the building's lowest livable area and exposed for at least 48 hours.

- 2.2.2.8** In the course of conducting representative observations of areas that are readily accessible, easily visible and safe with respect to the field observer, IVI will report the presence of microbial growth.

This limited scan is not to be construed as a microbial growth survey, which entails a thorough specific inspection and also often includes destructive testing or the survey of areas behind walls, above ceilings, in tenant spaces and in other typically inaccessible areas. Moreover, IVI does not warrant that all microbial growth at the Subject has been identified as microbial growth may exist in inaccessible or non-observable areas or may have occurred subsequent to our site survey.

- 2.2.2.9** Assessing the age of the Subject to determine whether it is predisposed to contain lead-based paint. During our walkthrough survey, IVI noted the condition of the paint observed. Note, a compliance audit for lead paint was not conducted.
- 2.2.2.10** Testing, if any, was designed solely to meet the requirements of the client's scope of work, not to meet any local, State or Federal regulations and shall not be utilized as such.

2.3 Data Gaps

According to § 3.3.20 of ASTM Standard E 1527-05 a data gap is a lack of or inability to obtain information required by the ASTM Standard despite good faith efforts to gather same. Data gaps may result from incompleteness in any of the activities required by the ASTM Standard. The following data gaps occurred in connection with this report:

Data Gap	Explanation	Significance of Gap
Site History	History not conducted back to a time when the site was undeveloped land (See § 5)	Low - not likely to alter Report's conclusions due to IVI's search of standard historical sources of information such as aerial photographs, historic topographic maps, city directory abstracts, Sanborn Fire Insurance Maps, reviews of previous investigations and interviews with knowledgeable individuals who were familiar with the property.
Site History	Site history not conducted in 5-year intervals (See § 5)	Low - not likely to alter Report's conclusions due to IVI's search of standard historical sources of information such as aerial photographs, historic topographic maps, city directory abstracts, Sanborn Fire Insurance Maps, reviews of previous investigations and interviews with knowledgeable individuals who were familiar with the property.
User Interview	Pre Survey and AAI User Questionnaires not returned to IVI	Low - not likely to alter Report's conclusions
Former Owner or Operator Interview	Unable to interview former site owner or operator due to inability to locate	Low - not likely to alter Report's conclusions
Governmental Records	FOIAs not returned (See § 8.6)	Unknown - However, if receipt of FOIAs alters the Report's conclusion, the client will be notified

3.0 SALIENT ASSIGNMENT INFORMATION

Capital Towers and Villas
Sacramento, California

Salient Assignment Information	
IVI Project No.:	PC2030241
Project Name:	Capital Towers and Villas
Street Address:	1500 7th Street
City, State and Zip:	Sacramento, California 95814
Primary Use:	Apartment building with ground-floor retail suites and garden apartments
Year Built and Age of Improvements:	Villas - Built in 1961; 51 Years Old Tower – Built in 1963: 49 Years Old
Site Area:	10.21 Acres
Reported Number of Units:	409 residential 6 retail (4,229 SF)
Number of Buildings:	69 Total Buildings; One Tower, 64 Villa Residential Buildings and Four Support Buildings



4.1 Property Location

The site is located at 1500 7th Street in Sacramento, Sacramento County, California and is identified on local tax maps as Parcel Nos.006-0300-002, 006-0300-003 and 006-0300-004. Please refer to the Site Plan and maps provided within Appendix C.

4.2 Surrounding Land Use

The property is located in an urban setting characterized by residential, commercial retail and office development. The following is a tabulation of surrounding property usage:

Direction	Adjacent Properties	Surrounding Properties
North	500 N Street (Luxury Condos), followed by N Street and a parking lot	650 Capital Mall (John E Moss Federal building), 520 Capital Mall (multi-tenant office building) and 500 Capital Mall (Bank of the West Tower)
South	515 P Street (Pioneer Tower-residential apartments), followed by P Street	1611 5 th Street and 520 P Street (Governor’s Square Residences)
East	7 th Street, followed by 704 O Street (Heilbron House) and 750 7 th Street (Sacramento County Administration)	Parking lot, followed by residential and retail development
West	5 th Street, followed by 450 N Street (Sacramento County offices) and 1500 5 th Street (Pioneer House Apartments)	Mutli-tenant residential and commercial office development

4.3 Physical Site Setting

4.3.1 Size and Shape of Parcel

The property is irregular in shape and 10.21-acres in size.

4.3.2 Topography

The site is essentially level and at the same approximate topographic gradient as the surrounding properties. The topography of the area is best described as flat. According to the United States Geological Survey (USGS) *Sacramento East, California 7.5 Minute Series* topographic map, the Subject’s topographic elevation is approximately 22’ above mean sea level (msl).



4.3.3 Surface Waters and Wetlands**Surface Waters**

There are no surface water bodies or streams on or adjacent to the Subject. The closest open surface water to the Subject is the Sacramento River, which is located 0.35-miles to the west of the Subject.

Wetlands

IVI reviewed a wetlands map of the subject area prepared using the US Department of the Interior, Fish and Wildlife Service's Internet Wetland Interactive Mapper. The source material used to produce the National Wetlands Inventory digital data for these maps was prepared primarily by stereoscopic analysis of high altitude aerial photographs. Based on this review, IVI did not identify any federally regulated wetlands on the subject property. Additionally, IVI did not observe vegetation characteristic of wetlands on the subject site.

4.3.4 Soils, Geology and Groundwater**Soils**

According to soil information provided by EDR, which is based on Soil Conservation Service SSURGO data, the soils at the site are classified as Urban Land. Urban Land complex are those soils in which the soil's original structure and content have been so altered by human activities it has lost its original characteristics and is thus unidentifiable.

Geology

There are no predominant geological surface features such as rock outcroppings on the Subject. In general, the Sacramento area is located within the Great Valley Geologic Province. The Great Valley is underlain by surficial materials composed of Quaternary alluvium, largely derived from the Sierra Nevada to the east and the Coast Ranges to the west.

Groundwater

Under natural, undisturbed conditions, shallow groundwater flow generally follows the topography of the land surface and on this basis, the topography suggests that groundwater flow across the site is in a westerly direction, towards the Sacramento River. However, localized conditions can alter flow direction and thus the presumed flow may not coincide with the actual in the subject area. Of note, groundwater flow in the Subject area is to the southeast, due to a nearby groundwater extraction well that is

part of the remediation system that is associated with the Downtown Sacramento Railyard; which is located approximately 0.42 mile to the north. A groundwater monitoring well was formerly located at the Subject, near the on-site parking structure. According to data from this well, the upper groundwater table is unconfined and approximately 17' below ground surface.

4.4 Site Improvements

4.4.1 Utilities

The Subject is served with the following utilities:

Water:	City of Sacramento
Sanitary Sewer:	City of Sacramento
Storm Sewer:	City of Sacramento
Electric:	Sacramento Municipal Utility District (SMUD)
Natural Gas:	Pacific Gas & Electric

According to the most recent consumer confidence report from the City of Sacramento Water Department, the water supplied to the Subject meets federal and state water quality standards.

Stormwater runoff collected by catch basins and a stormwater ejector sump in the parking garage is discharged into the municipal stormwater management system.

4.4.2 Building Description

The Subject is an approximately 49 and 51-year-old (built in 1961 and 1963), 409-unit, two, three and 15 story, apartment complex sited on a 10.21-acre parcel in Sacramento, California. The Subject consists of a single 15-story apartment tower (built in 1963) complete with 203 apartment units and 4,229 SF of retail space within six separate tenant spaces all located on the first floor along with 68 villa buildings (built in 1961); of the 68 total units at the villas, 64 are residential and four are support. The villas are set in eight separate clusters with each cluster connected by unit access breezeways and roof systems. Amenities consist of an Olympic sized swimming pool with spa, a fitness room, three separate community laundry rooms, a business center, a community room, and an on-site leasing office. The Subject's design is a hybrid between a garden apartment complex with unit access provided at grade and via elevated shared breezeways and a high-rise unarticulated apartment building with units accessed via a single entry serving an elevator bank and interior double loaded corridors. Apartments consist of studios, one-bedroom, two-bedroom, and three-bedroom units. Parking is provided at

grade and via a four level free-standing parking garage. The Subject occupies an entire city block and is bound by 7th Street to the east, N Street to the north, P Street to the south and 5th Street to the west.

Construction for the Tower consists of a substructure of concrete piles with pile caps and a concrete slab with a superstructure of reinforced cast-in-place concrete. A full basement is also provided with foundation walls consisting of concrete and concrete block. The predominant façade system consists of painted textured concrete and tile. In addition, the ground floor is set back via a colonnade. Roofing consists of a BUR system with a mineralized cap sheet in a flat design. Heating and cooling is provided by a central plant. Chilled water is generated by a centrifugal chiller and hot water is generated by two gas-fired fire-tube boilers. This is a 2-pipe system with either heating or cooling occurring at any one time. Distribution is provided by individual unit fan coil units. Domestic hot water is generated by a gas-fired boiler with storage tank; each unit is individually metered for electricity; and fire protection is provided by a fire sprinkler system within the basement and a vertical standpipe system complete with fire hoses within the above grade levels. Vertical transportation is provided by two geared traction elevators.

Construction for the Villa portion of the complex consists of concrete spread footings and a SOG with a superstructure of conventional wood framing. The primary façade system consists of painted stucco over wood framing with a punched fenestration system. Roofing consists of a BUR system with a mineralized cap sheet in a flat design. Heating and cooling is provided by individual split systems complete with roof mounted condensers and ceiling mounted air handlers utilizing electric strip heat. Domestic hot water is provided by individual gas-fired tank type water heaters; electricity and gas are individually metered. Fire protection is provided by cabinet enclosed fire extinguishers and on-site fire hydrants. No vertical transportation is provided at the Villas.

Interior finishes include floor coverings of carpet, resilient floor tile, granite, concrete and hardwood; walls of painted and papered gypsumboard and ceilings typically consist of a heavily painted sprayed-on acoustic textured finish.

A four story parking garage is also provided and is located adjacent to the tower building. The garage is concrete framed and is complete with 199 parking spaces. The garage is also complete with a hydraulic elevator.

4.5 Current Property Use

The subject property is developed with an apartment building with ground-floor retail suites and 65 additional garden style apartment structures. The following table summarizes the site’s retail tenants and their activities:

Tenant	Description of Operation
Gino’s Java Juice	Coffee Shop
A & A Grocery	Convenience Store
Gary’s Capital Towers Hair Design	Hair Salon
Maximize Chiropractic	Chiropractor (no x-ray equipment)
Los Patios	Restaurant

Based on the operations currently conducted at the Subject, significant quantities of hazardous waste are not generated. The current on-site activities are not suspected to have degraded the environmental quality of the subject site.

4.6 Environmental Permits

Based on our research, no environmental permits such as wastewater discharge, National Pollutant Discharge Elimination System (NPDES), air emissions, or petroleum bulk storage (PBS) tank registrations are required at the Subject.

4.7 Plans and Specifications

Neither building drawings nor specifications were provided for our review.



5.1 Historical Summary

Prior to the construction of the existing improvements, the site was improved with single family residences, retail structures, apartment buildings and several churches. A parking lot formerly located in the northeast corner of the property was noted as containing “gas & oil in yard”; which indicates there was fuel service associated with the parking facility.

A pick-up/drop-off only dry cleaner formerly occupied the current chiropractor’s tenant suite. No dry cleaning ever took place onsite.

5.2 Topographic Maps

IVI reviewed the historic USGS *Sacramento East & West, California* 7.5 Minute Series topographic maps of the Subject area which are dated in 1949 and 1954. The topographic maps do not identify individual buildings or development on the subject property due to the concentration of structures in the highly urbanized Sacramento area, but rather shows the area to be shaded denoting urbanized land use, and identifies only landmarks as distinct structures. Of note, two churches were noted on the Subject property. Nevertheless, the topographic maps do not identify any industrial complexes, landfills or wetlands on or adjacent to the subject site. Of note, the Sacramento Rail Yard is located approximately 0.42 mile to the north.

IVI also reviewed historic USGS *Brighton and Lovdal, California* 15 Minute Series topographic maps of the Subject area which are dated 1911 and 1916, respectively. The topographic maps show numerous small residential type structures located along the surrounding roadways. The topographic maps do not identify any industrial complexes, landfills or wetlands on or adjacent to the subject site. Of note, the Sacramento Rail Yard is located approximately 0.42 mile to the north.

5.3 Historical Maps

Sanborn Fire Insurance Maps (Sanborn Maps)

IVI had a search conducted for Sanborn Maps, which reference the property. The findings of this review are summarized below:

Year	Subject Property	Adjacent and Surrounding Properties
1895	Single-family residential dwellings, a riding academy, and a Baptist Church.	Single and multi-family residential dwellings.



Year	Subject Property	Adjacent and Surrounding Properties
1915	Single and multi-family residential dwellings and Shiloh Baptist Church single and multi-family residential dwellings.	A Japanese Episcopal Mission, a warehouse and single and multi-family residential dwellings.
1950	The Methodist Emanuel Church, small retail commercial development, single and multi-family residential dwellings.	Two gas stations have been built to the southwest of the Subject, across P Street. Small commercial retail development to the south, east and west.
1952	Several of the residences and a church have been removed from the northeast corner of the property and replaced with a parking lot that notes “gas & oil in yard”.	Similar to previously viewed Sanborn Fire Insurance Map.
1957	Office space, small commercial retail shops, single and multi-family residential dwellings and several churches. The parking lot with fuel service is still noted in the northeast corner of the property.	Two gas stations with auto repair shops associated with them are still located to the southwest. A new restaurant building to the east. Tortillas Factory, Auto Repair Shop and residential dwellings to the west.
1960	According to notations on the map, all buildings on the Subject’s blocks have been removed.	Structures to the north, east and west have been razed. A large office building appears to the north of the Subject.
1964	The current garden apartment buildings, parking structure and multi-family residential tower appear on the Subject.	Office buildings and attached parking garages appear to the north of the Subject. A gas and oil station is depicted to the northwest of the Subject. The State of California Department of Hygiene and Rehabilitation office building to the west.
1965	Similar to previously viewed Sanborn Fire Insurance Map.	Commercial retail and office building to the west-northwest.
1966	Similar to previously viewed Sanborn Fire Insurance Map.	Several large lots to the southeast of the Subject have been cleared.
1968	Similar to previously viewed Sanborn Fire Insurance Map.	A State of California office building has been constructed to the south of the Subject.
1970	Similar to previously viewed Sanborn Fire Insurance Map.	Similar to previously viewed Sanborn Fire Insurance Map.

During the 1950s, the parking lot in the northeast corner of the Subject was noted to contain “gas & oil in yard”. Several gas stations were historically located to the southwest and west of the Subject. These former gas stations are further discussed in Section 6.2.



5.4 Aerial Photographs

Aerial photographs frequently provide visual documentation of site conditions at the time of the photographs. Activities such as dumping or industrial use of a site can often be discerned through the examination of aerial photographs. IVI reviewed historic aerial photographs provided by EDR. The following is a synopsis of the aerial photographs reviewed:

Year	Subject Property	Adjacent and Surrounding Properties
1937	The Subject appears to be improved with residential development.	Residential and small commercial development appears to the north, south, east and west of the Subject. A large commercial office building appears to the southwest of the Subject.
1947	Similar to previously viewed aerial photograph.	Similar to previously viewed aerial photograph.
1952	Similar to previously viewed aerial photograph; however, several of the residential buildings in the northeast corner of the Subject appear to have been razed and replaced with a parking lot.	Additional commercial development appears further to the northeast and southwest of the Subject.
1963	The current garden apartment structures and parking structure appear on the Subject.	Commercial office buildings appear to the north, further to the south, to the east-southeast and to the west.
1971	The current residential tower appears in the center of the Subject.	Additional commercial office buildings appear to the south and west of the Subject.
1981	The Subject appears much as it does today.	The adjacent residential apartment complexes appear to the north and south of the Subject. A commercial office structure appears to the east of the Subject. The adjacent residential garden apartment complex appears to the south of the Subject.
1993	Similar to previously viewed aerial photograph.	The surrounding area appears much as it does today.
1998	Similar to previously viewed aerial photograph.	Similar to previously viewed aerial photograph.
2005	Similar to previously viewed aerial photograph.	Similar to previously viewed aerial photograph.
2006	Similar to previously viewed aerial photograph.	Similar to previously viewed aerial photograph.

5.5 Chain-of-Ownership

A copy of the Subject's Chain-of-Title has not been provided to IVI for review.

5.6 Previous Reports

IVI reviewed several previous environmental assessments prepared on the Subject. The information obtained was not verified for accuracy by IVI and a critique of the report was beyond the scope of this assessment. The following documents were provided for review:

- *Preliminary Environmental Site Assessment, 1500 7th Street, Sacramento, California*, dated April 15, 1992, prepared by Environmental Risk Consultants, Inc. (ERC), on behalf of The Patrician Financial Company. This study included an inspection of on-site conditions at the subject property, a review of its prior uses, and an assessment of potential environmental problems at neighboring properties which may affect the Subject. This report provided the following information in connection with the Subject:
 1. The report identified potential asbestos containing material (ACM) on the Subject. But indicated that the potential ACM did not need to be removed and should be maintained using an Asbestos O&M program.
 2. The ERC report recommended that all surfaces coated with lead-based paint be repaired to non-peeling condition and maintained under an O&M program.
 3. The onsite dry cleaner was noted to be a pick-up/drop-off location only with no dry cleaning taking place onsite.
 4. The five short term radon samples taken from the Subject were all below 0.03 pCi/l; which is well below the USEPA action level of 4.0 pCi/l.
 5. A 2,000-gallon diesel underground storage tank (UST) was formerly located on the property, near the northeast corner of the building (presumably the tower structure). The UST was noted to have formerly supplied fuel to the diesel-powered emergency generator. The UST was removed on 1991 under permit and supervision of the Sacramento County Environmental management District (SCEMD). ERC reviewed a post-removal soil sampling report dated May 28, 1991, prepared by Wallace-Kuhl and Associates (WKA). The report noted that the UST was in good condition and no visible soil staining, indicative of a release, was observed in the tank pit. Soil samples from the base of the tank pit were non-detect for "levels of fuel indicator parameters". A concentration of 48 ppm of total petroleum hydrocarbons (TPH) was detected in the soil sample

obtained from the soil stockpile. Based on these results WKA concluded that no further investigation was warranted. After review of these results, the SCEMD concurred with WKA and issued a No Further Action letter on December 10, 1991.

- According to a previously prepared report, entitled *Review of Environmental Documentation and Site Visit Asbestos Materials and Lead Paints*, dated April 13, 2001, which was prepared by AllWest Environmental, Inc. (AllWest), the following materials in the Subject's villas were found to contain asbestos: 9"x9" floor tiles/mastic, sheet vinyl flooring, 12"x12" vinyl floor tiles/mastics, black roofing mastic around roof penetration points, sheetrock and sheetrock joint compound and exterior stucco/plaster. The following materials at the Subject's tower building were found to contain asbestos: plaster pipe fitting insulation, chiller pipe insulation, water tank insulation, acoustic ceiling texturing, floor tile and mastics. These materials were identified in two prior asbestos surveys AllWest reviewed (Kleinfelder Associates, February 1993 and Environmental Risk Consultants, April 1992). AllWest also stated that they reviewed a copy of an asbestos Operations & Maintenance (O&M) Program that was developed for the entire property. Of note, a copy of this O&M Program was not made available for review. AllWest noted that due to the limited scope of the reviewed asbestos surveys, it is possible that additional material at the Subject contain asbestos.

Based on the age of the onsite structures, AllWest suspected that lead based paint had been applied at the Subject. AllWest noted that no Lead O&M Program was available for review.

- *Microbial Testing at the Capital Towers, 1500 7th Street, Sacramento, California*, dated April 13, 2001, prepared by AllWest Environmental, Inc. (AllWest), on behalf of F & F Partners. The AllWest survey consisted of conducting limited bioaerosol sampling coupled with tape lift samples at various locations in around the Garden Apartments (the villas). AllWest noted mold extensive growth in ten units that were previously inspected on March 9, 2001. As part of the current survey, AllWest inspected 20 units and 7 outside locations. Random mold growth was visible in the areas AllWest observed; however, several of the apartments inspected were noted to have been recently cleaned.
- *Environmental Site Assessment, 1500 7th Street, Sacramento, California*, dated May 17, 2001, prepared by AllWest Environmental, Inc. (AllWest), on behalf of F & F Partners. Of note, the site visit and all sampling took place on February 14, 2001. According to this report, the Subject was mixed residential and commercial development with several churches prior to the current improvements. The AllWest report provided the following information in connection with the Subject:

1. An onsite dry cleaner was identified on the Subject. Property management indicated that the dry cleaners does not perform dry cleaning on the premises and has never performed dry cleaning onsite. The dry cleaner tenant space was noted to be very small and did not contain dry cleaning equipment.
2. AllWest collected six tap water samples and analyzed for lead content. Results indicated that all results were either below laboratory detection limits or below the action level of 15 mg/L as defined by the U.S. Environmental Protection Agency (EPA) Maximum Contaminant Level (MCL) for lead in drinking water.
3. AllWest also conducted a radon survey at the property by placing four radon canisters within four buildings on the Subject. Three of the four canisters resulted in radon concentrations below the 4.0 pCi/L, the level above which the U.S. EPA recommends that action be taken to reduce radon levels. The fourth canister left in the basement of the tower had a concentration of 13.2 pCi/L. AllWest recommended follow up testing.
4. Hazardous materials used on the Subject were limited to 120-gallons of diesel fuel, 50-gallons of biocide, and less than 50-gallons of unregulated amounts of typical household cleaning and maintenance products.
5. One 4,000-gallon diesel underground storage tank (UST) was formerly located on the property, approximately 40 feet southeast of the tower, in the parking lot. The UST formerly supplied fuel to a heating system for the tower. The UST was removed on May 17, 1991 under permit and supervision of the Sacramento County Environmental management District (SCEMD). Upon review soil sampling results the SCEMD issued a closure letter on December 10, 1991. Of note, this tank is suspected to be the same removed tank that was discussed earlier in the ERC report dated 1992; due to the fact that the same contractor (WKA) removed the UST during the same month, the soil sampling results were identical and the closure letter from the SCEMD was dated the same day.
6. AllWest noted that no records of current USTs or ASTs were on file at the Sacramento Fire Department (SFD) or the SCEMD.
7. Approximately seven gallons of hydraulic oil leaked from the elevator equipment associated with the elevator in the parking garage in 1992. Discolored/contaminated soil was removed by WKA in 1993. WKA performed a site assessment in 1993 to determine the vertical and lateral extent of the contamination. No TPH was detected in any of the soil samples or the groundwater sample. Nevertheless, the SCEMD

subsequently requested quarterly monitoring of the onsite groundwater monitoring well. Four quarters of groundwater sampling was performed between February 1994 and November 1994. No TPH was detected in any of the quarterly sampling events. The monitoring well was abandoned by removal and a closure letter was issued by the SCEMD on March 2, 1995.

- *Radon Sampling at Capital Towers, 1500 7th Street, Sacramento, California*, dated April 18, 2001, prepared by AllWest Environmental, Inc. (AllWest), on behalf of F & F Partners. This was a resampling due to the elevated radon concentrations detected during the February 2001 sampling event (report dated May 17, 2001). The resampling consisted of placing four additional short term test canisters in the tower basement, four canisters at various locations on the first floor and two canisters on the second floor (10 total canisters). All 10 canisters had radon concentrations of between 0.0 and 0.4 pCi/L. Of note, the four canisters placed in the basement had concentrations ranging from 0.2 to 0.4 pCi/L.
- According to a previously prepared report, entitled *Asbestos & Mold Abatement Final Report*, dated August 30, 2002, which was prepared by AllWest Environmental, Inc. (AllWest), asbestos and mold abatements were completed at the Subject between January and June 2002. The abatements only deal with the villas portion of the Subject, not the tower. Restec Contractors, Inc. of Hayward, California performed the asbestos abatement work. The asbestos abatement work included the removal of sheet vinyl flooring, drywall/taping mud, vinyl floor tile/mastic and spray applied acoustical ceilings under negative pressure enclosure conditions. Approximately 28 tons of hazardous asbestos-containing waste was generated from the abatement project and disposed of at B & J Landfill in Vacaville, California and Crosby & Overton, Inc. in Long Beach, California. All waste was disposed of by hazardous waste manifesting protocols with a U.S. EPA temporary hazardous waste generator number of "CAC00231256918258"

The mold removal portion of the project followed the removal of asbestos materials. Approximately 230 tons (2230 pounds per apartment) of mold-impacted materials were removed from the interior apartment units and disposed of as construction waste.

- *Phase I Environmental Site Assessment of Capital Towers Apartments, 1500 7th Street, Sacramento, California*, dated March 26, 2007, prepared by ATC Associates (ATC), on behalf of Bond Companies. According to this report, the Subject was mixed residential and commercial development prior to the current improvements. ATC opined that no historical uses of the Subject were of a significant environmental concern. The ATC report provided the following information in connection with the Subject:

1. A dry cleaner, Marianne's Cleaners, occupied Suite E of the tower building. This dry cleaner was noted as not performing dry cleaning onsite.
2. ATC identified the Southern Pacific Transportation Company (Sacramento Rail Yard) as an active NPL site that has impacted groundwater in the area of the Subject. ATC noted that the Subject was located adjacent to the "South Plume". Please refer to Section 6 for a more detailed discussion on this nearby NPL site.
3. ATC noted the previously discussed hydraulic oil spill from the onsite elevator in the parking garage.
4. ATC also noted the previously discussed removed UST; all details were identical to the write by AllWest in their May 17, 2001 report (see above). Of note, this tank is suspected to be the same removed tank that was discussed earlier in the ERC report dated 1992; due to the fact that the same contractor (WKA) removed the UST during the same month, the soil sampling results were identical and the closure letter from the SCEMD was dated the same day.
5. ATC reviewed historical permits for the Subject at the Sacramento City Building Department. According to ATC, no permits indicative of a recognized environmental condition were noted.
6. ATC reviewed many of the previously discussed asbestos, LBP and mold surveys.
7. ATC performed a limited asbestos survey at the Subject; which included taking 36 samples from various locations throughout the property. Bulk samples were collected from accessible tenant spaces, mechanical rooms, storage and common areas and analyzed using polarized light microscopy.

Tower - ACMs were identified in acoustical ceiling sprayed-on material in the tower building (apartments 10F & 12F) at 7% Chrysotile; and were noted to be in good condition. ACM was detected in joint compound found in the elevator lobby (2% Chrysotile), and was noted to be in poor condition. Pipe elbow insulation in the boiler room contained between 3 and 7% Chrysotile and 30% Amosite. Fire door insulation that was found to be damaged in the maintenance room contained 45% Chrysotile. Drywall/joint compound and window putty were also found to be ACMs at <1% Chrysotile. Of note, the two samples of friable acoustical ceiling tiles in the leasing office and common area room were found to be non-detect for asbestos.

Villas - Drywall/joint compound and exterior stucco in the villas were found to contain <1% Chrysotile. The cement board in the pool room was found to contain 15% Chrysotile. Of note, the three samples of friable wall texturing taken from the apartments were found to be non-detect for asbestos.

ATC recommended an Operations and Maintenance (O&M) Program be developed and implemented. ATC also recommended that the Subject consult with legal counsel concerning potential liabilities associated with the disposal of suspect asbestos containing waste generated during the 2001 abatement.

8. ATC conducted a screening survey for Lead Based Paint (LBP). 32 apartment units and 7 common areas were surveyed for LBP (104 samples total). The LBP survey results revealed that only the exterior stair stringers located in the garden apartment would meet the definition of LBP (>1.0 mg/cm²). The remaining samples were below 1.0 mg/cm², but some of those did have detectable lead and were considered "Lead Containing". ATC recommended an O&M Program should be developed and implemented.

5.7 City Directories

City Directories provide tenant listings, by address, for every year covered by the directory service. IVI commissioned EDR to obtain a historical City Directory Abstract for the Subject. EDR's City Directory Abstract included a directory review for the following years: 1920, 1923, 1926, 1933, 1937, 1942, 1947, 1952, 1956, 1957, 1961, 1965, 1966, 1970, 1975, 1980, 1982, 1991, 1995, 1999 and 2005. This review yielded the following information:

Subject: The Subject was not listed between 1920 and 1965 under the current address. Addresses for previous properties on the Subject ranging from 500 to 630 N Street, 500 to 631 O Street, 501 to 631 P Street, 1409 to 1531 5th Street, 1408 to 1530 6th Street and 1410 to 1522 7th Street were listed primarily as general residential and commercial properties from 1920 to 1957. Flachbarths Ray Associated Parking Service was located at 630 N Street in 1956 (the northeast corner of the Subject property). The Subject was identified as Capital Tower Apartments on the 1966 to 2005 City Directories. Swanson's Cleaners, a tenant on the Subject was listed on the 1975 and 2005 City Directories. Of note, this former onsite tenant space was observed by others during prior assessments of the Subject and was noted to be a pick-up/drop-off location only; no dry cleaning was noted to have taken place onsite.

Surrounding Properties: From 1920 to 2005, the surrounding properties are identified with general residential and commercial listings. In 1947 Taylor S C gas station was located at 1600 6th Street, in 1952 it was Spillman & Spillman gas

station, in 1956 Golden Nugget Service Station & Garage, in 1961 it was Joe Waynes Flying A Service gas station and in 1966 the site was a Wayne's Auto Service Repair Shop. The Bybees Service Auto Repair Station was located at 704 N Street in 1956.

5.8 Interviews

According to Alicia Saul of Trinity Management, the site contact, who has been involved with the property for the past four years, the Subject was most likely improved with residences and commercial structures prior to construction of the existing improvements.

5.9 Municipal Records

Tax Assessor Records

According to the tax assessor records reviewed, the Subject buildings were constructed in 1961 on three parcels, totally 10.21-acres in size.

Building Department Records

IVI reviewed building permits for the Subject online at the City of Sacramento Development Services Department (CSDSD) website. The majority of the available permits deal with the current buildings; only a few miscellaneous permits were noted with dates prior to 2005. None of the reviewed permits had any environmentally significant information in them. IVI attempted to review historical permits at the CSDSD office off of Richards Boulevard in Sacramento; however, according to Ms. Patty Holmes, any historical records, should they still exist, would have been transferred to micro-film and archived. Ms. Holmes noted that the archived files are not readily available for review.

5.10 Internet Search

IVI conducted a cursory internet search for the Subject's name and address using the Google search engine on April 3, 2012. No environmentally related information was identified on the first page of the Google search engine.

6.0 REGULATORY REVIEW

A copy of regulatory database information contained within a Computerized Environmental Report (CER) provided by Environmental Data Resources, Inc. (EDR) appears in Appendix D. The CER is a listing of sites identified on select federal and state standard source environmental databases within the approximate minimum search distance specified by ASTM Standard Practice for Environmental Site Assessments E 1527-05. IVI reviewed each environmental database to determine if certain sites identified in the CER are suspected to represent a material negative environmental impact to the Subject. The following table lists the number of sites by regulatory database within the prescribed minimum search distance appearing in the CER.

Databases Reviewed	Approximate Minimum Search Distance (AMSD)	Number of Sites Within AMSD
Federal National Priorities List (NPL) Site List	One-Mile	0
Federal Delisted NPL Site List	One-Half Mile	0
Federal Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)	One-Half Mile	0
Federal CERCLIS No Further Remedial Action Planned (NFRAP) Sites	One-Half Mile	1
Federal Resource Conservation and Recovery Information System (RCRIS) Treatment, Storage, and Disposal (TSD) List	One-Half Mile	1
Federal RCRIS Generators List	On-Site and Adjoining Properties	3
Federal Corrective Action Tracking System (CORRACTS)	One-Mile	1
Federal Emergency Response Notification System (ERNS) List	On-Site	0
Federal Institutional/Engineering Control Registries	On-Site	0
FINDS	On-Site	1
California and Tribal Lists of NPL Equivalent Hazardous Waste Sites Identified for Investigation and/or Remediation	One-Mile	10
California and Tribal Lists of CERCLIS Equivalent Hazardous Waste Sites Identified for Investigation and/or Remediation	One-Half Mile	11
California and Tribal Landfills or Solid Waste Facilities List	One-Half Mile	0
California and Tribal Registered Underground Storage Tank (RUST) Facility List	On-Site and Adjoining Properties	2
California and Tribal Leaking UST/Spill List	One-Half Mile	49

Databases Reviewed	Approximate Minimum Search Distance (AMSD)	Number of Sites Within AMSD
California and Tribal Institutional/Engineering Control Registries	On-Site	0
California and Tribal Voluntary Cleanup Sites	One-Half Mile	3
California and Tribal Brownfields Sites	One-Half Mile	3
HAZNET	On-Site	2
Sacramento County Master List	On-Site	2
Sacramento County Contaminated Sites (CS)	One-Half Mile	44

The CER identified 37 "Orphan Sites". "Orphan Sites" are those sites that could not be mapped or "geocoded" due to inadequate address information. Refer to the CER for a list of these "Orphan Sites". IVI attempted to locate these sites via a review of street maps, vehicular reconnaissance and/or interviews with people familiar with the area. "Orphan Sites" that were identified in this manner were analyzed in their respective regulatory database below.

A description of the databases reviewed by IVI and an analysis of sites identified within the prescribed search area are presented below.

6.1 Federal Databases

NPL

The NPL database is a listing of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial action under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or "Superfund"). A site must be on the NPL to receive money from the Trust Fund for Remedial Action.

Analysis/Comment: The CER did not identify NPL sites within the AMSD.

Delisted NPL Site List

The EPA may delete a final NPL site if it determines that no further response is required to protect human health or the environment. Under Section 300.425(e) of the National Contingency Plan (55 FR 8845, March 8, 1990). Sites that have been deleted from the NPL remain eligible for further Superfund-financed remedial action in the unlikely event that conditions in the future warrant such action. Partial deletions can also be conducted at NPL sites.

Analysis/Comment: The CER did not identify Delisted NPL sites within the AMSD.

CERCLIS

CERCLIS is the USEPA's system for tracking potential hazardous-waste sites within the Superfund program. A site's presence on CERCLIS does not imply a level of federal activity or progress at a site, nor does it indicate that hazardous conditions necessarily exist at the location. Within one year of being entered into CERCLIS, the USEPA performs a preliminary assessment of a site. Based upon the results of the preliminary assessment, the USEPA may conduct additional investigation, which could lead to a site being listed on the NPL.

Analysis/Comment: The CER did not identify CERCLA sites within the AMSD.

CERCLIS No Further Remedial Action Planned (NFRAP) Sites

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from the CERCLIS list. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to warrant Federal Superfund Action or NPL consideration.

Analysis/Comment: The CER identified the following CERCLA NFRAP site within the AMSD:

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Southern Pacific Trans Co/ 401 I Street	0.42	North	Crossgradient/ Upgradient	Active

The above listed site is also known as the Downtown Sacramento Railyard. This facility was cross-referenced on the RCRA-Generators, RCRA-TSD, FINDS, RAATS, SLIC, CERC-NFRAP, Sacramento Co. CS, EnviroStor, Response and Manifest databases. From review of available information it was found that the Southern Pacific Transportation Company's (SPTC) Sacramento Railyard Facility has been in operation since 1865. The site is approximately 240 acres in size and encompasses numerous different contamination cases. Inorganic and organic contamination is broadly distributed across a majority of the site. On June 2, 1988, the California Department of Toxic Substance Control (DTSC) and SPTC entered into an Enforceable Agreement. A workplan and schedule for investigation and cleanup was finalized in October of 1988. Based on historical usage and known contamination the site was divided into six study areas: Central Shops (CSSA), Central Corridor (CCSA), Car Shop Nine (CSNSA), Lagoon (LSA), Northern Shops (NSSA) and Sacramento Station (SSSA). A new area was added in 2003, entitled the Manufactured Gas Plant (MGP) Area, which was

established after discovering remnants of an MGP on the western boundary of the northern shops area during soil remediation activities in the Northern Shops area. This plant was in operation during the late 1800's.

From review of numerous groundwater monitoring reports, dated 2006 – 2012, it was found that groundwater in the area is polluted with solvents (chlorinated volatile organic compounds or VOCs), metals and petroleum hydrocarbons. The contamination plume (South Plume Study Area (SPSA)) from this property extends over a mile to the south; including partially below the Subject. The responsible party, S. Thomas Enterprises of Sacramento, LLC (Thomas), is in the process of remediating the site via groundwater pump and treat systems, soil vapor extraction (SVE) and the removal of impacted soil; all under the oversight of the Central Valley Water Board and DTSC.

The current groundwater monitoring well network consists of 180 monitoring wells; 12 of which are extraction wells. The monitoring wells are in approximately 84 locations and are screened in 5 separate water-bearing zones. Several monitoring wells are located within 7th and P Streets to the southeast of the Subject; in addition, several extraction wells are located just to the southeast of the Subject along P Street.

From review of the report entitled *2011 Semiannual Groundwater Monitoring and Remediation Systems Operation and Maintenance Report, The Railyards, Sacramento, California*, prepared by ERM dated February 22, 2012, it was noted that contamination from the Railyards has impacted several geologic formations in the Subject area with Total Halogenated Volatile Organic Compounds (THVOCs) and 1, 4-dioxane (1,4-DXE). It was noted that the THVOC and 1,4-DXE plumes appear generally stable and groundwater flow direction appears to be consistent with historical flow directions. As previously noted, several extraction wells are located just to the southeast of the Subject; as such, the outer edges of some of the contamination plumes appear to have partially migrated under the eastern portion of the Subject property (mainly the 1,4-DXE plume in the Lower Sand Zone and Gravel Zone).

Based on the fact that contaminated groundwater has migrated under the Subject property, there is a potential for a Vapor Encroachment Condition (VEC) at the Subject. IVI compared the most recent contamination concentrations from groundwater samples obtained from monitoring wells located along the Subject's southern and eastern borders (along 7th and P Streets, respectively) to the Environmental Screening Levels (ESLs) set forth in the California Regional Water Quality Control Board, San Francisco Region's publication: *Screening for Environmental Concerns at Sites with Contaminated Soil and Groundwater, Interim Final November 2007, Revised May 2008*. It should be noted that the Central Valley Regional Water Quality Control Board does not maintain specific ESLs and refers to the San Francisco Region Board's publication. Under most circumstances, the presence of a chemical in groundwater at concentrations below

the corresponding ESL can be assumed to not pose a significant, long-term (chronic) threat to human health and the environment.

From review of Table E-1 (*Groundwater Screening Levels for Evaluation of Potential Vapor Intrusion Concerns (volatile chemicals only)*) in the above discussed Region Board publication, it does not appear that the Regional Board has assigned a value for potential vapor intrusion concerns to 1,4-DXE. Nevertheless, the general ESL for 1,4-DXE in groundwater, where groundwater is not a current or potential drinking water source was noted to be 50,000 micrograms/liter (ug/L); which is well above the most recent concentrations obtained from the monitoring wells surrounding the Subject (<6.3 ug/L). Based on these values it is not suspected that there would be a vapor intrusion concern at the Subject from the contamination plume originating from the Railyards property.

Based on this information and the fact that the Subject is connected to the municipal water system, there does not appear to be significant health risk to the Subject occupants from this known area wide contamination. In addition, the Responsible Party has been identified and is in the process of remediating the groundwater contamination in the area. As such, no further action or investigation appears warranted at this time.

RCRIS TSD

The RCRIS TSD contains information pertaining to those facilities that treat, store, or dispose of hazardous waste. While these facilities represent some form of hazardous waste activity, they are most significant if determined to be out of compliance or to have violations.

Analysis/Comment: The CER identified the following RCRIS TSD facility within the AMSD:

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Southern Pacific Trans Co/ 401 I Street	0.42	North	Crossgradient/ Upgradient	Active

This facility was previously discussed in the CERCLIS-NFRAP section above.

RCRIS Generators

IVI reviewed the list of sites, which have filed notification with the USEPA in accordance with RCRA requirements. These sites include generators of hazardous waste regulated under RCRA. Under RCRA, hazardous waste



generators are classified by the quantity of hazardous waste generated in a calendar month into the following categories: Large Quantity Generator (LQG), greater than 1,000 kilograms (kg); Small Quantity Generator (SQG), 100 to 1,000 kg; and Conditionally-Exempt Small Quantity Generator (CESQG), less than 100 kg. RCRA Generators, while they represent some form of hazardous waste activity, are most significant if they are determined to have Class I Violations or to be non-compliant.

Analysis/Comment: The CER identified the following RCRA Generators located within the AMSD:

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Office Building 8/DOHS Sacramento County/ 714 P Street (2 Listings)	South	Crossgradient	Compliant/No Violations (Sacramento Co. Contaminated Site)

Inclusion of a site on the RCRA Generator list does not necessarily constitute environmental contamination, but instead merely indicates that a hazardous waste stream was or is generated. Although no violations or compliance infractions were identified in connection with the above-referenced RCRA listing, this facility was identified twice on the Sacramento County Contaminated Site (SC) list. The first case dealt with a minor release of motor oil to soils in 1987. Upon subsequent remedial actions the case was issued closure on January 9, 1990. The second case dealt with a minor release of diesel fuel to soils when a 10,000-gallon UST was removed in 1999; groundwater was not impacted. After subsequent remedial actions the case was issued closure on December 24, 2009. Based on the current regulatory status, this adjacent property is not suspected to have impacted the Subject. Of note, the first case is also associated with a LUST case (Mobil #8, 714 P Street).

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Employment Development Anex 13/ 751 N Street, room 100	Northeast	Crossgradient	Compliant/No Violations

Inclusion of a site on the RCRA Generator list does not necessarily constitute environmental contamination, but instead merely indicates that a hazardous waste stream was or is generated. This facility was not cross-referenced on any regulatory databases that report releases or contamination conditions, such as the CERCLIS, state hazardous waste sites (SHWS) or SLIC databases. In addition,

no violations or compliance infractions were identified in connection with the above-referenced RCRA site. Based on this information, this facility is not suspected to be of a significant environmental concern to the Subject.

Corrective Action Tracking System (CORRACTS)

CORRACTS is a list of facilities that are found to have had hazardous waste releases and require RCRA corrective action activity, which can range from site investigations to remediation.

Analysis/Comment: The CER identified the following CORRACTS site within the AMSD:

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Compliance Status
Southern Pacific Trans Co/ 401 I Street	0.42	North	Crossgradient	Active

This facility was previously discussed in the CERCLIS-NFRAP section above.

ERNS

The ERNS is a database of notifications of oil discharges and hazardous substance releases made to the Federal government. These notifications are used by “On-Scene Coordinators” to determine an emergency response and release prevention. When a call is made to the National Response Center or one of the 10 USEPA Regions, a report is created containing all of the release information that the caller provided. This report is transferred to an appropriate agency to evaluate the need for a response and the records are electronically transferred to the ERNS database. As such, if a reported release of oil or a hazardous substance is deemed to require a response, it should also be listed in the appropriate federal or state environmental database such as CERCLIS, state equivalent CERCLIS, or state leaking underground storage tank or spills lists.

Analysis/Comment: The CER did not identify the Subject on the ERNS database.

Federal Institutional Control/Engineering Control Registries

These Federal registries contain listings of those sites which have either engineering and/or institutional controls in place. Engineering controls include various physical control devices such as fences, caps, building slabs, paved areas, liners and treatment methods to eliminate pathways for regulated substances to enter the environment or affect human health. Institutional controls include administrative measures, such as groundwater use restrictions, construction

restrictions, property use restrictions and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions (Activity and Use Limitations) are generally required as part of institutional controls.

Analysis/Comment: The CER did not identify the Subject on the Federal Institutional or Engineering Control registries.

FINDS

FINDS contains both facility information and “pointers” to other environment database sources that contain additional detail. These other databases include: RCRIS, PCS (Permit Compliance System), AIRS (Aerometric Information Retrieval System), FATES (FIFRA [Federal Insecticide Fungicide Rodenticide Act] and TSCA Enforcement System, FTTS [FIFRA/TSCA Tracking System]), CERCLIS, DOCKET (Enforcement Docket used to manage and track information on civil judicial enforcement cases for all environmental statutes), FURS (Federal Underground Injection Control), FRDS (Federal Reporting Data System), SIA (Surface Impoundments), CICIS (TSCA Chemicals in Commerce Information System), PADS, RCRA-J (medical waste transporters/disposers), TRIS and TSCA.

Analysis/Comment: The CER identified the Subject on the FINDS database. This listing is associated with the Subject’s listing on the Sacramento Co CS and Sacramento Co ML databases.

6.2 California Environmental Protection Agency (Cal/EPA) Databases

Envirostor, HIST Cal-Sites, Response and Tribal NPL Equivalent Hazardous Waste Sites (HWS)

The Department of Toxic Substances Control’s (DTSC’s) Site Mitigation and Brownfields Reuse Program’s (SMBRP’s) EnviroStor database identifies sites that have known contamination or sites for which there may be reasons to investigate further. The database includes the following site types: Federal Superfund sites (National Priorities List (NPL)); State Response, including Military Facilities and State Superfund; Voluntary Cleanup; and School sites. EnviroStor provides similar information to the information that was available in CalSites, and provides additional site information, including, but not limited to, identification of formerly-contaminated properties that have been released for reuse, properties where environmental deed restrictions have been recorded to prevent inappropriate land uses, and risk characterization information that is used to assess potential impacts to public health and the environment at contaminated sites.

The Response database is a list of confirmed release sites where DTSC is involved in remediation, either in a lead or oversight capacity. These confirmed release sites are generally high-priority and high potential risk.

Analysis/Comment: The CER identified 10 sites within the AMSD. Of these 10 sites, 5 are located over 0.5 mile from the Subject and based on distance are not suspected to be of a significant environmental concern to same. The remaining sites are discussed below:

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
PG & E- Sacramento/ 2000 Front Street	0.47	Southwest	Downgradient	Active

The PG & E- Sacramento site is a former PG&E manufactured gas plant. Soil stabilization/solidification has been selected as the remedial plan action according to DTSC documents. The above-tabulated hazardous waste site is located a sufficient distance downgradient from the Subject so as not to be reasonably suspected of having impacted the same.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Up, Downtown Sac – Manufactured Gas Plant/ 400 I Street	0.42	North	Crossgradient/ Upgradient	Active
Sacramento Rail Yard	0.42	North	Crossgradient/ Upgradient	Active

The above listings deal with the operations that took place at the former Sacramento Railyard that is located approximately 0.42 mile north of the Subject. This facility was discussed earlier in the CERCLIS-NFRAP section above.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
SMUD, Front & T Streets/ Front & T Street	0.45	Southwest	Downgradient	Certified O & M- Land Use Restrictions

The SMUD, Front & T Streets hazardous waste site is located topographically downgradient from the Subject and groundwater across this site is inferred to flow to the west, which is away from the Subject. Based on the above information and the current regulatory status, it is unlikely that contamination originating at this site has migrated on to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Sacramento Housing & Redevelopment/ 1920 Front Street	0.43	Southwest	Downgradient	Certified O & M- Land Use Restrictions

The Sacramento housing & Redevelopment hazardous waste site is located topographically downgradient from the Subject and groundwater across this site is inferred to flow to the west, which is away from the Subject. Based on the above information and the current regulatory status, it is unlikely that contamination originating at this site has migrated on to the Subject.

California and Tribal CERCLIS Equivalent Hazardous Waste Sites (HWS)

Tribal CERCLIS Equivalent HWS list is an inventory of toxic sites listed by Tribal Environmental and Health Authorities. These sites are either under remediation, or are currently under evaluation for further action, if necessary.

Analysis/Comment: The CER identified 11 California and/or Tribal CERCLIS Equivalent Hazardous Waste sites within the AMSD.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Up, Downtown Sac – Manufactured Gas Plant/ 400 I Street	0.42	North	Crossgradient/ Upgradient	Active
Sacramento Rail Yard	0.42	North	Crossgradient/ Upgradient	Active
Southern Pacific Trans Co./ 401 I Street	0.42	North	Crossgradient/ Upgradient	Active

The above listings deal with the operations that took place at the former Sacramento Railyard that is located approximately 0.42 mile north of the Subject. This facility was discussed earlier in the CERCLIS-NFRAP section above.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
SMUD, Front & T Streets/ Front & T Street	0.45	Southwest	Downgradient	Certified O & M- Land Use Restrictions

The SMUD, Front & T Streets hazardous waste site is located topographically downgradient from the Subject and groundwater across this site is inferred to flow

to the west, which is away from the Subject. Based on the above information and the current regulatory status, it is unlikely that contamination originating at this site has migrated on to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
A-B-C Cleaners/ 1120 7 th Street	0.23	North- northeast	Crossgradient	Referred to Another Agency

According to information on the EnviroStor website, the file for this facility was last updated in November 1994. No additional information pertaining to this facility was readily available for review. Nevertheless, groundwater extraction wells for the Railyards facility are located just to the southeast of the Subject; and as such, should contamination exist at the above-listed facility it is not suspected to have migrated onto the Subject property, but instead flow towards the southeast, away from the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Gilbert Property/ 723 S Street	0.16	South	Crossgradient	Referred to Another Agency

According to information on the EnviroStor website, the file for this facility was last updated in July 1994. No additional information pertaining to this facility was readily available for review. Nevertheless, from review of groundwater information for the nearby area, shallow groundwater in the area has been found to be flowing in a westerly direction. Based on this information, should contamination exist at the above-listed facility it is not suspected to have migrated onto the Subject property.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
PG & E- Sacramento/ 2000 Front Street	0.47	Southwest	Downgradient	Active

The PG & E- Sacramento site is a former PG&E manufactured gas plant. Soil stabilization/solidification has been selected as the remedial plan action according to DTSC documents. The above-tabulated hazardous waste site is located a sufficient distance downgradient from the Subject so as not to be reasonably suspected of having impacted the same.

The remaining four sites located within the 0.5-mile AMSD all have a No Further Action (NFA) or Certified status with the lead regulatory agencies. Based on their current regulatory status, these remaining sites are not suspected to be of a significant environmental concern to the Subject.



California and/or Tribal Solid Waste Facilities (SWF) List

The SWF list is an inventory of active, closed and inactive landfills and other sites that manage solid wastes.

Analysis/Comment: The CER did not identify SWF sites within the AMSD.

California and/or Tribal Registered Underground Storage Tanks (UST), HIST USTs and SWEEPS UST Facility Lists

The UST facility list is an inventory of registered liquid bulk storage tanks. The HIST UST database, aka the Hazardous Substance Storage Container Database, is a historical listing of UST sites. The SWEEPS UST database, aka the Statewide Environmental Evaluation and Planning System, is a list of USTs that was updated and maintained by a company contacted by the State Regional Water Quality Control Board in the early 1980's. This listing is no longer updated or maintained but has historical significance.

Inclusion of a site on these lists does not necessarily constitute environmental contamination, but instead merely indicates the presence of registered bulk storage tanks.

Analysis/Comment: The CER identified the following Registered Storage Tank sites within the AMSD:

Property Name/ Address	Distance	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Department Health Services Bldg #039/ 714 P Street	Adjacent	South	Crossgradient	Case Closed (Sacramento Contaminated Site)

The above-referenced registered storage tank site was previously discussed in the RCRIS-Generators Section above.

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Department of General Services Site/ 751 N Street	Northeast	Crossgradient	Compliant/No Violations

This facility is noted as having a 550-gallon diesel fuel UST onsite. Inclusion of a site on the UST database does not necessarily constitute environmental contamination, but instead merely indicates the presence of registered bulk



storage tanks. This facility was not cross-referenced on any databases that report releases or spills, such as the LUST or SHWS databases. Based on the lack of reported releases, this facility is not suspected to be of a significant environmental concern to the Subject.

Of note, numerous UST listings are noted to be associated with the address of 650 Capitol Mall, which is the address of the adjacent northern government office building; located beyond the parking lot on the north side of N Street. These listings appear to be associated with properties not located adjacent to the Subject. It is assumed that since this a government building the address is only a mailing address and not the physical location of these tanks.

California and Tribal Leaking Underground Storage Tanks (LUST) List and Spills, Leaks, Investigations and Cleanups (SLIC) Records

The LUST list is an inventory of reported spills and leaks, both active and inactive maintained by the various California Regional Water Quality Control Boards. It includes stationary and non-stationary source spills reported to state and federal agencies, including remediated and contaminated leaking UST sites. SLIC records, which are maintained by the various Regional Water Quality Control Boards, document unauthorized discharges from spills and leaks from sources other than UST and other regulated sites.

Analysis/Comment: The CER identified 49 LUST/SLIC sites within the AMSD. Of the 49 sites, 33 have a Case Closed status with the lead regulatory agency. A Case Closed status is granted to those sites that do not exhibit levels of contamination requiring clean-up, have been remediated to the satisfaction of the lead regulatory agency, or are not suspected to represent a significant threat to human health or the environment. As such, absent additional information to the contrary, it is unlikely that contamination originating at sites with a Case Closed status have had a significant negative environmental impact on the Subject. The remaining 16 sites are discussed below:

Property Name/ Address	Distance	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Mobil #8/ 714 P Street	Adjacent	South	Crossgradient	Case Closed (Sacramento Contaminated Site)

The above-referenced registered storage tank site was previously discussed in the RCRIS-Generators Section above.



6.0 REGULATORY REVIEW

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
State of California Central Plant Block 261 & DGS Building Property Mgmt/ 625 Q Street (2 Listings)	0.08	South	Crossgradient	Open- Preliminary Site Assessment

The State of California Central Plant Block 261 LUST site formerly had a 60,000-gallon underground storage tank (UST), which was removed from the site. During the removal of the UST, petroleum hydrocarbons were observed in soil and groundwater in the vicinity of the UST. Diesel contaminated soil in the immediate vicinity of the former UST was excavated and installation of soil borings and groundwater monitoring wells was conducted to evaluate the extent of hydrocarbons. Two soil borings and seven groundwater monitoring wells were installed in July 2010. According to information provided in several groundwater monitoring reports on the property, groundwater has been found to be flowing in a southeasterly direction at this facility; away from the Subject. Of note, from review of contamination plume maps it appears that contamination is limited to this parcel. Based on this information, it is not anticipated that contamination originating at this site has migrated on to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Greyhound Bus Terminal/ 715 L Street	0.17	North- northeast	Crossgradient	Open- Verification Monitoring

From review of available information online at the Geotracker website, it appears that a release of diesel fuel, which has impacted groundwater, was discovered at this facility in 1989. According to information provided in several groundwater monitoring reports on the property, groundwater has been found to be flowing in a southeasterly direction at this facility; away from the Subject. Of note, from review of contamination plume maps it appears that contamination is limited to this parcel. Based on this information, it is not anticipated that contamination originating at this site has migrated on to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Sacramento County Jail/ 651 I Street (2 Listings)	0.42	North- northeast	Crossgradient	Open- Site Assessment

From review of available information online at the Geotracker website, it appears that a release of diesel fuel was discovered at this facility in 2007 and is under

investigation; a site visit by the RWQCB was conducted in April 2009. From review of groundwater monitoring reports for the nearby northern Southern Pacific Trans Co (SPTC) facility, it appears that this facility is located within the SPTC's area-wide contamination plume. As such, it is possible that the above-listed facility has contributed to the SPTC's contamination plume. Refer to the CERCLIS-NFRAP Section above for a more detailed discussion on the SPTC facility.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Energy Commission Building 008/ 1516 9 th Street	0.14	East- Southeast	Crossgradient	NFA

From review of available information online at the Geotracker website, it appears that a release of gasoline was discovered at this facility in 1999 and is currently under investigation by the RWQCB. According to a January 2004 letter from the County EMD, all investigations activities that could be conducted for this site have been completed; however, building and utility constraints hinder any further investigation or remediation activities. As such, this facility has been granted an informal No Further Action status. From review of a 2003 site assessment of this property, it appears that contamination is limited to this parcel. Based on the above information, this listing is not suspected to have impacted the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Jess Unruh Bldg/ 915 Capital Mall	0.20	East	Crossgradient	Open- Verification Monitoring

According to information online at the Geotracker website, in 1987, two 1,500 gallon heating oil underground storage tanks (USTs) were removed from the site, and petroleum hydrocarbons were detected in the soil. In 1988, a previously undocumented 5,000 gallon UST was discovered abandoned in place and filled with sand. In 1989, 290 tons of petroleum hydrocarbon contaminated soil was removed from the site. A total of three groundwater monitoring wells were installed during January 1988 and March 1990. From review of groundwater monitoring reports dated 2006-2011, it appears that contamination is limited to this parcel. Based on the above information, this listing is not suspected to have impacted the Subject.

6.0 REGULATORY REVIEW

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Capital Gateway (The Sacramento Union)/ 301 Capital Mall (2 Listings)	0.18	Northwest	Downgradient	Open- Preliminary Assessment

From review of available information online at the Geotracker website, it appears that a release of gasoline from a 12,000-gallon UST was discovered at this facility in 2004. No additional information pertaining to this site was readily available for review. Nevertheless, based on distance and presumed groundwater flow direction (west), the above-listed facility is not suspected to be of a significant environmental concern to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
PG & E- Sacramento/ 2000 Front Street	0.47	Southwest	Downgradient	Open- Remediation

The PG & E- Sacramento site is a former PG&E manufactured gas plant. Soil stabilization/solidification has been selected as the remedial plan action according to DTSC documents. The above-tabulated hazardous waste site is located a sufficient distance downgradient from the Subject so as not to be reasonably suspected of having impacted the same.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Southern Pacific Trans Co/ 401 I Street	0.42	North	Crossgradient/ Upgradient	Open- Inactive
Sacramento Rail Yard	0.42	North	Crossgradient/ Upgradient	Open- Assessment & Interim Remedial Action

The above listings deal with the operations that took place at the former Sacramento Railyard that is located approximately 0.42 mile north of the Subject. This facility was discussed earlier in the CERCLIS-NFRAP section above.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Gilbert property & Jerome Gilbert/ 723 S Street (2 Listings)	0.23	South	Crossgradient	Open- Inactive

According to information on the EnviroStor website, the file for this facility was last updated in July 1994. Soils at this site are suspected to have been impacted with heavy metals; groundwater is not suspected to have been impacted. Based on distance from the Subject and the media impacted, these listings are not suspected to be of a significant environmental concern to the Subject.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Joe's Automotive/ 1734 13 th Street	0.49	Southeast	Crossgradient	Open- Inactive

According to information on the EnviroStor website, the file for this facility was last updated in June 1996. Soils at this property are suspected to have been impacted with automotive fluids; groundwater was not noted as impacted. Based on distance from the Subject and the media impacted, these listings are not suspected to be of a significant environmental concern to the Subject.

California Deed Restriction Listing and Tribal Institutional Control/Engineering Control Registries

The DTSC SMBRP list includes sites remediated under the program’s oversight that have active deed restrictions. The DTSC Hazardous Waste Management Program Facility Sites (HWMP) list includes current and former hazardous waste facilities with deed/Land Use Restrictions that have been recorded with the County. The type of land use restrictions includes deed notices, deed restrictions, or a land use restriction that binds current and future owners.

The Tribal Institutional Control/Engineering Control Registries contain listings of those sites which have either engineering and/or institutional controls in place. Engineering controls include various physical control devices such as fences, caps, building slabs, paved areas, liners and treatment methods to eliminate pathways for regulated substances to enter the environment or effect human health. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions (Activity and Use Limitations) are generally required as part of institutional controls.

Analysis/Comment: The CER did not identify the Subject on the SMBRP, HWMP or Tribal Institutional or Engineering Control registries.

California and Tribal Voluntary Cleanup Program (VCP) Sites

The California VCP properties list includes “low” threat level properties with either confirmed or unconfirmed releases and the project proponents have requested that the DTSC oversee the investigation and cleanup.



Analysis/Comment: The CER identified the following VCP site within the AMSD.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Federal Courthouse-Sacramento/ 5 th and I Streets	0.42	North-Northeast	Crossgradient/Upgradient	Certified O & M- land Use Restrictions Only
Sacramento Rail Yard	0.42	North	Crossgradient/Upgradient	Active

The above listings deal with the operations that took place at the former Sacramento Railyard that is located approximately 0.42 mile north of the Subject. This facility was discussed earlier in the CERCLIS-NFRAP section above.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Capital Area Development Authority/ 1108 R Street	0.38	Southeast	Downgradient	Certified

The above referenced VCP site was given a status of Certified, indicating that remediation at the site has been completed to the satisfaction of the DTSC, and no longer poses a threat to human health or the environment. Based on its status, it is unlikely that contamination originating at this site has a significant negative environmental impact to the Subject.

California and Tribal Brownfield Sites

A Brownfield site was defined in the 2002 Small Business Liability Relief and Brownfields Revitalization Act (Brownfields Law) as "real property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant". In connection with the passage of the Brownfields Law, the Environmental Protection Agency grants awards to states and tribes for activities under Section 128 (a).

Analysis/Comment: The CER identified the following Brownfield site within the AMSD.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Southern Pacific	0.42	North	Crossgradient/Upgradient	Active



Railroad/ 1050 12 th Street				
Union Pacific Railroad/ 1050 12 th Street	0.42	North	Crossgradient/ Upgradient	Active

The above listings deal with the operations that took place at the former Sacramento Railyard that is located approximately 0.42 mile north of the Subject. This facility was discussed earlier in the CERCLIS-NFRAP section above.

Property Name/ Address	Distance (Mile)	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
CADA Warehouse- Capitol Lofts/ 12 th and R Street	0.44	Southeast	Crossgradient	Closed

CADA received a loan from a U.S. Environmental Protection Agency’s Brownfields grant program to help pay for the cleanup. Under DTSC’s oversight, CADA prepared a removal action plan and excavated and removed approximately 5,000 cubic yards of contaminated soil to a depth of eight feet. Soils were transported to a permitted facility and the cleanup was completed by the summer of 2004. In September 2004, DTSC issued a certificate of completion that all environmental cleanup activities were completed and that the site was suitable for unrestricted land use.

HAZNET

The data is extracted from the copies of hazardous waste manifests received each year by the DTSC. The annual volume of manifests is typically 700,000 - 1,000,000 annually, representing approximately 350,000 - 500,000 shipments. Data are from the manifests submitted without correction, and therefore many contain some invalid values for data elements such as generator ID, TSD ID, waste category, and disposal method.

Analysis/Comment: The CER identified the Subject three times on the HAZNET database. These listings deals with asbestos containing waste being removed from the Subject. These wastes were removed during several different renovation projects. Nevertheless, this database only provides information on quantities and types of wastes generated and not on spills or cleanups. Please refer to Section 7.15 for a more detailed discussion on asbestos containing materials at the Subject.

The CER also identified the Subject on the HAZNET database for removal of other organic solids; presumed to be the mold impacted building materials that were removed from the Subject during the same asbestos abatement projects.



Please refer to Section 5.6 for a more detailed discussion on the mold abatement that took place onsite.

Sacramento County Master List (ML)

Any business that has hazardous materials onsite - hazardous materials storage sites, underground storage tanks, waste generators. This listing also deals with properties that have filed a business plan with the County of have a Food establishment. The ML is maintained by the Sacramento County Environmental Management Department (EMD).

Analysis/Comment: The CER identified the Subject on the ML database. From review of available information, it appears that this listing is associated with Swanson's Cleaners, a former pick-up/drop-off dry cleaning tenant of the Subject. Based on the fact that this former cleaner never performed onsite dry cleaning, this listing is not suspected to be of a significant environmental concern to the Subject. Of note, this former tenant was not identified on RCRA-Generators database and was observed during several previous assessments to be a pick-up/drop-off location only.

The second listing deals with 1992 hydraulic oil release from the parking garage elevator. Please refer to Section 5.6 for a more detailed discussion on same.

Sacramento County Contaminated Sites (CS)

A listing of contaminated sites as reported by the Sacramento County EMD.

Analysis/Comment: The CER identified the Subject as a Sacramento County CS site. This listing is in reference to a hydraulic oil release to soil only at the Subject. This spill was discussed previously in Section 5.6.

The CER also identified 44 additional CS sites within the 0.5-mile AMSD. All 44 sites either have a case closed status with the lead regulatory agency and/or were previously discussed in the LUST/SLIC section above.

6.3 EDR Proprietary Databases

EDR Historic Auto Stations

EDR has searched selected national collections of business directories and has collected listings of potential gas station/filling station/service station sites that were available to EDR researchers. EDR's review was limited to those categories of sources that might, in EDR's opinion, include gas station/filling station/service station establishments. The categories reviewed included, but were not limited to gas, gas station, gasoline station, filling station, auto, automobile repair, auto service station, service station, etc.

Analysis/Comment: The CER identified the following the Subject and adjacent properties on the historical auto stations database.

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Flacksbarth S Roy Associated Parking Service/ 630 N Street	Subject	Subject	Inactive

The CER identified the Flacksbarth S Roy Associated Parking Service site was noted as a gasoline station in the 1952 and 1956 directories. From review of historic Sanborn maps of the Subject it appears that the former parking lot in the northeast corner of the Subject had fueling service and is suspected to have contained USTs. The parking lot with fueling service appears to have only been in operation during the 1950s, just prior to the construction of the current improvements. It is assumed that any tanks associated with the former fueling service would have been discovered and removed during site preparation for the current improvements; however, no records of any USTs being removed from this portion the Subject were discovered. Nevertheless, over 50 years have passed since the USTs were likely removed, indicating natural attenuation of contamination not removed during their excavation, if any, has likely occurred. In addition, this former onsite facility was not identified on any databases that report releases or contamination conditions. Based on this information, these former USTs are not suspected to be of a significant environmental concern to the Subject and no further action or investigation appears warranted at this time.

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
ITO S Shell Service/ 500 P Street	South	Crossgradient	Inactive

The CER identified ITO S Shell Service site as a Historical Auto Station in 1956. This facility was not cross-referenced on any databases that report releases or spills, such as the LUST or SHWS databases. Based on the lack of reported releases, and the fact that this property has since been redeveloped into residential properties, this former facility is not suspected to be of a significant environmental concern to the Subject.

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Waynes S Auto Service/ 1600 6 th Street	South	Crossgradient	Inactive



The CER identified Waynes S Auto Service site as a Historical Auto Station in 1933, 1942, 1956 and 1966. This facility was not cross-referenced on any databases that report releases or spills, such as the LUST or SHWS databases. Based on the lack of reported releases, and the fact that this property has since been redeveloped into residential properties, this former facility is not suspected to be of a significant environmental concern to the Subject.

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Bybess S Service/ 704 N Street	East	Crossgradient	Inactive

The CER identified Bybess S Service site as a historic auto repair shop in 1952 and 1956. This facility was not cross-referenced on any databases that report releases or spills, such as the LUST or SHWS databases. Based on the lack of reported releases, and the fact that this property has been redeveloped with the current county office building, this former facility is not suspected to be of a significant environmental concern to the Subject.

EDR Historic Cleaners

EDR has searched selected national collections of business directories and has collected listings of potential dry cleaner sites that were available to EDR researchers. EDR's review was limited to those categories of sources that might, in EDR's opinion, include dry cleaning establishments. The categories reviewed included, but were not limited to dry cleaners, cleaners, laundry, laundromat, cleaning/laundry, wash & dry etc.

Analysis/Comment: The CER identified the Subject on the historical cleaners database. Specifically,

Property Name/ Address	Direction	Presumed Hydrogeologic Relationship	Regulatory Status
Swanson's Cleaners/ 1500 7 th Street	On-site	On-site	Inactive

This facility was previously discussed in the ML section above and in Section 5.6.

EDR Manufactured Gas Plants

This database includes records of coal gas plants (manufactured gas plants) compiled by EDR's researchers. Manufactured gas sites were used in the United States from the 1800's to the 1950's to produce a gas that could be distributed and used as fuel. These plants used whale oil, rosin, coal, or a mixture of coal, oil,

and water that also produced a significant amount of wastes. Many of the byproducts of the gas production, such as coal tar (oily waste containing volatile and non-volatile chemicals), sludges, oils and other compounds are potentially hazardous to human health and the environment. The byproduct from this process was frequently disposed of directly at the plant site and can remain or spread slowly, serving as a continuous source of soil and groundwater contamination.

Analysis/Comment: The CER did not identify the Subject or any adjacent properties on the manufactured gas plant database.

7.1 Chemical Storage and Usage

In addition to chemicals customarily used for routine building cleaning and maintenance IVI identified the following chemical substances stored on-site:

Product	Container Size (Gallons)	Quantity	Storage Conditions
Diesel Fuel	55	2	Satisfactory
Corrosive Inhibitor	55	1	Satisfactory

The chemicals are stored in the basement. Additional chemicals customarily used for routine building and pool maintenance and cleaning were stored in various locations onsite. Of note, floor drains were not observed in the vicinity of the chemical storage area. MSDSs are maintained on-site. Housekeeping was generally considered satisfactory. The chemical containers were undamaged and capped and the immediate storage area did not exhibit obvious evidence of significant spills or leakage. The chemicals, which are stored in their original containers, do not appear to represent an impact to the environmental quality of the site provided that they are used as intended, properly handled, and the regulations pertaining to their usage are followed.

7.2 Bulk Storage Tanks

Underground Storage Tanks (USTs)

No USTs were identified on the subject property and no common indicators of USTs such as vent pipes, fill ports, manways, pavement cuts, fuel gauges or dispensers were observed. In addition, according to Mr. Armando Cesar, there are no USTs on-site. Furthermore, the Subject was not identified on the California list of registered UST facilities.

Tanks per the following schedule were either removed, closed-in-place or abandoned at the subject site:

Location	Tank Disposition	Capacity (Gallons)	Product	Date Removed	Testing Conducted	Contamination Identified
40 feet southeast of tower building	Unknown	4,000	Diesel	5/17/1991	Yes	Yes

Records at the Sacramento County Environmental Management Department (SCEMD) contained records regarding a former 4,000-gallon diesel UST that was removed from the Subject on May 17, 1991 under permit and supervision of SCEMD. The UST was located approximately 40 feet southeast of the tower building. A previous report, titled *Phase I Environmental Site Assessment of Capital Towers Apartments*, completed by ATC Associates Inc. for Bond

Companies, dated March 26, 2007, indicated that the UST formerly supplied fuel to the heating system for the tower, which now currently uses natural gas. The SCEMD's records contain soil testing data from soil obtained during UST removal activities. The samples were analyzed for TPH and BTEX. TPH at a concentration of 48 parts per million was detected in the excavated soil stock pile sample. Upon review of the sampling results, the SCEMD issued a closure letter on December 10, 1991 for the Subject's removed UST.

Of note, this tank is suspected to be the same removed tank that was discussed earlier in the ERC report dated 1992 (Section 5.6); due to the fact that the same contractor (WKA) removed the UST during the same month, the soil sampling results were identical and the closure letter from the SCEMD was dated the same day.

From review of historic Sanborn maps of the Subject it appears that the former parking lot in the northeast corner of the Subject had fueling service and is suspected to have contained USTs. The parking lot with fueling service appears to be have only been in operation during the 1950s, just prior to the construction of the current improvements. It is assumed that any tanks associated with the former fueling service would have been discovered and removed during site preparation for the current improvements; however, no records of any USTs being removed from this portion the Subject were discovered. Nevertheless, over 50 years have passed since the USTs were likely removed, indicating natural attenuation of contamination not removed during their excavation, if any, has likely occurred. Based on this information, these former USTs are not suspected to be of a significant environmental concern to the Subject and no further action or investigation appears warranted at this time.

Aboveground Storage Tanks (ASTs)

No ASTs were observed and IVI did not identify any equipment, which should require such tanks. Moreover, according to the site contact, there are no ASTs on-site.

IVI observed an inactive 100-gallon AST in the basement associated with the inactive emergency generator. Residual evidence of spillage or leakage was not observed in the area of the inactive AST. According to property management, the AST is currently empty.

7.3 Site Waste and Wastewater

Solid Waste

Non-hazardous solid waste is disposed of in dumpsters and is removed from the Subject on a regular basis by Waste Management. Potential sources of

contamination, such as waste oil or automobile batteries, were not observed in the vicinity of the dumpsters.

Sanitary Sewage

Sanitary sewage disposal is provided by the municipality. IVI did not observe any sources of wastewater or liquid discharge into the sewer other than sanitary sewage.

Hazardous Waste

No hazardous waste was observed or reported to be generated on the Subject. Furthermore, IVI's review of the USEPA's database of sites regulated under RCRA did not identify the Subject as a generator of hazardous waste.

7.4 Stained Soil, Stained Pavement, or Stressed Vegetation

There was no evidence of significant soil staining, stained pavement, or stressed vegetation observed on-site.

7.5 Liquid Discharges

No visible evidence of liquid discharges, suspected to represent an environmental concern were observed during our survey.

7.6 Pools of Liquid

IVI did not observe significant standing surface water or pools containing liquids likely to be hazardous substances or petroleum products.

7.7 Pits, Ponds, or Lagoons

No pits, ponds or lagoons suspected of containing hazardous substances or petroleum products were identified on-site.

7.8 Wells

IVI did not identify on-site dry wells, irrigation wells, injection wells, observation wells, monitoring wells, potable water wells, recovery wells or abandoned wells. However, a previous report indicated that a former groundwater monitoring well was located near the parking garage. This former well was associated with a hydraulic oil spill of less than 10-gallons at the Subject. This monitoring well was properly abandoned in February 1995 after the case was given closure on January 18, 1995 by the SCEMD.

7.9 On-Site Fill

Based on our observations, other than typical engineered fill used in foundation construction, it does not appear that a significant amount of fill has been imported onto the Subject.

7.10 Drums and Containers for Storing Waste

IVI observed partially filled 55-gallon drums in the basement. The drums, which are labeled, contain corrosive inhibitor and diesel fuel. The drums are stored on a concrete slab, and were observed to be in generally in good condition. Since the diesel drums are no longer used at the site, it would be prudent to properly dispose of same.

7.11 Floor Drains and Sumps

IVI did not identify any floor drains or sumps that were stained, emitting foul odors, or connected to an on-site sewage disposal system, or located adjacent to chemical storage areas. Of note, stormwater sump pumps are located in the basement of the tower building. The presence of this equipment is not suspected to impact the Subject.

7.12 Odors

IVI did not identify strong, pungent, or noxious odors suspected to represent an environmental concern.

7.13 Air Emissions

IVI did not identify processes or equipment that emit noticeable vapors or fumes. Of note, the emergency generator is no longer in use.

7.14 Polychlorinated Biphenyls (PCBs)**Elevators**

IVI identified one hydraulic elevator in the Subject's parking garage. According to Armando Cesar, Maintenance Supervisor, the hydraulic elevator unit was completely overhauled after a 1991 hydraulic spill, which included draining and replacing the hydraulic fluid. As such, it is highly unlikely that the hydraulic fluid contains PCBs. No significant staining or pools of hydraulic fluid were observed in the area of the hydraulic elevator machinery.

7.15 Asbestos-Containing Material (ACM)

- According to a previously prepared report, entitled *Review of Environmental Documentation and Site Visit Asbestos Materials and Lead Paints*, dated April 13, 2001, which was prepared by AllWest Environmental, Inc. (AllWest), the following materials in the Subject's villas were found to contain asbestos: 9"x9" floor tiles/mastic, sheet vinyl flooring, 12"x12" vinyl floor tiles/mastics, black roofing mastic around roof penetration points, sheetrock and sheetrock joint compound and exterior stucco/plaster. The following materials at the Subject's tower building were found to contain asbestos: plaster pipe fitting insulation, chiller pipe insulation, water tank insulation, acoustic ceiling texturing, floor tile and mastics. These materials were identified in two prior asbestos surveys AllWest reviewed (Kleinfelder Associates, February 1993 and Environmental Risk Consultants, April 1992). AllWest also stated that they reviewed a copy of an asbestos Operations & Maintenance (O&M) Program that was developed for the entire property. Of note, a copy of this O&M Program was not made available for review. AllWest noted that due to the limited scope of the reviewed asbestos surveys, it is possible that additional material at the Subject contain asbestos.
- According to a previously prepared report, entitled *Asbestos & Mold Abatement Final Report, Capital Towers, 1500 7th Street, Sacramento, California*, dated August 30, 2002, which was prepared by AllWest Environmental, Inc. (AllWest), asbestos and mold abatements were completed at the Subject between January and June 2002. The abatements only deal with the villas portion of the Subject, not the tower. Restec Contractors, Inc. of Hayward, California performed the asbestos abatement work. The asbestos abatement work included the removal of sheet vinyl flooring, drywall/taping mud, vinyl floor tile/mastic and spray applied acoustical ceilings under negative pressure enclosure conditions. Approximately 28 tons of hazardous asbestos-containing waste was generated from the abatement project and disposed of at B & J Landfill in Vacaville, California and Crosby & Overton, Inc. in Long Beach, California. All waste was disposed of by hazardous waste manifesting protocols with a U.S. EPA temporary hazardous waste generator number of "CAC00231256918258".

Mold abatement was also performed during this asbestos abatement project. The mold removal portion of the project followed the removal of asbestos materials. Approximately 230 tons (2230 pounds per apartment) of mold-impacted materials were removed from the interior apartment units and disposed of as construction waste.

- According to a previously prepared report, entitled *Phase I Environmental Site Assessment of Capital Towers Apartments, 1500 7th Street, Sacramento, California*, dated March 26, 2007, prepared by ATC Associates (ATC), bulk samples were collected from accessible tenant spaces, mechanical rooms, storage and common areas and analyzed using polarized light microscopy. ATCs limited asbestos survey at the Subject included taking 36 samples from various locations throughout the property.

Tower - ACMs were identified in acoustical ceiling sprayed-on material in the tower building (apartments 10F & 12F) at 7% Chrysotile; and were noted to be in good condition. ACM was detected in joint compound found in the elevator lobby (2% Chrysotile), and was noted to be in poor condition. Pipe elbow insulation in the boiler room contained between 3 and 7% Chrysotile and 30% Amosite. Fire door insulation that was found to be damaged in the maintenance room contained 45% Chrysotile. Drywall/joint compound and window putty were also found to be ACMs at <1% Chrysotile. Of note, the two samples of friable acoustical ceiling tiles in the leasing office and common area room were found to be non-detect for asbestos.

Villas - Drywall/joint compound and exterior stucco in the villas were found to contain <1% Chrysotile. The cement board in the pool room was found to contain 15% Chrysotile. Of note, the three samples of friable wall texturing taken from the apartments were found to be non-detect for asbestos.

ATC recommended an Operations and Maintenance (O&M) Program be developed and implemented. ATC also recommended that the Subject consult with legal counsel concerning potential liabilities associated with the disposal of suspect asbestos containing waste generated during the 2001 abatement.

Villas - From review of the above listed reports and interviews with property management, it appears that the villas were gut renovated in 2001/2002. In addition, the villas' roofs were noted to have been recently replaced. Based on the date of villas' renovation, it is unlikely that appreciable quantities of asbestos containing materials were used during the renovations. Of note, as discussed in the limited asbestos survey performed in 2007, the drywall/joint compound, exterior stucco and cement board (in the pool room) were found to contain asbestos. These non-friable materials were observed to be in good condition during the current assessment of the Subject. In addition, although unlikely due to the renovation dates, other observed non-friable materials, such as resilient floor finish assemblies and built up roofing materials may contain asbestos. These non-friable materials were also observed to be in good condition during the current assessment.

7.0 SITE RECONNAISSANCE

Capital Towers and Villas
Sacramento, California

Tower - IVI observed the following suspect and confirmed ACM at the Subject's Tower:

Material	Location	Condition	Potential For Disturbance	Friable (Y/N)	Quantity	Asbestos Containing?
Wallboard Assemblies (drywall/joint compound)	Throughout	Good	Low	N	Not Estimated	Suspect
Wallboard Assemblies (drywall/joint compound) (2007 survey)	Apts. P4, 10F, 9A, 9N	Good	Low	N	Not Estimated	<1% Chrysotile
Acoustical Ceiling Spray-on material (heavily painted)	Throughout	Good	Low	N	Not Estimated	Suspect
Acoustical Ceiling Spray-on material (heavily painted) (2007 survey)	Apts. 12F, 10F	Good	Low	N	Not Estimated	7% Chrysotile
Acoustical Ceiling Spray-on material (heavily painted) (1992 survey)	Unknown (presumed apt units)	Good	Low	N	Not Estimated	2-5% Chrysotile
Window Putty	Throughout	Good	Low	N	Not Estimated	Suspect
Window Putty (2007 survey)	Exterior of window Apts. 7M, 7E	Good	Low	N	Not Estimated	<1% Chrysotile
Pipe Elbow Insulation (2007 survey)	Boiler Room	Good	Low	Y	Not Estimated	7% Chrysotile 3% Chrysotile 30% Amosite
Fire Door Insulation (2007 survey)	Maintenance Room	Good	Low	N	Not Estimated	45% Chrysotile
Roof materials	Roof	Good	Low	N	Not Estimated	Suspect
Resilient Floor Finishes	Throughout	Good	Low	N	Not Estimated	Suspect
Floor tile and mastic (1992 survey)	Unknown	Good	Low	N	Not Estimated	5-10% Chrysotile in tile 5-10%

7.0 SITE RECONNAISSANCE

Capital Towers and Villas
Sacramento, California

						Chrysotile in mastic
Mastic	Throughout	Good	Low	N	Not Estimated	Suspect
Caulk	Throughout	Good	Low	N	Not Estimated	Suspect
Plaster pipe fitting insulation (1992 survey)	Unknown (presumed boiler room)	Good	Low	Y	Not Estimated	5-10% Chrysotile
Chiller pipe insulation (1992 survey)	Unknown (presumed boiler room)	Good	Low	Y	Not Estimated	5-10% Chrysotile
Water tank insulation (1992 survey)	Unknown (presumed boiler room)	Good	Low	Y	Not Estimated	5-10% Chrysotile 10-20% Amosite

The above listed materials were observed to be in good condition at the time of our site walkthrough, with low potential for fiber release. Of note, the acoustical ceiling spray-on material was observed to be heavily painted; basically rendering it non-friable. The onsite management also noted that the ceilings are painted as units are vacated and/or approximately every couple of years.

According to building management, an Asbestos Operations and Maintenance (O&M) Program is currently in place. However, a copy of the Asbestos O&M Program was not made available for review.

7.16 Lead-in-Drinking Water

Based on our conversations with utility personnel, the water at the Subject is not expected to contain elevated levels of lead.

7.17 Radon

Based on statistical information maintained within the U.S. Department of the Interior and U.S. Geological Survey's *Geologic Radon Potential*, dated 1993, radon concentrations in Sacramento County average 1.0 picocuries per liter (pCi/L), which is below the 4.0 pCi/L action level established by the USEPA.

Notwithstanding the foregoing, IVI conducted a short-term radon screening at the site utilizing passive diffusion charcoal radon detectors. In accordance with good and customary practice, the canisters were placed at least 20" above the finished floor in the building's lowest livable area. The results of this testing are presented below:

7.0 SITE RECONNAISSANCE

Capital Towers and Villas
Sacramento, California

Location	Analytical Results pCi/L
V-640	0.1
V-644	0.1
V-648	0.4
V-652	0.5
V-656	0.6
V-660	0.9
V-664	0.6
V-668	0.5
V-672	1.1
V-676	0.1
V-680	1.2
V-684	0.3
V-688	0.3
V-692	0.5
V-1437	0.1
V-1445	0.8
V-1449	0.6
V-1453	1.5
V-1457	0.1
V-1461	1.1
V-1465	0.1
V-1469	0.8
V-1473	0.8
V-1477	1.0
V-1481	0.1
V-1485	0.9
V-1489	0.9
V-1493	0.1
V-1497	0.1
2-H	0.1
V-621	0.4
V-633	0.8
V-641	0.7
V-645	0.3
V-649	0.1
V-661	0.2
V-669	1.7
V-673	0.4



V-677	1.1
V-689	0.7
V-697	1.9
V-557	0.6
V-561	3.0
V-573	0.1
V-577	0.6
V-581	0.1
V-593	2.0
V-601	0.1
V-605	0.6
V-613	0.6
V-1581	1.1
V-1573	0.1
V-1557	1.3
V-1549	0.5
V-1545	0.3
V-1537	0.7
V-1529	0.9
V-1521	0.8
V-1513	1.1
V-1501	0.3
V-612	0.9

The results of this testing identified radon accumulations on-site at concentrations below the 4.0 pCi/L action level established by the United States Environmental Protection Agency. Refer to the Appendices for a copy of the testing results. Based on the foregoing, it is unlikely that radon presents a significant environmental risk at the Subject.

7.18 Lead-Based Paint (LBP)

Since the Subject tower was constructed prior to the Consumer Product Safety Commission's 1978 ban on the sale of LBP to consumers and the use of LBP in residences, there is a potential that LBP may have been applied at the Subject. Testing would be required in order to determine whether LBP exists. Painted surfaces observed were in generally good condition.

Of note, the interiors of the villas were gut renovated in 2001/2002; as such, it is not suspected that LBP was used during these renovations. Nevertheless, based on the date of construction there is a potential that the exterior areas and select interior areas that may not have been completely renovated within the villas may

contain LBP. Testing would be required in order to determine whether LBP exists. Painted surfaces observed were in generally good condition.

7.19 Microbial Growth

Although microbial growth is ubiquitous and may occur in a very short time span, an effort was made to identify conspicuous microbial growth in the common areas surveyed. Moreover, our Pre-survey Questionnaire requested information pertaining to known microbial growth or tenant complaints regarding same.

There is a free standing, vacant support building situated at the west side of the property that was noted to have some active mold growth due to a roof leak. At one time, this building was reportedly used as a leasing office. Once the roof leak is repaired, remove the active mold growth and replace with new finishes.

This assessment does not constitute a preliminary or comprehensive mold survey of the buildings. The reported observations and conclusions are based solely on interviews with management personnel available on-site and conditions as observed in readily accessible areas of the buildings on the assessment date.

8.1 Questionnaires

IVI sent a Pre-Survey Questionnaire and an AAI User Questionnaire to the site contact and the User, respectively. The purpose of these questionnaires was to disclose any previous or existing hazardous waste or toxic material conditions, which may not have been apparent at the time of our site reconnaissance and to satisfy the User interview all appropriate inquiry requirements.

As of this writing, the site contact nor the User have returned the completed questionnaires.

8.2 User

8.2.1 Title Records

A copy of the Subject's Chain-of-Title has not been provided to IVI for review.

8.2.2 Environmental Clean Up Liens and Activity and Use Limitations (AULs)

The User has not returned the AAI User Questionnaire.

8.2.3 Specialized Knowledge

The User has not returned the AAI User Questionnaire.

8.2.4 Relationship of Purchase Price to Fair Market Value Due to Contamination in Connection with the Subject

The User has not returned the AAI User Questionnaire.

8.2.5 Common Knowledge or Reasonably Ascertainable Information

The User has not returned the AAI User Questionnaire.

8.2.6 Purpose for Conducting the Phase I Environmental Site Assessment

The User has not returned the AAI User Questionnaire.

8.2.7 Proceedings Involving the Property

The User has not returned the AAI User Questionnaire.

8.3 Key Site Manager

8.3.1 Historic Site Use

According to Alicia Saul of Trinity Management, the site contact, who has been involved with the property for the past four years, the Subject was most likely improved with residences and commercial structures prior to construction of the existing improvements.

8.3.2 Proceedings Involving the Property

Ms. Saul had no knowledge of pending, threatened, or past litigation, administrative proceedings, or notices from governmental agencies regarding violations of environmental laws regarding hazardous substances or petroleum products.

8.4 Occupants

Since the site is improved with a multi-family residential facility, the site's occupants were not interviewed.

8.5 Past Owners

IVI was unable to locate the site's former owner.

8.6 Local Regulatory Agency Interviews and/or File Reviews

Fire Department

IVI has sent a request to the Sacramento Metropolitan Fire District- Fire Prevention Bureau for environmental information pertaining to the subject property. As of this writing, the local Fire Department has not responded to our request. Should receipt of a response from the Fire Department change the conclusions of this report, the Client will be notified in writing by IVI.

Health Department

IVI reviewed information pertaining to the Subject at the Sacramento County Environmental Management Department (EMD). This information was discussed in Section 5.6 and Section 7.2.

Tax Assessor

According to the tax assessor records reviewed, the Subject buildings were constructed in 1961 on three parcels, totally 10.21-acres in size. According to a

representative of the Sacramento County Assessor's office, they are unaware of environmental liens filed in their office with respect to the Subject.

Building Department

IVI reviewed building permits for the Subject online at the City of Sacramento Development Services Department (CSDSD) website. The majority of the available permits deal with the current building; only a few miscellaneous permits were noted with dates prior to 2005. None of the reviewed permits had any environmentally significant information in them. IVI attempted to review historical permits at the CSDSD office off of Richards Boulevard in Sacramento; however, according to Ms. Patty Holmes, any historical records, should they still exist, would have been transferred to micro-film and archived. Ms. Holmes noted that the archived files are not readily available for review.

Department of Planning and Zoning

Review of available zoning records maintained by the City of Sacramento Planning Department indicates that the Subject is currently zoned R-5, Multi-family Residential Use. According to the planning and zoning records, no additional zoning changes were listed for the Subject.

9.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

IVI has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Standard Practice E1527-05 of the Capital Towers and Villas, located at 1500 7th Street, Sacramento, California. Any exceptions to, or deletions from, the standard practice are described within Section 2.0 of this report.

This assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the Subject; except for the following:

Area-wide Groundwater Contamination

The Downtown Sacramento Railyard, located approximately 0.42 mile north and crossgradient of the Subject, is an approximately 240-acre site that was used for heavy industrial activities to maintain and repair trains. From review of numerous groundwater monitoring reports, dated 2006 – 2012, it was found that groundwater in the area is polluted with solvents (chlorinated volatile organic compounds or VOCs), metals and petroleum hydrocarbons. The contamination plume (South Plume Study Area (SPSA)) from this property extends over a mile to the south; including partially below the Subject. The responsible party, S. Thomas Enterprises of Sacramento, LLC (Thomas), is in the process of remediating the site via groundwater pump and treat systems, soil vapor extraction (SVE) and the removal of impacted soil; all under the oversight of the Central Valley Water Board and DTSC.

The current groundwater monitoring well network consists of 180 monitoring wells; 12 of which are extraction wells. The monitoring wells are in approximately 84 locations and are screened in 5 separate water-bearing zones. Several monitoring wells are located within 7th and P Streets to the southeast of the Subject; in addition, several extraction wells are located just to the southeast of the Subject along P Street.

From review of the report entitled *2011 Semiannual Groundwater Monitoring and Remediation Systems Operation and Maintenance Report, The Railyards, Sacramento, California*, prepared by ERM dated February 22, 2012, it was noted that contamination from the Railyards has impacted several geologic formations in the Subject area with Total Halogenated Volatile Organic Compounds (THVOCs) and 1, 4-dioxane (1,4-DXE). It was noted that the THVOC and 1,4-DXE plumes appear generally stable and groundwater flow direction appears to be consistent with historical flow directions. As previously noted, several extraction wells are located just to the southeast of the Subject; as such, the outer edges of some of the contamination plumes appear to have partially migrated under the eastern portion of the Subject property (mainly the 1,4-DXE plume in the Lower Sand Zone and Gravel Zone).

Based on the fact that contaminated groundwater has migrated under the Subject property, there is a potential for a Vapor Encroachment Condition (VEC) at the Subject. IVI compared the most recent contamination concentrations from groundwater samples obtained from monitoring wells located along the Subject's southern and eastern borders (along 7th and P Streets, respectively) to the Environmental Screening Levels (ESLs) set

9.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

forth in the California Regional Water Quality Control Board, San Francisco Region's publication: *Screening for Environmental Concerns at Sites with Contaminated Soil and Groundwater, Interim Final November 2007, Revised May 2008*. It should be noted that the Central Valley Regional Water Quality Control Board does not maintain specific ESLs and refers to the San Francisco Region Board's publication. Under most circumstances, the presence of a chemical in groundwater at concentrations below the corresponding ESL can be assumed to not pose a significant, long-term (chronic) threat to human health and the environment.

From review of Table E-1 (*Groundwater Screening Levels for Evaluation of Potential Vapor Intrusion Concerns (volatile chemicals only)*) in the above discussed Region Board publication, it does not appear that the Regional Board has assigned a value for potential vapor intrusion concerns to 1,4-DXE. Nevertheless, the general ESL for 1,4-DXE in groundwater, where groundwater is not a current or potential drinking water source was noted to be 50,000 micrograms/liter (ug/L); which is well above the most recent concentrations obtained from the monitoring wells surrounding the Subject (<6.3 ug/L). Based on these values it is not suspected that there would be a vapor intrusion concern at the Subject from the contamination plume originating from the Railyards property.

Based on this information and the fact that the Subject is connected to the municipal water system, there does not appear to be significant health risk to the Subject occupants from this known area wide contamination. In addition, the Responsible Party has been identified and is in the process of remediating the groundwater contamination in the area. As such, no further action or investigation appears warranted at this time.

In addition, the following historical RECs were identified which warrant mention:

Underground Storage Tank (UST)

Records at the Sacramento County Environmental Management Department (SCEMD) contained records regarding a former 4,000-gallon diesel UST that was removed from the Subject on May 17, 1991 under permit and supervision of SCEMD. The UST was located approximately 40 feet southeast of the tower building. The UST formerly supplied fuel to the heating system for the tower, which now currently uses natural gas. The SCEMD's records contain soil testing data from soil obtained during UST removal activities. The samples were analyzed for TPH and BTEX. Only TPH at a concentration of 48 parts per million was detected in the excavated soil stock pile sample. Based on the low levels of contamination, the SCEMD issued a case closure letter on December 10, 1991 for the Subject's removed UST. Based on the current regulatory status, this removed UST is not suspected to be of a significant environmental concern to the Subject and no further action or investigation is warranted at this time.

Underground Storage Tanks (USTs)

From review of historic Sanborn maps of the Subject it appears that the former parking lot in the northeast corner of the Subject had fueling service and is suspected to have contained USTs. The parking lot with fueling service appears to have only been in operation during the 1950s, just prior to the construction of the current improvements. It is assumed that any tanks associated with the former fueling service would have been discovered and removed during site preparation for the current improvements; however, no records of any USTs being removed from this portion the Subject were discovered. Nevertheless, over 50 years have passed since the USTs were likely removed, indicating natural attenuation of contamination not removed during their excavation, if any, has likely occurred. In addition, this former onsite facility was not identified on any databases that report releases or contamination conditions. Based on this information, these former USTs are not suspected to be of a significant environmental concern to the Subject and no further action or investigation appears warranted at this time.

Hydraulic Oil Spill

Approximately seven gallons of hydraulic oil leaked to soil from the elevator equipment associated with the elevator in the parking garage in 1992. Discolored/contaminated soil was removed in 1993 by Wallace-Kuhl and Associates Inc. (WKA), a consulting firm contracted by Capital Towers. WKA performed a site assessment in 1993 to determine the vertical and lateral extent of the contamination. No TPH was detected in any of the soil samples or the groundwater sample. Nevertheless, the Sacramento County Environmental Management Department (SCEMD) subsequently requested quarterly monitoring of the onsite groundwater monitoring well. Four quarters of groundwater sampling was performed between February 1994 and November 1994. No TPH was detected in any of the quarterly sampling events. Based on these results, a case closure letter was issued by the SCEMD on January 18, 1995. The monitoring well was abandoned on March 2, 1995. Based on the current regulatory status, this spill listing is not suspected to be of a significant environmental concern to the Subject and no further action or investigation is warranted at this time.

In addition, the following items of environmental concern were identified, which warrant mention:

Asbestos-Containing Material (ACM)

Villas - From review of the above listed reports and interviews with property management, it appears that the villas were gut renovated in 2001/2002. In addition, the villas' roofs were noted to have been recently replaced. Based on the date of villas' renovation, it is unlikely that appreciable quantities of asbestos containing materials were used during the renovations. However, according to a limited asbestos survey performed in 2007, the drywall/joint compound, exterior stucco and cement board (in the pool room)

9.0 FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Capital Towers and Villas
Sacramento, California

were found to contain asbestos. These non-friable materials were observed to be in good condition during the current assessment of the Subject. In addition, although unlikely due to the renovation dates, other observed non-friable materials, such as resilient floor finish assemblies and built up roofing materials may contain asbestos. These non-friable materials were also observed to be in good condition during the current assessment.

Tower – Previously surveys have identified ACMs in the form of acoustical ceiling sprayed-on material in the tower building (apartments 10F & 12F) at 7% Chrysotile. The spray-on material appeared to be heavily painted, basically encapsulating it. ACM was previously detected in joint compound found in the elevator lobby (2% Chrysotile). Pipe elbow insulation in the boiler room contained between 3 and 7% Chrysotile and 30% Amosite. Other pipe and water tank insulations were also found to contain between 5-10% Chrysotile. Fire door insulation containing 45% Chrysotile was found in the maintenance room. Drywall/joint compound and window putty were also found to contain <1% Chrysotile. In addition, the non-friable wallboard assemblies, resilient floor finishes, mastics, caulking and roofing assemblies may contain asbestos. Since the observed suspect and confirmed materials are in good condition and the potential for fiber release is low, no further action is recommended at this time, other than maintaining the materials in good condition under an Asbestos Operations and Maintenance (O&M) Program.

According to building management, an Asbestos O&M Program is currently in place. However, a copy of the Asbestos O&M Program was not made available for review. IVI recommends that a copy of the Asbestos O&M Program be made available for review and updated if necessary to include all of the above mentioned asbestos and suspect asbestos containing materials. All activities involving ACM should be conducted in accordance with governmental regulations.

Lead-Based Paint (LBP)

Since the Subject was constructed prior to the Consumer Product Safety Commission's 1978 ban on the sale of LBP to consumers and the use of LBP in residences, there is a potential that LBP may have been applied at the Subject. Testing would be required in order to determine whether LBP exists. Painted surfaces observed by IVI were in good condition with no evidence of pervasive peeling or flaking. No further action is recommended at this time other than maintaining the suspect LBP in good condition under an Operations and Maintenance (O&M) Program. Of note, all activities involving LBP should be conducted in accordance the OSHA Lead in Construction regulations (CFR Part 1926.62), EPA's Lead-Based Paint Renovation, Repair and Painting Program Rule and RCRA guidelines.

Mold & Moisture Management Plan (MMP)

Although microbial growth is ubiquitous and may occur in a very short time span, an effort was made to identify conspicuous microbial growth in the common areas surveyed through visual observations and olfactory senses in accordance with Freddie Mac Environmental Site Assessment Guidelines. Moreover, our Pre-survey Questionnaire requested information pertaining to known microbial growth or tenant complaints regarding same. Interviews with property management did not reveal any issues or tenant complaints concerning moisture or microbial growth. Based on the above efforts, conspicuous microbial growth was not identified at the time of our survey except on the ceiling and wall of the abandoned clubhouse leasing support building. The mold appears to be due to an active roof leak. Once the associated roof repairs have occurred all affected non-porous surfaces should be cleaned. Affected porous materials, namely sheetrock, should be removed and replaced.

According to property management, a Moisture Management Plan (MMP) has not been developed for the Subject. IVI recommends that an MMP be developed and implemented at the Subject.

10.0 LIMITING CONDITIONS

Capital Towers and Villas
Sacramento, California

- 10.1 This report has been prepared in compliance with the ASTM standard entitled "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process" E1527-05.
- 10.2 The observations described in this report were made under the conditions stated herein. The conclusions presented in the report were based solely upon the services described therein, and not on scientific tasks or procedures beyond the scope of described services within the constraints imposed by the client. The work described in this report was carried out in accordance with the Terms and Conditions of the contract.
- 10.3 In preparing this report, IVI has relied on certain information provided by federal, state, and local officials and other parties referenced therein, and on information contained in the files of governmental agencies, that were readily available to IVI at the time of this assessment. Although there may have been some degree of overlap in the information provided by these various sources, IVI did not attempt to independently verify the accuracy or completeness of all information reviewed or received during the course of this site assessment. Observations were made of the site and of the structures on the site as indicated in this report. Where access to portions of the site or to structures on the site was unavailable or limited, IVI renders no opinion as to the presence of direct or indirect evidence relating to petroleum substances, hazardous substances, or both, in that portion of the site and structure. In addition, IVI renders no opinion as to the presence of indirect evidence relating to hazardous material or oil, where direct observation of the ground surface, interior walls, floors, ceiling or a structure is obstructed by objects or materials, including snow, covering on or over these surfaces.
- 10.4 As part of this assessment, IVI submitted requests for information via the Freedom of Information Act (FOIA) to various governmental agencies. As of the preparation of this report these requests may not have been fulfilled. The conclusions of this report are subject to change upon receipt of a response from these FOIA requests.
- 10.5 IVI does not represent that the site referred to herein contains no petroleum or hazardous or toxic substances or other conditions beyond those observed by IVI during the site walkthrough.
- 10.6 IVI has produced this document under an agreement between IVI and Holliday Fenoglio Fowler, L.P. All terms and conditions of that agreement are included within this document by reference. Any reliance upon this document, or upon IVI's performance of services in preparing this document, is conditioned upon the relying party's acceptance and acknowledgement of the limitations, qualifications, terms, conditions and indemnities set forth in that agreement, and property ownership/management disclosure limitations, if any. It is not to be relied upon by any party other than Holliday Fenoglio Fowler, L.P. nor used for any purpose other than that specifically stated in our Agreement or within this Report's Introduction section without IVI's advance and express written consent. The Phase I report is only valid if completed within 180 days of an acquisition or the transaction necessitating the report.
- 10.7 **TIME LIMITATION TO ENACT CLAIM AGAINST IVI** If in the opinion of the client, or any third party claiming reliance on IVI's report or services, that IVI was negligent or in breach of contract, such aforementioned parties shall have one year from the date of IVI's site visit to make a claim.
- 10.8 Unless specifically identified within Section 2, Chinese drywall, indoor air quality and any other non-ASTM scope issues as identified in ASTM E1527-05, Section 13.1.5, are excluded from the scope of this assessment.