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CHEVRON U.S.A. INC.

STATE WATER RESOURCES CONTROL BOARD

In the Matter of the California Regional Water Quality Control Board – San Francisco Region, Adoption of Site Cleanup Requirements, Order No. R2-2014-0021 Directed to Chevron U.S.A. Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC for the site located at 6400 Sierra Court Dublin, Alameda County	**CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEANUP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY**

I. PETITION FOR REVIEW OF CLEANUP AND ABATEMENT ORDER

Pursuant to section 13304 of the California Water Code and section 2050 of Title 23 of the California Code of Regulations ("CCR"), Chevron U.S.A. Inc. ("Petitioner" or "Chevron") petitions the State Water Resources Control Board ("State Board") to review the May 14, 2014 "Site Cleanup Requirements"[1] adopted by the California Regional Water Quality Control Board, San Francisco Region ("Regional Board"), Order No. R2-2014-0021 ("Order"), for the property located at 6400 Sierra Court, Dublin, Alameda County ("Site"). A true and correct copy of the Order is attached as Exhibit A to the declaration of Michelle Bacon, concurrently submitted in support of this Petition (hereafter "Bacon Decl.").

Pursuant to Section 13320 of the California Water Code and Section 2053 of Title 23 of the California Code of Regulations, Petitioner also requests that an order be issued staying the effect of the Order as to Petitioner, and requests a hearing on this Petition.

A. NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL ADDRESS OF PETITIONER

Petitioner's contact information is as follows:

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Attn: Ms. Michelle Bacon
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Petitioner requests that copies of all communications and documents relating to this Petition also be sent to:

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[1] Although the Regional Board characterized this Order as "Cleanup Requirements" it is a cleanup and abatement order ("CAO") issued under Water Code section 13304.

B. SPECIFIC ACTION OF THE REGIONAL BOARD WHICH THE STATE BOARD IS REQUESTED TO REVIEW

Petitioner requests that the State Board review the Regional Board's issuance of Order No. R2-2014-0021 to Chevron U.S.A. Inc.

C. THE DATE ON WHICH THE REGIONAL BOARD ACTED

The Regional Board acted on May 14, 2014 when it issued the Order. Bacon Decl., Ex. B (May 14, 2014 Transmittal Letter).

D. STATEMENT OF REASONS THE REGIONAL BOARD'S ACTION WAS INAPPROPRIATE AND IMPROPER

The Order to Chevron is improper for two reasons: (1) Chevron did not cause or permit a discharge at the Site, and (2) the Order requires remediation to unrestricted use standards, even though the Site is currently zoned for industrial/commercial uses and there is no zoning change pending or planned.

First, the Order is improper because it is not premised on substantial evidence that Chevron "caused or permitted" a discharge at the Site, as is required for issuance of an order under Water Code section 13304(a). Chevron acquired the property in approximately 1980, and used it exclusively for document storage. The prior operator, Western Electric, used the Site as a printed wire board manufacturing facility and used trichloroethene ("TCE") at the Site. Western Electric left behind an above ground storage tank ("AST"), which site drawings identify as a "trico tank". Bacon Decl., Ex. A at § 2. But the substantial evidence does not indicate that TCE remained in the tank after Western Electric left the property. On the contrary when Chevron removed the AST, the tank was found to contain rain water, which was analyzed and determined not to contain TCE. See Bacon Decl. Ex. E (Ecology and Environment, Inc., May 24, 1996 Removal Report).

The Regional Board issued the Order to Chevron, first contending that Chevron permitted a discharge from the AST, and later claiming that Chevron permitted a discharge due to the passive migration of TCE through soil at the Site. Both theories are reflected in the final Order. Neither has merit.

Second, the Order is improper because it requires the responsible parties to remediate to unrestricted use standards despite the fact that the Site is zoned for industrial/commercial uses and there is no pending change to the City of Dublin zoning ordinance or General Plan which would permit residential uses at the Site.

1. **Brief History of the Site**

The Site is a 13.4 acre parcel of land located at 6400 Sierra Court in the City of Dublin. Beginning in about 1970, Western Electric used the large warehouse building at the Site for the manufacturing of telephone transmission equipment, specifically printed wire boards. Bacon Decl., Ex. A at § 1. It is undisputed that Western Electric used TCE in its operations at the Site. Bacon Decl., Ex. A at § 2. Drawings of the Western Electric facility show the AST located adjacent to the warehouse and labeled as the "trico tank." Bacon Decl., Ex. A § 2. It is believed that Western Electric operated at the Site until at least 1975, but possibly as late as 1979. Bacon Decl., Ex. A at § 2.

In about 1980, Chevron U.S.A. Inc. acquired the Site, including the AST and some associated piping. It is undisputed that Chevron used the site as a document and storage facility, and did not use or store TCE at the Site. The Order itself concedes that "[t]here is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling, or disposal."[2] Bacon Decl., Ex. A at § 2.

The AST remained, unused, at the Site during Chevron's ownership until 1996. At that time, Chevron hired Ecology and Environment Inc. ("E & E") to remove the AST. Chevron informed E & E that the tank had been "out of use for the past 15 years." Bacon Decl., Ex. E. E & E conducted limited sampling and prepared a report of its findings. *Id.* In its report, E & E noted that the "AST is in poor condition (i.e., the top of the tank is

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[2] The Order notes that Gettler-Ryan, an environmental contractor, leased a small portion of the Site from Chevron and that Gettler-Ryan is believed to have stored wastewater from unrelated service station remediation sites in drums at the property. This is a red-herring. There is no evidence that Gettler-Ryan used, stored or released any hazardous substances at the Site, and the Order concedes there are four possible sources for the TCE found under the Gettler-Ryan lease area. Bacon Decl., Ex. A at §6. The Gettler-Ryan leasehold is not a basis for the issuance of the Order to Chevron. *Id.* at § 3.

rusted out)". *Id.* (emphasis added). It further noted that approximately 150 gallons of liquid (believed to be accumulated rain water)" remained in the tank. Laboratory samples of the liquid from the tank were non-detect for TCE, confirming that the liquid in the AST likely was rainwater. Bacon Decl., Ex. E.

When it was removed, the tank had some piping attached to it which went into the warehouse building. At the time, Chevron representatives informed E & E that "the supply pipe (between the AST and where the TCE was ultimately used) inside the building near the ceiling had been previously cut" (illustrating Chevron's understanding that the piping was empty), but E & E could not locate the cut. *Id.* E & E therefore opened the valve on the piping to ensure it was empty, and "some liquid dripped out" but it was not sampled for TCE. *Id.* The concrete cradle on which the AST sat was not removed at this time. *Id.*

When E & E removed the AST, the spigot of the AST contained a small amount of liquid which was separately sampled. The sample drawn from the spigot of the tank contained 20 parts per billion ("ppb") of TCE. At that time, two *surface* soil samples from near the tank were also collected and analyzed for TCE – one from adjacent to the tank fill stand (530 ppb), and the other from beneath the supply pipe (31 ppb). Bacon Decl., Ex. E.

E & E informed Chevron that the concentrations of TCE found in the surface soil around the AST were below the Preliminary Remediation Goals ("PRGs") and the Total Threshold Limit Concentration ("TTLC") and noted that "[t]hese levels pose little threat to human health or the environment." *Id.* E & E suggested that Chevron have "further discussions" with the Department of Toxic Substances Control and Regional Board. Chevron has been unable to determine whether such communications did in fact occur at that time.

2. **Brief History of the Order**

In anticipation of the sale of the Site, in 2007 Chevron's real estate entity – Chevron Business and Real Estate Services ("BRES") – engaged URS Corporation to complete a "Baseline Site Assessment," which was completed on October 24, 2007 in compliance with ASTM standards for Phase I Site Assessments. The Baseline Site Assessment identified all

potential "Recognized Environmental Conditions" ("REC") at the Site, including the former tank area. A preliminary subsurface investigation was undertaken in the area, which identified TCE and its breakdown product cis-1,2-DCE in concentrations above regulatory screening criteria in soil and groundwater. As evidenced by the fact that the Baseline Site Assessment is posted on Geotracker with a date of March 28, 2008, the Regional Board was timely made aware of the results of Chevron's investigation. Bacon Decl., ¶ 7.

On April 21, 2008, the Regional Board issued to Chevron a directive to prepare a Technical Report documenting the history of the property pursuant to Water Code section 13267. Chevron complied with this request and provided significant information to the Regional Board about the other known responsible parties at the site, including clarifying that Chevron did not use hazardous substances at the Site. Bacon Decl., Ex. F (Arcadis, June 19, 2008). Through the end of 2008, Chevron funded the preparation of a Phase II report, and two hot-spot removal projects under the oversight of the Regional Board. See Bacon Decl. ¶ 10.

Throughout this time period, the Regional Board neglected to name any other parties to the order. On October 2, 2008, Chevron again provided the Regional Board with information and reminded it of its obligation to name "all potentially responsible parties." Bacon Decl. Ex. G (Oct. 2, 2008 Letter to Carlton). Finally, after Chevron alone had been undertaking investigation and remediation of the Site for nearly a year and a half, on February 9, 2009, the Regional Board issued directives requesting site history information from B.F. Saul (the prior owner) and Western Electric (the prior operator). Bacon Decl. at ¶ 12. On the same day, the Regional Board issued a further investigatory order pursuant to Water Code section 13267 only to Chevron, requiring preparation of a Work Plan to: define the extent of contamination from the AST in soil vapor, soil, groundwater and surface water; address all human health and environmental concerns relating to the contamination; and propose interim remedial actions. Bacon Decl., Ex. H (February 9, 2009 Directive).

Since that time, several additional investigatory directives under Water Code 13267 have been issued by the Regional Board to Chevron, B.F. Saul and Alcatel-Lucent as the

successor to Western Electric. Chevron and Alcatel-Lucent have undertaken significant soil, groundwater, soil-vapor and surface water sampling, including bench scale testing, installation and operation of a subslab soil vapor extraction system. Alcatel-Lucent and Chevron also prepared a Feasibility Study and Remedial Action Plan, which has been approved. Bacon Decl., ¶ 13.

On February 14, 2014, the Regional Board issued a Tentative Order to all three parties directing compliance with "Site Cleanup Requirements" pursuant to Water Code section 13304. Bacon Decl., Ex. C. As directed to Chevron, the Tentative Order was premised on a purported release of TCE from the AST during Chevron's ownership. It said: "Chevron U.S.A. Inc. is named as a discharger because Chevron owned the property during a 16-year period (1980-1996) when the TCE AST and associated appurtenances were still present, contained TCE, and apparently were not maintained to prevent a discharge." *Id.* at § 3 (emphasis added).

On March 14, 2014, Chevron and Alcatel-Lucent submitted separate responses to the Tentative Order, and their joint consultant, Leidos also commented. Bacon Decl., Ex. D at Appendix C. Chevron pointed out that the data collected by E & E when it removed the AST disputes the Regional Board's contention that there was TCE left in the tank during Chevron's ownership. In particular, the fact that there was liquid in the tank, tends to demonstrate that the tank was liquid-tight, and that even if there had been TCE in the tank during Chevron's ownership it would not have leaked. More importantly, the fact that the liquid in the tank was rainwater—not TCE—suggests that the tank was emptied when Western Electric vacated the Site.[3]

The Regional Board took the position that even without TCE in the tank, the presence of TCE in the spigot and possibly in AST-related piping demonstrates Chevron

[3] This is consistent with the fact that TCE is a valuable product, which Western Electric is known to have used in other facilities contemporaneous with its use at the Dublin Site. It is unreasonable to infer that Western Electric would have abandoned a large tank of valuable product.

permitted a release during its ownership.[4] This assertion does not comport with the evidence. The only logical way a low concentration of TCE could remain in the spigot of a tank which contained only rain water, is if the tank was emptied but the spigot was not flushed. Similarly, the fact that suspected TCE[5] was found in the piping is not a basis for finding Chevron permitted a discharge – the piping had been capped and sealed, and had to be cut to allow the release of its contents. Since the piping was sealed, there is no evidence a release occurred from the piping during Chevron's ownership. As a result, the substantial evidence does not support the finding that Chevron "caused or permitted a discharge," from the AST or its associated appurtenances. Accordingly, Chevron requested the Tentative Order be withdrawn and the final order not be issued to Chevron.

In addition, Chevron and Leidos challenged the cleanup standards in the Tentative Order because they are premised on an unpermitted use of the Site. . Bacon Decl., Ex. D at Appendix C. As Both Chevron and Leidos pointed out, the Site is in an area of Dublin currently zoned for "Business Park/Industrial Use." *Id.* There are no pending or proposed changes to this zoning use and the directive to remediate soil, soil gas and indoor air to unrestricted use standards is improper.

After Chevron objected to the Tentative Order, the Regional Board changed its theory of Chevron's liability. In the May 14, 2014 Staff Summary Report and Revised Tentative Order, the Regional Board articulated a theory of passive migration of TCE through soil as the basis for naming Chevron to the Order. The Revised Tentative Order claims that Chevron is named as a discharger because the "TCE in soil and groundwater

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[4] The Regional Board also made the argument that TCE possibly remained in the tank during Chevron's ownership but may have evaporated due to the holes at the top of the tank and the heat of Dublin summers. See Bacon Decl., Ex. D at Appendix C, p. 5. While that cannot be ruled out, there is no evidence to support the contention. More importantly, even if true, evaporation of TCE out of the top of the tank contradicts the Regional Board's assertion that TCE was discharged to soil or groundwater during Chevron's ownership.

[5] The liquid in the piping was not sampled. Bacon Decl., Ex. E.

was, and continues to be, an ongoing discharge," which Chevron knew about and failed to prevent. Bacon Decl., Ex. D (Staff Summary Report).

At the hearing on the Tentative Order, Regional Board staff member Cleet Carleton gave a presentation which reiterated the Board's position, and relied on Water Quality Order 92-13, *In re Wenwest*, as a defense for the issuance of the Order to Chevron. Bacon Decl. ¶ 14. Mr. Carlton further argued that requiring cleanup to unrestricted use was proper despite the fact that the Site is zoned only for industrial and commercial uses because the property might in the future be rezoned.

In response, representatives of the named parties reiterated their prior arguments against the Order. In particular, counsel for Chevron pointed out that in contrast to Mr. Carleton's representations, the *Wenwest* decision expressly does *not* permit issuance of an order to a prior owner based on passive migration. Bacon Decl. ¶ 15.

At that point in the hearing, Regional Board supervisor Steven Hill conceded on the record that they "were not trying to argue there is substantial evidence" of a release from the AST during Chevron's ownership of the property sufficient for issuance of the Order. Bacon Decl., ¶¶ 2, 16. Rather, Mr. Hill clarified that the basis for the Order was that Chevron "permitted the discharge" by purportedly allowing migration of TCE through soil. *Id.*

Before concluding the hearing, Regional Board Chair Young questioned staff counsel Ms. Yuri Won regarding the legal authority for the issuance of an order based on passive migration. Ms. Won informed the Board Members that Water Quality decision 86-2, *In re Zoecon*, supports liability of a prior owner based on a theory of passive migration. Bacon Decl. ¶ 17. As explained below, it does not.

E. THE MANNER IN WHICH THE PETITIONER IS AGGRIEVED

Chevron is aggrieved for two reasons.

First, it is being ordered to address contamination even though "there is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling, or disposal." The Order is not based on "substantial

evidence" that Chevron caused or permitted a discharge. On the contrary, it is premised on a theory of passive migration which is not recognized by California law as a basis for issuance of a Cleanup and Abatement Order to prior owners.

Second, Chevron and the other named parties are being asked to remediate soil, soil gas and indoor air to unrestricted use cleanup levels, despite the fact that the property is not zoned for industrial/commercial uses, and no planned or changes in zoning, or Dublin's General Plan are pending. *See* Bacon Decl., Ex. D at Appendix B. Instead, the Regional Board is requiring the Site's former owners and operators to cleanup to levels for speculative, currently unpermitted future uses.

F. THE SPECIFIC ACTION BY THE STATE OR THE REGIONAL BOARD THAT PETITIONER REQUESTS

Petitioner requests that the State Board rescind the Order directed to Chevron. Petitioner also requests a Stay as to Chevron of the due dates in the Order while this petition is pending.

G. STATEMENT OF POINTS AND AUTHORITIES IN SUPPORT OF LEGAL ISSUES RAISED IN THE PETITION

The following statement of points and authorities in support of this petition incorporates the recitation of the facts set forth above.

1. The Order Must Be Rescinded Because Chevron Is Not Properly Named as a Responsible Party Under Water Code Section 13304 (a)

The Water Code requires that a cleanup order must be based on "substantial evidence" that the named party has caused or permitted waste to be discharged into the waters of the State:

> Any person who has ... caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts.

Cal. Water Code § 13304. Here, the Order is not premised on substantial evidence that Chevron caused or permitted a discharge from the AST and State Board authority does not permit issuance of a CAO to a prior owner on the basis of passive migration.

a. There is Not "Substantial Evidence" that Chevron Caused or Permitted a Discharge.

State Board and state court precedent requires that there be "substantial evidence" that a named party "caused or permitted" the discharge of waste in order to uphold a CAO. *See, In re Stinnes-Western Chemical Corporation,* WQ 86-19 ("We concluded that while we can independently review the Regional Board record, in order to uphold a Regional Board action, we must be able to find that the action was based on substantial evidence.")

The State Board repeatedly has confirmed this standard:

> There must be substantial evidence to support a finding of responsibility for each party named. This means credible and reasonable evidence which indicates the named party has responsibility.

In re Exxon Company, et al., WQ 85-7, 1985 WL20026 (Cal.St.Wat.Res.Bd.) at *6. See also, *TWC Storage, LLC v. SWRCB*, 185 Cal. App. 4th 291 (2010) (applying the substantial evidence standard to analogous language in Water Code section 13350 which provides that any person who "causes or permits a discharge is strictly liable").

In *Exxon*, the State Board rejected a regional board's attempt to issue a cleanup order under Water Code section 13304 because there was insufficient evidence of ownership of the leaking tanks in issue. *In re Exxon* at *5. In doing so, the State Board expressly concluded that in order to impose liability under Water Code section 13304 there must be substantial evidence that the named party has caused or permitted a discharge:

> We recognize the difficult position in which this places the Regional Board. In this case the Regional Board was searching to find responsible parties who could effectuate the cleanup. Fewer parties named in the order may well mean no one is able to clean up a demonstrated water quality problem. We also recognize that the Regional Board does not have infinite resources available to it to extensively search through various county files in a quest for additional information. ... However, in order to name parties ... we believe there should be more evidence than we have before us currently.

Id. The Tentative Order to Chevron originally was premised on a theory that Chevron failed to maintain the AST, thus permitting waste to be discharged. Regional Board staff has conceded this theory is not supported by substantial evidence. On the contrary, the evidence gives rise to the opposite conclusion—that the AST was emptied before Chevron assumed ownership. *Id.* Because the facts do not demonstrate that the tank contained TCE or that it leaked during Chevron's ownership, the conclusion that Chevron "permitted a TCE discharge" from the AST is unfounded and does not meet the "substantial evidence" burden to issue an order under Water Code section 13304.

2. **Passive Migration is Not a Proper Basis for Issuance of a CAO**

The Regional Board now contends that Chevron permitted a discharge because it knew soil was impacted with TCE as early as 1996, and it did nothing to stop the passive migration of that TCE through soil. The evidence does not support this contention, but even if Chevron knew TCE was in soil at the site and did nothing, as a prior owner it cannot now be liable under controlling State Board precedent in *In re Wenwest Inc., et al.,* WQ 92-13, 1992 (Cal.St.Wat.Res.Bd.).

In *Wenwest* the State Board found that Wendy's International, a former owner of contaminated property, should not have been named as a discharger in the CAO. In doing so, the State Board applied a three-part test to former owners, which took into account their ownership interest at the time of the discharge, knowledge of the contamination-causing activities, and their ability to prevent it. *Id.* at 5. The State Board looked to several factors including: the purpose for purchase of the site (i.e., the purpose was not for hazardous activities); the length of Wendy's ownership; the fact that Wendy's had nothing to do with the activity which caused the leaks; the fact that Wendy's did not engage in any activity which exacerbated the problem; the scope of Wendy's knowledge of the contamination; the general knowledge about underground storage tanks in 1984 when Wendy's purchased the site; the fact that there were other responsible parties who were properly named in the order; and, the fact that cleanup was proceeding. Based on these factors, the *Wenwest* Board concluded that no Board precedent supported a former owner as a discharger based

on passive migration. *Id.* at 5. Like Wendy's, the factors considered by the State Board in *Wenwest* compel the conclusion that Chevron is not properly named in this Order:

- Chevron is a former owner who "had no part" in the discharging activity – it operated the Site solely as a records storage facility.
- Chevron did not exacerbate the contamination – it merely removed the AST and associated piping.
- Prior to 2007 when Chevron informed the Board of the problem, Chevron's knowledge of the possibility of contamination was limited to the knowledge that the AST existed, and that TCE was detected below action levels in two *surface soil* samples from immediately beneath the tank, which "pose[d] little risk to human health or the environment." Bacon Decl., Ex. E.
- At the time Chevron purchased the property AST containment requirements (which largely apply to oil tanks, in any event) had not come to exist.
- Alcatel-Lucent is a successor to Western Electric, the entity which admittedly used TCE at the site, is undertaking cleanup, and has not contested issuance of the order to it.

Here, Regional Board staff argued that the *Wenwest* decision should control because Chevron supposedly knew, or should have known, of the presence of TCE contamination at the Site as the result of the two surface samples collected in 1996, and the Baseline Site Assessment completed in 2007. This position is not supported by the record.

The record demonstrates Chevron used the property only as a document storage warehouse. As evidenced by statements of Chevron representatives to E & E when the tank was removed in 1996, Chevron believed that the AST had "been out of use for the past 15 years" and the piping had been cut (and thus was empty). Bacon Decl., Ex. E. At the time the tank was removed, E & E collected and analyzed two surface soil samples from beneath the AST fill stand and supply pipe. E & E informed Chevron that the surface levels of TCE detected "pose little threat to human health or the environment", and "are both well below the PRG [preliminary remediation goals] and TTLC [total threshold limit concentration]

levels." Bacon Decl., Ex. E. Thus, all that Chevron knew as of 1996 was that TCE was detected at very low-levels in two surface soil samples immediately beneath an out of use AST. The Regional Board's premise that Chevron had knowledge of a TCE plume migrating through soils at the Site is not supported by the evidence.

With regard to the 2007 data, Chevron timely reported it to the Regional Board. In fact, the submission of that data is the only reason this matter ever came to the Regional Board's attention. The contention that Chevron knew of contamination as of 2007 and failed to take any action is therefore inaccurate. Bacon Decl. ¶ 7.

Accordingly, the evidence does not give rise to an inference that Chevron knew or should have known that TCE was passively migrating through soils and failed to act.

But even if Chevron could be said to have been cognizant of passive migration of TCE after 1996, under the *Wenwest* decision, such knowledge is inadequate to name Chevron as a discharger because Chevron did not participate in the TCE-contaminating activity and did not exacerbate the problem. *In re Wenwest* at 6 (finding that Wendy's had some knowledge of the release, but was not aware of an on-going leak). *See also, City of Modesto Redevelopment Agency v. Superior Court*, 119 Cal.App.4th 28 (Cal. Ct. App. 2004) (After evaluating the "cause or permits" language in various sections of the Water Code, the court concluded "we see no indication the Legislature intended the words 'causes or permits' within the Porter-Cologne Act to encompass those whose involvement with a spill was remote and passive.") *See, also, Carson Harbor Village, Ltd. v. Unocal Corp.*, 270 F.3d 864, 880 (9th Cir. 2001) (holding that passive migration of contamination through soil was not a CERCLA disposal).

At the hearing on the Tentative Order, Board Chair Young questioned staff counsel as to whether there was authority other than *Wenwest* which supported issuing an order based on passive migration. Counsel for the Regional Board cited an earlier State Board decision, *In re Zoecon*, as authority supporting issuance of the Order. *In re Zoecon Corp.*, WQ 86-2, 1986 (Cal. St. Wat. Res. Bd.). *In re Zoecon* does not support naming a prior owner based solely on passive migration.

In *Zoecon,* contaminated runoff chemicals from a manufacturing site were discharged into the surrounding land, resulting in issuance of waste discharge requirements ("WDR") to the current owner, Zoecon Corporation, and the former owner, Rhone-Poulenc, Inc. *Id.* at 2. Zoecon Corporation argued that it was not a "discharger" under Water Code 13263(a) which permits the issuance of WDRs, because there was not an ongoing "discharge" of waste at the site justifying issuance of the WDRs under Water Code section 13263(a). *Id.* at 3. The Board found that movement of waste through soil into groundwater was sufficient to constitute a discharge for purposes of issuing WDRs. Key to its finding was the fact that Zoecon was the *current* owner of the contaminated land.

Unlike Zoecon, Chevron is not the current owner of the Dublin Property. And whether there is ongoing discharge subject to WDRs is not in issue. More importantly, the State Board in *Wenwest* (eight years after *Zoecon*) expressly rejected the same position taken by the Regional Board here, finding:

> "No order issued by this Board has held responsible for a cleanup a former landowner who had no part in the activity which resulted in the discharge of the waste and whose ownership interest did not cover the time during which that activity was taking place."

In re Wenwest at 5 (emphasis added). In so holding, the Board in *Wenwest* reasoned that current owners are in a different position and may be obliged "to prevent an ongoing discharge caused by the movement of the pollutants on their property, even if they had nothing to do with putting it there." *Id.* (citation omitted). But it made clear that current and former owners are not treated the same under the law: [t]he same policy and legal arguments do not necessarily apply to former landowners." *Id.*

Chevron, as a former owner, is not properly named as a responsible party for passive migration during its ownership.

3. **Alternatively, Chevron Should Only Be Named Secondarily Responsible**

If Chevron is nevertheless named in the Order, at most, it should be named as a secondarily responsible party because it had nothing to do with the actual discharge and

there is a primarily responsible party able and willing to undertake cleanup. *In re Wenwest*, WQ 92-13.

4. **It is Improper to Require Cleanup to Unrestricted Standards Because the Property is Zoned Industrial and There is No Change Pending**

The scope of the CAO also raises concerns because it requires the responsible parties meet cleanup standards for soil, soil gas and indoor air for unrestricted use. As indicated in the Zoning Map, and the City of Dublin's General Plan (Bacon Decl., Ex. D at Appendix B), the property is zoned for "Business Park/Industrial Use," and there is no change to that use pending. Therefore, requiring cleanup activities that extend beyond industrial standards is impermissible and unreasonable, given the current classification of the Site. *Id.*

Regional Board staff relied on statements made by prospective purchasers of the Site about speculative, and currently not allowed, potential future uses of the property. Even if some future purchaser may at some point in the future seek to change the permitted land use of the Site does not mean such change would be permitted, or that the former owners should be required to anticipate all unrestricted use of the property. Essentially, the Regional Board's position is that regardless of the zoning or permitted use of a property, it should be remediated to unrestricted use. This approach renders irrelevant industrial cleanup standards and is improper.

H. THE PETITION HAS BEEN SENT TO THE REGIONAL BOARD AND TO THE DISCHARGER, IF NOT THE PETITIONER.

A copy of this Petition has been sent to the Regional Board, and will be transmitted to the other named parties in the Order.

I. THE SUBSTANTIVE ISSUES OR OBJECTIONS RAISED IN THE PETITION WERE RAISED BEFORE THE REGIONAL BOARD

The history of Petitioner's communications with the Regional Board with regard to this Order is set forth above.

J. **THE PETITIONER REQUESTS A HEARING ON THE ORDER**

Petitioner requests a hearing on the Order. In support of this request, it makes the following points:

A summary of the arguments that Petitioner wishes to make at the hearing is provided in the Petition above.

A summary of the testimony or evidence the petitioner wishes to introduce is provided in the Petition above, including all documents referenced in this Petition, although Petitioner may supplement the testimony or evidence at the hearing.

II. REQUEST FOR STAY

Petitioner requests a stay of the Order pending resolution of the issues raised in this Petition. This stay request is based on the accompanying declarations of Michelle Bacon and Lucia Chung that demonstrate the legal grounds set forth below.

Pursuant to Section 2053 of Title 23 of the California Code of Regulations, the effects of an order shall be stayed if the petitioner shows:

(1) Substantial harm to petitioner or to the public interest if a stay is not granted;

(2) A lack of substantial harm to other interested parties and to the public if a stay is granted; and

(3) Substantial questions of fact or law regarding the disputed action exist.

These requirements are met in this case.

1. Petitioner Will Suffer Substantial Harm if a Stay Is Not Granted

The Order requires significant investigation and cleanup of the Site, and provides deadlines for the completion of significant and expensive work over the next six months, including the following:

- Submission of an amended Remedial Action Plan by August 1, 2014;
- Implementation of the Amended Remedial Action Plan within 180 days of its approval;
- Preparation of a Risk Management Plan by August 1, 2014 (plus submission of an implementation report annually thereafter);

- Status Reports every two years;
- Other completion deadlines thereafter. Bacon Decl., Ex. A.

The cost of satisfying the Order's directives is presently incalculable, but given the breadth of the Order and the currently required unrestricted use standards imposed, costs to comply could total several millions of dollars, much of which could be incurred while this Petition is pending. Declaration of Lucia Chung ("Chung Decl."), ¶ 4.

The Order puts Petitioner in a prejudicial bind. If Petitioner complies with the Order pending appeal, it will have to spend significant sums with no hope of recouping them except through expensive cost recovery litigation. If Petitioner declines to expend money, time, and resources in an effort to comply with the Order, it becomes exposed to significant daily penalties for non-compliance. Therefore, if a stay is not granted, Petitioner would be faced with a no-win scenario: expend substantial sums to comply with an improperly issued Order, or face substantial monetary penalties for failure to comply. A stay until the State Board rules on the merits of the petition would solve this problem and save Petitioner from significant and substantial monetary harm. Bacon Decl., ¶ 19; Chung Decl. ¶ 5.

2. **The Public Will Not Be Substantially Harmed If a Stay Is Granted**

The contamination is being addressed by another named responsible party, Alcatel-Lucent, who has not challenged issuance of the Order to it. There is no reason to believe Alcatel-Lucent will cease complying with the Order, and there is therefore no reason to believe the public will be harmed if a stay is granted with respect to Chevron. Bacon Decl. ¶ 20; Chung Decl. ¶ 6.

3. **The Petition Raises Substantial Questions of Law and Fact**

As discussed above, there are significant questions of law and fact raised by this Petition, key among them: (1) whether it is proper to name Chevron to the Order on the

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basis that it is a former owner during the period of passive migration, and (2) whether it is property to require cleanup of an industrial-zoned property to unrestricted use standards.

Dated: June 16, 2014

Respectfully submitted,

PILLSBURY WINTHROP SHAW PITTMAN LLP
AMY E. GAYLORD
Four Embarcadero Center, Suite 2200
San Francisco, CA 94105-2228

By: _____
Attorneys for Petitioner
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Attorneys for Petitioner,
CHEVRON U.S.A. INC.

STATE WATER RESOURCES CONTROL BOARD

In the Matter of the California Regional Water Quality Control Board – San Francisco Region, Adoption of Site Cleanup Requirements, Order No. R2-2014-0021 Directed to Chevron U.S.A. Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC for the site located at 6400 Sierra Court Dublin, Alameda County	**DECLARATION OF MICHELLE BACON IN SUPPORT OF CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEANUP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY**

DECLARATION OF MICHELLE BACON

1. I, Michelle Bacon, am a licensed attorney employed by Chevron Corporation in San Ramon, California. In that capacity, I represent the various Chevron family of companies, including Chevron U.S.A. Inc. ("Chevron"). This declaration is submitted in support of Chevron's Petition to the State Board challenging the San Francisco Regional Water Quality Control Board's issuance of Site Cleanup Requirements, Order R2-2014-0021, for Chevron U.S.A. Inc.'s former records facility located at 6400 Sierra Court, Dublin, CA ("Site").

2. I attended the May 14, 2014 hearing of the San Francisco Regional Water Quality Control Board ("Regional Board"), at which time the Regional Board adopted Site Cleanup Requirements, Order No. R2-2014-0021 relating to the Site ("Order"). An audio recording of May 14, 2014 San Francisco Regional Water Quality Control Board hearing is available on the Board's website at <<http://www.waterboards.ca.gov/sanfranciscobay/board_info/minutes/2014/05-14-14.mp3>>. This audio recording is incorporated herein by reference.

3. A true and correct copy of the Order is attached hereto as Exhibit A, and a true and correct copy of the May 14, 2014 letter transmitting the final Order is attached hereto as Exhibit B.

4. A true and correct copy of the February 14, 2014 Tentative Order is attached hereto as Exhibit C.

5. A true and correct copy of the May 14, 2014 Staff Summary Report and Revised Tentative Order (including public comments) is attached hereto as Exhibit D.

6. Chevron's consultant Ecology and Environment ("E & E") prepared a report dated May 24, 1996, summarizing the removal of the above ground storage tank at the Site. A true and correct copy of E & E's removal report is attached hereto as Exhibit E.

7. I have reviewed Chevron's internal records and files in relation to this Site, as well as the publicly available Regional Board file on Geotracker. I understand that in anticipation of selling the Site, in 2007 Chevron's real estate entity – Chevron Business and

Real Estate Services ("BRES") – engaged URS Corporation to complete a "Baseline Site Assessment," which was completed on October 24, 2007 in compliance with ASTM standards for Phase I Site Assessments. Chevron has been unable to locate the original transmittal of the URS Report demonstrating the exact date it was sent to the Regional Board. However, the Baseline Site Assessment is posted on Geotracker with a date of March 28, 2008.

8. It is my understanding that in 2008, Chevron sold the Property to 6400 Sierra Court Investors.

9. On April 21, 2008, the Regional Board issued to Chevron a directive to prepare a Technical Report documenting the history of the Site pursuant to Water Code section 13267. Chevron complied with this request and provided significant information to the Regional Board about the other known responsible parties at the site through its consultant, Arcadis. Arcadis' June 19, 2008 submission to the Regional Board is attached as Exhibit F.

10. Through the end of 2008, Chevron funded the preparation of a Phase II report, and two hot-spot removal projects under the oversight of the Regional Board. The reports documenting these activities are publicly available on Geotracker and incorporated herein by reference.

11. Throughout this time period, the Regional Board neglected to name any other parties to the Order. On October 2, 2008, Chevron again provided the Regional Board with information about other responsible parties and reminded it of its obligation to name "all potentially responsible parties." A true and correct copy of a letter from Chevron to Regional Board Staff dated October 2, 2008, is attached hereto as Exhibit G.

12. Finally, after Chevron had been undertaking investigation and remediation of the site for nearly a year and a half, on February 9, 2009, the Regional Board issued orders requesting site history information from B.F. Saul (the prior owner) and Western Electric (the prior operator). On the same day, the Regional Board issued a further investigatory order pursuant to Water Code section 13267 only to Chevron, requiring

preparation of a Work Plan to: define the extent of contamination from the AST in soil vapor, soil, groundwater and surface water; address all human health and environmental concerns relating to the contamination; and propose interim remedial actions. A copy of this February 9, 2009 directive to Chevron is attached hereto as Exhibit H.

13. Since that time, several additional investigatory directives under Water Code 13267 have been issued by the Regional Board to Chevron, B.F. Saul and Alcatel-Lucent as the successor to Western Electric. Chevron and Alcatel-Lucent have undertaken significant soil, groundwater, soil-vapor and surface water sampling, including bench scale testing, installation and operation of a subslab soil vapor extraction system. Alcatel-Lucent and Chevron prepared a Feasibility Study and Remedial Action Plan, which has been approved.

14. At the hearing on the Tentative Order, Regional Board staff member Cleet Carleton gave a presentation which reiterated the Board's position, and relied on Water Quality Order 92-13, *In re Wenwest*, as a basis for the issuance of the Order to Chevron. Mr. Carlton further argued that requiring cleanup to unrestricted use was proper despite the fact that the Site is zoned only for industrial and commercial uses because the property might in the future be rezoned.

15. In response, representatives of the named parties reiterated their prior arguments on these points, and Chevron's counsel specifically pointed out that the *Wenwest* decision expressly does *not* permit issuance of an order to a prior owner based on passive migration.

16. At hearing, Regional Board Toxics Cleanup supervisor Stephen Hill acknowledged that the Regional Board was not trying to argue there is substantial evidence of a discharge from the AST during Chevron's ownership (at approximately 2:18:25 of the audio recording).

17. Before concluding the hearing, Regional Board Chair Young questioned staff counsel Ms. Yuri Won regarding the legal authority for the issuance of an order based on passive migration. Ms. Won informed the Board Members that Water Quality decision 86-2, *In re Zoecon*, supports liability based on a theory of passive migration.

18. The Order requires significant investigation and cleanup of the Site, and provides deadlines for the completion of significant and expensive work over the next six months, including the following:

- Submission of an amended Remedial Action Plan by August 1, 2014;
- Implementation of the Amended Remedial Action Plan within 180 days of its approval;
- Preparation of a Risk Management Plan by August 1, 2014 (plus submission of an implementation report annually thereafter);
- Status Reports every two years;
- Other completion deadlines thereafter.

19. The Order puts Chevron in a prejudicial bind. If it complies with the Order pending appeal, it will have to spend significant sums with no hope of recouping them except through expensive cost recovery litigation. If it declines to expend money, time, and resources in an effort to comply with the Order, it becomes exposed to significant daily penalties for non-compliance. Therefore, if a stay is not granted, Chevron will be faced with a no-win scenario: expend substantial sums to comply with an improperly issued Order, or face substantial monetary penalties for failure to comply. A stay until the State Board rules on the merits of the petition would solve this problem and save Chevron from significant and substantial monetary harm.

20. The contamination is being addressed by another named responsible party, Alcatel-Lucent, who has not challenged issuance of the Order to it. I have no reason to believe Alcatel-Lucent will cease complying with the Order, or that the public will be harmed if a stay is granted with respect to Chevron.

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I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 13th day of June, 2014, in San Ramon, California.

By: _____

Michelle Bacon

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Attorneys for Petitioner,
CHEVRON U.S.A. INC.

STATE WATER RESOURCES CONTROL BOARD

In the Matter of the California Regional Water Quality Control Board – San Francisco Region, Adoption of Site Cleanup Requirements, Order No. R2-2014-0021 Directed to Chevron U.S.A. Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC for the site located at 6400 Sierra Court Dublin, Alameda County	**DECLARATION OF LUCIA CHUNG IN SUPPORT OF CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEANUP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY**

DECLARATION OF LUCIA CHUNG

1. I, Lucia Chung, am a project manager employed by Chevron Environmental Management Company ("CEMC") in San Ramon, California. CEMC is a service company that represents the various Chevron family of companies, including Chevron U.S.A. Inc. ("Chevron") in connection with environmental remediation projects, and other things. This declaration is submitted in support of Chevron U.S.A. Inc.'s Petition to the State Board challenging the San Francisco Regional Water Quality Control Board's issuance of Site Cleanup Requirements, Order R2-2014-0021, for Chevron U.S.A. Inc.'s former records facility located at 6400 Sierra Court, Dublin, CA ("Site").

2. I am the current CEMC project manager overseeing the investigatory and remedial activities conducted on behalf of Chevron U.S.A. Inc. at the subject Site. I have had this position since May 2010. I am familiar with the facts relating to this project and unless otherwise stated have knowledge of the facts contained in this declaration and could and would competently testify thereto.

3. The Order requires significant investigation and cleanup of the Site, and provides deadlines for the completion of significant and expensive work over the next six months, including the following:

- Submission of an amended Remedial Action Plan by August 1, 2014;
- Implementation of the Amended Remedial Action Plan within 180 days of its approval;
- Preparation of a Risk Management Plan by August 1, 2014 (plus submission of an implementation report annually thereafter);
- Status Reports every two years;
- Other completion deadlines thereafter.

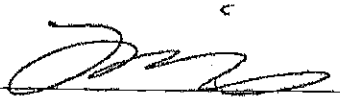
4. The cost of satisfying the Order's directives is presently incalculable, but given the breadth of the Order and the currently required unrestricted use standards imposed, costs to comply could total several millions of dollars over the period in which the Order is in effect.

5. The Order puts Chevron in a prejudicial bind. If it complies with the Order pending appeal, it will have to spend significant sums with no hope of recouping them except through expensive cost recovery litigation. If it declines to expend money, time, and resources in an effort to comply with the Order, it becomes exposed to significant daily penalties for non-compliance. Therefore, if a stay is not granted, Chevron will be faced with a no-win scenario: expend substantial sums to comply with an improperly issued Order, or face substantial monetary penalties for failure to comply. A stay until the State Board rules on the merits of the petition would solve this problem and save Chevron from significant and substantial monetary harm.

6. The contamination at the Site is being addressed by another named responsible party, Alcatel-Lucent, who has not challenged issuance of the Order to it. I have no reason to believe Alcatel-Lucent will cease complying with the Order. Moreover based on the known concentrations of TCE at the property, there will be no immediate or imminent harm to the public if a stay is granted to Chevron.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated this 12th day of June, 2014, in San Ramon, California.

By: 

Lucia Chung

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STATE WATER RESOURCES CONTROL BOARD

In the Matter of the California Regional Water Quality Control Board – San Francisco Region, Adoption of Site Cleanup Requirements, Order No. R2-2014-0021 Directed to Chevron U.S.A. Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC for the site located at 6400 Sierra Court Dublin, Alameda County	**PROOF OF SERVICE BY ELECTRONIC TRANSMISSION AND MAIL**

I, Robert J. Foley, the undersigned, hereby declare as follows:

1. I am over the age of 18 years and am not a party to the within cause. I am employed by Pillsbury Winthrop Shaw Pittman LLP in the city of San Francisco, California.

2. My email and business addresses are robert.foley@pillsburylaw.com; Four Embarcadero Center, 22nd Floor, San Francisco, CA 94111-5998. My mailing address is Four Embarcadero Center, 22nd Floor, San Francisco, CA 94126-2824.

3. On June 13, 2014, at Four Embarcadero Center, 22nd Floor, San Francisco, CA 94111-5998, I served a true copy of the attached document(s) titled exactly:

1. CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEANUP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY;

2. DECLARATION OF LUCIA CHUNG IN SUPPORT OF CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEANUP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY; and

3. DECLARATION OF MICHELLE BACON IN SUPPORT OF CHEVRON U.S.A. INC.'S PETITION FOR REVIEW OF "ADOPTION OF SITE CLEAN UP REQUIREMENTS"; REQUEST FOR HEARING, AND REQUEST FOR STAY

by sending them via electronic transmission to the following persons at the electronic-mail addresses so indicated:

[See Attached Service List]

4. In addition to the electronic transmission, a true copy of said document was placed in a sealed envelope, addressed as indicated in paragraph 3, above, and deposited in regularly maintained interoffice mail for collection, postage, and same-day delivery to the United States Postal Service for delivery to the addressees.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 13th day of June, 2014, at San Francisco, California.

Robert J. Foley

Service List

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EXHIBIT A

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

ORDER NO. R2-2014-0021

ADOPTION OF SITE CLEANUP REQUIREMENTS for:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, and
6400 SIERRA COURT INVESTORS, LLC

for the property located at:

6400 SIERRA COURT
DUBLIN, ALAMEDA COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region (hereinafter Regional Water Board), finds that:

1. **Site Location:** The property is a 13.4-acre rectangular parcel, bordered on three sides by commercial property and on the west side by Alamo Canal, in the City of Dublin (the "Site"). Across Alamo Canal is a single-family residential neighborhood.

   The Site includes one 320-foot by 560-foot (180,000-square-foot) warehouse surrounded by asphalt-paved parking areas and a loading dock. An approximately 20-foot by 25-foot former chemical storage area is attached to the northwest corner of the warehouse. A gravel-filled trench (likely a French drain) extends along the northern and western edges of the warehouse and leads to a culvert at the southwest corner of the Site, which drains into Alamo Canal. The Site is currently zoned for commercial/industrial use.

2. **Site History**: Western Electric Company leased and conducted telephone transmission equipment manufacturing at the Site from approximately 1970 to at least 1975, possibly as late as 1979. Drawings for the Western Electric manufacturing facility, obtained from the City of Dublin, identify an aboveground storage tank (AST) on the west side of the warehouse as a "Trico" tank. A 1973 National Institute for Occupational Safety and Health (NIOSH) report, titled "Health Hazard Evaluation/Toxicity Determination, Western Electric Company, Inc., Dublin, California," determined that vapors from trichloroethene (TCE) used at the printing wiring board processing area of the Site was toxic to workers at the concentrations and conditions at the time. When Western Electric vacated the property, the AST and some of the piping between the AST and the building were left in place.

   Chevron U.S.A., Inc., (Chevron) became the Site owner in 1980 and used the warehouse as a document- and file-storage facility. There is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling, or disposal. South of the warehouse is a paved area that was leased by Chevron to Gettler-Ryan, Inc. (Gettler-Ryan) from 1993 to 2007. Gettler-Ryan is an environmental consulting firm that conducted cleanups, which included Chevron retail stations, and used the storage yard at the Site. According to a 2007 Final Baseline Environmental Site Assessment report, four 1,000-

gallon ASTs, located near the southeast corner of the Gettler-Ryan storage yard, were used to store purged groundwater from Chevron retail stations that were undergoing remediation. The report stated the ASTs, as well as rusted drums that stored used granular activated carbon, did not have secondary containment, and the asphalt pavement beneath them contained significant cracks.

In 1996, Chevron contracted with Ecology and Environment Inc. (E&E) to sample and remove the former AST. E&E reported that the 6-foot diameter by 23½-foot long AST was in poor condition and that the top of the tank was rusted out. The report did not indicate that the AST was "liquid tight" at the bottom. Samples collected from liquid at the spigot of the AST and two soil samples, one collected adjacent to the AST (under the asphalt) and one adjacent to the building (under the French drain rock), contained measurable concentrations of TCE. E&E also reported that the supply pipe line from the AST to inside the building contained liquid with an odor characteristic of concentrated TCE.

In October 2007, URS prepared a Final Baseline Site Assessment Report for Chevron. The report found TCE at the Site near the former AST in soil and groundwater at levels two to four orders of magnitude greater than the Regional Water Board's Environmental Screening Levels (ESLs). The report stated that the "results of the subsurface investigation indicate that the area of the release includes the north end of the former [Trico] AST and extends to a point 20 feet west of the south end of the AST, but the current data is not adequate to evaluate the full horizontal and vertical extent of the impacted area."

In May 2008, Chevron sold the property to 6400 Sierra Court Investors, LLC. In September 2008, the new owner contracted Cornerstone Earth Group to perform a hot-spot removal by excavation (see Finding 7). Prior to excavation, the concrete cradles of the former AST were still present, and Regional Water Board staff observed metal rust stains on the top and side of the cradles.

Alameda County Auction leased the parking area to the west of the warehouse from 2009 to 2012 for storing vehicles and holding its auctions. Dublin Honda and El Monte RV currently lease portions of the parking areas north and south of the warehouse for storing vehicles.

3. **Named Dischargers:** Chevron U.S.A., Inc., is named as a discharger because it permitted waste to be discharged where it is or probably will be discharged into waters of the State and create a condition of pollution or nuisance. Chevron owned the Site for 28 years, from 1980 to 2008. For the first 16-year period of its ownership, it kept the AST at the Site. When it was removed, TCE was found in the AST's supply pipe line and spigot, as well as in the soil under and around the AST. As evidenced by the rusted out top of the AST when it was removed in 1996, and staff's observation of rust on the concrete cradles in 2008, the AST had been in poor condition and not properly maintained. An AST that had not been properly decommissioned and emptied, combined with its poor condition at the time of removal, suggests that TCE likely discharged into the environment during Chevron's tenure. Even if it did not, Chevron nevertheless is a discharger because it permitted TCE to be discharged at the Site. Specifically, Chevron knew of the TCE contamination at the Site from the 1996 E&E report and the 2007 URS report. The TCE at the Site was, and continues to be, an ongoing discharge. As the

property owner at that time, Chevron had the ability to control the ongoing discharge and failed to do so. It, therefore, permitted waste to be discharged.

Alcatel-Lucent USA, Inc., is named as a discharger because Alcatel-Lucent is the successor to Western Electric's liabilities for issues pertaining to Western Electric's tenancy. There is substantial evidence that Western Electric discharged pollutants to soil and groundwater at the Site. Such evidence includes Western Electric's use of TCE at the Site, the presence of TCE in an AST at the Site, and the presence of TCE and its breakdown products in soil, soil vapor, and groundwater at the Site.

B.F. Saul Real Estate Investment Trust is named as a discharger because it owned the property during the time of the activity that resulted in the discharge (during Western Electric's tenancy), had knowledge of the activities that caused the discharge, and had the legal ability to prevent the discharge.

6400 Sierra Court Investors, LLC, is named as a discharger because it is the current owner of the property on which there is an ongoing discharge of pollutants, has knowledge of the discharge and the ability to control it.

Chevron U.S.A., Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC, are collectively referred to as "Dischargers" in this Order.

If additional information is submitted indicating that other parties caused or permitted or causes or permits any waste to be discharged at the Site where it is or will be discharged into waters of the State, the Regional Water Board will consider adding those parties' names to this order.

4. **Regulatory Status**: The Site is currently not subject to a Regional Water Board order.

5. **Site Hydrogeology**: The Site is generally flat and paved. Adjacent to the Site on the west is Alamo Canal. This canal is an unlined channel, under the jurisdiction of the Zone 7 Water Agency, that drains several creeks in the vicinity and flows south to Arroyo de la Laguna, then into Alameda Creek through Niles Canyon, and to San Francisco Bay. The Site is located in the Dublin Subbasin of the Livermore Valley Groundwater Basin.

Soils encountered in the upper 15 to 20 feet beneath the Site are typically clays and silts, with thin clayey sand, sand, and silt lenses more common below those depths. A coarser-grained unit lies between approximately 35 and 45 feet below ground surface (bgs). Below this unit lies an approximately 5-foot thick clay unit that is interpreted to separate two water-bearing zones, designated as the shallow and deep zones. Static water levels range from approximately 11.5 to 17 feet bgs. In general, local shallow-zone groundwater flows to the west, where it discharges into Alamo Canal. Groundwater in the deep zone locally flows to the north.

There are no known municipal or domestic drinking water wells in the vicinity of the Site. However, the regional groundwater drains toward the south, where municipal water wells for the City of Pleasanton are located.

6. **Remedial Investigations:** Several investigations, performed between 2007 and 2012, revealed the following:

   a. Former AST storage area and vicinity, south of the warehouse (former Gettler-Ryan lease area): Total petroleum hydrocarbons as diesel (TPH-d) in shallow soil samples and toluene and benzene in groundwater samples were all below ESLs.

   b. Former AST and adjacent areas under the warehouse: TCE and its breakdown byproducts, cis-1,2-dichloroethene (cis-1,2-DCE), trans-1,2-dichloroethene (trans-1,2-DCE), and vinyl chloride, were above ESLs, while several other volatile organic compounds (VOCs) were below ESLs, in soil, soil vapor, and groundwater.

   c. Former chemical storage area on the northwest corner of the warehouse: TCE and several other VOCs in groundwater (but not in soil) were below ESLs.

   d. Alamo Canal downgradient (but not upgradient) of the Site: TCE and its breakdown byproduct cis-1,2-DCE in surface water were below ESLs

   e. Warehouse: TCE and its breakdown byproduct cis-1,2-DCE in indoor air samples were below ESLs.

   In addition to the above, the Feasibility Study/Remedial Action Plan (FS/RAP) completed in 2013 identified a "Potential Second Source Area," which refers to the elevated TCE in shallow groundwater and soil vapor in the former Gettler-Ryan lease area. The FS/RAP suggests four possible sources of the TCE in this area: an unknown offsite source, releases from Gettler-Ryan's operations, incidental disposal practices during Western Electric's tenure, or from the AST through preferential pathways. The FS/RAP concludes that there is no strong evidence to support any one of the possibilities over the others.

   The maximum detected concentrations of contaminants of potential concern are listed by medium in the table below:

Analyte	Maximum Detected Concentration				
	Groundwater (µg/L)	Soil (mg/kg)	Soil Gas (µg/m^3)	Indoor Air (µg/m^3)	Surface Water (µg/L)
TCE	66,000	61	4,000,000	0.48	17
cis-1,2-DCE	2,400	9.3	210,000	0.41	3.2
trans-1,2-DCE	490	1.6	84,000	<0.72	<0.5
vinyl chloride	<0.5 - <50*	0.084	550,000	<0.047	<0.5 - <5.0*

* Elevated detection limits.

7. **Interim Remedial Measures:** In 2008, an area of approximately 35-feet by 40-feet beneath the former AST was excavated to a maximum depth of 16 feet. The excavation was centered along the edge of the warehouse. This was a self-directed interim action performed on behalf of the current owner to help reduce the potential for vapor intrusion to indoor air and not intended as a final remedy to address contaminated soil vapor, soil, and groundwater. The bottom of the excavaton was backfilled with crushed rock overlain by a geotextile. This was covered with a concrete slurry. Inside the warehouse, this fill was topped with crushed rock and a vapor barrier

prior to pouring a new concrete floor. Outside the warehouse, imported fill and asphalt pavement were placed on top of the controlled-density fill. Slotted PVC pipe was placed in the crushed rock at the bottom of the interior and exterior areas of the excavation and the top of the excavation inside the warehouse. These pipes were connected through risers to separate surface ports for potential future use in soil vapor monitoring and extraction.

In 2012, risers were used to extract soil vapors from the bottom of the excavation. The TCE mass removal rate at startup was approximately 17.4 pounds per day, but soon dropped to below 1 pound per day. From May 24 to October 12, 2012, the system removed 68 pounds of TCE and 1.3 pounds of vinyl chloride. However, due to the decline in influent TCE concentration following startup and again after a carbon change out, full-time operation of the system has been discontinued.

8. **Adjacent Sites:** There are no regulated cases adjacent to the Site.

9. **Screening Level Risk Assessment:** A screening-level evaluation was carried out to evaluate potential human health and environmental concerns related to identified soil, groundwater, and soil gas impacts. Chemicals evaluated in the risk evaluation include TCE, DCE, and vinyl chloride, the primary constituents of concern identified at the Site.

   a. **Screening Levels:** As part of the initial assessment, Site data were compared to the Regional Water Board's ESLs. The presence of chemicals at concentrations above the ESLs indicates that additional evaluation of potential threats to human health and the environment is warranted. Screening levels for groundwater address the following environmental concerns: 1) drinking water impacts (toxicity and taste and odor), 2) impacts to indoor air based on an unrestricted land use scenario, and 3) migration and impacts to ecological receptors, specifically aquatic habitats associated with Alamo Canal. Screening levels for soil address: 1) direct exposure, 2) leaching to groundwater, and 3) nuisance issues. Screening levels for soil gas address impacts to indoor air based on an unrestricted land use scenario. Chemical-specific screening levels for other human health concerns (i.e., indoor-air and direct-exposure) are based on a target excess cancer risk of $1x10^{-6}$ for carcinogens and a target Hazard Quotient of 1.0 for non-carcinogens. Groundwater screening levels for the protection of aquatic habitats are based on promulgated surface water standards (or equivalent). Soil screening levels for potential leaching concerns are intended to prevent impacts to groundwater above target groundwater goals (e.g., drinking water standards). Soil screening levels for nuisance concerns are intended to address potential odor and other aesthetic issues.

b. **Assessment Results:**

Media / Constituent	Result of Screening Assessment*					
	Human Health – Direct Contact	Leaching to Ground-water	Vapor Intrusion to Indoor Air	Ecological Receptors - Aquatic Life	Drinking Water	Nuisance
Soil:						
TCE	X	X				
cis-1,2-DCE		X				
trans-1,2-DCE		X				
vinyl chloride	X					
Indoor Air:						
TCE						
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride			**			
Soil Gas:						
TCE			X			
cis-1,2,-DCE						
trans-1,2-DCE			X			
vinyl chloride			X			
Groundwater:						
TCE			X	X	X	X
cis-1,2-DCE				X	X	
trans-1,2-DCE					X	X
vinyl chloride			**		**	
Surface Water:						
TCE					X	
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride					**	

* "X" indicates that ESL for that particular concern was exceeded
** Elevated detection limits prevent accurate assessment.

c. **Conclusions:** The contaminants exceeding these ESLs should be addressed by remediation and risk management.

10. **Feasibility Study/Remedial Action Plan:**

A Feasibility Study/Remedial Action Plan (FS/RAP) dated July 1, 2013, considered remedial alternatives independently for the source area (around the former AST), a canal barrier (to prevent/mitigate contaminant migration toward and into Alamo Canal), and the "Potential Second Source Area" (referring to the elevated TCE around the former Gettler-Ryan area).

For the souce area, considered alternatives included no action, anaerobic reductive dechlorination, in-situ chemical oxidation, and electrical resistance heating. For the canal barrier, considered alternatives included no action, biowall, in-situ chemical oxidation, and anaerobic reductive dechlorination. Following an evaluation of alternatives, anaerobic reductive dechlorination was selected for the source area, and a biowall was selected for the canal barrier. In addition, anaerobic reductive dechlorination was proposed for the "Potential Second Source Area." The FS/RAP details the construction and injections required for implementation of the selected alternatives.

The source area will receive injections of diluted amendment solution and bioaugment solution at 15 locations in and around the former excavation area. The amendment solution will contain an electron donor (off-the-shelf materials such as EHC-L, 3D-Me, or proprietary lactate/cysteine mix). The bioaugment solution will be a mixed bacterial culture containing *Dehalococcoides*. Groundwater monitoring will be performed to assess the performance of the amendments. Additional amendment solution will be injected based on monitoring results (when total organic carbon <10 mg/L and solvents are still detected). The anticipated duration to attain cleanup levels is four to six years.

Groundwater monitoring was proposed to assess the performance of the biowall in treating contamination. General groundwater quality degradation and the generation of vapors as a result of the addition of amendments and bioamendments was not assessed or proposed as part of the FS/RAP. These may be specific concerns with respect to vapor intrusion to indoor air and discharges to Alamo Canal (e.g., generation of methane or hydrogen sulfide creating a health hazard or nuisance condition). The FS/RAP does not address the cleanup of VOCs present in soil vapor. As noted in Finding 7, soil vapor extraction was discontinued due to an abrupt decrease in influent TCE concentration about two weeks following startup and again after a carbon change out. This was the reason soil vapor extraction was excluded as a remedial option in the FS/RAP. However, the effectiveness of the system by the removal of 68 pounds of TCE was not assessed (soil vapor wells were not subsequently sampled to determine the residual concentrations of contaminants). In addition, soil vapor extraction was operated on a continuous basis and system optimization (e.g., cycling/pulsing) was not considered. Additional work will be required to address the unintended effects of the addition of amendments and bioamendments as noted above, as well as additional assessment of soil vapor extraction. The FS/RAP notes that an Underground Injection Control (UIC) permit will be filed with the Regional Water Board. However, the UIC permit is a federal permit. Regional Water Board approval for the injections proposed in the FS/RAP will be pursuant to this Order.

11. **Basis for Cleanup Levels**

a. **General:** State Water Board Resolution No. 92-49, "Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304," applies to this discharge and requires attainment of background levels of water quality, or the highest level of water quality which is reasonable if background levels of water quality cannot be restored. This order and its requirements are consistent with Resolution No. 92-49.

State Water Board Resolution No. 68-16, "Statement of Policy with Respect to Maintaining High Quality of Waters in California," applies to this discharge and requires high quality waters to be maintained until it has been demonstrated that any change will be consistent with the maximum benefit of the people, will not unreasonably affect present and anticipated beneficial uses of such water, and will not result in water quality less than prescribed in water quality control policies.

b. **Beneficial Uses**: The Water Quality Control Plan for the San Francisco Bay Basin (Basin Plan) is the Regional Water Board's master water quality control planning document. It designates beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater. It also includes programs of implementation to achieve water quality objectives. The Basin Plan was duly adopted by the Regional Water Board and approved by the State Water Board, the Office of Administrative Law, and U.S. EPA, where required.

Regional Water Board Resolution No. 89-39, "Sources of Drinking Water," defines potential sources of drinking water to include all groundwater in the region, with limited exceptions for areas of high total dissolved solids (TDS), low yield, or naturally-high contaminant levels. Groundwater underlying and adjacent to the Site qualifies as a potential source of drinking water.

The Basin Plan designates the following potential beneficial uses of groundwater underlying and adjacent to the Site:

- o Municipal and domestic water supply
- o Industrial process water supply
- o Industrial service water supply
- o Agricultural water supply
- o Freshwater replenishment to surface waters

At present, the only existing beneficial use of the groundwater underlying the Site is freshwater replenishment to Alamo Canal.

The existing and potential beneficial uses of Alamo Canal include:

- o Groundwater recharge
- o Water contact and non-contact recreation
- o Wildlife habitat
- o Cold freshwater and warm freshwater habitat
- o Fish migration and spawning

c. **Basis for Groundwater Cleanup Levels**: The groundwater cleanup levels for the Site are based on applicable water quality objectives and are the more stringent of U.S. EPA and California primary maximum contaminant levels (MCLs). Cleanup to this level will protect beneficial uses of groundwater and will result in acceptable residual risk to humans.

d. **Basis for Soil Cleanup Levels**: The soil cleanup levels for the Site are based on protection of human health and ecological receptors and are intended to prevent leaching of

contaminants to groundwater. For the contaminants of concern, the most stringent of these is the prevention of leaching to groundwater, except for vinyl chloride, which is based on protection of human health.

e. **Basis for Soil Gas Cleanup Levels**: The soil gas cleanup levels for the Site are intended to prevent vapor intrusion into occupied buildings in an unrestricted land use scenario and will prevent unacceptable residual risk to humans.

f. **Basis for Indoor Air Cleanup Levels:** The indoor air cleanup levels for the Site are intended to prevent unhealthy levels of VOCs in indoor air in an unrestricted land use scenario as a result of vapor intrusion. These levels will apply to existing and future buildings that are designated for human occupancy.

12. **Future Changes to Cleanup Levels**: The goal of this remedial action is to restore the beneficial uses of groundwater underlying and adjacent to the Site. Any future changes to the cleanup levels in this Order must be consistent with applicable policies and requirements.

13. **Risk Management**: The Regional Water Board considers the following human health risks to be acceptable at remediation sites: a cumulative hazard index of 1.0 or less for non-carcinogens and a cumulative excess cancer risk of 10^{-6} to 10^{-4} or less for carcinogens. The screening level evaluation for the Site found contamination-related risks in excess of these acceptable levels. Active remediation will reduce these risks over time. However, risk management measures are needed at the Site during (and possibly after) active remediation to assure protection of human health. Long-term risk management measures may include engineering controls (such as engineered caps) and instititutional controls (such as deed restrictions that prohibit certain land uses), as appropriate.

The following risk management measures are needed at the Site:

a. During remediation: A risk management plan that notifies current and future owners of sub-surface contamination, prohibits the use of shallow groundwater beneath the Site as a source of drinking water until applicable groundwater and soil cleanup levels are met, and prohibits sensitive uses of the Site such as residences and daycare centers until applicable soil gas and soil cleanup levels are met. The risk management plan shall include protocols for establishing engineering controls/mitigation as warranted for other site uses. The risk management plan should include protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities. The risk management plan should also include protocols for the protection, operation, and maintenance of any remedial system, including monitoring/extraction wells.

b. Post remediation (contingent upon the Regional Water Board's conclusion that cleanup levels will not be attained prior to potential future site uses that may be affected): A deed restriction that notifies future owners of sub-surface contamination, prohibits the use of shallow groundwater beneath the Site as a source of drinking water until applicable soil and groundwater cleanup levels are met, and prohibits sensitive uses of the Site such as residences and daycare centers (as applicable) until applicable soil and soil gas cleanup levels are met.

14. **Reuse or Disposal of Extracted Groundwater:** Regional Water Board Resolution No. 88-160 allows discharges of extracted, treated groundwater from site cleanups to surface waters only if it has been demonstrated that neither reclamation nor discharge to the sanitary sewer is technically and economically feasible.

15. **Basis for 13304 Order:** Water Code section 13304 authorizes the Regional Water Board to issue orders requiring a discharger to cleanup and abate waste where the discharger has caused or permitted waste to be discharged or deposited where it is or probably will be discharged into waters of the State and creates or threatens to create a condition of pollution or nuisance.

16. **Cost Recovery:** Pursuant to Water Code section 13304, the Dischargers are hereby notified that the Regional Water Board is entitled to, and may seek reimbursement for, all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this order.

17. **California Safe Drinking Water Policy:** It is the policy of the State of California that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This order promotes that policy by requiring discharges to be remediated such that maximum contaminant levels (designed to protect human health and ensure that water is safe for domestic use) are met in existing and future supply wells.

18. **CEQA:** This action is an order to enforce the laws and regulations administered by the Regional Water Board. As such, this action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15321 of the Resources Agency Guidelines.

19. **Notification:** The Regional Water Board has notified the Dischargers and all interested agencies and persons of its intent under Water Code section 13304 to prescribe site cleanup requirements for the discharge and has provided them with an opportunity to submit their written comments.

20. **Public Hearing:** The Regional Water Board, at a public meeting, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED, pursuant to section 13304 of the Water Code, that the Dischargers shall clean up and abate the effects described in the above findings as follows:

A. **PROHIBITIONS**

1. The discharge of wastes or hazardous substances in a manner that will degrade water quality or adversely affect beneficial uses of waters of the State is prohibited.

2. Further significant migration of wastes or hazardous substances through subsurface transport to waters of the State is prohibited.

3. Activities associated with the subsurface investigation and cleanup that will cause significant adverse migration of wastes or hazardous substances are prohibited.

B. **CLEANUP LEVELS**

1. **Groundwater Cleanup Levels:** The following groundwater cleanup levels shall be met in all wells identified in the attached Self-Monitoring Program and in any additional monitoring wells that may be installed as part of this Order:

Constituent	Level (µg/L)	Basis
Trichloroethene (TCE)	5	U.S. EPA Primary MCL
cis-1,2-Dichloroethene (DCE)	6	U.S. EPA Primary MCL
trans-1,2-DCE	10	U.S. EPA Primary MCL
Vinyl chloride	0.5	U.S. EPA Primary MCL

µg/L = microgram per liter

2. **Soil Cleanup Levels:** The following soil cleanup levels shall be met in all onsite vadose-zone soils:

Constituent	Level (mg/kg)	Basis
TCE	0.46	Leaching to Groundwater
cis-1,2-DCE	0.19	Leaching to Groundwater
trans-1,2-DCE	0.67	Leaching to Groundwater
Vinyl Chloride	0.032	Direct Exposure

mg/kg = milligram per kilogram

3. **Soil Gas Cleanup Levels:** The following soil gas cleanup levels shall be met in all onsite vadose-zone soils:

Constituent	Level (ug/m^3)	Basis
TCE	300	Human Health – Vapor Intrusion
cis-1,2-DCE	3,700	Human Health – Vapor Intrusion
trans-1,2-DCE	31,000	Human Health – Vapor Intrusion
Vinyl Chloride	16	Human Health – Vapor Intrusion

$\mu g/m^3$ = microgram per cubic meter

4. **Indoor Air Cleanup Levels:** The following indoor air cleanup levels shall be met in occupied onsite buildings and will only be applied if the current building or any future buildings are considered for occupancy prior to soil gas cleanup levels being achieved:

Constituent	Level (ug/m^3)	Basis
TCE	0.59	Human Health - Inhalation
cis-1,2-DCE	7.3	Human Health - Inhalation
trans-1,2-DCE	63	Human Health - Inhalation
Vinyl Chloride	0.031	Human Health - Inhalation

$\mu g/m^3$ = microgram per cubic meter

C. TASKS

1. **AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: August 1, 2014

Submit a workplan, acceptable to the Executive Officer, amending the FS/RAP to address the potential of general groundwater quality degradation, human health and nuisance conditions for vapor intrusion to indoor air, and discharges to Alamo Creek as a result of in-situ injection remedial actions as noted in Finding 10. The Amended FS/RAP shall include the following:

a. An evaluation of general groundwater quality and the potential for the generation of vapors (volatile chemicals) as a result of the addition of amendments and bioamendments.
b. Additional monitoring and contingency plan(s) based on this evaluation.
c. An evaluation of soil vapor extraction effectiveness and system optimization.

An acceptable Amended FS/RAP must demonstrate a likelihood of attaining cleanup standards within a reasonable timeframe. The Amended FS/RAP shall describe all significant implementation steps and shall include an implementation schedule.

2. **IMPLEMENTATION OF AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: 180 days after Executive Officer approval of Task 1 workplan

Submit a technical report acceptable to the Executive Officer documenting completion of necessary tasks identified in the Task 1, Amended Remedial Action Plan. Proposals for further system expansion or modification may be included in Self-Monitoring Program reports (see attached Self-Monitoring Program).

3. **RISK MANAGEMENT PLAN**

COMPLIANCE DATE: August 1, 2014

Submit a Risk Management Plan, acceptable to the Executive Officer, to address public awareness of sub-surface contamination and prohibit certain uses of the Site until cleanup levels are met as noted in Finding 13.a. The Risk Management Plan shall include:

a. Notifications to current and future owners of sub-surface contamination.
b. Prohibition of the use of groundwater beneath the Site as a source of drinking water until applicable groundwater and soil cleanup levels are met.
c. Prohibition of sensitive uses of the Site such as residences and daycare centers until applicable soil gas and soil cleanup levels are met.
d. Protocols for establishing and protecting engineering controls/mitigation as warranted for other site uses.
e. Protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities.
f. Protocols for the protection, operation, and maintenance of any remedial system, including monitoring/extraction wells.

4. **RISK MANAGEMENT PLAN IMPLEMENTATION REPORT**

COMPLIANCE DATE: August 1, 2015 and every year thereafter

Submit a technical report acceptable to the Executive Officer documenting implementation of the Risk Management Plan over the previous 12-month period ending on May 30. The report shall include a detailed comparison of Risk Management Plan elements and implementation actions taken. The report shall provide a detailed discussion of any instances of implementation actions falling short of Risk Management Plan requirements, including an assessment of any potential human health or environmental effects resulting from these shortfalls. The report may be combined with a self-monitoring report, provided that the report title clearly indicates its scope. The report may propose changes to the Risk Management Plan, although those changes shall not take effect until approved by the Regional Water Board or the Executive Officer.

5. **STATUS REPORT**

COMPLIANCE DATE: August 1, 2016, August 1, 2018, August 1, 2020, and every five years thereafter

Submit a technical report acceptable to the Executive Officer evaluating the effectiveness of the approved remedial action plan. The report shall include:

a. Summary of effectiveness in controlling contaminant migration and protecting human health and the environment, including the application and effectiveness of any contingency plan for in-situ remediation;
b. Comparison of contaminant concentration trends with cleanup levels;
c. Comparison of anticipated versus actual costs of cleanup activities;
d. Performance data (e.g., groundwater volume extracted, chemical mass removed, mass removed per million gallons extracted, if applicable);
e. Cost effectiveness data (e.g., cost per pound of contaminant removed, if applicable);

f. Summary of additional investigations (including results) and significant modifications to remediation systems; and

g. Additional remedial actions proposed to meet cleanup levels (if applicable), including a time schedule.

If cleanup levels have not been met, and are not projected to be met within a reasonable time, the report shall assess the technical practicability of meeting cleanup levels and may propose an alternative cleanup strategy.

6. **PROPOSED DEED RESTRICTION**

COMPLIANCE DATE: 60 days after deed restriction required by Executive Officer

Submit a proposed deed restriction, acceptable to the Executive Officer, whose goal is to limit onsite occupants' exposure to Site contaminants to acceptable levels. The Executive Officer shall require a proposed deed restriction if the Executive Officer concludes, based on the Task 5 status report and other relevant information, that cleanup levels will not be attained prior to potential future site uses that may be affected. The proposed deed restriction shall prohibit the use of shallow groundwater beneath the Site as a source of drinking water until applicable soil and groundwater cleanup levels are met and prohibit sensitive uses of the Site such as residences and daycare centers (as applicable) until applicable soil and soil gas cleanup levels are met. The proposed deed restriction shall name the Regional Water Board as a beneficiary and shall anticipate that the Regional Water Board will be a signatory. The deed restriction shall include the risk management plan, amended as warranted, to propose any combination of engineering controls, mitigation, additional monitoring or remediation.

7. **RECORDATION OF DEED RESTRICTION**

COMPLIANCE DATE: 60 days after Executive Officer approval of the proposed deed restriction

Submit a technical report acceptable to the Executive Officer documenting that the deed restriction has been duly signed by all named parties and has been recorded with the appropriate county recorder. The report shall include a copy of the recorded deed restriction. Since only the Site owner can record the deed restriction, this task only applies to 6400 Sierra Court Investors, LLC. In the event the Site transfers to another owner prior to recordation and/or cleanup of the Site, this Order will be amended to include the new owner as a named discharger, as appropriate.

8. **PROPOSED CURTAILMENT**

COMPLIANCE DATE: 60 days prior to proposed curtailment

Submit a technical report acceptable to the Executive Officer containing a proposal to curtail remediation. Curtailment includes system closure (e.g., well abandonment), system suspension (e.g., cease injection but wells retained), and significant system modification (e.g., major reduction in injection rates). The report shall include the

rationale for curtailment. Proposals for final closure shall demonstrate that cleanup levels have been met, contaminant concentrations are stable, and contaminant migration potential is minimal.

9. **IMPLEMENTATION OF CURTAILMENT**

COMPLIANCE DATE: 60 days after Executive Officer approval of proposed curtailment

Submit a technical report acceptable to the Executive Officer documenting completion of the tasks identified in Task 8.

10. **EVALUATION OF NEW HEALTH CRITERIA**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating the effect on the approved remedial action plan of revising one or more cleanup levels in response to revision of drinking water standards, maximum contaminant levels, or other health-based criteria.

11. **EVALUATION OF NEW TECHNICAL INFORMATION**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating new technical information that bears on the approved remedial action plan, cleanup levels, or risk management plan for the Site. In the case of a new cleanup technology, the report shall evaluate the technology using the same criteria used in the feasibility study. Such technical reports shall not be required unless the Executive Officer determines that the new information is reasonably likely to warrant a revision in the approved remedial action plan or cleanup levels.

12. **Delayed Compliance:** If the Dischargers are delayed, interrupted, or prevented from meeting one or more of the completion dates specified for the above tasks, the Dischargers shall promptly notify the Executive Officer, and the Regional Water Board or Executive Officer may consider revision to this Order.

D. PROVISIONS

1. **No Nuisance:** The storage, handling, treatment, or disposal of polluted soil or groundwater shall not create a nuisance as defined in Water Code section 13050(m).

2. **Good O&M:** The Dischargers shall maintain in good working order and operate as efficiently as possible any facility or control system installed to achieve compliance with the requirements of this Order.

3. **Cost Recovery:** The Dischargers shall be liable, pursuant to Water Code section 13304, to the Regional Water Board for all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this Order. If the Site is enrolled in a State Water Board-managed reimbursement program, reimbursement shall be made pursuant to this Order and according to the procedures established in that program. Any disputes raised by the Dischargers over reimbursement amounts or methods used in that program shall be consistent with the dispute resolution procedures for that program.

4. **Access to Site and Records:** In accordance with Water Code section 13267(c), the Dischargers shall permit the Regional Water Board or its authorized representative:

   a. Entry upon premises in which any pollution source exists, or may potentially exist, or in which any required records are kept, which are relevant to this Order.

   b. Access to copy any records required to be kept under the requirements of this Order.

   c. Inspection of any monitoring or remediation facilities installed in response to this Order.

   d. Sampling of any groundwater or soil which is accessible, or may become accessible, as part of any investigation or remedial action program undertaken by the Dischargers.

5. **Self-Monitoring Program:** The Dischargers shall comply with the Self-Monitoring Program as attached to this Order and as may be amended by the Executive Officer.

6. **Contractor / Consultant Qualifications:** All technical documents shall be signed by and stamped with the seal of a California registered geologist, a California certified engineering geologist, or a California registered civil engineer.

7. **Lab Qualifications:** All samples shall be analyzed by State-certified laboratories or laboratories accepted by the Regional Water Board using approved U.S. EPA methods for the type of analysis to be performed. Quality assurance/quality control (QA/QC) records shall be maintained for Regional Water Board review. This provision does not apply to analyses that can only reasonably be performed onsite (e.g., temperature).

8. **Document Distribution:** An electronic and paper version of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be provided to the Regional Water Board, and electronic copies shall be provided to the following agencies:

   a. City of Dublin, Public Works Department
   b. County of Alameda Department of Environmental Health
   c. Zone 7 Water Agency
   d. Alameda County Water District

   The Executive Officer may modify this distribution list as needed.

Electronic copies of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be uploaded to the State Water Board's GeoTracker database within five business days after submittal to the Regional Water Board. Guidance for electronic information submittal is available at: http://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal

9. **Reporting of Changed Owner or Operator:** The Dischargers shall file a technical report on any changes in contact information, Site occupancy, or Site ownership.

10. **Reporting of Hazardous Substance Release:** If any hazardous substance is discharged in or on any waters of the State, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the State, the Dischargers shall report such discharge to the Regional Water Board by calling (510) 622-2369.

    A written report shall be filed with the Regional Water Board within five working days. The report shall describe: the nature of the hazardous substance, estimated quantity involved, duration of incident, cause of release, estimated size of affected area, nature of effect, corrective actions taken or planned, schedule of corrective actions planned, and persons/agencies notified.

    This reporting is in addition to reporting to the California Emergency Management Agency required pursuant to the Health and Safety Code.

11. **Periodic SCR Review:** The Regional Water Board will review this Order periodically and may revise it when necessary.

I, Bruce H. Wolfe, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on May 14, 2014.

Bruce H. Wolfe
Executive Officer

FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS ORDER MAY SUBJECT YOU TO ENFORCEMENT ACTION, INCLUDING BUT NOT LIMITED TO: IMPOSITION OF ADMINISTRATIVE CIVIL LIABILITY UNDER WATER CODE SECTIONS 13268 OR 13350, OR REFERRAL TO THE ATTORNEY GENERAL FOR INJUNCTIVE RELIEF OR CIVIL OR CRIMINAL LIABILITY

Attachments: Self-Monitoring Program
Site Map

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

SELF-MONITORING PROGRAM for:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, and
6400 SIERRA COURT INVESTORS, LLC

for the property located at:

6400 SIERRA COURT
DUBLIN, ALAMEDA COUNTY

1. **Authority and Purpose:** The Regional Water Board requires the technical reports identified in this Self-Monitoring Program pursuant to Water Code sections 13267 and 13304. This Self-Monitoring Program is intended to document compliance with Regional Water Board Order No. R2-2014-0021 (site cleanup requirements).

2. **Monitoring:** The Dischargers shall measure groundwater elevations quarterly in all monitoring wells, and shall collect and analyze representative samples of groundwater according to the following table:

Well #	Sampling Frequency	Analyses	Well #	Sampling Frequency	Analyses
MW-1	Q	8260B	MW-2a	Q	8260B
MW-2	Q	8260B	MW-4a	Q	8260B
MW-3	Q	8260B	OW-1	Q	8260B
MW-4	Q	8260B	OW-2	Q	8260B
MW-5	Q	8260B	OW-3	Q	8260B
MW-1a	Q	8260B			

Key: Q = Quarterly 8260B = U.S. EPA Method 8260B or equivalent

This monitoring is in addition to monitoring required for the implementation of the Amended Remedial Action Plan. However, this monitoring may be performed in conjunction with these requirements as applicable.

The Dischargers shall sample any new monitoring or extraction wells quarterly and analyze groundwater samples for the same constituents as shown in the above table. The Dischargers may propose changes in the above table; any proposed changes are subject to Executive Officer approval.

3. **Quarterly Monitoring Reports:** The Dischargers shall submit quarterly monitoring reports to the Regional Water Board no later than 30 days following the end of the quarter (e.g., report for

first quarter of the year due April 30). The first quarterly monitoring report shall be due on July 30, 2014. The reports shall include:

a. Transmittal Letter: The transmittal letter shall discuss any violations during the reporting period and actions taken or planned to correct the problem. The letter shall be signed by the Dischargers' principal executive officer or his/her duly authorized representative and shall include a statement by the official, under penalty of perjury, that the report is true and correct to the best of the official's knowledge.

b. Groundwater Elevations: Groundwater elevation data shall be presented in tabular form, and a groundwater elevation map shall be prepared for each monitored water-bearing zone. Historical groundwater elevations shall be included.

c. Groundwater Analyses: Groundwater sampling data shall be presented in tabular form, and an isoconcentration map shall be prepared for one or more key contaminants for each monitored water-bearing zone, as appropriate. The report shall indicate the analytical method used, detection limits obtained for each reported constituent, and a summary of QA/QC data. Historical groundwater sampling results shall be included in each report. The report shall describe any significant increases in contaminant concentrations since the last report, and any measures proposed to address the increases. Supporting data, such as lab data sheets, shall be included in electronic format only.

d. Groundwater Extraction: If applicable, the report shall include groundwater extraction results in tabular form for each extraction well and for the Site as a whole, expressed in gallons per minute and total groundwater volume for the quarter. The report shall also include contaminant removal results from groundwater extraction wells and from other remediation systems (e.g., soil vapor extraction), expressed in units of chemical mass per day and mass for the quarter. Historical mass removal results shall be included in the fourth quarterly report each year.

e. Status Report: The quarterly report shall describe relevant work completed during the reporting period (e.g., Site investigation, interim remedial measures) and work planned for the following quarter.

5. **Violation Reports**: If the Dischargers violate requirements in the Site Cleanup Requirements, then the Dischargers shall notify the Regional Water Board office by telephone as soon as practicable once the Dischargers have knowledge of the violation. Regional Water Board staff may, depending on violation severity, require the Dischargers to submit a separate technical report on the violation within five working days of telephone notification.

6. **Other Reports**: The Dischargers shall notify the Regional Water Board in writing prior to any Site activities, such as construction or underground tank removal, which have the potential to cause further migration of contaminants or which would provide new opportunities for Site investigation.

7. **SMP Revisions**: Revisions to the Self-Monitoring Program may be ordered by the Executive Officer, either on his/her own initiative or at the request of the Dischargers. Prior to making SMP revisions, the Executive Officer will consider the burden, including costs, of associated self-monitoring reports relative to the benefits to be obtained from these reports.

Site Location

6400 Sierra Court, Dublin

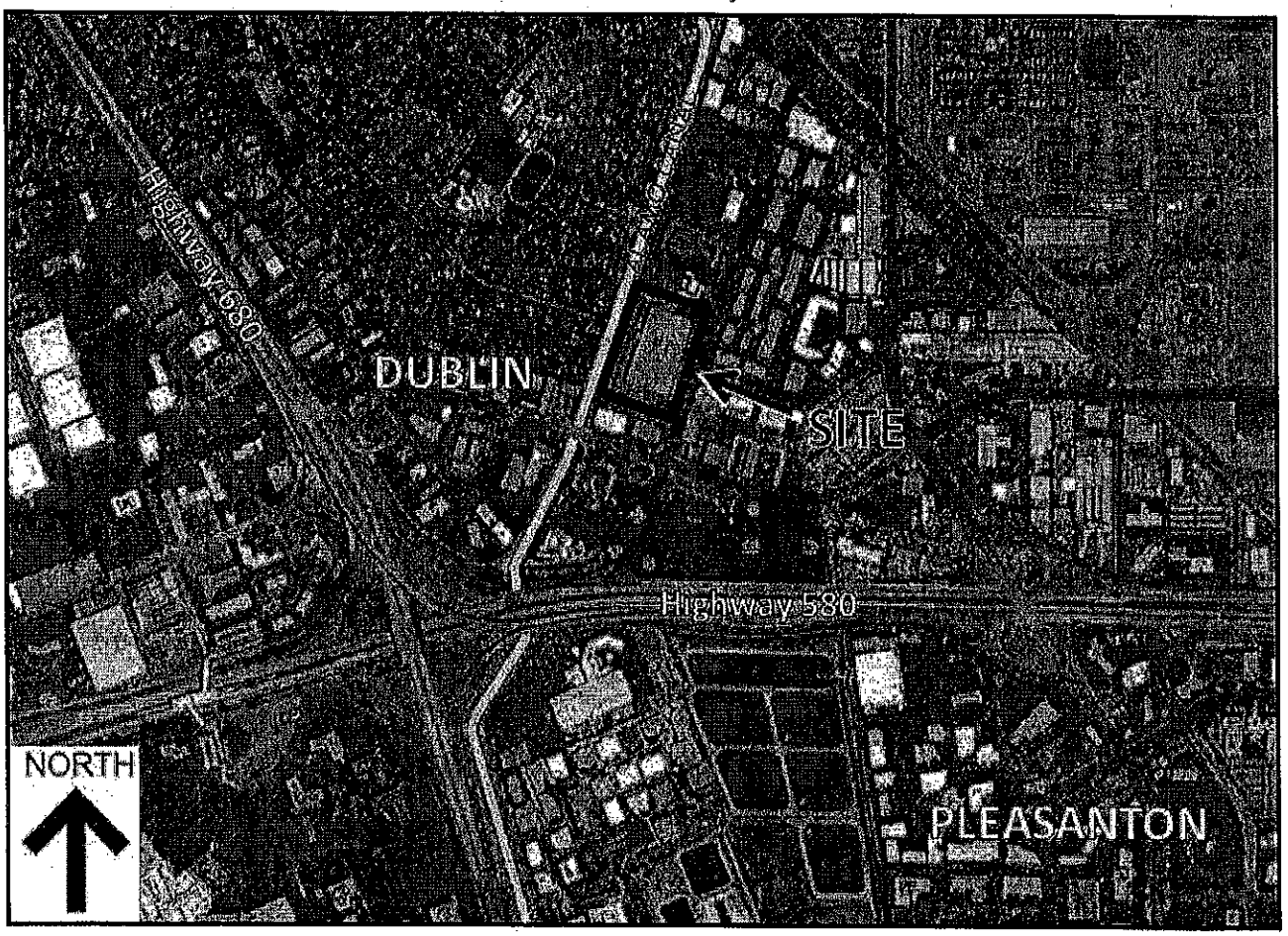

EXHIBIT B

May 15, 2014
File No. 01S0690 (CFC)

Chevron Environmental
Management Company
c/o Lucia Chung
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San Ramon, CA 94583
luciachung@chevron.com

Alcatel-Lucent USA, Inc.
c/o Ralph L. McMurry, Esq.
30 Vesey Street, 15th Floor
New York, NY 10007
rlmcmurry@earthlink.net

B.F. Saul Real Estate Investment
Trust, Legal Department
c/o Merle Sustersich
7501 Wisconsin Ave., Suite 1500
Bethesda, Maryland 20814
merle.sustersich@bfsaulco.com

6400 Sierra Court Investors, LLC
c/o Charles B. Greene, Esq.
Law Office of Charles B. Greene
84 W. Santa Clara St. #740
San Jose, CA 95113-1815
cbgreeneatty@gmail.com

SUBJECT: Transmittal of Final Order – Site Cleanup Requirements for Property at 6400 Sierra Court, Dublin, Alameda County

Dear Ms. Chung, Mr. McMurry, Mr. Sustersich, and Mr Greene:

Attached is Regional Water Board Order No. R2-2014-0021 adopted by the Regional Water Board on May 14, 2014.

If you have any questions, please contact Cleet Carlton of my staff at (510) 622-2374 [e-mail ccarlton@waterboards.ca.gov].

Sincerely,

Bruce H. Wolfe
Executive Officer

Attachment: Final Order

cc w/attach:

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EXHIBIT C

California Water Boards

Edmund G. Brown Jr., Governor

Matthew Rodriquez, Secretary for Environmental Protection

San Francisco Bay Regional Water Quality Control Board

Date: February 14, 2014
File No. 01S0690 (CFC)

Chevron Environmental
Management Company
c/o Lucia Chung
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Alcatel-Lucent USA, Inc.
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6400 Sierra Court Investors, LLC
c/o Charles B. Greene, Esq.
Law Office of Charles B. Greene
84 W. Santa Clara St. #740
San Jose, CA 95113-1815
cbgreeneatty@gmail.com

SUBJECT: Transmittal of Tentative Order – Site Cleanup Requirements for Former Chevron Records Facility, 6400 Sierra Court, Dublin, Alameda County

Dear Ms. Chung, Mr. McMurry, Mr. Sustersich, and Mr. Greene:

Attached is a Tentative Order (Site Cleanup Requirements) for the subject site. This matter will be considered by the Regional Water Board during its regular meeting on Wednesday, April 9, 2014. The meeting will start at 9:00 am and will be held in the first floor auditorium of the Elihu Harris Building, 1515 Clay Street, Oakland, California. Any written comments by you or interested persons must be submitted to the Regional Water Board offices by March 14, 2014. Comments submitted after this date will not be considered by the Regional Water Board.

Pursuant to section 2050(c) of Title 23 of the California Code of Regulations, any party that challenges the Regional Water Board's action on this matter through a petition to the State Water Board under Water Code section 13320 will be limited to raising only those substantive issues or objections that were raised before the Regional Water Board at the public hearing or in timely submitted written correspondence delivered to the Regional Water Board (see above).

If you have any questions, please contact Cleet Carlton of my staff at (510) 622-2374 [e-mail ccarlton@waterboards.ca.gov].

Sincerely,

Bruce H. Wolfe
Executive Officer

Attachment: Tentative Order
cc w/attach:

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CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

TENTATIVE ORDER

ADOPTION OF SITE CLEANUP REQUIREMENTS FOR:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, AND
6400 SIERRA COURT INVESTORS, LLC

for the property located at

6400 SIERRA COURT
DUBLIN
ALAMEDA COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region (hereinafter Regional Water Board), finds that:

1. **Site Location**: The Site is a 13.4-acre rectangular parcel, bordered on three sides by commercial property and on the west side by Alamo Canal. Across Alamo Canal from the Site is a single-family residential neighborhood.

   The property currently consists of one 320-foot by 560-foot (180,000-square-foot) warehouse surrounded by asphalt-paved parking areas and a loading dock. An approximately 20-foot by 25-foot former chemical storage area is attached to the northwest corner of the warehouse. A gravel-filled trench (likely a French drain) extends along the northern and western edges of the warehouse, and leads to a culvert at the southwest corner of the Site, which drains into Alamo Canal. The Site is currently zoned for commercial/industrial use.

2. **Site History**: Western Electric Company leased and conducted telephone transmission equipment manufacturing at the Site from approximately 1970 to at least 1975 and possibly as late as 1979. Drawings for the Western Electric manufacturing facility, obtained from the City of Dublin, identify an aboveground storage tank (AST) on the west side of the warehouse as a "Trico" tank. A 1973 National Institute for Occupational Safety and Health (NIOSH) report "Health Hazard Evaluation/Toxicity Determination. Western Electric Company, Inc., Dublin, California" determined that vapors from trichloroethene (TCE) used at the printing wiring board processing area of the Site was toxic to workers at the concentrations and conditions at the time. When Western Electric Company vacated the property, the Trico AST and some of the piping between the AST and the building were left in place.

Chevron U.S.A., Inc., (Chevron) became the Site owner in 1980 and used the warehouse as a document- and file-storage facility. There is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling, or disposal. South of the warehouse is a paved area that was leased by Chevron to Gettler-Ryan, Inc. (Gettler-Ryan) from 1993 to 2007, who used it as a storage yard for their environmental consulting business, which included Chevron retail stations. According to a 2007 Phase I Environmental Site Assessment report, four 1,000-gallon ASTs located near the southeast corner of the Gettler-Ryan storage yard were used to store purged groundwater from Chevron retail stations that were undergoing remediation. The report stated the ASTs, as well as rusted drums which stored used granular activated carbon, did not have secondary containment, and the asphalt pavement beneath them contained significant cracks.

In 1996, Chevron contracted Ecology and Environment Inc. (E&E) to remove the former Trico AST and associated liquids/residue. E&E noted that the top of the AST was rusted, resulting in the accumulation of rainwater in the bottom of the AST, which had not escaped because the bottom of the tank appeared to be intact. E&E sampled the liquid and AST bottom solids and found trace quantities of TCE, along with TCE still in some of the piping between the AST and the warehouse.

In May 2008, Chevron sold the property to 6400 Sierra Court Investors, LLC. In September 2008, the new owner contracted Cornerstone Earth Group to perform a hot-spot removal by excavation (see Finding 7). Prior to excavation, the concrete cradles of the former AST were still present and Regional Water Board staff noted metal rust stains on the top and side of the cradles.

Alameda County Auction leased the parking area to the west of the warehouse from 2009 to 2012 for storing vehicles and holding its auctions. Dublin Honda and El Monte RV currently lease portions of the parking areas north and south of the warehouse for storing vehicles.

3. **Named Dischargers:** Chevron U.S.A., Inc. is named as a discharger because Chevron owned the property during a 16-year period (1980 to 1996) when the TCE AST and associated appurtenances were still present, contained TCE, and apparently were not maintained to prevent a discharge. Chevron either had knowledge or should have known (due to the presence of an AST) of the discharge or the activities that caused the discharge during this period, and had the legal ability to prevent the discharge.

Alcatel-Lucent USA, Inc. is named as a discharger because Alcatel-Lucent is the successor to Western Electric's liabilities for issues pertaining to Western Electric's tenancy. There is substantial evidence that Western Electric discharged pollutants to soil and groundwater at the Site. Such evicence includes use of TCE, the presence of TCE in an AST at the Site, and the presence of TCE and its breakdown products in soil, soil vapor and groundwater at the Site.

B.F. Saul Real Estate Investment Trust is named as a discharger because it owned the property during the time of the activity that resulted in the discharge (during Western Electric's tenancy), had knowledge of the discharge or the activities that caused the discharge, and had the legal ability to prevent the discharge.

6400 Sierra Court Investors, LLC, is named as a discharger because it is the current owner of the property on which there is an ongoing discharge of pollutants, it has knowledge of the discharge or the activities that caused the discharge, and it has the legal ability to control the discharge. 6400 Sierra Court Investors, LLC, will be responsible for compliance only if the Regional Water Board or Executive Officer finds that other named dischargers have failed to comply with the requirements of this order.

If additional information is submitted indicating that other parties caused or permitted any waste to be discharged on the Site where it entered or could have entered waters of the state, the Regional Water Board will consider adding those parties' names to this order.

4. **Regulatory Status**: This Site is currently not subject to Regional Water Board order.

5. **Site Hydrogeology**: The Site is generally flat and paved. Adjacent to the property on the west is Alamo Canal. This canal is an unlined channel, under the jurisdiction of Zone 7 Water Agency, that drains several creeks in the vicinity and flows south to Arroyo de la Laguna, then into Alameda Creek through Niles Canyon and to San Francisco Bay. The Site is located in the Dublin Subbasin of the Livermore Valley Groundwater Basin.

   Soils encountered in the upper 15 to 20 feet at the Site are typically clays and silts, with thin clayey sand, sand, and silt lenses more common below those depths. A coarser-grained unit lies between approximately 35 and 45 feet below ground surface (bgs). Below this unit lies an approximately 5-foot thick clay unit that is interpreted to separate two water-bearing zones, designated as the shallow and deep zones. Static water levels range from approximately 11.5 to 17 feet bgs. In general, local shallow-zone groundwater flows to the west, where it discharges into Alamo Canal. Groundwater in the deep zone locally flows to the north.

   There are no known drinking water wells in the vicinity of the Site. However, the regional groundwater drains toward the south, where municipal water wells for the City of Pleasanton are located.

6. **Remedial Investigations**: Several investigations have been performed between 2007 and 2012, finding petroleum and solvent contamination in the following locations:

   a. Former AST storage area and vicinity, south of the warehouse: Total petroleum hydrocarbons as diesel (TPH-d) in shallow soil and toluene and benzene in groundwater, all below Environmental Screening Levels (ESLs)

b. Former TCE AST and adjacent areas under the warehouse: TCE and its breakdown byproducts cis-1,2-dichloroethene (cis-1,2-DCE), trans-1,2-dichloroethene (trans-1,2-DCE), and vinyl chloride above ESLs, along with several other volatile organic compounds (VOCs) below ESLs, in soil, soil vapor, and groundwater

c. Former chemical storage area on the northwest corner of the warehouse: TCE and several other VOCs in groundwater (but not in soil) below ESLs

d. Alamo Canal downgradient (but not upgradient) of the Site: TCE and its breakdown byproduct cis-1,2-DCE in surface water below applicable ESLs

e. Warehouse: TCE and its breakdown byproduct cis-1,2-DCE in indoor air samples below applicable ESLs

The maximum detected concentrations of contaminants of potential concern are listed by medium in the table below:

Analyte	Maximum Detected Concentration				
	Groundwater (µg/L)	Soil (mg/kg)	Soil Gas (µg/m^3)	Indoor Air (µg/m^3)	Surface Water (µg/L)
TCE	66,000	61	4,000,000	0.48	17
cis-1,2-DCE	2,400	9.3	210,000	0.41	3.2
trans-1,2-DCE	490	1.6	84,000	<0.72	<0.5
vinyl chloride	<0.5 - <50*	0.084	550,000	<0.047	<0.5 - <5.0*

* Elevated detection limits.

7. **Interim Remedial Measures:** In 2008, an area of approximately 35-feet by 40-feet beneath the former "Trico" AST was excavated to a maximum depth of 16 feet. The excavation was centered along the edge of the warehouse. This was a self-directed interim action performed on behalf of the current owner to help reduce the potential for vapor intrusion to indoor air, and not intended as a final remedy to address contaminated soil vapor, soil, and groundwater. The bottom of the excavaton was backfilled with crushed rock overlain by a geotextile. This was covered with a concrete slurry. Inside the warehouse, this fill was topped with crushed rock and a vapor barrier prior to pouring a new concrete floor. Outside the warehouse, imported fill and asphalt pavement were placed on top of the controlled-density fill. Slotted PVC pipe was placed in the crushed rock at the bottom of the interior and exterior areas of the excavation and the top of the excavation inside the warehouse. These pipes were connected through risers to separate surface ports for potential future use in soil vapor monitoring and extraction.

In 2012, risers were used for soil vapor extraction from the bottom of the excavation. The TCE mass removal rate at startup was approximately 17.4 pound per day, but soon dropped to below one pound per day. From May 24 to October 12, 2012, the system

removed 68 pounds of TCE and 1.3 pounds of vinyl chloride. However, due to the decline in influent TCE concentration following startup and again after a carbon change out, full-time operation of the system was discontinued.

8. **Adjacent Sites**: There are no regulated cases adjacent to the Site.

9. **Screening Level Risk Assessment**: A screening-level evaluation was carried out to evaluate potential human health and environmental concerns related to identified soil, groundwater, and soil gas impacts. Chemicals evaluated in the risk evaluation include TCE, DCE, and vinyl chloride, the primary chemicals of concern identified at the Site.

   a. **Screening Levels:** As part of the assessment, Site data were compared to ESLs compiled by Regional Water Board staff. The presence of chemicals at concentrations above the screening levels indicates that additional evaluation of potential threats to human health and the environment is warranted. Screening levels for groundwater address the following environmental concerns: 1) drinking water impacts (toxicity and taste and odor), 2) impacts to indoor air based on a commercial/industrial use scenario, and 3) migration and impacts to ecological receptors, specifically aquatic habitats associated with Alamo Canal. Screening levels for soil address: 1) direct exposure, 2) leaching to groundwater and 3) nuisance issues. Screening levels for soil gas address impacts to indoor air based on a commercial/industrial use scenario. Chemical-specific screening levels for other human health concerns (i.e., indoor-air and direct-exposure) are based on a target excess cancer risk of $1x10^{-6}$ for carcinogens and a target Hazard Quotient of 1.0 for non-carcinogens. Groundwater screening levels for the protection of aquatic habitats are based on promulgated surface water standards (or equivalent). Soil screening levels for potential leaching concerns are intended to prevent impacts to groundwater above target groundwater goals (e.g., drinking water standards). Soil screening levels for nuisance concerns are intended to address potential odor and other aesthetic issues.

b. **Assessment Results:**

Media / Constituent	Result of Screening Assessment*					
	Human Health – Direct Contact	Leaching to Ground-water	Vapor Intrusion to Indoor Air	Ecological Receptors - Aquatic Life	Drinking Water	Nuisance
Soil:						
TCE	X	X				
cis-1,2-DCE		X				
trans-1,2-DCE		X				
vinyl chloride						
Indoor Air:						
TCE						
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride			**			
Soil Gas:						
TCE			X			
cis-1,2,-DCE						
trans-1,2-DCE						
vinyl chloride			X			
Groundwater:						
TCE			X	X	X	X
cis-1,2-DCE				X	X	
trans-1,2-DCE					X	X
vinyl chloride			**		**	
Surface Water:						
TCE					X	
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride					**	

* "X" indicates that ESL for that particular concern was exceeded
** Elevated detection limits prevent accurate assessment.

c. **Conclusions:** The contaminants exceeding these screening level values should be addressed using a combination of remediation and risk management.

10. **Feasibility Study/Remedial Action Plan:**

A Feasibility Study/Remedial Action Plan (FS/RAP) dated July 1, 2013, considered remedial alternatives independently for the source area (around the former TCE AST), a canal barrier (to prevent/mitigate contaminant migration toward and into Alamo Canal), and the "Potential Second Source Area" (referring to the elevated TCE around the former Gettler-Ryan area).

For the souce area, considered alternatives included no action, anaerobic reductive dechlorination, in-situ chemical oxidation, and electrical resistance heating. For the canal barrier, considered alternatives included no action, biowall, in-situ chemical oxidation, and anaerobic reductive dechlorination. Following an evaluation of alternatives, anaerobic reductive dechlorination was selected for the source area, and a biowall was selected for the canal barrier. In addition, anaerobic reductive dechlorination was proposed for the "Potential Second Source Area." The FS/RAP details the construction and injections required for implementation of the selected alternatives.

The source area will receive injections of diluted amendment solution and bioaugment solution at 15 locations in and around the former excavation area. The amendment solution will contain an electron donor (off-the-shelf materials such as EHC-L, 3D-Me, or proprietary lactate/cysteine mix). The bioaugment solution will be a mixed bacterial culture containing *Dehalococcoides*. Groundwater monitoring will be performed to assess the performance of the amendments. Additional amendment solution will be injected based on monitoring results (when total organic carbon <10 mg/L and solvents are still detected). The anticipated duration to attain cleanup levels is four to six years.

Groundwater monitoring was proposed to assess the performance of the biowall in treating contamination. General groundwater quality degradation and the generation of vapors as a result of the addition of amendments and bioamendments was not assessed or proposed as part of the remedial action plan. These may be specific concerns with respect to vapor intrusion to indoor air and discharges to Alamo Canal (e.g., generation of methane or hydrogen sulfide creating a health hazard or nuisance condition). The FS/RAP does not address the cleanup of VOCs present in soil vapor. As noted in Finding 7, soil vapor extraction was discontinued due to an abrupt decrease in influent TCE concentration about two weeks following startup and again after a carbon change out. This was the reason soil vapor extraction was excluded as a remedial option in the FS/RAP. However, the effectiveness of the system by the removal of 68 pounds of TCE was not assessed (soil vapor wells were not subsequently sampled to determine the residual concentrations of contaminants). In addition, soil vapor extraction was operated on a continuous basis and system optimization (e.g., cycling/pulsing) was not considered. Additional work will be required to address the unintended effects of the addition of amendments and bioamendments as noted above, as well as additional assessment of soil vapor extraction. The FS/RAP notes that an Underground Injection Control (UIC) permit will be filed with the Regional Water Board. However, the UIC permit is a federal permit. Regional Water Board approval for the injections proposed in the FS/RAP will be through this Site Cleanup Requirements (SCR) Order.

11. **Basis for Cleanup Levels**

a. **General:** State Water Board Resolution No. 68-16, "Statement of Policy with Respect to Maintaining High Quality of Waters in California," applies to this discharge and requires attainment of background levels of water quality, or the highest level of water quality which is reasonable if background levels of water quality cannot be restored. This order and its requirements are consistent with Resolution No. 68-16.

State Water Board Resolution No. 92-49, "Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304," applies to this discharge. The cleanup levels established in this order are consistent with the maximum benefit to the people of the State, will not unreasonably affect present and anticipated beneficial uses of such water, and will not result in exceedance of applicable water quality objectives. This order and its requirements are consistent with the provisions of Resolution No. 92-49, as amended.

b. **Beneficial Uses:** The Water Quality Control Plan for the San Francisco Bay Basin (Basin Plan) is the Board's master water quality control planning document. It designates beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater. It also includes programs of implementation to achieve water quality objectives. The Basin Plan was duly adopted by the Water Board and approved by the State Water Resources Control Board, Office of Administrative Law and the U.S. EPA, where required.

Regional Water Board Resolution No. 89-39, "Sources of Drinking Water," defines potential sources of drinking water to include all groundwater in the region, with limited exceptions for areas of high total dissolved solids (TDS), low yield, or naturally-high contaminant levels. Groundwater underlying and adjacent to the Site qualifies as a potential source of drinking water.

The Basin Plan designates the following potential beneficial uses of groundwater underlying and adjacent to the Site:

- o Municipal and domestic water supply
- o Industrial process water supply
- o Industrial service water supply
- o Agricultural water supply
- o Freshwater replenishment to surface waters

At present, the only actual beneficial use of the groundwater underlying the site is freshwater replenishment to Alamo Canal.

The existing and potential beneficial uses of Alamo Canal include:

o Groundwater recharge
o Water contact and non-contact recreation
o Wildlife habitat
o Cold freshwater and warm freshwater habitat
o Fish migration and spawning

c. **Basis for Groundwater Cleanup Levels**: The groundwater cleanup levels for the Site are based on applicable water quality objectives and are the more stringent of EPA and California primary maximum contaminant levels (MCLs). Cleanup to this level will protect beneficial uses of groundwater and will result in acceptable residual risk to humans.

d. **Basis for Soil Cleanup Levels**: The soil cleanup levels for the Site are based on protection of human health, ecological receptors, and to prevent leaching of contaminants to groundwater. For the contaminants of concern, the most stringent of these is the prevention of leaching to groundwater.

e. **Basis for Soil Gas Cleanup Levels**: The soil gas cleanup levels for the Site are intended to prevent vapor intrusion into occupied buildings and will prevent unacceptable residual risk to humans.

f. **Basis for Indoor Air Cleanup Levels:** The indoor air cleanup levels for the Site are intended to prevent unhealthy levels of VOCs in indoor air as a result of vapor intrusion.

12. **Future Changes to Cleanup Levels**: The goal of this remedial action is to restore the beneficial uses of groundwater underlying and adjacent to the Site. Results from other sites suggest that full restoration of beneficial uses to groundwater as a result of active remediation at the Site may not be possible. If full restoration of beneficial uses is not technologically nor economically achievable within a reasonable period of time, then the discharger may request modification to the cleanup levels or establishment of a containment zone, a limited groundwater pollution zone where water quality objectives are exceeded. Conversely, if new technical information indicates that cleanup levels can be surpassed, the Regional Water Board may decide that further cleanup actions should be taken.

13. **Risk Management**: The Regional Water Board considers the following human health risks to be acceptable at remediation sites: a cumulative hazard index of 1.0 or less for non-carcinogens and a cumulative excess cancer risk of 10^{-6} to 10^{-4} or less for carcinogens. The screening level evaluation for the Site found contamination-related risks in excess of these acceptable levels. Active remediation will reduce these risks over time. However, risk management measures are needed at the Site during (and possibly after) active remediation to assure protection of human health. Risk management measures may include engineering controls (such as engineered caps or wellhead treatment) and instititutional controls (such as deed restrictions that prohibit certain land uses).

The following risk management measures are needed at the Site:

a. During remediation: A risk management plan that notifies current and future owners of sub-surface contamination, prohibits the use of shallow groundwater beneath the Site as a source of drinking water until cleanup levels are met, and prohibits sensitive uses of the Site such as residences and daycare centers. The risk management plan shall include protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities. The risk management plan shall also include protocols for the protection, operation and maintenance of any remedial system, including monitoring/extraction wells.

b. Post remediation (contingent upon whether remediation goals are achieved): A deed restriction that notifies future owners of sub-surface contamination and prohibits sensitive uses of the Site such as residences and daycare centers.

14. **Reuse or Disposal of Extracted Groundwater**: Regional Water Board Resolution No. 88-160 allows discharges of extracted, treated groundwater from Site cleanups to surface waters only if it has been demonstrated that neither reclamation nor discharge to the sanitary sewer is technically and economically feasible.

15. **Basis for 13304 Order**: Water Code section 13304 authorizes the Regional Water Board to issue orders requiring a discharger to cleanup and abate waste where the discharger has caused or permitted waste to be discharged or deposited where it is or probably will be discharged into waters of the State and creates or threatens to create a condition of pollution or nuisance.

16. **Cost Recovery**: Pursuant to Water Code section 13304, the discharger is hereby notified that the Regional Water Board is entitled to, and may seek reimbursement for, all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this order.

17. **California Safe Drinking Water Policy:** It is the policy of the State of California that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This order promotes that policy by requiring discharges to be remediated such that maximum contaminant levels (designed to protect human health and ensure that water is safe for domestic use) are met in existing and future supply wells.

18. **CEQA**: This action is an order to enforce the laws and regulations administered by the Regional Water Board. As such, this action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15321 of the Resources Agency Guidelines.

19. **Notification**: The Regional Water Board has notified the discharger and all interested agencies and persons of its intent under Water Code section 13304 to prescribe Site cleanup requirements for the discharge, and has provided them with an opportunity to submit their written comments.

20. **Public Hearing**: The Regional Water Board, at a public meeting, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED, pursuant to section 13304 of the Water Code, that the discharger (or its agents, successors, or assigns) shall clean up and abate the effects described in the above findings as follows:

A. PROHIBITIONS

1. The discharge of wastes or hazardous substances in a manner that will degrade water quality or adversely affect beneficial uses of waters of the State is prohibited.

2. Further significant migration of wastes or hazardous substances through subsurface transport to waters of the State is prohibited.

3. Activities associated with the subsurface investigation and cleanup that will cause significant adverse migration of wastes or hazardous substances are prohibited.

B. CLEANUP LEVELS

1. **Groundwater Cleanup Levels**: The following groundwater cleanup levels shall be met in all wells identified in the attached Self-Monitoring Program and in any additional monitoring wells that may be installed as part of this Order:

Constituent	Level (µg/L)	Basis
Trichloroethene (TCE)	5	EPA Primary MCL
cis-1,2-Dichloroethene (DCE)	6	EPA Primary MCL
trans-1,2-DCE	10	EPA Primary MCL
Vinyl chloride	0.5	EPA Primary MCL

µg/L = microgram per liter

2. **Soil Cleanup Levels**: The following soil cleanup levels shall be met in all on-site vadose-zone soils.

Constituent	Level (mg/kg)	Basis
TCE	0.46	Leaching to Groundwater
cis-1,2-DCE	0.19	Leaching to Groundwater
trans-1,2-DCE	0.67	Leaching to Groundwater
Vinyl Chloride	0.032	Direct Exposure

mg/kg = milligram per kilogram

3. **Soil Gas Cleanup Levels**: The following soil gas cleanup levels shall be met in all on-site vadose-zone soils.

Constituent	Level (ug/m^3)	Basis
TCE	300	Human Health – Vapor Intrusion
cis-1,2-DCE	3,700	Human Health – Vapor Intrusion
trans-1,2-DCE	31,000	Human Health – Vapor Intrusion
Vinyl Chloride	16	Human Health – Vapor Intrusion

$\mu g/m^3$ = microgram per cubic meter

4. **Indoor Air Cleanup Levels**: The following indoor air cleanup levels shall be met in occupied on-site buildings.

Constituent	Level (ug/m^3)	Basis
TCE	0.59	Human Health - Inhalation
cis-1,2-DCE	7.3	Human Health - Inhalation
trans-1,2-DCE	63	Human Health - Inhalation
Vinyl Chloride	0.031	Human Health - Inhalation

$\mu g/m^3$ = microgram per cubic meter

C. TASKS

1. **AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: July 1, 2014

Submit a workplan acceptable to the Executive Officer amending the FS/RAP to address the potential of general groundwater quality degradation, and human health and nuisance conditions for vapor intrusion to indoor air and discharges to Alamo Creek as a result of in-situ injection remedial actions as noted in Finding 10. The Amended FS/RAP shall include the following:

a. An evaluation of general groundwater quality and the potential for the generation of vapors (volatile chemicals) as a result of the addition of amendments and bioamendments.
b. Additional monitoring and contingency plan(s), based on this evaluation.
c. An evaluation of soil vapor extraction effectiveness and system optimization.

The Amended FS/RAP shall describe all significant implementation steps and shall include an implementation schedule.

2. **IMPLEMENTATION OF AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: 180 days after Executive Officer approval of Task 1 workplan

Submit a technical report acceptable to the Executive Officer documenting completion of necessary tasks identified in the Task 1, Amended Remedial Action Plan. Proposals for further system expansion or modification may be included in Self-Monitoring Program reports (see attached Self-Monitoring Program).

3. **RISK MANAGEMENT PLAN**

COMPLIANCE DATE: July 1, 2014

Submit a Risk Management Plan acceptable to the Executive Officer to address public awareness of sub-surface contamination and prohibits certain site uses until cleanup levels are met as noted in Finding 13.a. The Risk Management Plan shall include:

a. Notifications to current and future owners of sub-surface contamination.
b. Prohibition of the use of groundwater beneath the Site as a source of drinking water until cleanup levels are met.

c. Prohibition of sensitive uses of the Site such as residences and daycare centers until cleanup levels are met.
d. Protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities.
e. Protocols for the protection, operation and maintenance of any remedial system, including monitoring/extraction wells.

4. **RISK MANAGEMENT PLAN IMPLEMENTATION REPORT**

COMPLIANCE DATE: July 1, 2015 and every year thereafter

Submit a technical report acceptable to the Executive Officer documenting implementation of the Risk Management Plan over the previous 12-month period ending on May 30. The report should include a detailed comparison of Risk Management Plan elements and implementation actions taken. The report should provide a detailed discussion of any instances of implementation actions falling short of Risk Management Plan requirements, including an assessment of any potential human health or environmental effects resulting from these shortfalls. The report may be combined with a self-monitoring report, provided that the report title clearly indicates its scope. The report may propose changes to the Risk Management Plan, although those changes shall not take effect until approved by the Regional Water Board or the Executive Officer

5. **STATUS REPORT**

COMPLIANCE DATE: July 1, 2016, July 1, 2018, July 1, 2020 and every five years thereafter

Submit a technical report acceptable to the Executive Officer evaluating the effectiveness of the approved remedial action plan. The report should include:

a. Summary of effectiveness in controlling contaminant migration and protecting human health and the environment, including the application and effectiveness of any contingency plan for in-situ remediation
b. Comparison of contaminant concentration trends with cleanup levels
c. Comparison of anticipated versus actual costs of cleanup activities
d. Performance data (e.g., groundwater volume extracted, chemical mass removed, mass removed per million gallons extracted, if applicable)
e. Cost effectiveness data (e.g., cost per pound of contaminant removed, if applicable)
f. Summary of additional investigations (including results) and significant modifications to remediation systems

g. Additional remedial actions proposed to meet cleanup levels (if applicable) including time schedule

If cleanup levels have not been met and are not projected to be met within a reasonable time, the report should assess the technical practicability of meeting cleanup levels and may propose an alternative cleanup strategy.

6. **PROPOSED DEED RESTRICTION**

COMPLIANCE DATE: 60 days after deed restriction required by Executive Officer

Submit a proposed deed restriction, acceptable to the Executive Officer, whose goal is to limit on-site occupants' exposure to Site contaminants to acceptable levels. The Executive Officer shall require a proposed deed restriction if the Task 5 status report concludes that cleanup goals will not be attained prior to potential future site use. The proposed deed restriction shall prohibit the use of shallow groundwater beneath the Site as a source of drinking water until cleanup levels are met, and prohibit sensitive uses of the Site such as residences and daycare centers (as applicable). The proposed deed restriction shall name the Regional Water Board as a beneficiary and shall anticipate that the Regional Water Board will be a signatory.

7. **RECORDATION OF DEED RESTRICTION**

COMPLIANCE DATE: 60 days after Executive Officer approval of the proposed deed restriction

Submit a technical report acceptable to the Executive Officer documenting that the deed restriction has been duly signed by all parties and has been recorded with the appropriate County Recorder. The report shall include a copy of the recorded deed restriction.

8. **PROPOSED CURTAILMENT**

COMPLIANCE DATE: 60 days prior to proposed curtailment

Submit a technical report acceptable to the Executive Officer containing a proposal to curtail remediation. Curtailment includes system closure (e.g., well abandonment), system suspension (e.g., cease injection but wells retained), and significant system modification (e.g., major reduction in injection rates). The report should include the rationale for curtailment. Proposals for final closure

should demonstrate that cleanup levels have been met, contaminant concentrations are stable, and contaminant migration potential is minimal.

9. **IMPLEMENTATION OF CURTAILMENT**

COMPLIANCE DATE: 60 days after Executive Officer approval of proposed curtailment

Submit a technical report acceptable to the Executive Officer documenting completion of the tasks identified in Task 8.

10. **EVALUATION OF NEW HEALTH CRITERIA**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating the effect on the approved remedial action plan of revising one or more cleanup levels in response to revision of drinking water standards, maximum contaminant levels, or other health-based criteria.

11. **EVALUATION OF NEW TECHNICAL INFORMATION**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating new technical information which bears on the approved remedial action plan and cleanup levels for the Site. In the case of a new cleanup technology, the report should evaluate the technology using the same criteria used in the feasibility study. Such technical reports shall not be required unless the Executive Officer determines that the new information is reasonably likely to warrant a revision in the approved remedial action plan or cleanup levels.

12. **Delayed Compliance:** If the discharger is delayed, interrupted, or prevented from meeting one or more of the completion dates specified for the above tasks, the discharger shall promptly notify the Executive Officer, and the Regional Water Board may consider revision to this Order.

D. **PROVISIONS**

1. **No Nuisance**: The storage, handling, treatment, or disposal of polluted soil or groundwater shall not create a nuisance as defined in Water Code section 13050(m).

2. **Good O&M**: The discharger shall maintain in good working order and operate as efficiently as possible any facility or control system installed to achieve compliance with the requirements of this Order.

3. **Cost Recovery**: The discharger shall be liable, pursuant to Water Code section 13304, to the Regional Water Board for all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this Order. If the site addressed by this Order is enrolled in a State Water Board-managed reimbursement program, reimbursement shall be made pursuant to this Order and according to the procedures established in that program. Any disputes raised by the discharger over reimbursement amounts or methods used in that program shall be consistent with the dispute resolution procedures for that program.

4. **Access to Site and Records**: In accordance with Water Code section 13267(c), the discharger shall permit the Regional Water Board or its authorized representative:

   a. Entry upon premises in which any pollution source exists, or may potentially exist, or in which any required records are kept, which are relevant to this Order.

   b. Access to copy any records required to be kept under the requirements of this Order.

   c. Inspection of any monitoring or remediation facilities installed in response to this Order.

   d. Sampling of any groundwater or soil which is accessible, or may become accessible, as part of any investigation or remedial action program undertaken by the discharger.

5. **Self-Monitoring Program**: The discharger shall comply with the Self-Monitoring Program as attached to this Order and as may be amended by the Executive Officer.

6. **Contractor / Consultant Qualifications**: All technical documents shall be signed by and stamped with the seal of a California registered geologist, a

California certified engineering geologist, or a California registered civil engineer.

7. **Lab Qualifications**: All samples shall be analyzed by State-certified laboratories or laboratories accepted by the Regional Water Board using approved U.S. EPA methods for the type of analysis to be performed. Quality assurance/quality control (QA/QC) records shall be maintained for Regional Water Board review. This provision does not apply to analyses that can only reasonably be performed on-site (e.g., temperature).

8. **Document Distribution**: An electronic and paper version of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be provided to the Regional Water Board, and electronic copies shall be provided to the following agencies:

   a. City of Dublin, Public Works Department
   b. County of Alameda Department of Environmental Health
   c. Zone 7 Water Agency

   The Executive Officer may modify this distribution list as needed.

   Electronic copies of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be uploaded to the State Water Board's GeoTracker database within five business days after submittal to the Regional Water Board. Guidance for electronic information submittal is available at:
   http://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal

9. **Reporting of Changed Owner or Operator**: The discharger shall file a technical report on any changes in contact information, Site occupancy or ownership associated with the property described in this Order.

10. **Reporting of Hazardous Substance Release**: If any hazardous substance is discharged in or on any waters of the State, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the State, the discharger shall report such discharge to the Regional Water Board by calling (510) 622-2369.

    A written report shall be filed with the Regional Water Board within five working days. The report shall describe: the nature of the hazardous substance, estimated quantity involved, duration of incident, cause of release, estimated size of affected area, nature of effect, corrective actions taken or planned, schedule of corrective actions planned, and persons/agencies notified.

This reporting is in addition to reporting to the California Emergency Management Agency required pursuant to the Health and Safety Code.

11. **Secondarily-Responsible Discharger**: Within 60 days after being notified by the Executive Officer that other named dischargers have failed to comply with this order, 6400 Sierra Court Investors, LLC, shall then be responsible for complying with this order.

12. **Periodic SCR Review**: The Regional Water Board will review this Order periodically and may revise it when necessary.

I, Bruce H. Wolfe, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on _____.

_____
Bruce H. Wolfe
Executive Officer

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FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS ORDER MAY SUBJECT YOU TO ENFORCEMENT ACTION, INCLUDING BUT NOT LIMITED TO: IMPOSITION OF ADMINISTRATIVE CIVIL LIABILITY UNDER WATER CODE SECTIONS 13268 OR 13350, OR REFERRAL TO THE ATTORNEY GENERAL FOR INJUNCTIVE RELIEF OR CIVIL OR CRIMINAL LIABILITY

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Attachments: Site Map
Self-Monitoring Program

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

SELF-MONITORING PROGRAM FOR:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, AND
6400 SIERRA COURT INVESTORS, LLC

for the property located at

6400 SIERRA COURT
DUBLIN
ALAMEDA COUNTY

1. **Authority and Purpose**: The Regional Water Board requires the technical reports identified in this Self-Monitoring Program pursuant to Water Code Sections 13267 and 13304. This Self-Monitoring Program is intended to document compliance with Regional Water Board Order No. *XX-XXX* (site cleanup requirements).

2. **Monitoring**: The discharger shall measure groundwater elevations quarterly in all monitoring wells, and shall collect and analyze representative samples of groundwater according to the following table:

Well #	Sampling Frequency	Analyses	Well #	Sampling Frequency	Analyses
MW-1	Q	8260B	MW-2a	Q	8260B
MW-2	Q	8260B	MW-4a	Q	8260B
MW-3	Q	8260B	OW-1	Q	8260B
MW-4	Q	8260B	OW-2	Q	8260B
MW-5	Q	8260B	OW-3	Q	8260B
MW-1a	Q	8260B			

Key: Q = Quarterly 8260B = EPA Method 8260B or equivalent

This monitoring is in addition to monitoring required for the implementation of the amended feasibility study/remedial action plan. However, this monitoring may be performed in conjunction with these requirements as applicable.

The discharger shall sample any new monitoring or extraction wells quarterly and analyze groundwater samples for the same constituents as shown in the above table. The discharger may propose changes in the above table; any proposed changes are subject to Executive Officer approval.

3. **Quarterly Monitoring Reports**: The discharger shall submit quarterly monitoring reports to the Regional Water Board no later than 30 days following the end of the quarter (e.g., report for first quarter of the year due April 30). The first quarterly monitoring report shall be due on April 30, 2014. The reports shall include:

   a. Transmittal Letter: The transmittal letter shall discuss any violations during the reporting period and actions taken or planned to correct the problem. The letter shall be signed by the discharger's principal executive officer or his/her duly authorized representative, and shall include a statement by the official, under penalty of perjury, that the report is true and correct to the best of the official's knowledge.

   b. Groundwater Elevations: Groundwater elevation data shall be presented in tabular form, and a groundwater elevation map should be prepared for each monitored water-bearing zone. Historical groundwater elevations shall be included.

   c. Groundwater Analyses: Groundwater sampling data shall be presented in tabular form, and an isoconcentration map should be prepared for one or more key contaminants for each monitored water-bearing zone, as appropriate. The report shall indicate the analytical method used, detection limits obtained for each reported constituent, and a summary of QA/QC data. Historical groundwater sampling results shall be included in each report. The report shall describe any significant increases in contaminant concentrations since the last report, and any measures proposed to address the increases. Supporting data, such as lab data sheets, shall be included in electronic format only.

   d. Groundwater Extraction: If applicable, the report shall include groundwater extraction results in tabular form, for each extraction well and for the Site as a whole, expressed in gallons per minute and total groundwater volume for the quarter. The report shall also include contaminant removal results, from groundwater extraction wells and from other remediation systems (e.g., soil vapor extraction), expressed in units of chemical mass per day and mass for the quarter. Historical mass removal results shall be included in the fourth quarterly report each year.

   e. Status Report: The quarterly report shall describe relevant work completed during the reporting period (e.g., Site investigation, interim remedial measures) and work planned for the following quarter.

5. **Violation Reports**: If the discharger violates requirements in the Site Cleanup Requirements, then the discharger shall notify the Regional Water Board office by telephone as soon as practicable once the discharger has knowledge of the violation. Regional Water Board staff may, depending on violation severity, require the discharger to submit a separate technical report on the violation within five working days of telephone notification.

6. **Other Reports**: The discharger shall notify the Regional Water Board in writing prior to any Site activities, such as construction or underground tank removal, which have the potential to cause further migration of contaminants or which would provide new opportunities for Site investigation.

7. **SMP Revisions**: Revisions to the Self-Monitoring Program may be ordered by the Executive Officer, either on his/her own initiative or at the request of the discharger. Prior to making SMP revisions, the Executive Officer will consider the burden, including costs, of associated self-monitoring reports relative to the benefits to be obtained from these reports.

EXHIBIT D

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

STAFF SUMMARY REPORT (Cleet Carlton)
MEETING DATE: May 14, 2014

ITEM: 7

SUBJECT: **Chevron U.S.A., Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC, for the property located at 6400 Sierra Court, Dublin, Alameda County** – Adoption of Site Cleanup Requirements

CHRONOLOGY: The Board has not previously considered this matter.

DISCUSSION: The Revised Tentative Order (Appendix A) would require the named dischargers to implement a cleanup plan and risk management plan to address soil and groundwater contamination at the former Chevron Records site located in Dublin (see Appendix D location map).

In the 1970s the site was used by the Western Electric Company for wiring board processing. This activity resulted in the release of the chlorinated solvent trichloroethene (TCE) to soil and groundwater. The main TCE source was a TCE aboveground storage tank (AST) that was used by Western Electric and which remained on the property until 1996. Testing done at the time of the AST removal found TCE at the tank's spigot, in a supply line connected to the tank, and in soil beneath the tank.

Site investigations show that the maximum groundwater TCE concentrations, found in the AST vicinity, are more than 10,000 times the drinking water standard. TCE in groundwater has migrated to an open channel (Alamo Canal), which lies just beyond the western property boundary. TCE also poses a threat of vapor intrusion into a large onsite building; soil gas concentrations near the AST (less than 5 feet from the building) are more than 10,000 times the Board's environmental screening level for vapor intrusion concerns. The building is currently vacant.

The basis for naming the dischargers is as follows: Alcatel-Lucent is the successor in interest for Western Electric. During Western Electric's tenure, B.F. Saul Real Estate Investment Trust owned the property. Chevron acquired the property in 1980 and used it as a record storage facility until 2008, when it sold the property to the current owner, 6400 Sierra Court Investors, LLC.

Board staff circulated a tentative order for public comment in February 2014. We received comments (Appendix B) from representatives of Alcatel-Lucent, Chevron, Leidos (consultant working on behalf of both Alcatel-Lucent and Chevron) and Terrence Daly (receiver for the current owner). Our response to comments is contained in Appendix C.

The comments raise two key issues, which are summarized below and discussed in more detail in Appendix C:

- *Naming of Chevron to the Order:* Chevron argues that it should not be named to the Order since there is no substantial evidence that it caused or permitted a discharge at the Site. We disagree. Chevron knew of the TCE contamination at the site, as evidenced by its 1996 and 2007 environmental reports. The TCE in soil and groundwater was, and continues to be, an ongoing discharge. As the property owner at that time, Chevron had the ability to control the ongoing discharge and failed to do so. It therefore permitted waste to be discharged. We revised the tentative order to clarify the basis for naming Chevron.
- *Unrestricted Cleanup Levels:* Chevron, Alcatel-Lucent, and Leidos argue that commercial/industrial cleanup levels should be set, consistent with current land use and zoning. We disagree. The Basin Plan requires us to set cleanup levels that are protective of human health for existing *and likely future* land use (emphasis added). We conclude that future residential use at this site is likely. Over the last several years, the City of Dublin has approved residential uses at several similarly-zoned properties in the site's vicinity, reflecting its interest in infill development (in contrast to outward expansion). Further, the site's current landowner has received multiple letters of intent to purchase the property and convert it to residential or mixed use.

We have shared the Revised Tentative Order with the commenting parties and plan further discussions with them prior to the Board meeting. While this item will likely be contested, we believe the scope of the unresolved issues has been narrowed.

RECOMMENDATION: Adopt the Revised Tentative Order

APPENDICES: A – Revised Tentative Order
B – Public Comments
C – Responses to Comments
D – Site Location Map

File No. 01S0690 (CFC)

APPENDIX A

REVISED TENTATIVE ORDER

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

REVISED TENTATIVE ORDER

ADOPTION OF SITE CLEANUP REQUIREMENTS for:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, and
6400 SIERRA COURT INVESTORS, LLC

for the property located at:

6400 SIERRA COURT
DUBLIN, ALAMEDA COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region (hereinafter Regional Water Board), finds that:

1. **Site Location**: The property is a 13.4-acre rectangular parcel, bordered on three sides by commercial property and on the west side by Alamo Canal, in the City of Dublin (the "Site"). Across Alamo Canal is a single-family residential neighborhood.

   The Site includes one 320-foot by 560-foot (180,000-square-foot) warehouse surrounded by asphalt-paved parking areas and a loading dock. An approximately 20-foot by 25-foot former chemical storage area is attached to the northwest corner of the warehouse. A gravel-filled trench (likely a French drain) extends along the northern and western edges of the warehouse and leads to a culvert at the southwest corner of the Site, which drains into Alamo Canal. The Site is currently zoned for commercial/industrial use.

2. **Site History**: Western Electric Company leased and conducted telephone transmission equipment manufacturing at the Site from approximately 1970 to at least 1975, possibly as late as 1979. Drawings for the Western Electric manufacturing facility, obtained from the City of Dublin, identify an aboveground storage tank (AST) on the west side of the warehouse as a "Trico" tank. A 1973 National Institute for Occupational Safety and Health (NIOSH) report, titled "Health Hazard Evaluation/Toxicity Determination, Western Electric Company, Inc., Dublin, California," determined that vapors from trichloroethene (TCE) used at the printing wiring board processing area of the Site was toxic to workers at the concentrations and conditions at the time. When Western Electric vacated the property, the AST and some of the piping between the AST and the building were left in place.

   Chevron U.S.A., Inc., (Chevron) became the Site owner in 1980 and used the warehouse as a document- and file-storage facility. There is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling, or disposal. South of the warehouse is a paved area that was leased by Chevron to Gettler-Ryan, Inc. (Gettler-Ryan) from 1993 to 2007. Gettler-Ryan is an environmental consulting firm that conducted cleanups, which included Chevron retail stations, and used the storage yard at the Site. According to a 2007 Final Baseline Environmental Site Assessment report, four 1,000-

gallon ASTs, located near the southeast corner of the Gettler-Ryan storage yard, were used to store purged groundwater from Chevron retail stations that were undergoing remediation. The report stated the ASTs, as well as rusted drums that stored used granular activated carbon, did not have secondary containment, and the asphalt pavement beneath them contained significant cracks.

In 1996, Chevron contracted with Ecology and Environment Inc. (E&E) to sample and remove the former AST. E&E reported that the 6-foot diameter by 23½-foot long AST was in poor condition and that the top of the tank was rusted out. The report did not indicate that the AST was "liquid tight" at the bottom. Samples collected from liquid at the spigot of the AST and two soil samples, one collected adjacent to the AST (under the asphalt) and one adjacent to the building (under the French drain rock), contained measurable concentrations of TCE. E&E also reported that the supply pipe line from the AST to inside the building contained liquid with an odor characteristic of concentrated TCE.

In October 2007, URS prepared a Final Baseline Site Assessment Report for Chevron. The report found TCE at the Site near the former AST in soil and groundwater at levels two to four orders of magnitude greater than the Regional Water Board's Environmental Screening Levels (ESLs). The report stated that the "results of the subsurface investigation indicate that the area of the release includes the north end of the former [Trico] AST and extends to a point 20 feet west of the south end of the AST, but the current data is not adequate to evaluate the full horizontal and vertical extent of the impacted area."

In May 2008, Chevron sold the property to 6400 Sierra Court Investors, LLC. In September 2008, the new owner contracted Cornerstone Earth Group to perform a hot-spot removal by excavation (see Finding 7). Prior to excavation, the concrete cradles of the former AST were still present, and Regional Water Board staff observed metal rust stains on the top and side of the cradles.

Alameda County Auction leased the parking area to the west of the warehouse from 2009 to 2012 for storing vehicles and holding its auctions. Dublin Honda and El Monte RV currently lease portions of the parking areas north and south of the warehouse for storing vehicles.

3. **Named Dischargers**: Chevron U.S.A., Inc., is named as a discharger because it permitted waste to be discharged where it is or probably will be discharged into waters of the State and create a condition of pollution or nuisance. Chevron owned the Site for 28 years, from 1980 to 2008. For the first 16-year period of its ownership, it kept the AST at the Site. When it was removed, TCE was found in the AST's supply pipe line and spigot, as well as in the soil under and around the AST. As evidenced by the rusted out top of the AST when it was removed in 1996, and staff's observation of rust on the concrete cradles in 2008, the AST had been in poor condition and not properly maintained. An AST that had not been properly decommissioned and emptied, combined with its poor condition at the time of removal, suggests that TCE likely discharged into the environment during Chevron's tenure. Even if it did not, Chevron nevertheless is a discharger because it permitted TCE to be discharged at the Site. Specifically, Chevron knew of the TCE contamination at the Site from the 1996 E&E report and the 2007 URS report. The TCE at the Site was, and continues to be, an ongoing discharge. As the

property owner at that time, Chevron had the ability to control the ongoing discharge and failed to do so. It, therefore, permitted waste to be discharged.

Alcatel-Lucent USA, Inc., is named as a discharger because Alcatel-Lucent is the successor to Western Electric's liabilities for issues pertaining to Western Electric's tenancy. There is substantial evidence that Western Electric discharged pollutants to soil and groundwater at the Site. Such evidence includes Western Electric's use of TCE at the Site, the presence of TCE in an AST at the Site, and the presence of TCE and its breakdown products in soil, soil vapor, and groundwater at the Site.

B.F. Saul Real Estate Investment Trust is named as a discharger because it owned the property during the time of the activity that resulted in the discharge (during Western Electric's tenancy), had knowledge of the activities that caused the discharge, and had the legal ability to prevent the discharge.

6400 Sierra Court Investors, LLC, is named as a discharger because it is the current owner of the property on which there is an ongoing discharge of pollutants, has knowledge of the discharge and the ability to control it.

Chevron U.S.A., Inc., Alcatel-Lucent USA, Inc., B.F. Saul Real Estate Investment Trust, and 6400 Sierra Court Investors, LLC, are collectively referred to as "Dischargers" in this Order.

If additional information is submitted indicating that other parties caused or permitted or causes or permits any waste to be discharged at the Site where it is or will be discharged into waters of the State, the Regional Water Board will consider adding those parties' names to this order.

4. **Regulatory Status**: The Site is currently not subject to a Regional Water Board order.

5. **Site Hydrogeology**: The Site is generally flat and paved. Adjacent to the Site on the west is Alamo Canal. This canal is an unlined channel, under the jurisdiction of the Zone 7 Water Agency, that drains several creeks in the vicinity and flows south to Arroyo de la Laguna, then into Alameda Creek through Niles Canyon, and to San Francisco Bay. The Site is located in the Dublin Subbasin of the Livermore Valley Groundwater Basin.

Soils encountered in the upper 15 to 20 feet beneath the Site are typically clays and silts, with thin clayey sand, sand, and silt lenses more common below those depths. A coarser-grained unit lies between approximately 35 and 45 feet below ground surface (bgs). Below this unit lies an approximately 5-foot thick clay unit that is interpreted to separate two water-bearing zones, designated as the shallow and deep zones. Static water levels range from approximately 11.5 to 17 feet bgs. In general, local shallow-zone groundwater flows to the west, where it discharges into Alamo Canal. Groundwater in the deep zone locally flows to the north.

There are no known municipal or domestic drinking water wells in the vicinity of the Site. However, the regional groundwater drains toward the south, where municipal water wells for the City of Pleasanton are located.

6. **Remedial Investigations**: Several investigations, performed between 2007 and 2012, revealed the following:

   a. Former AST storage area and vicinity, south of the warehouse (former Gettler-Ryan lease area): Total petroleum hydrocarbons as diesel (TPH-d) in shallow soil samples and toluene and benzene in groundwater samples were all below ESLs.

   b. Former AST and adjacent areas under the warehouse: TCE and its breakdown byproducts, cis-1,2-dichloroethene (cis-1,2-DCE), trans-1,2-dichloroethene (trans-1,2-DCE), and vinyl chloride, were above ESLs, while several other volatile organic compounds (VOCs) were below ESLs, in soil, soil vapor, and groundwater.

   c. Former chemical storage area on the northwest corner of the warehouse: TCE and several other VOCs in groundwater (but not in soil) were below ESLs.

   d. Alamo Canal downgradient (but not upgradient) of the Site: TCE and its breakdown byproduct cis-1,2-DCE in surface water were below ESLs

   e. Warehouse: TCE and its breakdown byproduct cis-1,2-DCE in indoor air samples were below ESLs.

   In addition to the above, the Feasibility Study/Remedial Action Plan (FS/RAP) completed in 2013 identified a "Potential Second Source Area," which refers to the elevated TCE in shallow groundwater and soil vapor in the former Gettler-Ryan lease area. The FS/RAP suggests four possible sources of the TCE in this area: an unknown offsite source, releases from Gettler-Ryan's operations, incidental disposal practices during Western Electric's tenure, or from the AST through preferential pathways. The FS/RAP concludes that there is no strong evidence to support any one of the possibilities over the others.

   The maximum detected concentrations of contaminants of potential concern are listed by medium in the table below:

Analyte	Maximum Detected Concentration				
	Groundwater (µg/L)	Soil (mg/kg)	Soil Gas (µg/m^3)	Indoor Air (µg/m^3)	Surface Water (µg/L)
TCE	66,000	61	4,000,000	0.48	17
cis-1,2-DCE	2,400	9.3	210,000	0.41	3.2
trans-1,2-DCE	490	1.6	84,000	<0.72	<0.5
vinyl chloride	<0.5 - <50*	0.084	550,000	<0.047	<0.5 - <5.0*

* Elevated detection limits.

7. **Interim Remedial Measures:** In 2008, an area of approximately 35-feet by 40-feet beneath the former AST was excavated to a maximum depth of 16 feet. The excavation was centered along the edge of the warehouse. This was a self-directed interim action performed on behalf of the current owner to help reduce the potential for vapor intrusion to indoor air and not intended as a final remedy to address contaminated soil vapor, soil, and groundwater. The bottom of the excavaton was backfilled with crushed rock overlain by a geotextile. This was covered with a concrete slurry. Inside the warehouse, this fill was topped with crushed rock and a vapor barrier

prior to pouring a new concrete floor. Outside the warehouse, imported fill and asphalt pavement were placed on top of the controlled-density fill. Slotted PVC pipe was placed in the crushed rock at the bottom of the interior and exterior areas of the excavation and the top of the excavation inside the warehouse. These pipes were connected through risers to separate surface ports for potential future use in soil vapor monitoring and extraction.

In 2012, risers were used to extract soil vapors from the bottom of the excavation. The TCE mass removal rate at startup was approximately 17.4 pounds per day, but soon dropped to below 1 pound per day. From May 24 to October 12, 2012, the system removed 68 pounds of TCE and 1.3 pounds of vinyl chloride. However, due to the decline in influent TCE concentration following startup and again after a carbon change out, full-time operation of the system has been discontinued.

8. **Adjacent Sites**: There are no regulated cases adjacent to the Site.

9. **Screening Level Risk Assessment**: A screening-level evaluation was carried out to evaluate potential human health and environmental concerns related to identified soil, groundwater, and soil gas impacts. Chemicals evaluated in the risk evaluation include TCE, DCE, and vinyl chloride, the primary constituents of concern identified at the Site.

   a. **Screening Levels:** As part of the initial assessment, Site data were compared to the Regional Water Board's ESLs. The presence of chemicals at concentrations above the ESLs indicates that additional evaluation of potential threats to human health and the environment is warranted. Screening levels for groundwater address the following environmental concerns: 1) drinking water impacts (toxicity and taste and odor), 2) impacts to indoor air based on an unrestricted land use scenario, and 3) migration and impacts to ecological receptors, specifically aquatic habitats associated with Alamo Canal. Screening levels for soil address: 1) direct exposure, 2) leaching to groundwater, and 3) nuisance issues. Screening levels for soil gas address impacts to indoor air based on an unrestricted land use scenario. Chemical-specific screening levels for other human health concerns (i.e., indoor-air and direct-exposure) are based on a target excess cancer risk of $1x10^{-6}$ for carcinogens and a target Hazard Quotient of 1.0 for non-carcinogens. Groundwater screening levels for the protection of aquatic habitats are based on promulgated surface water standards (or equivalent). Soil screening levels for potential leaching concerns are intended to prevent impacts to groundwater above target groundwater goals (e.g., drinking water standards). Soil screening levels for nuisance concerns are intended to address potential odor and other aesthetic issues.

b. **Assessment Results:**

Media / Constituent	Result of Screening Assessment*					
	Human Health – Direct Contact	Leaching to Ground-water	Vapor Intrusion to Indoor Air	Ecological Receptors - Aquatic Life	Drinking Water	Nuisance
Soil:						
TCE	X	X				
cis-1,2-DCE		X				
trans-1,2-DCE		X				
vinyl chloride	X					
Indoor Air:						
TCE						
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride			**			
Soil Gas:						
TCE			X			
cis-1,2,-DCE						
trans-1,2-DCE			X			
vinyl chloride			X			
Groundwater:						
TCE			X	X	X	X
cis-1,2-DCE				X	X	
trans-1,2-DCE					X	X
vinyl chloride			**		**	
Surface Water:						
TCE					X	
cis-1,2-DCE						
trans-1,2-DCE						
vinyl chloride					**	

* "X" indicates that ESL for that particular concern was exceeded
** Elevated detection limits prevent accurate assessment.

c. **Conclusions:** The contaminants exceeding these ESLs should be addressed by remediation and risk management.

10. **Feasibility Study/Remedial Action Plan:**

A Feasibility Study/Remedial Action Plan (FS/RAP) dated July 1, 2013, considered remedial alternatives independently for the source area (around the former AST), a canal barrier (to prevent/mitigate contaminant migration toward and into Alamo Canal), and the "Potential Second Source Area" (referring to the elevated TCE around the former Gettler-Ryan area).

For the souce area, considered alternatives included no action, anaerobic reductive dechlorination, in-situ chemical oxidation, and electrical resistance heating. For the canal barrier, considered alternatives included no action, biowall, in-situ chemical oxidation, and anaerobic reductive dechlorination. Following an evaluation of alternatives, anaerobic reductive dechlorination was selected for the source area, and a biowall was selected for the canal barrier. In addition, anaerobic reductive dechlorination was proposed for the "Potential Second Source Area." The FS/RAP details the construction and injections required for implementation of the selected alternatives.

The source area will receive injections of diluted amendment solution and bioaugment solution at 15 locations in and around the former excavation area. The amendment solution will contain an electron donor (off-the-shelf materials such as EHC-L, 3D-Me, or proprietary lactate/cysteine mix). The bioaugment solution will be a mixed bacterial culture containing *Dehalococcoides*. Groundwater monitoring will be performed to assess the performance of the amendments. Additional amendment solution will be injected based on monitoring results (when total organic carbon <10 mg/L and solvents are still detected). The anticipated duration to attain cleanup levels is four to six years.

Groundwater monitoring was proposed to assess the performance of the biowall in treating contamination. General groundwater quality degradation and the generation of vapors as a result of the addition of amendments and bioamendments was not assessed or proposed as part of the FS/RAP. These may be specific concerns with respect to vapor intrusion to indoor air and discharges to Alamo Canal (e.g., generation of methane or hydrogen sulfide creating a health hazard or nuisance condition). The FS/RAP does not address the cleanup of VOCs present in soil vapor. As noted in Finding 7, soil vapor extraction was discontinued due to an abrupt decrease in influent TCE concentration about two weeks following startup and again after a carbon change out. This was the reason soil vapor extraction was excluded as a remedial option in the FS/RAP. However, the effectiveness of the system by the removal of 68 pounds of TCE was not assessed (soil vapor wells were not subsequently sampled to determine the residual concentrations of contaminants). In addition, soil vapor extraction was operated on a continuous basis and system optimization (e.g., cycling/pulsing) was not considered. Additional work will be required to address the unintended effects of the addition of amendments and bioamendments as noted above, as well as additional assessment of soil vapor extraction. The FS/RAP notes that an Underground Injection Control (UIC) permit will be filed with the Regional Water Board. However, the UIC permit is a federal permit. Regional Water Board approval for the injections proposed in the FS/RAP will be pursuant to this Order.

11. **Basis for Cleanup Levels**

a. **General:** State Water Board Resolution No. 92-49, "Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304," applies to this discharge and requires attainment of background levels of water quality, or the highest level of water quality which is reasonable if background levels of water quality cannot be restored. This order and its requirements are consistent with Resolution No. 92-49.

State Water Board Resolution No. 68-16, "Statement of Policy with Respect to Maintaining High Quality of Waters in California," applies to this discharge and requires high quality waters to be maintained until it has been demonstrated that any change will be consistent with the maximum benefit of the people, will not unreasonably affect present and anticipated beneficial uses of such water, and will not result in water quality less than prescribed in water quality control policies.

b. **Beneficial Uses**: The Water Quality Control Plan for the San Francisco Bay Basin (Basin Plan) is the Regional Water Board's master water quality control planning document. It designates beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater. It also includes programs of implementation to achieve water quality objectives. The Basin Plan was duly adopted by the Regional Water Board and approved by the State Water Board, the Office of Administrative Law, and U.S. EPA, where required.

Regional Water Board Resolution No. 89-39, "Sources of Drinking Water," defines potential sources of drinking water to include all groundwater in the region, with limited exceptions for areas of high total dissolved solids (TDS), low yield, or naturally-high contaminant levels. Groundwater underlying and adjacent to the Site qualifies as a potential source of drinking water.

The Basin Plan designates the following potential beneficial uses of groundwater underlying and adjacent to the Site:

- o Municipal and domestic water supply
- o Industrial process water supply
- o Industrial service water supply
- o Agricultural water supply
- o Freshwater replenishment to surface waters

At present, the only existing beneficial use of the groundwater underlying the Site is freshwater replenishment to Alamo Canal.

The existing and potential beneficial uses of Alamo Canal include:

- o Groundwater recharge
- o Water contact and non-contact recreation
- o Wildlife habitat
- o Cold freshwater and warm freshwater habitat
- o Fish migration and spawning

c. **Basis for Groundwater Cleanup Levels**: The groundwater cleanup levels for the Site are based on applicable water quality objectives and are the more stringent of U.S. EPA and California primary maximum contaminant levels (MCLs). Cleanup to this level will protect beneficial uses of groundwater and will result in acceptable residual risk to humans.

d. **Basis for Soil Cleanup Levels**: The soil cleanup levels for the Site are based on protection of human health and ecological receptors and are intended to prevent leaching of

contaminants to groundwater. For the contaminants of concern, the most stringent of these is the prevention of leaching to groundwater, except for vinyl chloride, which is based on protection of human health.

e. **Basis for Soil Gas Cleanup Levels**: The soil gas cleanup levels for the Site are intended to prevent vapor intrusion into occupied buildings in an unrestricted land use scenario and will prevent unacceptable residual risk to humans.

f. **Basis for Indoor Air Cleanup Levels:** The indoor air cleanup levels for the Site are intended to prevent unhealthy levels of VOCs in indoor air in an unrestricted land use scenario as a result of vapor intrusion. These levels will apply to existing and future buildings that are designated for human occupancy.

12. **Future Changes to Cleanup Levels**: The goal of this remedial action is to restore the beneficial uses of groundwater underlying and adjacent to the Site. Any future changes to the cleanup levels in this Order must be consistent with applicable policies and requirements.

13. **Risk Management**: The Regional Water Board considers the following human health risks to be acceptable at remediation sites: a cumulative hazard index of 1.0 or less for non-carcinogens and a cumulative excess cancer risk of 10^{-6} to 10^{-4} or less for carcinogens. The screening level evaluation for the Site found contamination-related risks in excess of these acceptable levels. Active remediation will reduce these risks over time. However, risk management measures are needed at the Site during (and possibly after) active remediation to assure protection of human health. Long-term risk management measures may include engineering controls (such as engineered caps) and instititutional controls (such as deed restrictions that prohibit certain land uses), as appropriate.

The following risk management measures are needed at the Site:

a. During remediation: A risk management plan that notifies current and future owners of sub-surface contamination, prohibits the use of shallow groundwater beneath the Site as a source of drinking water until applicable groundwater and soil cleanup levels are met, and prohibits sensitive uses of the Site such as residences and daycare centers until applicable soil gas and soil cleanup levels are met. The risk management plan shall include protocols for establishing engineering controls/mitigation as warranted for other site uses. The risk management plan should include protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities. The risk management plan should also include protocols for the protection, operation, and maintenance of any remedial system, including monitoring/extraction wells.

b. Post remediation (contingent upon the Regional Water Board's conclusion that cleanup levels will not be attained prior to potential future site uses that may be affected): A deed restriction that notifies future owners of sub-surface contamination, prohibits the use of shallow groundwater beneath the Site as a source of drinking water until applicable soil and groundwater cleanup levels are met, and prohibits sensitive uses of the Site such as residences and daycare centers (as applicable) until applicable soil and soil gas cleanup levels are met.

14. **Reuse or Disposal of Extracted Groundwater**: Regional Water Board Resolution No. 88-160 allows discharges of extracted, treated groundwater from site cleanups to surface waters only if it has been demonstrated that neither reclamation nor discharge to the sanitary sewer is technically and economically feasible.

15. **Basis for 13304 Order**: Water Code section 13304 authorizes the Regional Water Board to issue orders requiring a discharger to cleanup and abate waste where the discharger has caused or permitted waste to be discharged or deposited where it is or probably will be discharged into waters of the State and creates or threatens to create a condition of pollution or nuisance.

16. **Cost Recovery**: Pursuant to Water Code section 13304, the Dischargers are hereby notified that the Regional Water Board is entitled to, and may seek reimbursement for, all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this order.

17. **California Safe Drinking Water Policy:** It is the policy of the State of California that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. This order promotes that policy by requiring discharges to be remediated such that maximum contaminant levels (designed to protect human health and ensure that water is safe for domestic use) are met in existing and future supply wells.

18. **CEQA**: This action is an order to enforce the laws and regulations administered by the Regional Water Board. As such, this action is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15321 of the Resources Agency Guidelines.

19. **Notification**: The Regional Water Board has notified the Dischargers and all interested agencies and persons of its intent under Water Code section 13304 to prescribe site cleanup requirements for the discharge and has provided them with an opportunity to submit their written comments.

20. **Public Hearing**: The Regional Water Board, at a public meeting, heard and considered all comments pertaining to this discharge.

IT IS HEREBY ORDERED, pursuant to section 13304 of the Water Code, that the Dischargers shall clean up and abate the effects described in the above findings as follows:

A. **PROHIBITIONS**

1. The discharge of wastes or hazardous substances in a manner that will degrade water quality or adversely affect beneficial uses of waters of the State is prohibited.

2. Further significant migration of wastes or hazardous substances through subsurface transport to waters of the State is prohibited.

3. Activities associated with the subsurface investigation and cleanup that will cause significant adverse migration of wastes or hazardous substances are prohibited.

B. CLEANUP LEVELS

1. **Groundwater Cleanup Levels**: The following groundwater cleanup levels shall be met in all wells identified in the attached Self-Monitoring Program and in any additional monitoring wells that may be installed as part of this Order:

Constituent	Level (µg/L)	Basis
Trichloroethene (TCE)	5	U.S. EPA Primary MCL
cis-1,2-Dichloroethene (DCE)	6	U.S. EPA Primary MCL
trans-1,2-DCE	10	U.S. EPA Primary MCL
Vinyl chloride	0.5	U.S. EPA Primary MCL

µg/L = microgram per liter

2. **Soil Cleanup Levels**: The following soil cleanup levels shall be met in all onsite vadose-zone soils:

Constituent	Level (mg/kg)	Basis
TCE	0.46	Leaching to Groundwater
cis-1,2-DCE	0.19	Leaching to Groundwater
trans-1,2-DCE	0.67	Leaching to Groundwater
Vinyl Chloride	0.032	Direct Exposure

mg/kg = milligram per kilogram

3. **Soil Gas Cleanup Levels**: The following soil gas cleanup levels shall be met in all onsite vadose-zone soils:

Constituent	Level (ug/m^3)	Basis
TCE	300	Human Health – Vapor Intrusion
cis-1,2-DCE	3,700	Human Health – Vapor Intrusion
trans-1,2-DCE	31,000	Human Health – Vapor Intrusion
Vinyl Chloride	16	Human Health – Vapor Intrusion

$\mu g/m^3$ = microgram per cubic meter

4. **Indoor Air Cleanup Levels:** The following indoor air cleanup levels shall be met in occupied onsite buildings and will only be applied if the current building or any future buildings are considered for occupancy prior to soil gas cleanup levels being achieved:

Constituent	Level (ug/m^3)	Basis
TCE	0.59	Human Health - Inhalation
cis-1,2-DCE	7.3	Human Health - Inhalation
trans-1,2-DCE	63	Human Health - Inhalation
Vinyl Chloride	0.031	Human Health - Inhalation

$\mu g/m^3$ = microgram per cubic meter

C. **TASKS**

1. **AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: August 1, 2014

Submit a workplan, acceptable to the Executive Officer, amending the FS/RAP to address the potential of general groundwater quality degradation, human health and nuisance conditions for vapor intrusion to indoor air, and discharges to Alamo Creek as a result of in-situ injection remedial actions as noted in Finding 10. The Amended FS/RAP shall include the following:

a. An evaluation of general groundwater quality and the potential for the generation of vapors (volatile chemicals) as a result of the addition of amendments and bioamendments.
b. Additional monitoring and contingency plan(s) based on this evaluation.
c. An evaluation of soil vapor extraction effectiveness and system optimization.

An acceptable Amended FS/RAP must demonstrate a likelihood of attaining cleanup standards within a reasonable timeframe. The Amended FS/RAP shall describe all significant implementation steps and shall include an implementation schedule.

2. **IMPLEMENTATION OF AMENDED REMEDIAL ACTION PLAN**

COMPLIANCE DATE: 180 days after Executive Officer approval of Task 1 workplan

Submit a technical report acceptable to the Executive Officer documenting completion of necessary tasks identified in the Task 1, Amended Remedial Action Plan. Proposals for further system expansion or modification may be included in Self-Monitoring Program reports (see attached Self-Monitoring Program).

3. **RISK MANAGEMENT PLAN**

COMPLIANCE DATE: August 1, 2014

Submit a Risk Management Plan, acceptable to the Executive Officer, to address public awareness of sub-surface contamination and prohibit certain uses of the Site until cleanup levels are met as noted in Finding 13.a. The Risk Management Plan shall include:

a. Notifications to current and future owners of sub-surface contamination.
b. Prohibition of the use of groundwater beneath the Site as a source of drinking water until applicable groundwater and soil cleanup levels are met.
c. Prohibition of sensitive uses of the Site such as residences and daycare centers until applicable soil gas and soil cleanup levels are met.
d. Protocols for establishing and protecting engineering controls/mitigation as warranted for other site uses.
e. Protocols for air monitoring, and soil/groundwater handling and disposal, as warranted by site use and remedial activities.
f. Protocols for the protection, operation, and maintenance of any remedial system, including monitoring/extraction wells.

4. **RISK MANAGEMENT PLAN IMPLEMENTATION REPORT**

COMPLIANCE DATE: August 1, 2015 and every year thereafter

Submit a technical report acceptable to the Executive Officer documenting implementation of the Risk Management Plan over the previous 12-month period ending on May 30. The report shall include a detailed comparison of Risk Management Plan elements and implementation actions taken. The report shall provide a detailed discussion of any instances of implementation actions falling short of Risk Management Plan requirements, including an assessment of any potential human health or environmental effects resulting from these shortfalls. The report may be combined with a self-monitoring report, provided that the report title clearly indicates its scope. The report may propose changes to the Risk Management Plan, although those changes shall not take effect until approved by the Regional Water Board or the Executive Officer.

5. **STATUS REPORT**

COMPLIANCE DATE: August 1, 2016, August 1, 2018, August 1, 2020, and every five years thereafter

Submit a technical report acceptable to the Executive Officer evaluating the effectiveness of the approved remedial action plan. The report shall include:

a. Summary of effectiveness in controlling contaminant migration and protecting human health and the environment, including the application and effectiveness of any contingency plan for in-situ remediation;
b. Comparison of contaminant concentration trends with cleanup levels;
c. Comparison of anticipated versus actual costs of cleanup activities;
d. Performance data (e.g., groundwater volume extracted, chemical mass removed, mass removed per million gallons extracted, if applicable);
e. Cost effectiveness data (e.g., cost per pound of contaminant removed, if applicable);

f. Summary of additional investigations (including results) and significant modifications to remediation systems; and

g. Additional remedial actions proposed to meet cleanup levels (if applicable), including a time schedule.

If cleanup levels have not been met, and are not projected to be met within a reasonable time, the report shall assess the technical practicability of meeting cleanup levels and may propose an alternative cleanup strategy.

6. **PROPOSED DEED RESTRICTION**

COMPLIANCE DATE: 60 days after deed restriction required by Executive Officer

Submit a proposed deed restriction, acceptable to the Executive Officer, whose goal is to limit onsite occupants' exposure to Site contaminants to acceptable levels. The Executive Officer shall require a proposed deed restriction if the Executive Officer concludes, based on the Task 5 status report and other relevant information, that cleanup levels will not be attained prior to potential future site uses that may be affected. The proposed deed restriction shall prohibit the use of shallow groundwater beneath the Site as a source of drinking water until applicable soil and groundwater cleanup levels are met and prohibit sensitive uses of the Site such as residences and daycare centers (as applicable) until applicable soil and soil gas cleanup levels are met. The proposed deed restriction shall name the Regional Water Board as a beneficiary and shall anticipate that the Regional Water Board will be a signatory. The deed restriction shall include the risk management plan, amended as warranted, to propose any combination of engineering controls, mitigation, additional monitoring or remediation.

7. **RECORDATION OF DEED RESTRICTION**

COMPLIANCE DATE: 60 days after Executive Officer approval of the proposed deed restriction

Submit a technical report acceptable to the Executive Officer documenting that the deed restriction has been duly signed by all named parties and has been recorded with the appropriate county recorder. The report shall include a copy of the recorded deed restriction. Since only the Site owner can record the deed restriction, this task only applies to 6400 Sierra Court Investors, LLC. In the event the Site transfers to another owner prior to recordation and/or cleanup of the Site, this Order will be amended to include the new owner as a named discharger, as appropriate.

8. **PROPOSED CURTAILMENT**

COMPLIANCE DATE: 60 days prior to proposed curtailment

Submit a technical report acceptable to the Executive Officer containing a proposal to curtail remediation. Curtailment includes system closure (e.g., well abandonment), system suspension (e.g., cease injection but wells retained), and significant system modification (e.g., major reduction in injection rates). The report shall include the

rationale for curtailment. Proposals for final closure shall demonstrate that cleanup levels have been met, contaminant concentrations are stable, and contaminant migration potential is minimal.

9. **IMPLEMENTATION OF CURTAILMENT**

COMPLIANCE DATE: 60 days after Executive Officer approval of proposed curtailment

Submit a technical report acceptable to the Executive Officer documenting completion of the tasks identified in Task 8.

10. **EVALUATION OF NEW HEALTH CRITERIA**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating the effect on the approved remedial action plan of revising one or more cleanup levels in response to revision of drinking water standards, maximum contaminant levels, or other health-based criteria.

11. **EVALUATION OF NEW TECHNICAL INFORMATION**

COMPLIANCE DATE: 90 days after evaluation report required by Executive Officer

Submit a technical report acceptable to the Executive Officer evaluating new technical information that bears on the approved remedial action plan, cleanup levels, or risk management plan for the Site. In the case of a new cleanup technology, the report shall evaluate the technology using the same criteria used in the feasibility study. Such technical reports shall not be required unless the Executive Officer determines that the new information is reasonably likely to warrant a revision in the approved remedial action plan or cleanup levels.

12. **Delayed Compliance**: If the Dischargers are delayed, interrupted, or prevented from meeting one or more of the completion dates specified for the above tasks, the Dischargers shall promptly notify the Executive Officer, and the Regional Water Board or Executive Officer may consider revision to this Order.

D. PROVISIONS

1. **No Nuisance**: The storage, handling, treatment, or disposal of polluted soil or groundwater shall not create a nuisance as defined in Water Code section 13050(m).

2. **Good O&M**: The Dischargers shall maintain in good working order and operate as efficiently as possible any facility or control system installed to achieve compliance with the requirements of this Order.

3. **Cost Recovery**: The Dischargers shall be liable, pursuant to Water Code section 13304, to the Regional Water Board for all reasonable costs actually incurred by the Regional Water Board to investigate unauthorized discharges of waste and to oversee cleanup of such waste, abatement of the effects thereof, or other remedial action, required by this Order. If the Site is enrolled in a State Water Board-managed reimbursement program, reimbursement shall be made pursuant to this Order and according to the procedures established in that program. Any disputes raised by the Dischargers over reimbursement amounts or methods used in that program shall be consistent with the dispute resolution procedures for that program.

4. **Access to Site and Records**: In accordance with Water Code section 13267(c), the Dischargers shall permit the Regional Water Board or its authorized representative:

   a. Entry upon premises in which any pollution source exists, or may potentially exist, or in which any required records are kept, which are relevant to this Order.

   b. Access to copy any records required to be kept under the requirements of this Order.

   c. Inspection of any monitoring or remediation facilities installed in response to this Order.

   d. Sampling of any groundwater or soil which is accessible, or may become accessible, as part of any investigation or remedial action program undertaken by the Dischargers.

5. **Self-Monitoring Program**: The Dischargers shall comply with the Self-Monitoring Program as attached to this Order and as may be amended by the Executive Officer.

6. **Contractor / Consultant Qualifications**: All technical documents shall be signed by and stamped with the seal of a California registered geologist, a California certified engineering geologist, or a California registered civil engineer.

7. **Lab Qualifications**: All samples shall be analyzed by State-certified laboratories or laboratories accepted by the Regional Water Board using approved U.S. EPA methods for the type of analysis to be performed. Quality assurance/quality control (QA/QC) records shall be maintained for Regional Water Board review. This provision does not apply to analyses that can only reasonably be performed onsite (e.g., temperature).

8. **Document Distribution**: An electronic and paper version of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be provided to the Regional Water Board, and electronic copies shall be provided to the following agencies:

   a. City of Dublin, Public Works Department
   b. County of Alameda Department of Environmental Health
   c. Zone 7 Water Agency

   The Executive Officer may modify this distribution list as needed.

Electronic copies of all correspondence, technical reports, and other documents pertaining to compliance with this Order shall be uploaded to the State Water Board's GeoTracker database within five business days after submittal to the Regional Water Board. Guidance for electronic information submittal is available at: http://www.waterboards.ca.gov/water_issues/programs/ust/electronic_submittal

9. **Reporting of Changed Owner or Operator:** The Dischargers shall file a technical report on any changes in contact information, Site occupancy, or Site ownership.

10. **Reporting of Hazardous Substance Release:** If any hazardous substance is discharged in or on any waters of the State, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the State, the Dischargers shall report such discharge to the Regional Water Board by calling (510) 622-2369.

    A written report shall be filed with the Regional Water Board within five working days. The report shall describe: the nature of the hazardous substance, estimated quantity involved, duration of incident, cause of release, estimated size of affected area, nature of effect, corrective actions taken or planned, schedule of corrective actions planned, and persons/agencies notified.

    This reporting is in addition to reporting to the California Emergency Management Agency required pursuant to the Health and Safety Code.

11. **Periodic SCR Review:** The Regional Water Board will review this Order periodically and may revise it when necessary.

I, Bruce H. Wolfe, Executive Officer, do hereby certify that the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on _____.

_____
Bruce H. Wolfe
Executive Officer

FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS ORDER MAY SUBJECT YOU TO ENFORCEMENT ACTION, INCLUDING BUT NOT LIMITED TO: IMPOSITION OF ADMINISTRATIVE CIVIL LIABILITY UNDER WATER CODE SECTIONS 13268 OR 13350, OR REFERRAL TO THE ATTORNEY GENERAL FOR INJUNCTIVE RELIEF OR CIVIL OR CRIMINAL LIABILITY

Attachments: Site Map
Self-Monitoring Program

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

SELF-MONITORING PROGRAM for:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, and
6400 SIERRA COURT INVESTORS, LLC

for the property located at:

6400 SIERRA COURT
DUBLIN, ALAMEDA COUNTY

1. **Authority and Purpose:** The Regional Water Board requires the technical reports identified in this Self-Monitoring Program pursuant to Water Code sections 13267 and 13304. This Self-Monitoring Program is intended to document compliance with Regional Water Board Order No. R2-XXXX-XXXX (site cleanup requirements).

2. **Monitoring:** The Dischargers shall measure groundwater elevations quarterly in all monitoring wells, and shall collect and analyze representative samples of groundwater according to the following table:

Well #	Sampling Frequency	Analyses	Well #	Sampling Frequency	Analyses
MW-1	Q	8260B	MW-2a	Q	8260B
MW-2	Q	8260B	MW-4a	Q	8260B
MW-3	Q	8260B	OW-1	Q	8260B
MW-4	Q	8260B	OW-2	Q	8260B
MW-5	Q	8260B	OW-3	Q	8260B
MW-1a	Q	8260B			

Key: Q = Quarterly 8260B = U.S. EPA Method 8260B or equivalent

This monitoring is in addition to monitoring required for the implementation of the Amended Remedial Action Plan. However, this monitoring may be performed in conjunction with these requirements as applicable.

The Dischargers shall sample any new monitoring or extraction wells quarterly and analyze groundwater samples for the same constituents as shown in the above table. The Dischargers may propose changes in the above table; any proposed changes are subject to Executive Officer approval.

3. **Quarterly Monitoring Reports:** The Dischargers shall submit quarterly monitoring reports to the Regional Water Board no later than 30 days following the end of the quarter (e.g., report for

first quarter of the year due April 30). The first quarterly monitoring report shall be due on July 30, 2014. The reports shall include:

a. Transmittal Letter: The transmittal letter shall discuss any violations during the reporting period and actions taken or planned to correct the problem. The letter shall be signed by the Dischargers' principal executive officer or his/her duly authorized representative and shall include a statement by the official, under penalty of perjury, that the report is true and correct to the best of the official's knowledge.

b. Groundwater Elevations: Groundwater elevation data shall be presented in tabular form, and a groundwater elevation map shall be prepared for each monitored water-bearing zone. Historical groundwater elevations shall be included.

c. Groundwater Analyses: Groundwater sampling data shall be presented in tabular form, and an isoconcentration map shall be prepared for one or more key contaminants for each monitored water-bearing zone, as appropriate. The report shall indicate the analytical method used, detection limits obtained for each reported constituent, and a summary of QA/QC data. Historical groundwater sampling results shall be included in each report. The report shall describe any significant increases in contaminant concentrations since the last report, and any measures proposed to address the increases. Supporting data, such as lab data sheets, shall be included in electronic format only.

d. Groundwater Extraction: If applicable, the report shall include groundwater extraction results in tabular form for each extraction well and for the Site as a whole, expressed in gallons per minute and total groundwater volume for the quarter. The report shall also include contaminant removal results from groundwater extraction wells and from other remediation systems (e.g., soil vapor extraction), expressed in units of chemical mass per day and mass for the quarter. Historical mass removal results shall be included in the fourth quarterly report each year.

e. Status Report: The quarterly report shall describe relevant work completed during the reporting period (e.g., Site investigation, interim remedial measures) and work planned for the following quarter.

5. **Violation Reports**: If the Dischargers violate requirements in the Site Cleanup Requirements, then the Dischargers shall notify the Regional Water Board office by telephone as soon as practicable once the Dischargers have knowledge of the violation. Regional Water Board staff may, depending on violation severity, require the Dischargers to submit a separate technical report on the violation within five working days of telephone notification.

6. **Other Reports**: The Dischargers shall notify the Regional Water Board in writing prior to any Site activities, such as construction or underground tank removal, which have the potential to cause further migration of contaminants or which would provide new opportunities for Site investigation.

7. **SMP Revisions**: Revisions to the Self-Monitoring Program may be ordered by the Executive Officer, either on his/her own initiative or at the request of the Dischargers. Prior to making SMP revisions, the Executive Officer will consider the burden, including costs, of associated self-monitoring reports relative to the benefits to be obtained from these reports.

APPENDIX B

PUBLIC COMMENTS

RALPH L. MCMURRY, ESQUIRE

30 VESEY STREET – 15TH FLOOR
NEW YORK, NEW YORK 10007

PHONE: 212-608-5444 E-MAIL: rlmcmurry@earthlink.net FAX: 212-608-5054

March 14, 2014

Bruce H. Wolfe
Executive Officer
San Francisco Bay Regional Quality Control Board
1515 Clay Street
Suite 1400
Oakland, California
94612

Re: Tentative Order – Site Cleanup Requirements for Former Chevron Records Facility, Sierra Court, Dublin, Alameda County

Dear Mr. Wolfe:

The following are Alcatel-Lucent's non-technical comments on the above-referenced Tentative Order ("TO"). Comments on the TO from a technical perspective, prepared by Leidos on behalf of both Chevron and Alcatel-Lucent, are being submitted separately.

The term "Site" when referenced below means the Site as defined in the TO.

The TO Must Specify Industrial/Commercial Standards, Not Residential Standards

The TO contains many references to residential cleanup standards; please see Leidos comments dated March 14, 2014. The Site was zoned industrial/commercial at the time of Alcatel-Lucent's occupancy and alleged discharges. The Site is still zoned industrial/commercial.

Under these circumstances, the TO must be modified to clarify that the cleanup standards for this TO are industrial/ commercial only.

Further, there is no basis in law or equity to require Alcatel-Lucent to perform any cleanup to residential standards.

In the event the Board determines to require cleanup to residential standards under this TO, the TO must then specify that the Site owner and/or its authorized representatives and/or parties

having legal control of the Site and their successors, who would benefit financially from this requirement, be responsible for any incremental work required to expand cleanup from commercial/industrial standards to residential standards.

The TO Lacks Necessary Definition Of Final Cleanup Standards And Must Accommodate Engineering and Institutional Controls

The TO as written provides no reasonable certainty as to the final applicable cleanup standards. The TO must allow for utilization of engineering and institutional controls as a means to mitigate Site risks.

In particular, the sentence in paragraph 12 of the TO, "Conversely, if new technical information indicates that cleanup levels can be surpassed, the Regional Water Board may decide that further cleanup actions should be taken", is not lawful or acceptable or appropriate or necessary for this TO. A regulatory order must identify specific tasks to be performed; this part of the TO simply presents complete unknowns and improperly requires Alcatel-Lucent to perform those unknowns.

The TO must specify that the Site owner and/or its authorized representatives and/or parties having legal control of the Site and their successors be responsible to incorporate any necessary engineering controls and deed restrictions and record same and adhere to same.

In particular, Alcatel-Lucent believes that sufficient documentation has already been provided to the Board to establish that the TO's cleanup goals will not be attained in the initial foreseeable time frame set forth in Task C5; accordingly the TO should require the deed restriction referenced in Task C6 to be prepared and recorded immediately.

The TO must require installation of vapor barriers for any future development to mitigate potential vapor intrusion risks.

The TO Must Assure Access to the Site For Remediating Parties

The TO must specify that the Site owner and/or its authorized representatives and/or parties having legal control of the Site and their successors be responsible to grant reasonable access to all the remediating parties, their contractors, and appropriate agency representatives.

Alcatel-Lucent appreciates the opportunity to comment on the TO. We are happy to discuss or answer any questions you may have regarding the comments above.

Ralph L. McMurry

Cc:

Lucia Chung
Amy Gaylord, Esq.
Merle Sustersich
Charles B Greene, Esq.
John Galasso
John DePalma

pillsbury

Pillsbury Winthrop Shaw Pittman LLP
Four Embarcadero Center, 22nd Floor | San Francisco, CA 94111-5998 | tel 415.983.1000 | fax 415.983.1200
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Amy E. Gaylord
tel 415.983.7262
amy.gaylord@pillsburylaw.com

March 14, 2014

Via E-mail (Bwolfe@waterboards.ca.gov) and Hand Delivery

Bruce H. Wolfe
Executive Officer
San Francisco Regional Water Quality Control Board
1515 Clay St., Suite 1400
Oakland, CA 94612

Re: Comments Regarding February 14, 2014 "Tentative Order - Site Cleanup Requirements for Former Chevron Records Facility, 6400 Sierra Court, Dublin, Alameda County"

Dear Executive Officer Wolfe:

I write on behalf of Chevron U.S.A. Inc. ("Chevron") to provide comments on the above-referenced San Francisco Regional Water Quality Control Board ("Regional Board") tentative Cleanup and Abatement Order ("Tentative CAO") for the property located at 6400 Sierra Court, Dublin, California ("Property"). As set forth in detail below, there is not substantial evidence that Chevron caused or permitted, or threatened to cause or permit, the discharge of waste at this former records facility. Issuance of a CAO to Chevron is therefore not proper under the standards of Water Code section 13304. Chevron hereby objects to, and reserves all rights to further challenge, the issuance of any final CAO regarding the Property.

Chevron further objects to the scope of the Tentative CAO on the basis that it requires inappropriate cleanup standards given the allowable use of the Property, as set forth herein and in the letter submitted separately on behalf of Chevron and Alcatel-Lucent by their joint consultant at the site, Mike Hurd of Leidos. The comments provided in Mr. Hurd's letter are incorporated herein by reference, and Chevron reserves the right to raise any technical points made by Leidos in future challenges to any final CAO issued with regard to the Property.

I. Brief Background Regarding the Former Dublin Records Warehouse Property.

As the Tentative CAO accurately points out, the Property was utilized from approximately 1970 to 1975 as a manufacturing facility by Western Electric Company. An aboveground storage tank ("AST") labeled the "Trico tank" on facility drawings, was located on site during Western Electric's operations. Other records referenced in the Tentative CAO substantiate that Western Electric used and stored trichloroethene ("TCE") at the site. After Western Electric's operations ceased, the AST and some associated piping were left on site, but all indications are that the tank was emptied, and the piping was capped. In about 1980, Chevron became the site owner. As acknowledged by the Tentative CAO, Chevron only "used the warehouse as a document- and file-storage facility." Notably, the Tentative CAO concedes that "[t]here is no information to indicate that Chevron used the warehouse or the AST for chemical storage, use, handling, production, recycling or disposal." (Tentative CAO, p. 2).

In 1996, Chevron hired a contractor, Ecology & Environment Inc. ("E & E") to remove the former AST. Although the top of the tank had rusted, a small quantity of liquid was found in the bottom of the tank, indicating the tank was still liquid-tight. This fact, coupled with the fact that TCE was a valuable product used by Western Electric at its other facilities at the time, suggests that the tank was emptied by Western Electric when it vacated the Property. This conclusion is supported by E & E's observations and the sampling it conducted when the tank was removed. E & E observed and noted that the liquid in the tank appeared to be rain water, and a sample collected from the interior of the tank was non-detect for TCE. A sample collected from the tank spigot, indicated very low residual levels of TCE measured at 20 parts per billion. There is no evidence that TCE remained in the tank after Western Electric vacated the Property. Rather, the available evidence points to the contrary conclusion.

In 2008, in connection with Chevron's sale of the Property, TCE contamination was identified in soils at the Property. The Regional Board has since required Chevron, and eventually others, to undertake several investigations of the Property. To date Chevron has undertaken or participated in groundwater monitoring, sampling of the nearby canal, piping installation to support soil vapor extraction ("SVE"), and has conducted a SVE pilot test. This work was done in response to investigatory directives issued pursuant to the Regional Board's authority under Water Code section 13267, not pursuant to a directive under section 13304.

II. It is Improper to Name Chevron in a CAO Because Chevron Did Not Cause or Permit a Discharge at the Warehouse.

A. The Substantial Evidence Does Not Support Issuance of a CAO to Chevron

In contrast to the more lenient standards for directing an investigation pursuant to Water Code section 13267,[1] the Water Code places a higher evidentiary burden on the Regional Board for issuance of a CAO. Specifically, the Regional Board must demonstrate by "substantial evidence" that the named party has caused or permitted waste to be discharged into the waters of the State.

Water Code section 13304 reads, in pertinent part, as follows:

> Any person who has ... caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the regional board, clean up the waste or abate the effects of the waste, or, in the case of threatened pollution or nuisance, take other necessary remedial action, including, but not limited to, overseeing cleanup and abatement efforts.

State Board precedent requires that there be "substantial evidence" that a named party "caused or permitted" the discharge of waste in order to uphold a cleanup and abatement order under Water Code section 13304. See *In re Stinnes-Western Chemical Corporation,* WQ 86-19 (Cal. St. Wat. Res. Bd.) ("We concluded that while we can independently review the Regional Board record, in order to uphold a Regional Board action, we must be able to find that the action was based on substantial evidence.") The State Board repeatedly has confirmed this standard. For example, the State Board rejected a regional board's attempt to issue a cleanup order under Water Code section 13304 because there was insufficient evidence of ownership of the leaking tanks in issue, saying:

> There must be substantial evidence to support a finding of

[1] Although Water Code section 13267 places a lower burden on the Regional Board than section 13304, Chevron does not concede that issuance of any directives to it relating to the Dublin records warehouse were, or are, proper under section 13267.

> responsibility for each party named. This means credible and reasonable evidence which indicates the named party has responsibility.

In re Exxon Company, et al., WQ 85-7, 1985 WL20026 (Cal.St.Wat.Res.Bd.) at *6; *see also, TWC Storage, LLC v. SWRCB*, 185 Cal. App. 4th 291 (2010) (applying the substantial evidence standard to analogous language in Water Code section 13350). Here, the Tentative CAO acknowledges that there is no evidence indicating that Chevron used the warehouse or the AST for chemical storage, use, handling, production or disposal of TCE. Accordingly, there is no evidence that Chevron caused a discharge of TCE.

Similarly, there is no evidence that Chevron permitted a discharge of TCE. Although the Regional Board's Tentative CAO asserts the AST and associated appurtenances "contained TCE, and apparently were not maintained to prevent a discharge" during Chevron's ownership, this assertion is not supported by any – let alone substantial – evidence. On the contrary, the evidence demonstrates that the AST was emptied before Chevron acquired it. When Chevron had the tank removed in 1996, it was still liquid-tight at the bottom. The fact that the tank was still liquid-tight at the bottom when it was removed in 1996 means that liquid was not leaking out of it prior to its removal during Chevron's ownership. If TCE had been left in the tank when Chevron acquired the site, TCE would still have been present in the tank when it was removed. Instead, the liquid in the tank was observed to be rain water, and sampling indicated it was non-detect for TCE. Although a sample taken from the spigot contained very low residual concentrations of TCE, this fact indicates nothing more than the spigot was not flushed when the tank was emptied. There is no evidence the tank held TCE during Chevron's ownership of the Property, and on the contrary, the substantial evidence demonstrates it did not.

The Regional Board's conclusion that Chevron permitted a discharge of TCE from the tank is not supported by substantial evidence and does not form the basis for a proper CAO to Chevron.

B. The Leased Portion of the Site Does Not Form a Basis for Issuance of a CAO to Chevron.

The Tentative CAO references the fact that Gettler-Ryan, a Chevron subcontractor, stored purged groundwater from Chevron retail stations on a leased portion of the Property. This finding is misguided and legally irrelevant as a basis for issuance of a CAO to Chevron. As indicated by the Tentative CAO, some of the "purged groundwater [may have been] from Chevron retail stations that were undergoing remediation." Chevron understands that Gettler-Ryan was engaged in in remediation

of service stations. Accordingly, if any contaminants were present in the purge water stored on the leased parcel by Gettler-Ryan, they likely would have been petroleum-related compounds. There is no evidence to suggest Gettler-Ryan was storing TCE-impacted purge water. Moreover, Gettler-Ryan, not Chevron, was the generator and transporter of any purge water stored on the leased property. And perhaps most importantly, there is no indication that there was any release or disposal of this purge water at the Property. Even if there were reason to believe the purge water contained TCE, and that it was released at the Property – neither supposition which is supported by any evidence cited in the Tentative CAO – Chevron is not responsible for the purge water stored at the warehouse facility by Gettler-Ryan. The presence of Gettler-Ryan purge water at the site does not form a valid basis for issuance of a CAO to Chevron.

III. Scope of Tentative CAO Is Improper.

Not only is the issuance of a CAO to Chevron improper for the reasons set forth above, the scope of the Tentative CAO is improper because it (a) requires cleanup to standards not applicable to this Property, and (b) requires Chevron to take actions it lacks the authority to undertake.

As detailed by the letter submitted by Leidos, the cleanup standards set forth in the Tentative CAO are improper insofar as they require cleanup to any standard other than industrial use. As illustrated by the enclosed Zoning Map, the Property is currently zoned for Business Park/Industrial Use. Likewise, as illustrated by the enclosed General Plan Land Use Map, the City of Dublin's General Plan does not indicate any proposed or pending change in the Property's allowable use. Requiring cleanup to allow a speculative future use which is currently impermissible is unreasonable given that there is no pending or planned change in zoning for this Property.

In addition, the Tentative CAO places conditions on Chevron which Chevron lacks the legal authority to undertake. For example, the Tentative CAO requirements for "Risk Management" during remediation direct Chevron to prepare a risk management plan that prohibits use of groundwater for drinking water, and prevents the use of the Property for sensitive uses such as day care centers or residences. Chevron can provide public notice of the condition of the Property, but Chevron is not the current site owner, and it lacks any regulatory or other legal authority to prohibit anyone from using the Property in the manners set forth in the Tentative CAO. Similarly, the Tentative CAO proposes that a deed restriction be imposed on the Property if the prescribed cleanup goals cannot be met. The required deed restriction would prohibit the use of groundwater beneath the site for drinking water, and disallow the use of the site for sensitive uses such as day care centers and residences. The Tentative CAO

improperly places obligations on Chevron which Chevron lacks the legal authority to satisfy.

IV. Conclusion.

The Tentative CAO to Chevron does not comply with the requirements for issuance of a CAO under Water Code section 13304 and Chevron therefore requests that it not be named as a responsible party in any final CAO for this site. Chevron further objects to the scope of the Tentative CAO and incorporates by reference the technical comments to the scope of the Tentative CAO prepared and submitted by Leidos on Chevron's behalf.

Sincerely,

Amy E. Gaylord

cc: [via email only]

Cleet Carlton (ccarlton@waterboards.ca.gov)

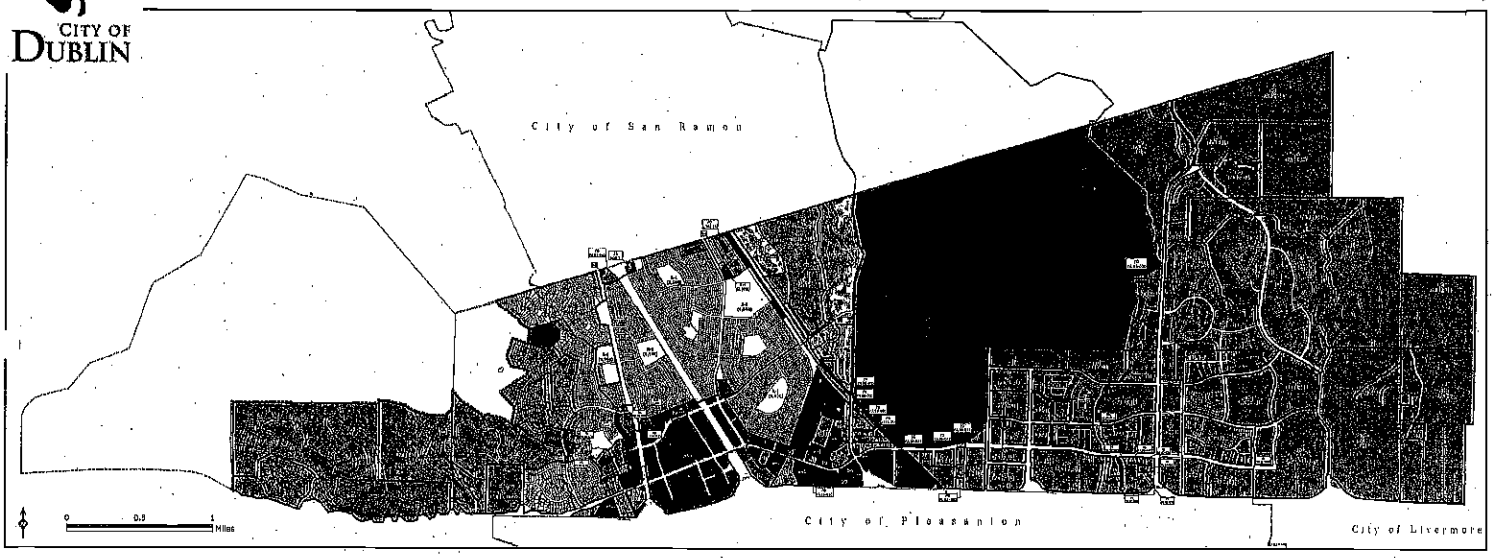
Lucia Chung (luciachung@chevron.com)
Michelle Bacon (michellebacon@chevron.com)
Ralph McMurray (rlmcmurry@earthlink.net)
Charles B. Greene (cbgreeneatty@gmail.com)

Kurt Scheidt (kurt@kearnycapital.com)
Adel Saadeh (adel@netvista.net)
John Galasso (john.galasso@alcatel-lucent.com)
Michael Hurd (Michael.t.hurd@leidos.com)
Colleen Winey (cwiney@zone7water.com)
Donna Drogos (donna.drogos@acgov.org)
Mark Lander (Mark.Lander@ci.dublin.ca.us)
John R. De Palma (johnrdepalma@earthlink.net)

DUBLIN ZONING MAP

as amended through March 1, 2010

CITY OF DUBLIN



General

- A — Agriculture
- PD — Planned Development
- U — Unclassified
- DDZD — Downtown Dublin Zoning District

Residential

- R-1 — Single Family Residential (Minimum Lot Area)
- R-2 — Two Family Residential (Minimum Lot Area)
- R-M — Multi-Family Residential (Minimum Lot Area)

Commercial

- C-O — Commercial Office
- C-N — Neighborhood Commercial
- C-1 — Retail Commercial
- C-2 — General Commercial

Industrial

- M-P — Industrial Park
- M-1 — Light Industrial
- M-2 — Heavy Industrial

Tri-Valley Jurisdictions

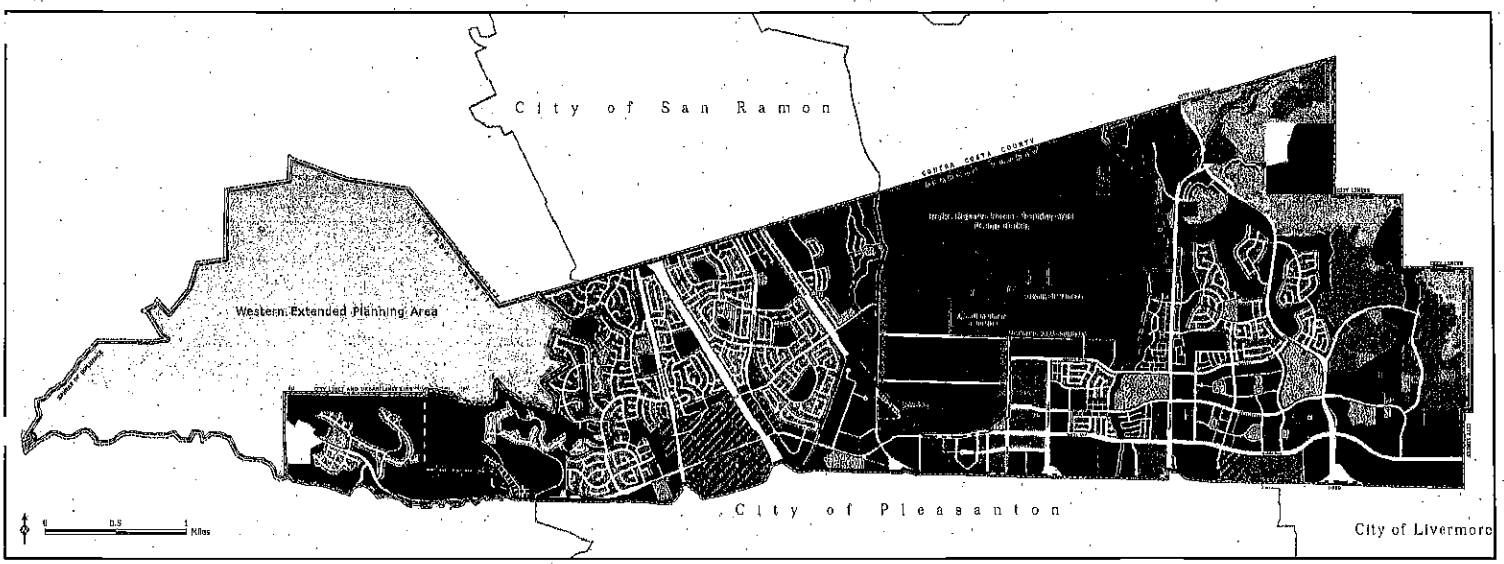
- City of Livermore
- City of Pleasanton
- City of San Ramon
- City of Dublin

- Parks RFTA
- Sphere of Influence
- Scarlett Court Overlay
- Specific Plan Area
- Zoning District Boundary

Note Recent Amendments

DUBLIN GENERAL PLAN
LAND USE

(Figure 1-1)
February 2013



Public/Semi-Public/Open Space
- Regional Park
- Parks/ Public Recreation
- Open Space
- Stream Corridor
- Public Lands
- Public / Semi-Public
- Semi-Public
- CP Community Park
- NS Neighborhood Square
- NP Neighborhood Park
- RP Regional Park

Commercial/Industrial
- General Commercial
- Retail/Office
- Retail/Office and Automotive
- Neighborhood Commercial
- General Commercial/Campus Office
- Campus Office
- Industrial Park
- Business Park/Industrial
- Business Park/Industrial and Outdoor Storage
- Mixed Use
- Mixed Use 2/Campus Office
- Medium/High-Density Residential and Retail Office

Downtown Dublin
- Downtown Dublin - Village Parkway District
- Downtown Dublin - Transit-Oriented District
- Downtown Dublin - Retail District

Residential
- Rural Residential/Agriculture (1 Unit per 100 Gross Residential Acres)
- Estate Residential (0.01 - 0.8 du/ac)
- Low-Density Single Family (0.8 - 3.0 du/ac)
- Single Family Residential (3.0 - 8.0 du/ac)
- Medium-Density Residential (6.1 - 14.0 du/ac)
- Medium/High-Density Residential (14.1 - 25.0 du/ac)
- High-Density Residential (25.1+ du/ac)

- City of Dublin
- Eastern Extended Planning Area Boundary
- Primary Planning Area Boundary
- Western Extended Planning Area Boundary
- Sphere of Influence
- City of Livermore
- City of Pleasanton
- City of San Ramon

* The location of Semi-Public sites on the Chen and Cronk-proposed Dalton Village will be determined at the time of the Stage 2 Development Plan approval. The respective sizes of the sites will be 2.5 net acres, and 3.0 net acres on the Chen and Cronk Properties.

** 10% of the units within the Medium Density land use designation on the Cronk and Jordan properties shall have private, flat yards.

General Plan Land Use Map should be read in combination with the General Plan and applicable Specific Plans that contain policies and development standards for specific planning areas.

While the General Plan Land Use Map shows existing development and layout, only the land use designations for the land on which such development exists are part of the General Plan.

(1) Underlying Land Use – Medium Density Residential

(2) Underlying Land Use – Public/Semi-Public

leidos

March 14, 2014

Mr. Cleet Carlton
Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, California, 94612

Subject: **Comments on Tentative Order – Site Cleanup Requirements**
6400 Sierra Court
Dublin, California

Dear Mr. Carlton:

On behalf of Chevron Environmental Management Company (CEMC) and Alcatel-Lucent USA Inc., (Alcatel-Lucent) Leidos Engineering, LLC (Leidos) has prepared these comments on the Tentative Order (TO) for the site. As requested in the transmittal of the Tentative Order, these comments are being provided in advance of the March 14, 2014 date.

CLEANUP LEVELS - SOIL

Leidos requests that certain of the cleanup levels be amended to be applicable to the site. The requested cleanup levels are presented in the tables attached to this letter. Leidos request that the soil cleanup level for vinyl chloride (on Page 12 of the TO) be amended to be consistent with the derivation of the other specified soil cleanup levels. The proposed cleanup levels are based on the residential direct exposure Environmental Screening Levels (ESLs, Regional Water Quality Control Board, 2013), and are not consistent with the industrial/commercial uses of the site. Given that the other soil cleanup levels are based on a groundwater protection rationale, Leidos requests that this cleanup level be amended to utilize the same rationale. The cleanup level would thus be 0.085 milligrams per kilogram (mg/kg) rather than 0.032 mg/kg, as noted in the attached tables.

CLEANUP LEVELS – SOIL GAS

The Cleanup levels in the TO (Page 12) for soil gas are ESLs listed for protection of indoor air for a residential setting. As noted above, the proposed cleanup levels are based on residential ESLs and are not consistent with the industrial/commercial uses of the site. Leidos therefore request that the cleanup levels be amended to the Commercial/Industrial Land Use ESLs for soil gas. Additionally, as the cleanup levels listed are for protection

of human health from vapor intrusion, these cleanup levels should only apply beneath an on-site building. The requested cleanup levels are presented in the tables attached to this letter.

CLEANUP LEVELS – INDOOR AIR

The indoor air cleanup levels noted in the TO (Page 12) are again the residential indoor air ESLs. As the property is zoned for commercial use, residential cleanup levels do not apply, and Leidos requests that these cleanup levels be amended to the Commercial/Industrial Land Use ESLs. These requested cleanup levels are presented in the tables attached to this letter.

Also, as noted in the TO, the indoor air cleanup levels apply only to occupied on-site buildings.

CEMC and Alcatel-Lucent appreciate the opportunity to provide these comments on the TO. If you have any questions, please feel free to call the undersigned at 510.466.7161.

Sincerely,

Leidos Engineering, LLC

Michael Hurd, CHG 0068

Enclosure:

Tables

Soil Cleanup Levels:

Constituent	Level (mg/kg)	Basis
TCE	0.46	Leaching to Groundwater
cis-1,2-DCE	0.19	Leaching to Groundwater
trans-1,2-DCE	0.67	Leaching to Groundwater
Vinyl Chloride	0.085	Leaching to Groundwater

mg/kg = milligram per kilogram

Soil Gas Cleanup Levels:

Constituent	Level (ug/m^3)	Basis
TCE	3,000	Human Health – Vapor Intrusion
cis-1,2-DCE	31,000	Human Health – Vapor Intrusion
trans-1,2-DCE	260,000	Human Health – Vapor Intrusion
Vinyl Chloride	160	Human Health – Vapor Intrusion

$\mu g/m^3$ = microgram per cubic meter

Indoor Air Cleanup Levels: T

Constituent	Level (ug/m^3)	Basis
TCE	3	Human Health - Inhalation
cis-1,2-DCE	31	Human Health - Inhalation
trans-1,2-DCE	260	Human Health - Inhalation
Vinyl Chloride	0.16	Human Health - Inhalation

$\mu g/m^3$ = microgram per cubic meter

Note: Cleanup levels taken from Regional Water Quality Control Board "Environmental Screening Levels", December 2013.

From: Scheidt, Kurt
To: Carlton, Cleet@Waterboards
Subject: Public Comment-Tentative Order, 6400 Sierra Court, Dublin, CA
Date: Wednesday, March 12, 2014 5:27:39 PM
Attachments: image001.png

Cleet, thank you for sending us the Tentative Order on Site Cleanup Requirements for 6400 Sierra Court in Dublin.
On behalf of the Receiver, we have two comments to the order:

1. The Order does not specifically state that Chevron is responsible for the Gettler Ryan spill. We have seen no data over the years to indicate that this secondary contamination came from anywhere than on site. We understand that Chevron is prepared to clean up this area, also, but in their

Feasibility Study/Remedial Action Plan dated July 1, 2013, they continue to believe this may be an offsite contamination issue. Nowhere in the Tentative Order is it clear that this is their issue;

2. Wells Fargo Bank and the owner, 6400 Sierra Court Investors, have suffered significant losses due to this issue. Based on multiple conversations with potential buyers of the site, we believe that the highest and best use for the property is as a residential site. We have had discussions with the City of Dublin concerning residential usage and have been led to believe that the City, subject to a General Plan Amendment that requires City Council approval, would approve such a conversion. It is imperative that we are able to sell the site at some point and mitigate the damages to the Bank and the owner. Cleaning up to a residential standard will help us minimize these substantial financial losses.

Thank You.

Kurt Scheidt
Senior Vice President, Principal
Cassidy Turley
201 California Street, Suite 800
San Francisco, CA 94111

T 415-677-0479 **C** 415-515-1605 **F** 415-956-3381
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APPENDIX C

RESPONSES TO COMMENTS

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

RESPONSE TO COMMENTS

ADOPTION OF SITE CLEANUP REQUIREMENTS for:

CHEVRON U.S.A., INC.,
ALCATEL-LUCENT USA, INC.,
B.F. SAUL REAL ESTATE INVESTMENT TRUST, AND
6400 SIERRA COURT INVESTORS, LLC

for the property located at:

6400 SIERRA COURT, DUBLIN, ALAMEDA COUNTY

This document provides Water Board staff's response to comments received on the tentative order (TO) for Site Cleanup Requirements for the property located at 6400 Sierra Court, Dublin (Site). Water Board staff circulated the TO for public comment on February 14, 2014. We received comments on the TO from the parties shown in the table below. Below we have summarized the comments and provided responses. For the full content and context of the comments, refer to the comment letters.

Date	Commenter
3/14/14	Ralph McMurry (Esq) on behalf of Alcatel-Lucent USA, Inc., successor to former operator and lessee
3/14/14	Amy Gaylord (Esq) on behalf of Chevron U.S.A., Inc., former landowner
3/14/14	Michael Hurd (Leidos) on behalf of Alcatel-Lucent USA, Inc., and Chevron U.S.A., Inc.
3/12/14	Kurt Scheidt on behalf of Terrence Daly, receiver for real property at subject site

Alcatel-Lucent:

1. Comment

The TO Must Specify Industrial/Commercial Standards, Not Residential Standards: The TO contains many references to residential cleanup standards; please see Leidos comments dated March 14, 2014. The Site was zoned industrial/commercial at the time of Alcatel-Lucent's occupancy and alleged discharges. The Site is still zoned industrial/commercial. Under these circumstances, the TO must be modified to clarify that the cleanup standards for this TO are industrial/commercial only. Further, there is no basis in law or equity to require Alcatel-Lucent to perform any cleanup to residential standards.

Response

We disagree. The cleanup goal was appropriately set according to the procedures in Basin Plan section 4.25.2.3 which states: "Cleanup levels must be protective of human health for existing and likely future land use based on properly adopted land use designations in general plans, zoning, and other mechanisms." While the Site's current land use is currently business park/industrial, the following "other mechanisms" indicate that future residential land use is likely:

- The owner has received multiple letters of intent to purchase the Site that include residential use.

- The City of Dublin is willing to evaluate proposals for land use/zoning change to allow residential use at the site (the City has amended its General Plan 65 times since 1999; the General Plan was updated 7 times in 2013 alone).
- While the Site's land use designation is currently business park/industrial, this business park/industrial area is surrounded on three sides by residential uses: single family housing, medium- to high-density residential, and mixed use. The latter two are recent developments (2002 to 2014).
- The 2009-2014 Dublin Housing Element (2009) identifies the vast majority of residential development potential along the eastern extended planning boundary, whereas the 2013 Dublin General Plan identifies 13 areas with housing development potential, all within the primary planning area boundary (which includes the Site). This represents a major shift from Dublin's outward expansion of residential development to residential in-filling in and around the downtown Dublin area. In addition, 6 of the 13 housing development potential areas are adjacent to the business park/industrial area where the Site is located, and all have been developed to include residential use.
- Pressure for residential development in the City of Dublin is particularly high. In 2012, Dublin was the second fastest growing city in California (6.8%; CA Dept. of Finance, May 1, 2013). In 2013, Dublin was the third fastest growing city in California (7.1% increase over prior year; CA Dept. of Finance, May 1, 2014). The 2009-2014 Dublin Housing Element includes a population growth table with Dublin at 33% between 2008 and 2020 (compared to 10% for Alameda County).

There are no known physical impediments at the Site, aside from the current environmental conditions, for residential redevelopment. In addition, sensitive uses, such as hospitals or day care centers (which would be deed restricted under cleanup to only commercial/industrial levels) are allowed under current zoning and land use.

The screening level risk assessment (Finding 9) was based on the existing commercial/industrial use. To avoid any confusion with the conclusion of Finding 9, we revised the TO to include a screening level risk assessment to address unrestricted land use. The only changes as a result of this revision were the addition of vinyl chloride (soil, human health – direct contact) and trans-1,2-DCE (soil gas, vapor intrusion to indoor air), now noted as exceeding ESLs. Neither of these additions results in a new concern or medium requiring cleanup (e.g., TCE was already exceeded for both of these land uses). The conclusion has been revised to clarify that contaminants exceeding the screening level values should be addressed by remediation and risk management.

2. Comment

In the event the Board determines to require cleanup to residential standards under this TO, the TO must then specify that the Site owner and/or its authorized representatives and/or parties having legal control of the Site and their successors, who would benefit financially from this requirement, be responsible for any incremental work required to expand cleanup from commercial/industrial standards to residential standards.

Response

We disagree. Required cleanup to residential levels is based on likely future land use to protect human health, not the current landowner's wishes. Our response to Comment 1 explains why

residential is a likely future land use for the Site. In the TO, the Water Board must name all parties responsible, and the named parties are jointly and severally liable. In the Matter of the Petition of Union Oil Company of California, State Water Board Order No. WQ 90-2. The Water Board is not required to and does not apportion liability among named responsible parties. The named parties are free to fashion whatever arrangement they deem appropriate to comply with the TO.

3. Comment

The TO Lacks Necessary Definition of Final Cleanup: The TO as written provides no reasonable certainty as to the final applicable cleanup standards. In particular, the sentence in paragraph 12 of the TO, "Conversely, if new technical information indicates that cleanup levels can be surpassed, the Regional Water Board may decide that further cleanup actions should be taken", is not lawful or acceptable or appropriate or necessary for this TO. A regulatory order must identify specific tasks to be performed; this part of the TO simply presents complete unknowns and improperly requires Alcatel-Lucent to perform those unknowns.

Response

Upon consideration, we conclude that this language is not necessary. We revised the TO to remove this sentence and replace it with "Any future changes to the cleanup levels in this Order must be consistent with applicable policies and requirements."

4. Comment

The TO: 1) must allow engineering and institutional controls; 2) must specify that the Site owner, etc., be responsible to incorporate any necessary engineering controls and deed restrictions; 3) must require installation of vapor barriers for any future development; and 4) should require the deed restriction to be prepared and recorded immediately since Alcatel-Lucent believes that sufficient documentation establish that cleanup goals will not be attained in the initial foreseeable time frame.

Response

Regarding the first point, the TO currently allows for engineering controls/institutional controls (Finding 13). We revised the TO to clarify that the risk management plan shall include protocols for establishing engineering controls/mitigation as warranted for existing and proposed future site uses (except those prohibited).

Regarding the second point, we disagree, in part. With respect to proposing and implementing engineering controls and proposing deed restrictions, these tasks are the responsibility of the Dischargers collectively. We revised Finding 3 of the TO to remove 6400 Sierra Court Investors, LLC, from secondarily-liable discharger status. 6400 Sierra Court Investors, LLC, will be one of the Dischargers that will be responsible for compliance with these tasks. If it fails to grant reasonable access to allow cleanup, then it risks violation of the Order. As such, the incentives for access already exist. With respect to recordation of the deed restriction, we agree. We revised the TO to specify that this task only applies to 6400 Sierra Court Investors, LLC.

Regarding the third point, we disagree. The Water Board cannot specify any particular means of compliance, such as a vapor barrier.

Regarding the fourth point, we disagree. A deed restriction is not required at this time. The Risk Management Plan in Task 3 will prohibit sensitive land uses and provide protocols for establishing mitigation measures needed for protection of current land use during cleanup. Water Board staff will provide oversight during Risk Management Plan implementation. The Feasibility Study/Remedial Action Plan (FS/RAP) indicates that the anticipated duration to attain cleanup levels in the source area is four to six years (and the timeframe for the biowall is based on the source area cleanup timeframe). Task 5 (Status Report) acknowledges the potential of the non-attainment of cleanup standards and provides specific actions if they are not met and are not projected to be met within a reasonable time.

5. Comment

The TO Must Assure Access to the Site for Remediating Parties: The TO must specify that the Site owner and/or its authorized representatives and/or parties having legal control of the Site and their successors be responsible to grant reasonable access to all the remediating parties, their contractors, and appropriate agency representatives.

Response

As indicated in our response to Comment 4, we revised the TO to remove 6400 Sierra Court Investors, LLC, from secondarily-liable discharger status. As a named discharger, 6400 Sierra Court Investors, LLC, must work with the other named dischargers, including by providing reasonable access to the Site, in order to comply with the Order. Therefore, a requirement that the Water Board require that the Site owner grant access is unnecessary. Moreover, it is questionable whether the Water Board may legally compel Site access.

Chevron U.S.A.:

6. Comment

There is no evidence that Chevron caused a discharge of TCE. Similarly, there is no evidence that Chevron permitted a discharge of TCE. The Regional Board's conclusion that Chevron permitted a discharge of TCE from the tank is not supported by substantial evidence and does not form the basis for a proper CAO to Chevron.

Response

We disagree. There is substantial evidence that Chevron permitted a discharge because during Chevron's ownership of the Site, it permitted ongoing migration of known TCE at the Site, which it had the legal ability to control. There is also evidence that there may have been a release of TCE from the unmaintained Trico above ground storage tank (AST) while Chevron owned the Site.

Evidence that Chevron caused a discharge from the AST is as follows:

Chevron owned the Site from 1980 to 2008. Between 1980 and 1996, Chevron was aware of the presence of the 23 ½ foot long, unmaintained, AST adjacent to the rear entrance of the occupied building and the associated piping going into the building. Chevron had access to building plans that showed the AST and the NIOSH report of former TCE use at the Site.

In 1996, Chevron contracted E&E to have the tank removed. Two E&E reports, dated May 1 and 24, 1996, were prepared in connection with this removal. These documents were not included in

the submittal by Arcadis, on Chevron's behalf, dated June 19, 2008, to the Water Board in response to its Water Code section 13267 directive.

Chevron theorizes that the AST was emptied before Chevron acquired it based on its claim that the tank was "still liquid-tight" at the bottom when it was removed and that if there had been liquid in the tank when it was acquired, it still would have been in the tank when it was removed instead of rainwater. The 1996 E&E reports do not, however, say the tank was "still liquid-tight," and there is no evidence that it was. According to the May 24, 1996, E&E report, the top of the AST was "in poor condition (i.e., the top of the tank is rusted out) and currently contains approximately 150 gallons of liquid (believed to be accumulated rain water)." This confirms that, at the time, the top of the AST was breached. Further, slow leakage though the tank bottom or from the spigot cannot be ruled out.

While the sample of clear liquid on the top of sludge in the tank was non-detect for TCE, a "cloudy and blackish" sample taken from the spigot contained 20 µg/L TCE. In addition, the 1996 report states the supply pipe line from the AST to inside the building contained liquid with an odor characteristic of concentrated TCE. Finally, considering that the top of the AST had rusted out and was open to the atmosphere, the presence of TCE in the sample indicates that there had been product in the AST as of that time and in sufficient quantity to avoid evaporating during the typical long hot summers. All of the above is evidence that the AST had not been properly decommissioned and emptied prior to Chevron's tenure. Combined with the poor condition of the AST, TCE likely discharged into the environment during Chevron's tenure at the Site.

Evidence that Chevron permitted a discharge is as follows:

Even if Chevron did not discharge TCE from the unmaintained AST, it is nevertheless properly named to the Order because it permitted a discharge at the Site.

Chevron knew of the TCE contamination at the Site from the 1996 E&E reports and the 2007 URS report. The 1996 E&E reports stated that two soil samples, one collected adjacent to the AST (under the asphalt) and one adjacent to the building (under the French drain rock), contained measurable concentrations of TCE. One of the samples contained TCE at a concentration (0.53 mg/kg) that exceeds our current ESL and soil cleanup standard in the TO for protection of leaching to groundwater (0.46 mg/kg). While E&E stated in its report that these concentrations pose little threat to human health or the environment, it recommended that Chevron have further discussions with the Department of Toxic Substances Control and the Water Board for potential corrective actions, if any. We have no documentation from Chevron or our files that it contacted the Water Board at that time. However, the report clearly indicates that as of this time, Chevron was aware of the TCE discharge to the environment for which regulatory involvement was advised.

In addition, on October 24, 2007, URS prepared a Final Baseline Site Assessment Report for Chevron. The findings of this report included the following:

- Soil in the vicinity of the former AST contained concentrations of TCE up to 4,800 mg/kg and concentrations of cis-1,2-DCE up to 31 mg/kg, which exceed the typical regulatory action screening criteria.
- Grab groundwater samples from the AST vicinity contained concentrations of TCE up to 66 mg/L and concentrations of cis-1,2-DCE up to 2.4 mg/L.
- It is apparent that constituents of concern are present in three of the four areas where RECs [recognized environmental conditions] were identified on the Site. Of these, the release(s) of

chemicals stored in the former AST that occurred when the Site was operated by Western Electric are the most significant in terms of the environmental condition of the Site. The results of the subsurface investigation indicate that the area of the release includes the north end of the former AST and extends to a point 20 feet west of the south end of the former AST, but the current data is not adequate to evaluate the full horizontal and vertical extent of the impacted area. TCE is dense and will sink through permeable soil and the groundwater column when it is released until it comes to impermeable material, at which point it stops migrating. Although field observations indicate that the soil at the bottom of SB-7 and SB-8 registered lower readings, analysis of deeper soil samples would be needed to fully evaluate the vertical extent of the TCE contamination beneath the Site.

Thus, documentation exists that demonstrates that Chevron was aware of the TCE discharge to the environment in both 1996 and 2007. TCE is a highly mobile solvent and was and is an ongoing discharge. Chevron had the ability to control the discharge but failed to do so. It, therefore, permitted TCE to be discharged.

The TO has been revised to further provide the basis for naming Chevron as a discharger.

7. Comment

There is no evidence to suggest Gettler-Ryan was storing TCE impacted purge water, and even if they were, it does not form a valid basis for issuance of a CAO to Chevron.

Response

We disagree. There is some evidence that Gettler-Ryan's operations may have been the source of TCE found at the Gettler-Ryan lease location (see the 2013 FS/RAP). There is also substantial evidence of a TCE release elsewhere on the Site and that forms the basis for naming Chevron (see our response to Comment 6). If in future we find substantial evidence that Gettler-Ryan's operations (or another party's activities) were the source of TCE found at the Gettler-Ryan lease location, then we will consider amending the Order to reflect that new information.

8. Comment

Scope of Tentative CAO is improper because it requires cleanup to standards other than industrial use and requires Chevron to take actions it lacks the authority to undertake (prepare a risk management plan that prohibits groundwater and site uses and proposes a deed restriction if cleanup goals cannot be met).

Response

Regarding cleanup standards, we disagree. See our response to Comment 1.

Regarding the Risk Management Plan and deed restriction, the named Dischargers, which include Chevron, are responsible for acceptable submittals of the Risk Management Plan and proposed deed restriction. We agree that certain tasks in the TO will require action by the current landowner, notably the deed restriction tasks. We conclude that "secondarily liable" discharger status for the current landowner is not warranted in this case, in part for the reasons cited by Chevron and in part because the conditions for bestowing "secondarily liable" discharger status are not present in this case. Secondarily liable status is granted only if the primarily liable dischargers are cleaning up and the secondarily liable discharger did not initiate or contribute to the discharge. Specifically, the

other dischargers (Chevron and Alcatel-Lucent) have indicated some reluctance to implement the necessary cleanup. Chevron objects to being named, and both Chevron and Alcatel-Lucent object to cleaning up to unrestricted-use levels (see prior comments). Therefore, the current landowner is not eligible for "secondarily liable" discharger status. We revised the TO to dispense with this status for the current landowner (in Finding 3 and Provision D.11).

Regarding the deed restriction recordation task, the TO has been revised to specify that this task will be the responsibility of 6400 Sierra Court Investors, LLC, and that the Order will be amended if site ownership changes.

Leidos:

9. Comment

Soil cleanup level for vinyl chloride should be amended to be consistent with the derivation of the other specified soil cleanup levels, which are based on a groundwater protection rationale.

Response

See our response to Comment 1. For all constituents, the lowest applicable standard was selected as the cleanup level. For vinyl chloride, unlike the other listed contaminants of concern, the direct exposure standard (under a residential or unrestricted use scenario) is the lowest applicable standard. We did not revise the TO based on this comment.

10. Comment

Cleanup levels for soil gas should be amended to the commercial/industrial land use environmental screening level for soil gas. Additionally, as the cleanup levels listed are for protection of human health from vapor intrusion, these cleanup levels should only apply beneath an on-site building.

Response

See our response to Comment 1. Cleanup standards are not based on existing site use, which currently is one large unoccupied building surrounded by paved parking, but must also address likely future site uses. We did not revise the TO based on this comment.

11. Comment

Cleanup levels for indoor air should be amended to the commercial/industrial land use environmental screening level for indoor air. The property is zoned for commercial use, therefore residential cleanup levels do not apply. Also, as noted in the TO, the indoor air cleanup levels apply only to occupied on-site buildings.

Response

See our response to Comment 1. The comment is correct in stating that indoor air applies to occupied onsite buildings and will only be applied if the current building or any future buildings are considered for occupancy prior to soil gas cleanup levels being achieved. We revised Section B.4 of the TO to incorporate this last statement.

Terrence Daly-Receiver:

12. Comment

The Order does not specifically state that Chevron is responsible for the Gettler Ryan spill. We have seen no data over the years to indicate that this secondary contamination came from anywhere than on site. We understand that Chevron is prepared to clean up this area, also, but in their Feasibility Study/Remedial Action Plan dated July 1, 2013, they continue to believe this may be an offsite contamination issue. Nowhere in the Tentative Order is it clear that this is their issue.

Response

The FS/RAP included four possible explanations for a "potential second source," including offsite contamination, and three scenarios for onsite contamination. It notes that there is no strong evidence for any one of the four explanations and proposed a remedial action to address the contamination. The TO requires implementation of an amended remedial action plan that must address this "potential second source." If additional information is provided to the Water Board indicating that this contamination is from an offsite source, the parties responsible for the offsite source will be responsible for investigation and cleanup of the offsite source. We did not revise the TO based on this comment.

13. Comment

Wells Fargo Bank and the owner, 6400 Sierra Court Investors, have suffered significant losses due to this issue. Based on multiple conversations with potential buyers of the site, we believe that the highest and best use for the property is as a residential site. We have had discussions with the City of Dublin concerning residential usage and have been led to believe that the City, subject to a General Plan Amendment that requires City Council approval, would approve such a conversion. It is imperative that we are able to sell the site at some point and mitigate the damages to the Bank and the owner. Cleaning up to a residential standard will help us minimize these substantial financial losses.

Response

Comment noted. See our response to Comment 1. No change to the TO is needed to address this comment.

APPENDIX D

SITE LOCATION MAP

Site Location

6400 Sierra Court, Dublin

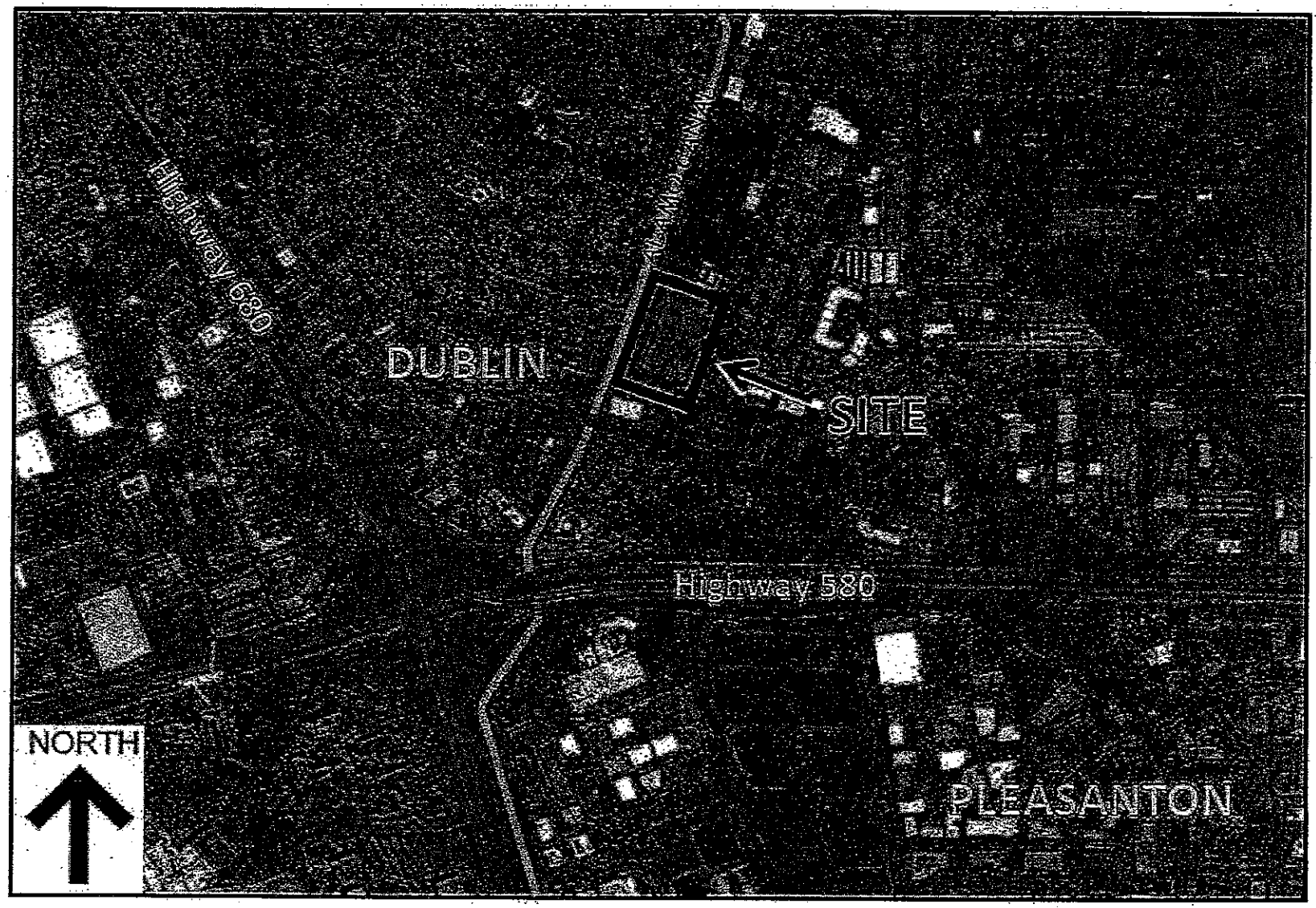


EXHIBIT E

ecology and environment, inc.
International Specialists in the Environment

160 Spear Street
San Francisco, California 94105
Tel: (415) 777-2811, Fax: (415) 777-4074

May 24, 1996

Ms. Agnes Mundt
Chevron Real Estate Management Company
6001 Bollinger Canyon Road, Bldg. V-1052
P.O. Box 5036
San Ramon, California 94583-0936

Subject: Removal of Aboveground Storage Tank and Supply Pipe, Dublin Warehouse Facility, Dublin, California

Dear Ms. Mundt:

At your request, we are pleased to submit this cost proposal for two options involving the removal of an aboveground storage tank and/or a trichloroethylene supply line at Chevron's Dublin Warehouse Facility, 6400 Sierra Court, Dublin, California. The proposed work includes the preparation of a Work Plan, contractor oversight, and preparation of a letter report for each of the two options. The two options are presented to assist you in your funding and decision-making process and we understand that ultimately both options will be implemented.

BACKGROUND

A 6-foot diameter by 23½-foot long aboveground storage tank (AST), located on the west side of the warehouse, was inherited by Chevron Real Estate Management Company (CREMCO) when the property was purchased in 1980. The previous occupants of the building used this AST for the storage of trichloroethylene (TCE). The AST has not been used since CREMCO obtained ownership. The AST is in poor condition (i.e., the top of the tank is rusted out) and currently contains approximately 150 gallons of liquid (believed to be accumulated rain water).

On April 17, 1996, E & E collected several samples from and around the AST and supply pipe including two samples of the tank contents, two soil samples from near the AST, and one sample of the contents of the supply pipe. The sampling results, presented in a letter report dated May 1, 1996, indicated the presence of trace amounts of TCE in the sludge from the bottom of the AST and what appeared to be pure TCE in the supply pipe inside the building. The supply pipe inside the warehouse currently presents a greater health and safety concern than the AST due to the potential for a release of TCE. However, it is recommended that both options be exercised as soon as it is fiscally possible.

TECHNICAL APPROACH

For either or both of the two option items, E & E will prepare a Work Plan detailing the steps necessary for the removal of the AST and/or the flushing of the supply pipe inside the facility. The plan will specify the scope of services required by the removal contractor, and our role and

responsibilities for contractor oversight, project coordination, and confirmation sampling. The general approach for this project will be as follows.

Aboveground Storage Tank (Option A)

- **Fence.** The AST is surrounded by an 8½-foot high wooden fence. This fence will be demolished and the support posts cut off at ground level. The wood will be disposed as construction rubble.

- **AST.** The AST will be drained and the interior walls flushed and cleaned. E & E will collect a wipe sample from the interior wall of the AST and will analyze it for TCE, using 24-hour turnaround, to ensure that the tank is clean — additional cleaning will be required if the sample results indicate the presence of TCE. Once clean, the tank will then be removed for disposal as scrap metal.

- **Concrete saddles.** The AST rests on three, 2-foot-wide concrete saddles having a maximum height of approximately 4 feet. At your request, these saddles will be left in place.

- **Wastewater.** Disposal of the wastewater generated during AST cleaning procedures will be the responsibility of the removal contractor. The contractor will be required to dispose of these liquids in accordance with all federal, state, and local regulations.

TCE Supply Pipe (Option B)

- **Supply pipe.** The supply pipe runs from the tank, through the facility wall, up the interior building wall, and across the ceiling. As previously mentioned, this pipe contains what appears to be concentrated TCE. This pipe will be drained and then flushed with a minimum of three volumes of clean, potable water. The contractor will be directed to take precautions to prevent damage to Chevron records stored along the path of the pipe. The entire supply pipe and accessories (e.g., valves, unions, hangars, etc.) will be disconnected and removed. The hole in the building wall left by the removal of the pipe will be plugged by Chevron.

- **Wastewater and TCE.** Disposal of the TCE contained in the supply pipe and the wastewater generated during cleaning procedures will be the responsibility of the removal contractor. The contractor will be required to dispose of these liquids in accordance with all federal, state, and local regulations with respect to TCE.

REMOVAL CONTRACTOR

The removal contractor will be required to obtain any and all permits required for the work to be performed. The contractor will also be required to provide documentation that the AST, wastewater, and TCE were disposed appropriately. Chevron will provide a safe means for access to the supply pipe near the ceiling (e.g., a forklift with attached personnel cage). It is assumed that

the removal contractor will be contracted directly by CREMCO. E & E will oversee the removal operations to ensure that the work is performed in accordance with the Work Plan and to provide direction should questions arise.

REPORT

Following completion of the work, E & E will prepare a brief letter report summarizing the work performed and including copies of relevant manifests and trucking forms, disposal certifications, and photodocumentation. Five copies of the report will be provided.

SCHEDULE

Preparation of the Work Plan will be initiated within one week following receipt of CREMCO's written authorization, or thereafter as mutually agreed. Preparation of the Work Plan for the supply pipe work (Option B) will include one short (1 to 2 hours) site visit for the collection of additional information and dimensions (e.g., length of pipe inside building, location of valves and disconnects, etc.). A draft of the work plan will be submitted for CREMCO'S review within two weeks of written authorization. Project oversight will be performed based on your schedule with the removal contractor. The letter report will be submitted within one week following receipt of copies of the disposal documentation from the removal contractor.

COST

As detailed in the attached cost spreadsheet, our estimated cost to complete the work outlined herein is $6,992 for Option A, which includes $90 for the analysis of one wipe sample for TCE, and $5,688 for Option B. If both options are exercised, the total cost is $12,680.

E & E will conduct this project under the terms and conditions of its standing contract with CREMCO. We look forward to assisting you on this project. If you have any questions concerning this proposal, please feel free to call either Steve Morin, the proposed project manager, or Colin Moy at (415) 777-2811.

Sincerely,

Cheryl Karpowicz
Principal-in-Charge

Attachment

cc: Mr. Les Breen, CREMCO
Mr. Richard Payne, CREMCO

Ecology and Environment, Inc.
Estimated Direct Hours and Costs

Client: Chevron Real Estate Management Co.
Bid: AST Removal (Option A)

Task 1 - Work Plan
Task 2 - Field Oversight
Task 3 - Letter Report

Re: Dublin Warehouse Facility
Dublin, California

Rate/Hr	Labor Category	Total	1	2	3
$59.45	Principal	2	1	0	1
49.20	Chief	17	16	0	1
38.89	Senior	40	0	24	16
30.31	Associate	0	0	0	0
23.54	Junior	0	0	0	0
17.77	Technician	0	0	0	0
13.81	Assistant Tech.	16	8	0	8
13.81	Secretary	0	0	0	0
	TOTAL HOURS	75	25	24	26
	1) Total Labor Cost	$2,731	$957	$933	$841
	2) Overhead (119% of Line 1)	3,250	1,139	1,110	1,001
	3) Travel	120	0	120	0
	4) Other Direct Costs	66	10	51	5
	5) E&E Computer Usage	108	54	0	54
	6) Subtotal	$6,275	$2,160	$2,214	$1,901
	7) Subcontractors	0	0	0	0
	8) Subtotal	$6,275	$2,160	$2,214	$1,901
	9) E&E Drilling	0	0	0	0
	10) E&E Analytical Services	90	0	90	0
	11) E&E Equipment Usage	0	0	0	0
	12) Subtotal	$6,365	$2,160	$2,304	$1,901
	13) Fee (10% of Line 8)	627	216	221	190
	14) TOTAL PRICE	$6,992	$2,376	$2,525	$2,091

Ecology and Environment, Inc.
Estimated Direct Hours and Costs

Client: Chevron Real Estate Management Co.
Bid: Supply Pipe Removal (Option B)

Task 1 - Work Plan
Task 2 - Field Oversight
Task 3 - Letter Report

Re: Dublin Warehouse Facility
Dublin, California

Rate/Hr	Labor Category	Total	1	2	3
$59.45	Principal	2	1	0	1
49.20	Chief	17	16	0	1
38.59	Senior	28	4	8	16
30.31	Associate	0	0	0	0
23.54	Junior	0	0	0	0
17.77	Technician	0	0	0	0
13.81	Assistant Tech.	16	8	0	8
13.81	Secretary	0	0	0	0
	TOTAL HOURS	63	29	8	26
	1) Total Labor Cost	$2,265	$1,113	$311	$841
	2) Overhead (119% of Line 1)	2,695	1,324	370	1,001
	3) Travel	80	40	40	0
	4) Other Direct Costs	23	10	8	5
	5) E&E Computer Usage	108	54	0	54
	6) Subtotal	$5,171	$2,541	$729	$1,901
	7) Subcontractors	0	0	0	0
	8) Subtotal	$5,171	$2,541	$729	$1,901
	9) E&E Drilling	0	0	0	0
	10) E&E Analytical Services	0	0	0	0
	11) E&E Equipment Usage	0	0	0	0
	12) Subtotal	$5,171	$2,541	$729	$1,901
	13) Fee (10% of Line 8)	517	254	73	190
	14) TOTAL PRICE	$5,688	$2,795	$802	$2,091

May 1, 1996

Mr. Les Breen
Chevron Real Estate Management Company
225 Bush Street
San Francisco, CA 94104

Subject: AST Sample Collection and Analysis
Dublin Warehouse Facility, Dublin, California
Charge Code No. 74503000/EC00065
Change Order No. 1
Authorization No. 4502211
Contract No. S48095A01

Dear Mr. Breen:

Ecology and Environment, Inc. (E & E) was tasked by Chevron Real Estate Management Company (CREMCO) to collect and analyze five samples associated with an aboveground storage tank (AST) at CREMCO's Dublin Warehouse Facility located at 6400 Sierra Court in Dublin, California. According to information provided by you, the AST was used by a previous tenant for the storage of Trichloroethylene (TCE) and has been out of use for the past 15 years. The samples were to include the following:

- One grab sample of the liquid currently contained in the AST;
- One wipe sample from inside the supply piping inside the warehouse;
- Two soil samples from beneath the tank and associated piping, including one from beneath the tank where the supply pipe exits and one from beneath the supply pipe where it enters the building; and
- One paint chip from the exterior of the AST.

The liquid, wipe, and soil samples were to be analyzed for Trichloroethylene (TCE) and the paint chip sample was to be analyzed for lead.

An E & E representative arrived at the site on Wednesday, April 17, 1996 at approximately 10:00 a.m. and met with Mr. Les Breen, Ms. Agnes Mundt, and Mr. Ed Thompson. At CREMCO's direction, the sample locations were changed from the proposed scope of work to the following:

- One grab sample of the liquid currently contained in the AST from the spigot on north end of the tank — this sample was cloudy and blackish indicating the presence of solids from the bottom of the tank;
- One grab sample of the liquid currently contained in the AST using a bailer to collect a sample across the liquid column — this sample was clear;
- Two soil samples from near the tank and associated piping, including one from near the base of the fill stand and filter (collected following the removal of asphalt), and one from beneath the supply pipe adjacent to the exterior wall of the building (collected following the removal of large rocks);
- One paint chip from the exterior of the AST; and
- One wipe sample from inside the supply piping inside the warehouse.

The sample locations are presented on the site map (Figure 1).

CREMCO representatives initially indicated that the supply pipe (between the AST and where the TCE was ultimately used) inside the building near the ceiling had previously been cut which would allow easy access for the collection of the wipe sample; however, the cut could not be located. Before cutting the pipe, it was decided to open a valve to ensure that the pipe was empty. When the valve was opened, some liquid dripped out. It was initially decided to collect a sample of this liquid and have it analyzed for TCE; however, during collection of the sample, it was noted that the liquid had an odor characteristic of concentrated TCE. Subsequent conversations between CREMCO and E & E resolved that this sample need not be analyzed.

The remaining samples were packaged with ice and shipped to E & E's Analytical Services Center, a State-certified laboratory, by overnight carrier. The results of the analyses are presented in Table 1 below; the lab reports are contained in Appendix A.

TABLE 1

Sample No.	Location	Matrix	Units	Analytical Results	
				TCE	Lead
CD-TW-01	AST (spigot)	liquid	µg/l	20	NA
CD-TW-02	AST (bailer)	liquid	µg/l	ND (1.0)	NA
CD-SL-01	Adjacent to fill stand	soil	µg/kg	530	NA
CD-SL-02	Beneath supply pipe	soil	µg/kg	31	NA
CD-PC-01	Side of AST	paint	mg/kg	NA	52

NA = Not Analyzed
ND = Not Detected at quantitation limit presented in parentheses

FINDINGS AND RECOMMENDATIONS

The U.S. Environmental Protection Agency (EPA) has developed Preliminary Remediation Goals (PRGs) for use as screening levels based on standard exposure scenarios (i.e., they are not regulatory standards). The PRG for TCE in soil in an industrial setting is 17 mg/kg. In addition, the State of California has established a Total Threshold Limit Concentration (TTLC) of 2,040 mg/kg for TCE at which point it becomes a hazardous waste. The concentrations found in the surface soil (just beneath the asphalt) around the AST at the Dublin Warehouse Facility (i.e., 0.53 and 0.031 mg/kg) are well below both the PRG and TTLC levels. These levels pose little threat to human health or the environment. However, further discussions with the California Department of Toxic Substances Control and the San Francisco Bay Regional Water Quality Control Board is recommended for potential corrective actions, if any.

The presence of TCE in the liquid obtained from the spigot on the tank, and the fact that it was not detected in the sample obtained using the bailer, indicates that there are low levels of TCE that have adhered to the solids in the bottom of the tank. Based on the dimensions of the tank (6' ϕ x 23.5' L) and the depth of the liquid currently in the tank (~ 5"), the tank contains approximately 150 gallons of liquid. Because of the presence of TCE in the solids, this tank should be rinsed and flushed prior to demolition. E & E recommends that the existing liquid and the wash/rinse water be collected and disposed of appropriately.

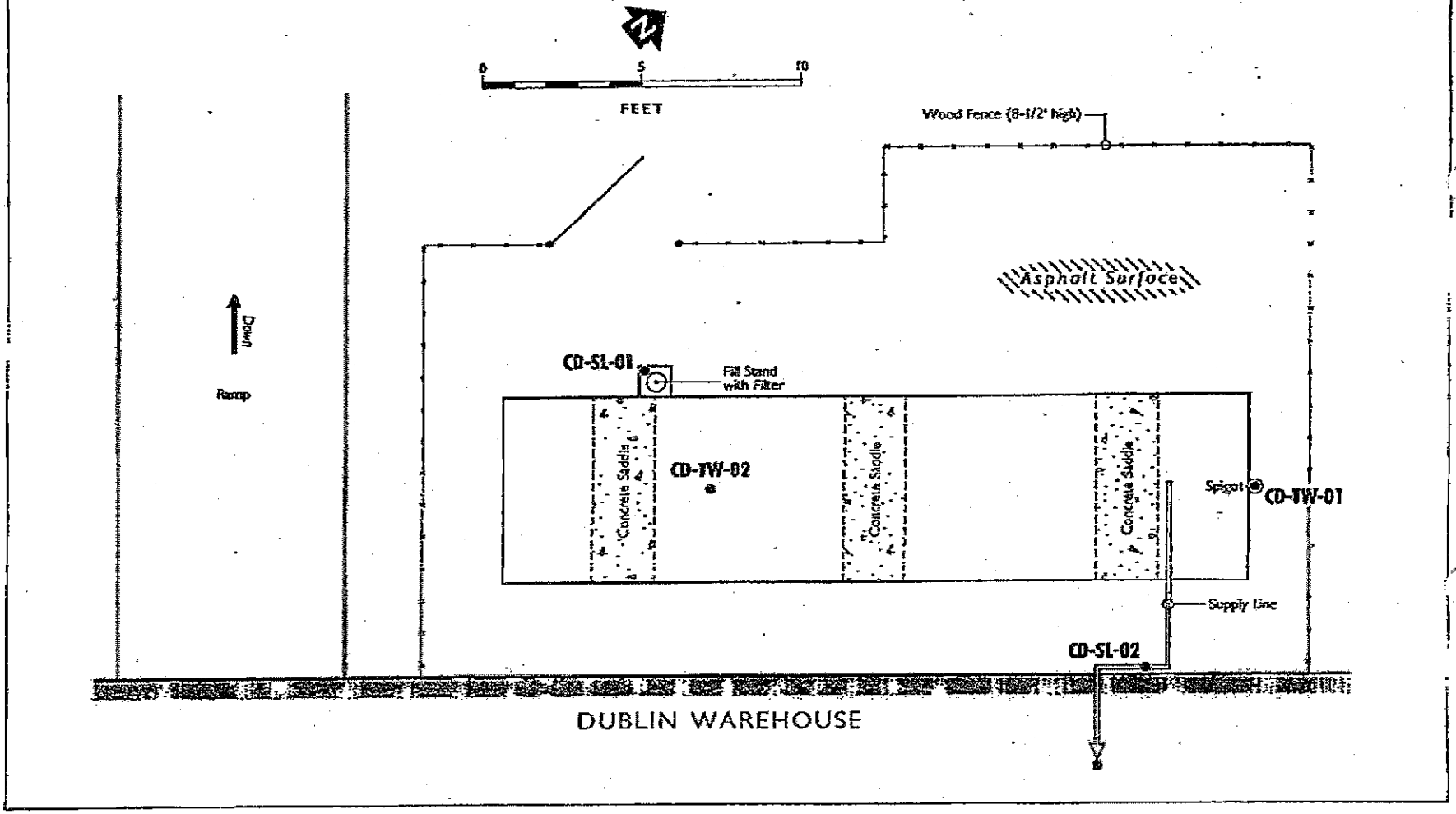
The action level of lead in lead-based paints is 0.5% (i.e., 5,000 mg/kg). The low level of lead found in the paint on the AST indicates that it may be from an external source (e.g., automobile exhaust) or may be a minor component of the paint (e.g., an additive or component of the tint). Therefore, the presence of low levels of lead in the paint should not be of concern.

The presence of concentrated TCE in the supply pipe in the ceiling could be considered a liability concern. E & E recommends that the pipe be drained, flushed with approximately three volumes of clean tap water, and removed from the building for disposal. The TCE and the wash/rinse water should also be disposed in an appropriate manner.

If we can be of any further assistance in this matter, please feel free to call either Colin Moy or me at (415) 777-2811.

Sincerely,

Steven M. Morin
Project Manager



VJ020.a (c74) 05/01/96

Figure 1

Aboveground Storage Tank Site Plan and Sample Location Map
CREMCO – Dublin Warehouse Facility
6400 Sierra Court, Dublin, California

Appendix A

LABORATORY DATA

EXHIBIT F

ARCADIS
Infrastructure, environment, facilities

ARCADIS
950 Glenn Drive
Suite 125
Folsom
California 95630
Tel 916-985-2079
Fax 916-985-2093
www.arcadis-us.com

ENVIRONMENTAL

Mr. Bruce H. Wolfe
Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

Subject:
Response to Site History Request
Former Chevron Records Facility
6400 Sierra Court
Dublin, California
File No: 01S0690 (CFC)

Date:
June 19, 2008

Contact:
David M. Evans

Phone:
916-985-2079

Email:
David.Evans
@arcadis-us.com

Our ref:
B0046157.0000

Dear Mr. Wolfe:

ARCADIS, on behalf of Chevron Environmental Management Company (Chevron EMC), has prepared this letter to present information pertaining to the site history associated with the former Chevron records facility located at 6400 Sierra Court in Dublin, California. This letter has been prepared in response to the information request from the California Regional Water Quality Control Board (RWQCB) dated April 21, 2008. Information requested by the RWQCB is shown in ***bold italics*** below. A response follows each comment.

1. ***The period of time that Chevron has owned the property.***

The subject property was acquired by Chevron U.S.A. Inc., (Chevron) from B.F. Saul Real Estate Investment Trust on or around January 25, 1980 as indicated in the Historical Chain of Title Report prepared by NETR included in Attachment 1. Chevron sold the subject property to 6400 Sierra Court Investors, LLC on May 16, 2008.

2. ***A detailed description of Chevron's operations at the property during this period.***

From acquisition in 1980 until sale in 2008, Chevron used the warehouse on the subject property, consisting of an approximate 205,315 square feet (sf) building, solely as a document and file storage facility. As of October 2007 all documents and

files stored within the warehouse were transferred to an alternative location in Fairfield, California.

Chevron did lease to tenants two separate portions of the parking lot located on the property as follows:

On September 1, 1994 Chevron entered into a lease agreement with the Saadeh Corporation (doing business as Alameda County Auction) for approximately 171,600 sf located on the western edge of the subject property. The leased area operated by Alameda County Auction is used to store used cars and trucks and Auctions, open to the general public, are held here on the first Saturday of each month.

On September 1, 1993 Chevron entered into a lease agreement with Gettler-Ryan, Inc. (G-R), for approximately 36,250 sf located on the southern edge of the subject property. The portion of the property leased by G-R was used as a storage area for trucks, construction equipment, and also for temporary storage of purge water generated during monitoring, sampling and remediation-related activities at Chevron service station sites between 1993 and 2007. In addition, purge water for monitoring, sampling and remediation related activities at Conoco Phillips sites was temporarily stored onsite on or about 2000 to 2001. G-R ceased the temporary storage of purge water during February 2008. See further description of these activities in number 3, below.

Copies of lease agreements between Chevron and G-R, and between Chevron and the Saadeh Corporation are included in Attachment 2.

3. ***A list of chemicals stored, used, handled, produced, recycled, or disposed at the property during this period. The list should indicate any chemicals that were stored, used, or disposed as hazardous waste. This list should also indicate the maximum quantity of each chemical used on the property per year.***

We understand the term "this period" as used in the question to refer to the period of Chevron's use and ownership of the property. Chemicals were stored, used, and released by Western Electric, a tenant of B.F. Saul REIT from 1970-79, and the release of solvents by Western Electric appears to be the source of chlorinated solvents in soil and groundwater on the property. Further information on Western Electric is provided in response to Question 3.

Chevron used the warehouse on the subject property solely as a documents and records storage facility. The warehouse was not used for chemical storage, use, handling, production, recycling, or disposal.

Chevron previously provided the RWQCB with a copy of the October 4, 2007 Final Baseline Assessment Report prepared by URS for Chevron in anticipation of the sale of the property. The Baseline Report, and in particular, the included Environmental Data Resources, Inc. (EDR) report, addressed chemicals stored on the Alameda Auction and G-R leased properties, and chemical wastes disposed of offsite and entered into government databases.

According to the EDR report:

- In 1994, 3.11 tons of PCB-containing materials were removed from the property and disposed of in Arizona, The generator is not identified.
- In 1995, 0.1668 tons of waste oil, mixed oil, and halogenated solvents was removed from the property and disposed of at a disposal site in Kern County, California. The generator is not identified.
- In 1996, 3.5 tons of empty containers were taken to a recycler in California, and 2.29 tons of hydrocarbon solvents, including benzene, hexane, and Stoddard solvent, were taken to a recycling facility in San Mateo County, California. The generator is not identified, but it is possible that these wastes were generated by Chevron during removal of Western Electric's former "trico" tank and the residue left therein, as discussed below.

No information/documentation pertaining to the generation of the materials listed above was found by URS during file reviews at the Alameda County Department of Environmental Health (ACDEH), Cal-EPA Department of Toxic Substances Control (DTSC), or RWQCB.

Between 1996 and 2007, G-R stored in 4 approximate 1,000 gallon ASTs, an average of approximately 7,500 gallons of non-hazardous purge water per month from Chevron service station sites, with a maximum of 105,095 gallons temporarily stored onsite during 2003. In addition, G-R temporarily stored 4,000 gallons of purge water generated from Conoco Phillips sites on or about 2000 to 2001.

In addition, as presented in the Baseline Report (see section 5), G-R stored in 3 approximate 500 gallon ASTs and five 55-gallon drums, granulated activated carbon (GAC) that had been used in groundwater treatment systems at Chevron service stations The ASTs and other containers associated with G-R's operations were removed from the property in September 2007.

As reported in the Baseline Report, during the August 2007 inspection of the Alameda County Auction lease area, two 5-gallon containers of Quik-Solv, a hydrocarbon solvent, were observed in the car detailing area. According to one of the employees, one 5-gallon container typically lasts about 2 months. The storage shed in the northwest corner contained approximately 15 lead acid car batteries on pallets. There was no evidence of leaks or staining in the "chemical storage" shed. URS observed an open unlabeled 55-gallon plastic drum approximately half-full of black oil, and eight 2-gallon containers of heavy duty hydraulic fluid near the drums. No staining was observed on the ground in the vicinity of the drum or the containers.

4. ***A detailed description of the nature and location of chemical storage, chemical handling, chemical treatment, or chemical disposal at the property. Key information should be shown on a facility map.***

As indicated above, G-R leased a portion of the property between 1993 and 2007. During this time purge water from monitoring and sampling and remediation activities at retail and terminal sites (both Chevron EMC and Conoco Phillips) were temporarily stored onsite in four ASTs, each with an approximate volume of 1,000 gallons as shown on Figure 1.

More significantly, prior to Chevron's purchase of the property, Western Electric Company conducted manufacturing operations (presumably telephone manufacturing) on the property from approximately 1970 to 1979. Chevron has informed Western Electric's successors, AT&T and/or Alcatel-Lucent, that solvent contamination in soil and groundwater on the property appear to have been released during Western's operations from the "trico" tank formerly located on the western edge of the records storage facility. AT&T and Alcatel-Lucent have acknowledged their status as successor to Western's liabilities, but have not accepted responsibility for the releases. Among other materials provided to AT&T and Alcatel-Lucent is a copy of a design drawing prepared by or for Western Electric showing the trico tank.

It appears that Western Electric left the trico tank and some of the piping leading to/from the tank and extending into its former manufacturing facility (late Chevron's

record storage facility), when it vacated the property. As previously reported, Chevron removed the tank and liquids/residue in tank in 1996. In addition, Chevron cleaned and disposed of solvent or solvent residue left in one capped line, at that time.

As reported by Chevron's contractor, ecology and environment, Inc. (E&E), the top of the former trico tank had rusted out and contained at the time of sampling and removal approximately 150 gallons of liquid believed to be accumulated rainwater. E&E sampled the liquid and tank bottom sludge and found trace quantities of TCE, No samples were taken of the liquid in the line as it smelled strongly of TCE and was handled accordingly.

5. ***Information on any past chemical spills or releases at the property during this period, including chemical type, release location, and any remedial action taken.***

There were no known releases during the time period that Chevron owned the subject property. The reported solvent contamination appears to be directly attributable to Western Electric's operations in the 1970s.

6. **For each lessee that has operated at the site during this period, a description of: (a) the period of time that they operated at the property, (b) the lessee's name and current mailing address, (c) a contact person and their current phone number, and (d) the nature of the lessee's business.**

Gettler-Ryan, Inc.

a. September 1, 1993 to September 30, 2007
b. 6747 Sierra Court, Suite J, Dublin, California 94568
c. Jeff Ryan; (925) 551-7555
d. Environmental Consulting

Saadeh Corporation

a. September 1, 1994 to January 31, 2009
b. 6438 Sierra Court, Dublin, California 94568
c. Judy Carrera; (925) 829-5999
d. Public County Automobile Auctions

7. ***The name, current mailing address, contact person, and current phone number for the prior property owner.***

B.F. Saul Real Estate Investment Trust
7501 Wisconsin Avenue, Bethesda, Maryland 20814
Charlie Sherren: (301) 986-6000

8. ***The name, current mailing address, contact person, and current phone number for any other prior property owners or operators, to the extent that this information is known or reasonable available.***

At AT&T's and Alcatel-Lucent's direction, the contact for issues pertaining to Western Electric's tenancy, is:

Ralph L. McMurray, Esq.
30 Vesey Street – 15th Floor
New York, New York 10007
rlmcmurray@earthlink.com
(212) 608-5444

A historical chain of title report for the subject property was prepared by NETR (Attachment 1). No current contact information is known for the listed prior property owners.

9. ***The location of utilities lines on the property (e.g. sanitary sewer, storm drain), to the extent that this information is known or reasonably available.***

ARCADIS contracted Cruz Brothers to perform an underground utility survey of the property. The underground utility survey was conducted on June 12 and 17, 2008. Figure 2 illustrates the utilities identified at the subject property.

10. ***A description of the sources consulted to respond to the above items (e.g. written records, former employees, local agency files).***

- URS' *Final Baseline Site Assessment Report,* dated October 24, 2007.
- Alameda County Assessor's Office
- Alameda County Recorder's Office
- Gettler-Ryan Inc.
- NETR Real Estate Research & Information *Historical Chain of Title Report* dated June 16, 2008.
- Chevron Business and Real Estate Services
- Alameda County Auction

- Integrated Wastestream Management

11. A statement that the information provided in response to the above items is full, true, and correct, under penalty of perjury.

A statement is included in Attachment 3.

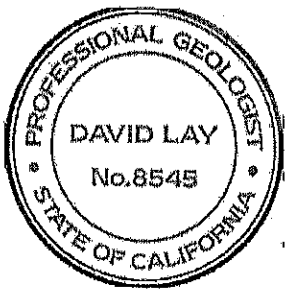
If you have any questions or comments regarding the contents of this letter, please contact either Satya Sinha of Chevron at 925-842-9876 or by e-mail at satyasinha@chevron.com or David Evans of ARCADIS at 916-985-2079 ext. 12 or by e-mail at david.evans@arcadis-us.com.

Sincerely,

ARCADIS

David M. Evans
Senior Project Manager

David W. Lay, C.P.G., P.G.
Principal Geologist



Figures:

Figure 1	Site Plan
Figure 2	Site Plan with Approximate Locations of Underground Utilities

Enclosures:

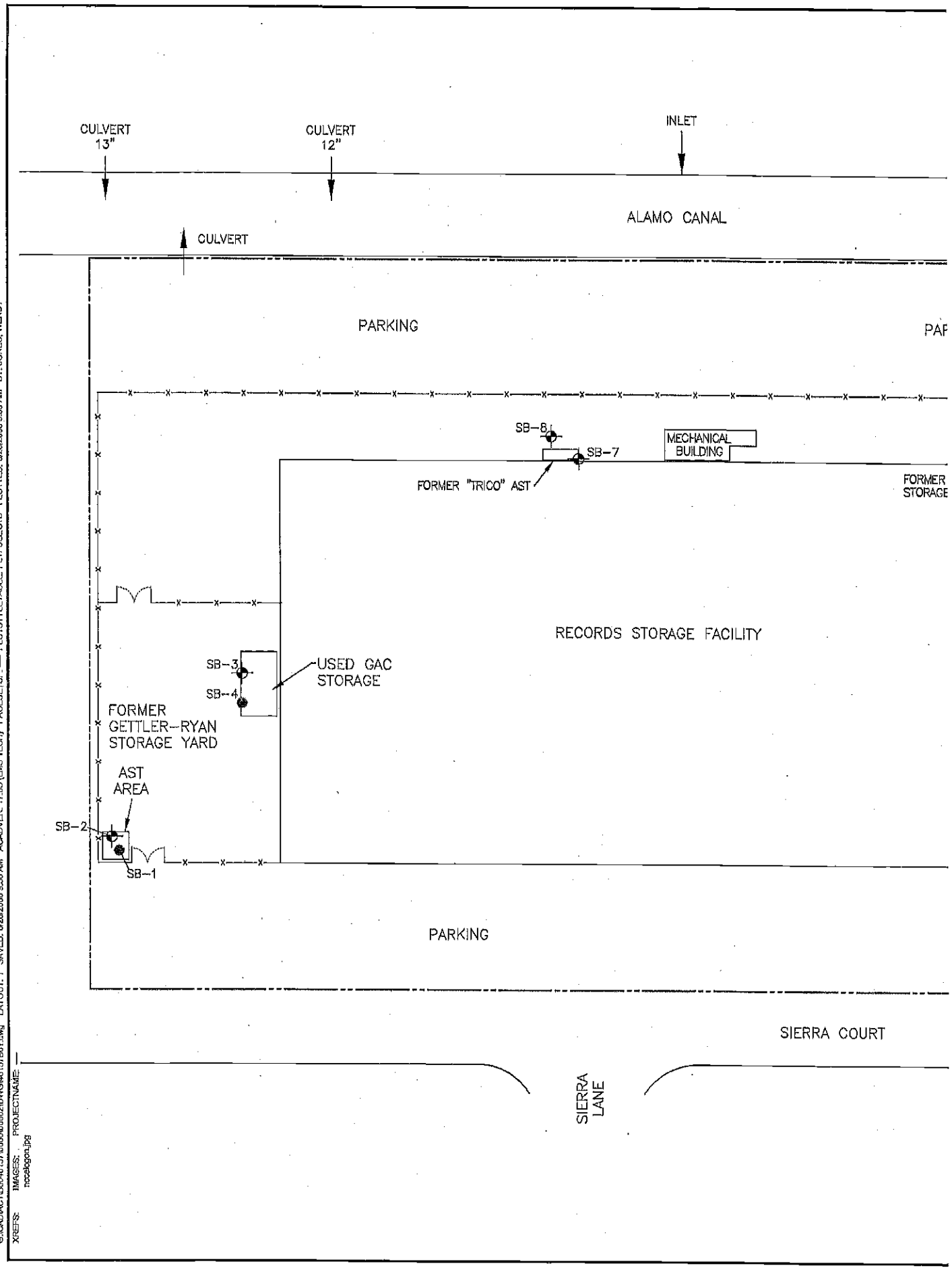
Attachment 1	NETR Historical Chain of Title Report
Attachment 2	Lease Agreements
Attachment 3	Statement

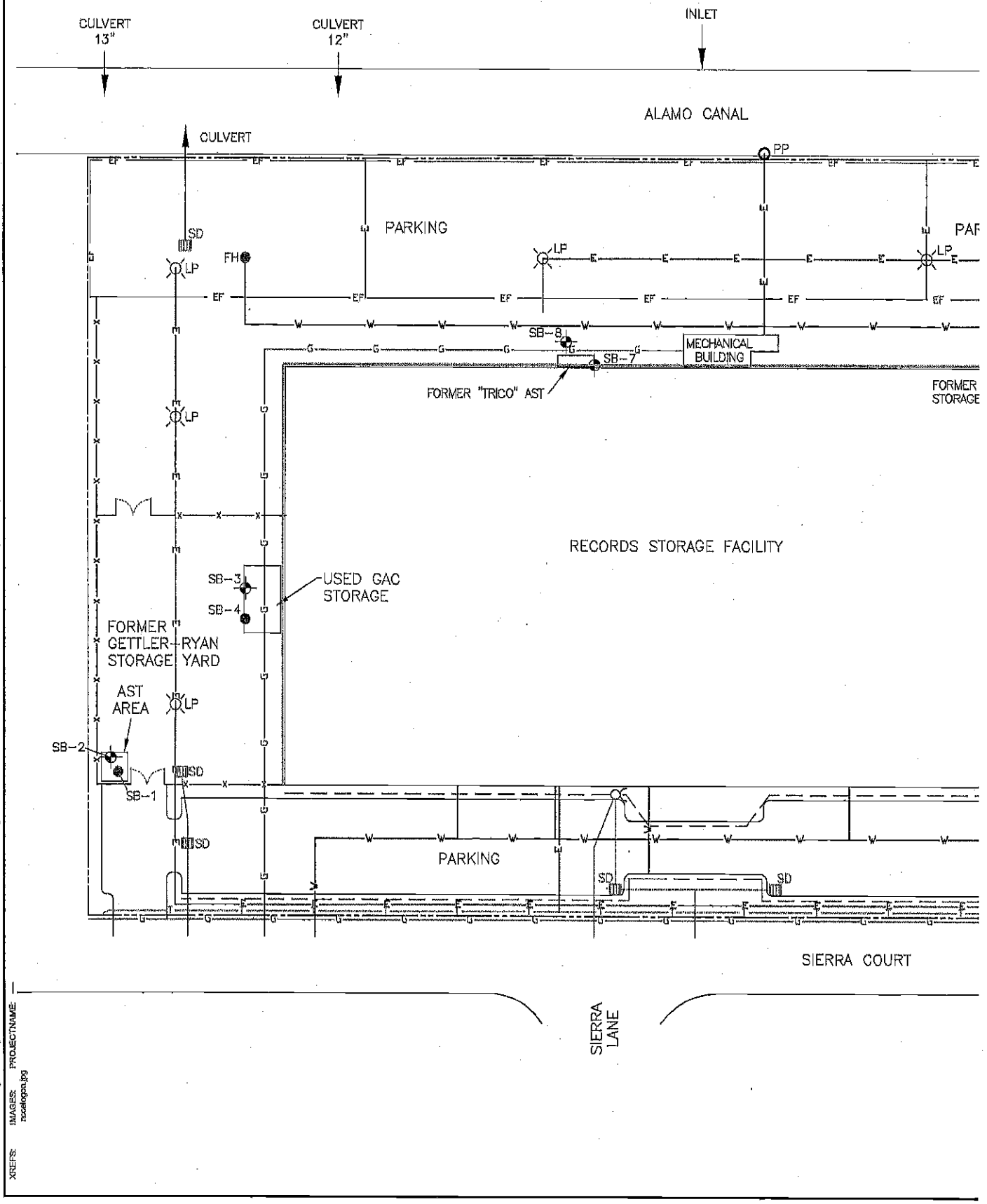
Copies:

Mr. Satya Sinha, Chevron Environmental Management Company
Ms. Cheryl Dizon, Zone 7 Water Agency
Ms. Donna Drogos, Alameda County Environmental Health

ARCADIS

Figures





ARCADIS

Attachment 1

NETR Historical Chain of Title Report

netr Real Estate Research & Information

2055 East Rio Salado Parkway, Suite 201
Tempe, Arizona 85281
Phone: (480) 967-6752
Fax Number: (480) 966-9422
Web Site: www.netronline.com

HISTORICAL CHAIN OF TITLE REPORT

SITE
6400 SIERRA COURT
DUBLIN, CALIFORNIA

Submitted to:

ENVIRONMENTAL DATA RESOURCES, INC.
C/O
ARCADIS OF NY, INC.

Attention: Fred Lont

Project No. N08-03453

Monday, June 16, 2008

NETR - Real Estate Research & Information hereby submits the following ASTM historical chain-of-title to the land described below, subject to the leases/miscellaneous shown in Section 2. Title to the estate or interest covered by this report appears to be vested in:

6400 SIERRA COURT INVESTORS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

The following is the current property legal description:

All that certain piece or parcel of land being Parcel 2 of Parcel Map Number 9759, according to the map or plat thereof, recorded 05/15/2008, as filed of record in Book 306, Pages 76 and 77 of Maps, Alameda County, State of California

Assessor's Parcel Number(s): 941-0205-001-34

1. HISTORICAL CHAIN OF TITLE

Records were searched at the Alameda County Assessor's office and the Alameda County Recorder's office back to 1940. The following conveyances were found of record.

1. TRUST AGREEMENT

RECORDED:	11/03/1948
GRANTOR:	William H. Donahue
GRANTEE:	Frank W. Donahue, Charles A. Gale and Bank of America National Trust and Savings Association, as Co-Trustees of Trust "B"
INSTRUMENT:	Book 5647, Page 1

2. DEED

RECORDED:	04/04/1960
GRANTOR:	William H. Gale, Jr., as Executor of the Estate of Charles A. Gale, deceased
GRANTEE:	The Volk-Mclain Company
INSTRUMENT:	Book 59, Page 954

3. DEED

RECORDED:	04/04/1960
GRANTOR:	Frank W. Donahue and Bank of America National Trust and Savings Association, as Co-Trustees of Trust "B" under Agreement dated 11/01/1948
GRANTEE:	The Volk-Mclain Company
INSTRUMENT:	Book 59, Page 949

4. DECREE

RECORDED:	04/04/1960
GRANTOR:	Charles A. Gale, also known as Chas A. Gale, also known as C. A. Gale, deceased
GRANTEE:	William H. Gale, Jr., as Executor of the Estate of Charles A. Gale, deceased
INSTRUMENT:	Book 59, Page 944

5. DEED

RECORDED:	04/25/1960
GRANTOR:	The Volk-Mclain Communities, Inc., formerly the Volk-Mclain Company
GRANTEE:	Maple Homes, Inc.
INSTRUMENT:	Book 74, Page 354

6. DEED

RECORDED:	04/25/1960
GRANTOR:	The Volk-Mclain Communities, Inc., formerly the Volk-Mclain Company
GRANTEE:	Ashland Homes, Inc.
INSTRUMENT:	Book 74, Page 352

7. DEED

RECORDED:	07/07/1960
GRANTOR:	Ashland Homes, Inc. and Maple Homes, Inc.
GRANTEE:	Volk-Mclain Communities, Inc., formerly the Volk-Mclain Company, successor by merger to Beaumonde Homes, Inc., and successor by merger to Ashland Homes, Inc.
INSTRUMENT:	Book 121, Page 272

8. GRANT DEED

RECORDED:	06/27/1967
GRANTOR:	Volk-Mclain Communities, Inc., formerly the Volk-Mclain Company, successor by merger to Beaumonde Homes, Inc., and successor by merger to Ashland Homes, Inc.
GRANTEE:	Qualified Investments, Inc.
INSTRUMENT:	Book 1988, Page 207

9. GRANT DEED

RECORDED:	09/30/1968
GRANTOR:	Qualified Investments, Inc.
GRANTEE:	Rancho Sierra Investment Company
INSTRUMENT:	Book 2264, Page 133

10. GRANT DEED

RECORDED:	12/24/1970
GRANTOR:	Rancho Sierra Investment Company
GRANTEE:	M. R. Development Corporation
INSTRUMENT:	Book 2756, Page 890

11. GRANT DEED

RECORDED:	12/24/1970
GRANTOR:	M. R. Development Corporation
GRANTEE:	M. Paul Heck and Betty Jane Heck, Graeme K. MacDonald and Phyllis W. MacDonald, Christopher W. MacDonald and Nicole DeSugny MacDonald, C. Edward Nelson and Margaret Laurie Nelson
INSTRUMENT:	Book 2756, Page 892

12. GRANT DEED

RECORDED:	04/04/1973
GRANTOR:	M. Paul Heck and Betty Jane Heck, Graeme K. MacDonald and Phyllis W. MacDonald, Christopher W. MacDonald and Nicole DeSugny MacDonald, C. Edward Nelson and Margaret Laurie Nelson
GRANTEE:	Vanguard Investments
INSTRUMENT:	Book 3381, Page 929

13. GRANT DEED

RECORDED:	11/20/1973
GRANTOR:	Vanguard Investments
GRANTEE:	B. F. Saul Real Estate Investment Trust
INSTRUMENT:	Book 3557, Page 72

14. GRANT DEED

RECORDED:	01/25/1980
GRANTOR:	B. F. Saul Real Estate Investment Trust
GRANTEE:	Chevron U.S.A., Inc., a California corporation
INSTRUMENT:	15009

15. GRANT DEED

RECORDED:	05/16/2008
GRANTOR:	Chevron U.S.A., Inc., a Pennsylvania corporation
GRANTEE:	6400 Sierra Court Investors, LLC, a California limited liability company
INSTRUMENT:	161653

16. GRANT DEED

RECORDED:	05/16/2008
GRANTOR:	Chevron U.S.A., Inc., a Pennsylvania corporation
GRANTEE:	6400 Sierra Court Investors, LLC, a California limited liability company
INSTRUMENT:	161654

2. LEASES AND MISCELLANEOUS

1. A search of encumbrances was not part of the scope of work for this report.

LIMITATION

This report was prepared for the use of Environmental Data Resources, Inc., and ARCADIS of NY, Inc., exclusively. This report is neither a guarantee of title, a commitment to insure, or a policy of title insurance. NETR- Real Estate Research & Information does not guarantee nor include any warranty of any kind whether expressed or implied, about the validity of all information included in this report since this information is retrieved as it is recorded from the various agencies that make it available. The total liability is limited to the fee paid for this report.

ARCADIS

Attachment 2

Lease Agreements

PARKING LICENSE AGREEMENT
6438 Sierra Court
Dublin, CA 94568

THIS PARKING LICENSE AGREEMENT ("License Agreement" or this "License"), is made and entered into effective as of **February 1, 2006**, by and between **CHEVRON U.S.A. INC.**, a Pennsylvania corporation, acting by and through its division, **Chevron Business and Real Estate Services** ("Licensor") and **SAADEH CORPORATION**, a California corporation, doing business as **ALAMEDA COUNTY AUCTION** ("Licensee"). The term "Parties" shall refer to Licensor and Licensee collectively and the word "Party" shall refer to either Licensor or Licensee.

WITNESSETH:

A. Licensor is the owner of that certain real property located in the City of Dublin, Contra Costa County, California and more particularly described in **Exhibit "A"** attached hereto (the "Property").

B. Prior to the Effective Date, Licensor and Licensee were parties to that certain Parking Lot Lease Agreement dated September 1, 1994, with respect to a certain portion of the Property, which has been amended by that certain First Amendment to Lease Agreement dated September 1, 1998 and that certain Second Amendment to Lease Agreement dated May 31, 1999 (collectively, the "Lease Agreement").

C. The Property includes a fenced area, the location of which is shown on **Exhibit "B"** attached hereto (the "Primary License Area") which contains approximately One Hundred Seventy-One Thousand Six Hundred (171,600) square feet, including the appurtenant right to use, in common with others, the entries, sidewalks, curb areas, driveways, parking areas, and other public portions of the area surrounding the Primary License Area, if any.

D. The Property has been improved with a certain building structure which Licensor uses for its business operations which include a warehouse (the "Dublin Warehouse").

E. There is a certain area of the Property located adjacent to the Primary License Area and the Dublin Warehouse, which area contains approximately 59,300 square feet and which is shown on **Exhibit "C"** attached hereto (the "Secondary License Area"). When used in this License Agreement, the term "License Area" shall refer to the Primary License Area and the Secondary License Area or either the Primary License Area or the Secondary License Area.

F. Licensor and Licensee desire to terminate the Lease and to enter into this License Agreement to permit Licensee to use the Primary License Area and the Secondary License Area, subject to the terms and conditions set forth herein.

N o w, t h e r e f o r e, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree agrees as follows:

1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.

2. Termination of Lease. The Lease and all terms and conditions therein, excepting the Section 10, Indemnification and Insurance; Subrogation therein, the surrender obligations set forth in Section 7, Repairs therein, and the terms of Section 30, Hazardous Materials therein, shall

terminate effective as of the day preceding the Commencement Date of this License Agreement set forth in Section 6 hereinbelow. Prior to the Commencement Date, the Lease shall remain in full force and effect and the Parties shall continue to perform each and all of their obligations with respect thereto. Licensor and Licensee stipulate and agree that the existence or amount of any previously paid security deposit made by Licensee to Licensor pursuant to the Lease is in dispute. In consideration of the terms set forth in this License Agreement, Licensee waives any right to receive any security deposit funds from Licensor if such funds have been deposited and Licensor agrees not to require a security deposit for this License Agreement as of the Effective Date, provided, however, if at any time during the Term Licensee shall fail to pay the License Fee or other charges when due under this License Agreement or perform any obligations under this License Agreement, then, following any notice and cure periods, Licensor may require Licensee to remit payment to Licensor of a security deposit to secure the faithful performance of Licensee's obligations under this License Agreement in an amount equal to the monthly License Fee or such other amount that is reasonable and customary.

3. Grant of Exclusive License. Licensor hereby grants to Licensee a non-revocable, exclusive license (the "Primary License"), on and subject to the terms and conditions set forth herein, permitting the use of the Primary License Area.

4. Grant of Non-Exclusive License. Licensor hereby grants to Licensee a revocable non-exclusive license (the "Secondary License"), on and subject to the terms and conditions set forth herein permitting the use of the Secondary License Area.

5. Permitted Uses

a. Permitted Use of Primary License Area. The primary use ("Primary Use") of the Primary License Area shall be a parking lot for auctions of automobiles, trucks or other vehicles ("Vehicles") to the public between 6:00 a.m. on Saturdays and 8:00 p.m. on Sundays or holidays only ("Auction Days"), and for exhibiting the Vehicles to the public between 6:00 a.m. and 8:00 p.m. on the day prior to Auction Days ("Preview Days"). The ancillary use ("Ancillary Use") of the Primary License Area shall be a parking lot for exhibiting and selling Vehicles on an individual basis throughout the week. The Primary Use and the Ancillary Use shall be collectively referred to as the "Primary License Area Permitted Use". Auctions shall take place on no more than two weekends per month, unless the prior written consent of Licensor is obtained in advance. Unless otherwise agreed in writing by Licensor, Licensee may not conduct any auctions during any time that Licensor's Dublin Warehouse in the vicinity of the License Area is open for regular business. Licensee understands and agrees that Licensor shall have the right, in its sole and absolute discretion, to revoke the Ancillary Use upon thirty (30) days written notice to Licensee at any time during the Term, if the Ancillary Use shall in any way cause any disruption to Licensor's business operations or Licensor's use of the Property or shall be the basis for the denial of any business use or operating permit or serve as the basis of any permit or land use violation by Licensee.

b. Permitted Use of Secondary License Area. The Secondary License Area shall be used on no more than four (4) days per month which are the preview and sale days when Licensee conducts auctions on the Primary License Area and on no other days during the Term. The Secondary License Area shall be used solely for the purpose of providing parking to Licensee's customers on the preview and auction days and for providing alternate ingress and egress to Licensee's truck and vehicle trailer on preview and auction days (the "Secondary License Area Permitted Use"). Licensee shall coordinate

access to the Secondary License Area with Licensor's authorized facility management, safety and security personnel at the Property. The license rights granted to Licensee hereby do not include the right of Licensor and its employees, contractors, tenants and other licensees to use twelve (12) spaces for parking in the portion of the Secondary License Area fronting on Sierra Court in front of the Dublin Warehouse if needed on the permitted days of use by Licensee .

c. The License Area shall at all times be maintained by Licensee so as to permit unobstructed ingress and egress to the Dublin Warehouse and all areas, including, without limitation, the Primary License Area and the Secondary License Area by emergency vehicles and personnel. Licensee understands that there may be occasions when Licensor will require access to its loading dock so as to permit deliveries by vehicles which may include large tractor trailer vehicles. In the event Licensor shall require access to its loading dock on days when Licensee has a scheduled preview and auction, Licensee shall cooperate fully so as to accommodate any deliveries to Licensor and cause minimal disruption to the activities of Licensor. Licensee acknowledges, understands and agrees that the Secondary License Area is a secure area on Licensor's premises and that the gates to this area shall be locked during times as designated by Licensor's representatives. Licensee acknowledges that it has been issued a key to the Secondary License Area which it shall return to Licensor at the expiration date of this License Agreement without demand or request.

d. Licensee accepts the use of the Primary License Area and the Secondary License Area in their present and future condition "AS IS" and "WITH ALL FAULTS". Licensee agrees that its use of the Secondary License Area shall be at its sole risk.

e. Licensee shall be responsible for obtaining any permits or other licenses in order to conduct its operations on the License Area.

f. Licensee shall observe and abide by, and shall require each of its employees and invitees to observe and abide by, all laws, statutes, ordinances, rules and regulations, as well as any certificates of operation or any recorded document affecting the License Area.

g. Licensee shall not do or permit to be done in or about the License Area anything which will in any way increase the existing rate of or affect any fire or other insurance upon any property of Licensor in the vicinity of the License Area.

h. Neither Licensee nor any of its employees, licensees or invitees shall do or permit anything to be done in or about the License Area which will in any way obstruct or interfere with the rights of Licensor, its officers, directors, licensees, agents, invitees, contractors, and subcontractors to have rights of access to and from the Dublin Warehouse or other property of Licensor in the vicinity of the License Area, or injure or annoy them, nor shall Licensee nor any of its employees, licensees or invitees cause, maintain or permit any nuisance in, on or about the License Area or commit or suffer to be committed any waste in, on or about the License Area.

i. During the Preview Days and the Auction Days, Licensee shall provide security guard services, at Licensee's sole cost and expense, at the License Area sufficient to maintain order at the License Area and prevent access of Licensee's employees and invitees to the property of Licensor located adjacent to the License Area.

j. Immediately after the end of each Preview Day, Licensee shall remove all waste and debris from the License Area arising from the Permitted Uses on the License Area. Immediately after the end of each Auction Day, Licensee shall clean the License Area to substantially the same condition as existed prior to the Preview Day.

k. Licensee agrees that all activities conducted in the License area shall be performed in a good, safe, careful and proper manner, and that at all times the Property shall be kept free from accumulation of all waste and debris reasonably associated with the performance of the Activities and that the Property shall be maintained in a sightly and sanitary condition as shall be satisfactory to Licensor. Licensee shall not allow, commit or cause to be committed any activities which result in any destruction, misuse, alteration or neglect of the License Area.

6. Term. The Term of this License Agreement shall begin on the February 1, 2006 (the "Commencement Date") and, unless sooner terminated as hereinafter provided, shall end three (3) years thereafter on the January 31, 2009 (the "Expiration Date"). This license is not subject to any options to renew or extend the Term.

7. Right to Terminate. Notwithstanding any other provision of this License Agreement to the contrary, either Licensor or Licensee may terminate this License Agreement upon **ninety (90) days** prior written notice to the other given in accordance with Section 34 below.

8. License Fee. Licensee shall pay to Licensee the amount of Nine Thousand Seven Hundred Fifty and No/100^{ths} Dollars ($9,750.00) per month (the "License Fee") commencing on the Commencement Date Licensee shall remit the Licensee Fee to Licensor on the first day of each calendar month or part thereof during the Term. If either the Term or License Fee commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the License Fee for the fractional month shall be prorated. The License Fee shall be paid to Licensor, without deduction or offset, at Licensor's Address, or to such other person or at such other place as Licensor may from time to time designate in writing. The Licensee Fee and all other payments required to be made by Licensee to Licensor, unless otherwise directed by Licensor, shall be made to the following address:

Chevron U.S. A. Inc.
c/o Chevron Business and Real Estate Services
P.O. Box 973627
Dallas, TX 75397-3627

9. Adjustments to License Fee.

a. On the first anniversary of the Commencement Date of this License Agreement, and annually thereafter, the Licensee Fee payable by Licensee shall be increased to an amount determined by multiplying the basic monthly License Fee by a fraction, the denominator of which shall be the most recent Consumer Price Index figure, as hereinafter defined, published prior to the Commencement Date, and the numerator of which shall be the most recent Consumer Price Index figure published prior to the particular anniversary date; provided, however, that in no event shall the rent for any month after such anniversary be less than the rent for the month immediately preceding such anniversary. As used herein, the term "Consumer Price Index" shall mean Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, or the successor of that Index, as published by the Bureau of

Labor Statistics, U.S. Department of Labor. Should Licensor lack sufficient data to make the proper determination on the date of any adjustment, Licensee shall continue to pay the monthly rent payable immediately prior to the adjustment date. As soon as Licensor obtains the necessary data, Licensor shall determine the Licensee Fee payable from and after such adjustment date and shall notify Licensee of the adjustment in writing. Should the monthly License Fee for the period following the adjustment date exceed the amount previously paid by Licensee for that period, Licensee shall forthwith pay the difference to Licensor. Should the Consumer Price Index as above described cease to be published, a reasonably comparable successor index shall be selected by Licensor. If Licensee objects to the successor index, the dispute will be resolved and a successor index designated by arbitration pursuant to the rules and procedures of the American Arbitration Association.

b. Notwithstanding the foregoing, the Parties agree that the increase in License Fee for each year shall be not less than three percent (3%) nor more than six percent (6%) of the base rental for the previous year, each year for such purposes to commence on the anniversary of the Commencement Date.

c. Licensor may in its sole discretion, waive the escalation provided for in Section 9(a) or Section 9(b) for any particular year, years, or part of a year. No such waiver shall preclude Licensor from applying the escalation to any subsequent year or part of a year, and from making the subsequent application as if all subsequent escalations had been duly made to the maximum permissible extent.

10. Electricity.

a. Licensee shall at all times comply with the rules, regulations, terms and conditions applicable to service, equipment, wiring and requirements of the public utility supplying electricity to the Property. Licensor shall not be liable in any way to Licensee for any failure or defect in the supply or character of electric service furnished to the Property, the Primary License Area or the Secondary License Area by reason of any requirement, act or omission of the utility serving the Property or for any other reason not attributable to the gross negligence of Licensor.

b. Electricity shall be furnished by Licensor to the Primary License Area on a so-called "fee-inclusion" basis and there shall be no charge to Licensee for such electricity by way of measuring the same on any meter or otherwise, such electricity being included in the License Fee. The Parties have agreed that the Licensee Fee includes an amount equal to $250.00 per month (the "Electric Inclusion Amount").

c. If the public utility rate schedule for the supply of electric energy to the Property and/or the surcharge for fuel cost or any other charge made by the public utility supplying electric energy to the Property and/or the taxes payable by Licensor with respect to such electric energy are increased or decreased after the date of this License Agreement and/or the service classification at which Licensor purchases electric energy is changed after the date of this License Agreement resulting in an increase or decrease in the cost to Licensor of electrical energy, the License Fee shall be increased or decreased by an amount equal to the amount of any increase or decrease in such public utility rate schedule, fuel adjustment or other charge, taxes or cost. Any such increase or decrease shall be effective as of the date of such increase or decrease and shall be made retroactively if necessary. Upon the request of either Party, Licensor and Licensee shall

execute a supplementary agreement confirming the increase or decrease. In no event shall the provisions of this Section 10(c) operate to reduce the License Fee below the amount stated in Section 8 of this License nor the Electric Inclusion Amount below the amount stated in Section 10(b) above.

d. At any time during the Term, Licensor may meter the actual electrical consumption of Licensee. If the electrical usage of Licensee shall exceed the actual amount of the Electric Inclusion Amount during any month during which electrical usage was metered, then Licensor may, at its option, submit an invoice for the amount by which the actual electrical usage exceeds the Electric Inclusion Amount. Licensee shall remit payment to Licensor for the amount within **twenty (20) days** following the receipt of said invoice. Licensor shall provide Licensee with supporting documentation of the electrical usage and the amount billed to Licensee.

11. Water. Licensor shall supply Licensee with water services for Licensee's use in, on or about the License Area, at Licensor's cost, so long as such usage is in reasonable amounts, as determined by Licensor in Licensor's reasonable, sole, and absolute discretion. Provided, however, at any time during the Term, Licensor, at its expense, shall have the right to install a meter to measure the actual water consumption of Licensee. If the water usage of Licensee shall exceed the actual amount of 250 gallons per day during any month during which water usage was metered, then Licensor may, at its option, submit an invoice for the amount by which the actual water usage exceeds the stipulated Water Inclusion Amount. Licensee shall remit payment to Licensor for the amount within twenty (20) days following the receipt of said invoice. Licensor shall provide Licensee with supporting documentation of the water usage and the amount billed to Licensee.

12. Refuse and Sewage. Licensee agrees not to keep any trash, garbage, waste or other refuse on the License Area except in sanitary containers and agrees to regularly and frequently remove same from the License Area. Licensee shall keep all containers or other equipment used for storage of such materials in a clean and sanitary condition. Licensee shall, at Licensee's sole cost and expense, properly dispose of all sanitary sewage and shall not use the sewage disposal system for the disposal of anything except sanitary sewage. Licensee shall keep the sewage disposal system free of all obstructions and in good operating condition. Licensee shall contract directly for all trash disposal services at Licensee's sole cost and expense.

13. Personal Property Taxes. Licensee shall be liable for, and shall pay before delinquency, all taxes and assessments (real and personal) levied against (a) any personal property or trade fixtures placed by Licensee in or about the License Area (including any increase in the assessed value of the Property based upon the value of any such personal property or trade fixtures); and (b) any alterations in the License Area (whether installed and/or paid for by Licensor or Licensee). If any such taxes or assessments are levied against Licensor or Licensor's property, Licensor may, after written notice to Licensee (and under proper protest if requested by Licensee) pay such taxes and assessments, and Licensee shall reimburse Licensor therefor within **thirty (30) days** after demand by Licensor; provided, however, Licensee, at its sole cost and expense, shall have the right, with Licensor's cooperation, to bring suit in any court of competent jurisdiction to recover the amount of any such taxes and assessments so paid under protest.

14. No Leasehold Interest. No legal title or leasehold interest in the License Agreement area shall be deemed or construed to have been created or vested in the license area by anything contained in this License Agreement. Except as expressly set forth herein, Licensee shall have possession of the Primary License Area to the exclusion of Licensor or any other Party who has obtained

permission or authority from Licensor to use the License Area. Except as expressly set forth herein, Licensee shall not have possession of the Secondary License Area to the exclusion of Licensor or any other Party who has obtained permission or authority from Licensor to use the Secondary License Area. It is expressly understood and agreed by Licensee that Licensor shall be under no obligation to protect the license privileges granted hereunder as against third parties or trespassers by legal proceedings or otherwise, and it is further agreed that Licensor shall not be liable in any way for any interference with said license privileges to which Licensee is entitled except and unless Licensor is found to have intentionally granted rights to the Primary License Area to any third party in contravention of the terms of this License Agreement. This grant of license is personal to Licensee and is made solely in connection with the Primary License Area and the Secondary License Area.

15. Subdivision Map Act. Licensor and Licensee understand and agree that this License Agreement has been structured so as to be exempt from the Subdivision Map Act (California Government Code § 66424). Notwithstanding anything in this License Agreement to the contrary, Licensee shall not undertake any activity or take any action that would cause this License Agreement or the rights granted by this License Agreement to become subject to compliance with the aforesaid Subdivision Map Act.

16. Surrender upon Termination. Upon completion of the Term, or termination or revocation of this License Agreement for any reason, Licensee shall remove its fixtures, improvements and personal property from the License Area and repair all damage to the License Area to the satisfaction of Licensor. If Licensee fails to surrender to Licensor the Property, upon any termination or revocation of this License Agreement, all the liabilities and obligations of Licensee hereunder shall continue in effect until the License Area is surrendered; and no termination or revocation hereof shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination or revocation or the date, if later, when the License Area has been restored.

17. Rules and Regulations. Licensee shall faithfully observe and comply with any and all rules and regulations concerning occupation and use of the License Area which may be adopted by Licensor in the reasonable exercise of its discretion.

18. Repairs and Maintenance of License Area. Licensee shall, at all times during the Term hereof and at Licensee's sole cost and expense, keep the Primary License Area and every part thereof in good condition and repair, excepting ordinary wear and tear and excepting damage by fire, earthquake, act of God or the elements, and shall keep the Secondary License Area and every part thereof in clean and neat condition, and shall repair any damage to the Secondary License Area caused by Licensee or Licensee's invitees. Licensee hereby waives all rights under California Civil Code Section 1941, if applicable, and all rights to make repairs at the expense of Licensor or, in lieu thereof, to vacate the License Area, as provided by California Civil Code Section 1942 or any other law, statute or ordinance now or hereafter in effect in California or elsewhere. Licensee shall at the end of the Term hereof surrender to Licensor the License Area and to remove any alterations, additions, fixtures and improvements thereto made by or for Licensee and to restore the License Area as a paved parking lot to the reasonable satisfaction of Licensor. Licensor has no obligation and has made no promise to alter, improve, repair, decorate or paint the License Area.

19. Alterations and Improvements. Licensee shall not alter or improve the License Area, or attach any fixtures or equipment thereto, without Licensor's prior written consent, which consent may be withheld in Licensor's sole and absolute discretion. Licensee shall, at its sole cost and expense, alter

or improve the License Area to comply with all applicable governmental laws, rules or regulations, and with the requirements of any insurer carrying fire, extended coverage, liability or other insurance covering the License Area. If Licensee shall desire to make any alterations or improvements, Licensee shall submit a request to Licensor in the form substantially as set forth in **Exhibit "D"** attached hereto and made a part hereof. Any alterations or improvements to the License Area consented to by Licensor shall be made by Licensee at Licensee's sole cost and expense. The contractor or person selected by Licensee to make such alterations or improvements must be approved in writing by Licensor prior to commencement of any work. Licensor shall have the right but not the obligation to require that any such contractor hired by Licensee shall, prior to commencing work on the License Area, provide Licensor with a performance bond and a labor and materials payment bond in the amount of the contract price for the work naming Licensor and Licensee (and any other person designated by Licensor) as co-obligees. All alterations, fixtures and improvements made in or upon the License Area by either Licensee or Licensor shall immediately become Licensor's property, and at the end of the Term hereof, shall, at Licensor's option, either remain on the License Area without compensation to Licensee or be removed by Licensor for Licensee's account. Licensee shall reimburse Licensor for the cost of such removal (including the cost of repairing any damage to the License Area or any building in the vicinity of the License Area caused by removal and a reasonable charge for Licensor's overhead) within ten (10) days after receipt of a statement therefor.

20. Drugs, Alcohol, Firearms. The possession and/or use of illegal and unauthorized drugs or substances, alcoholic beverages, explosives, firearms or weapons on the License Agreement Area is strictly prohibited. License Agreement shall notify and advise its employees, agents and contractors, and have such agents and contractors advise their personnel, of Licensor's policies set forth herein. Licensee shall remove from the License Area any of its employees and the personnel of its agents and contractors who are found to be in violation of this Section 20 or who are otherwise mentally and physically incapable of working safely and competently.

21. Services.

a. Licensor shall maintain Licensor's property in the vicinity of the License Area and the public portions of the Licensor's property in the vicinity of the License Area, such as the entries, sidewalks, curb areas, driveways and parking areas, in reasonably good order and condition (except for damage occasioned by the act of Licensee or employees, licensees or invitees of Licensee, which damage shall be repaired by Licensor at Licensee's expense).

b. If required for Licensee's use of the License Area, Licensee shall supply the License Area with and pay the full cost of: (i) sewage service, if any, and (ii) disposal service, if any, for a reasonable amount of garbage and waste generated by Licensee on the License Area.

22. Licensor's Special Use Covenants. Licensee shall comply with the following:

a. Licensee shall not undertake any car washing activity on or off the License Area or any other activity that would cause or result in any discharge of Hazardous Materials, as defined in Section 45(b) hereinbelow, into any of the storm water drains serving the Property. Licensor agrees to permit Licensee to perform car washing activities on the Primary License Area for its sale or auction vehicles only and not as part of any commercial or private car washing activity, provided that Licensee shall, at Licensee's expense, first provide Licensor with a request therefor along with copies of all required permits and written evidence of compliance reasonably acceptable to Licensor that such activity complies with all applicable environmental laws and regulations, including,

without limitation, the Clean Water Act and any state or local analog, applicable to this activity. If the request of Licensee is acceptable to Licensor, then Licensor and Licensee shall execute an amendment to this Agreement or other memorandum of consent. Licensee shall provide Licensor with copies of all permit renewals or amendments promptly when received. Additionally, Licensee, at its sole expense, shall be responsible for installing water/oil separators or washing facilities if required by applicable laws, permits and regulations. Notwithstanding Section 33 (Abandonment) of this License, Licensee, at its expense, shall remove any car washing facilities and equipment located on the License Area upon surrender of the License Area or if Licensee shall be dispossessed by process of law or otherwise. At the request of Chevron, Licensee shall hire a reputable environmental contractor to perform such tests as may be reasonably required by Chevron to determine the presence of environmental contamination. The provisions of Section 45 (Hazardous Materials) shall cover the obligations of the Parties with respect to the presence of any environmental contamination.

b. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's reasonable opinion, tends to impair the reputation of the Building or its desirability as a warehouse and, upon written notice from Landlord, Tenant will refrain from or discontinue such advertising. Licensee shall not use any high-rise balloons, large size flags or wind socks, search lights, or other such advertising methods on or near the Property to advertise its business operations at the Property.

c. Tenant shall not conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to the general public; provided, however, Licensee may permit a mobile food service vendor to provide food or beverages to the employees, customers and invitees of Licensee only on Preview Days and Auction Days.

d. Tenant shall not place a load upon any portion of the paved surface of the parking area which exceeds the load per square foot which said surface is designed to carry and which is allowed by law.

e. No portion of the License Area shall at any time be occupied as sleeping or lodging quarters.

f. All Vehicles, specifically Vehicle carriers and trucks, shall be removed from the Secondary License Area except that any Vehicle carriers and trucks may be parked overnight if such Vehicle carriers and trucks arrive after 5:00 p.m. on the day of delivery. Such Vehicle carriers and trucks must be removed by 9:00 a.m. the following morning.

g. Except for Licensee's security guard, Licensee shall not permit any casual access to the Primary License Area through the pedestrian gate located at the north fence line by Licensee's employees or customers except on Auction Days.

h. With approval and cooperation with requirements of Licensor's Representative, Licensee may place its standby generator, trash dumpster, and line-of-sight motion detector on the Secondary License Area. In using the aforesaid generator, dumpster and motion detector, Licensee shall use reasonable efforts to avoid any interference with Licensor's business operations.

23. Compliance Covenants of Licensee. Within **thirty (30) days** following the Effective Date, Licensee shall perform the following activities to the satisfaction of Licensor:

a. Licensee shall remove from the Primary License Area a tractor and tractor trailer which is parked in the southwest corner of the Primary License Area.

b. Licensee shall implement a policy whereby that certain pedestrian gate with a push button lock that is located between the Primary License Area and the Secondary License Area will only be kept unlocked during Preview days and Auction days, provided Licensor shall have the right to install a separate lock on this gate during times which are not permitted hereby and Licensee shall not remove Licensor's lock at any time and Licensor shall not be in default of this Agreement if it shall fail to remove the lock at any time.

c. Licensee shall not operate its electrified security fence during Licensor's daytime business hours.

24. Liens. Licensee shall keep the License Area free from any liens arising out of the any work performed, materials furnished or obligations incurred by Licensee. Licensor shall have the right to post and keep posted on the License Area any notices that may be provided by law or which Licensor may deem to be proper for protection from such liens.

25. Injunctive Relief. Licensee acknowledges and agrees that Licensor would not have an adequate remedy at law and would be irreparably harmed in the event any of the provisions of this License Agreement were not performed in accordance with its specific terms or were otherwise breached. Accordingly, Licensee agrees that Licensor shall be entitled to injunctive relief to prevent breaches of this License Agreement and to specifically enforce its terms in addition to any other remedy to which Licensor they may be entitled, at law or in equity.

26. Intentionally Deleted.

27. Indemnification.

a. Licensor shall not be liable to, and Licensee hereby waives all claims against Licensor, its affiliates, and each officer, director, employee and agent of Licensor or an Affiliates, for injury to or death of any person or damage to any property (i) occurring in or on the License Area by or from any cause whatsoever, or (ii) occurring in, on or about any area in the vicinity of the License Area by reason of any act or omission or any active, passive or concurrent negligence or fault of Licensee, whether or not any such injury, death or damage referred to in clause (i) or (ii) above may be caused in whole or in part by the passive negligence or fault, or in part by the active negligence or fault, of any of those in whose favor Licensee so waives such claims, and excepting in all cases only injury, death or damage caused solely by the negligence or willful misconduct of Licensor or its employees or agents.

b. As used in this Section 27, the term "Affiliate" shall mean Chevron Corporation or any company in which Chevron Corporation owns directly or indirectly at least fifty-one percent (51%) of the shares entitled to vote at a general election of directors.

c. Licensee agrees to defend, indemnify and hold harmless the Indemnitees, as hereinafter defined, against all liability, costs, claims, losses, damages, injuries and expenses (including without limitation any fines, penalties, judgments, litigation costs and

reasonable attorneys' fees) which the Indemnitees may sustain, incur or become liable for, including, but not limited to, injury to or death of any person, including the employees, agents, contractors, representatives, invitees of Licensee or of an Indemnitee, and loss of or damage to any property, including the property of Licensee or of an Indemnitee, arising out of or in any way connected with (a) the use of the License Area by, and the acts or omissions of, the Licensee or Licensee's employees, agents, contractors or invitees; (b) any breach by the Licensee of the terms, covenants or conditions of this License Agreement, regardless in all cases whether or not such liability, costs, claims, losses, damages, injury and expenses shall have been caused or contributed to by the passive, active or concurrent negligence, or alleged negligence of the indemnitees, unless such liability costs, claims, losses, damages, injuries or expenses are proximately caused by the sole negligence or willful misconduct of any indemnitee.

d. The term "Indemnitees" as used in this License Agreement shall collectively mean Licensor, its subsidiaries, any Affiliate and their respective directors, officers, agents and employees and the term "Indemnitee" shall mean either one of the foregoing Indemnitees.

e. Survival; No Release of Insurers. The indemnification obligations under this Section 27 shall survive the expiration or earlier termination of this License Agreement, and are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this License Agreement.

28. Insurance.

a. Licensee shall, at its sole cost and expense, obtain and keep in force during the Term fire and extended coverage insurance on Licensee's improvements, fixtures, furnishings and equipment in and upon the License Area in an amount not less than one hundred percent (100%) of the full replacement cost (without deduction for depreciation) thereof. All amounts received from said insurance shall be applied to the payment of the cost of repair or replacement of any of Licensee's improvements, fixtures, furnishings and equipment that may have been damaged or destroyed unless this License terminates prior to such repair or replacement being made, in which case the portion of such amounts representing improvements and fixtures which would have become Licensor's property pursuant to Section 19 hereof shall be paid over to Licensor, and the balance shall be retained by Licensee.

b. Without in any way limiting Licensee's liability pursuant to Sections 27(a) and 27(b) above, Licensee shall, at its sole cost and expense, obtain and keep in force during the Term hereof:

i. Workers' Compensation and Employers' Liability Insurance as prescribed by applicable law, which shall include a waiver of subrogation against the Indemnitees.

ii. Comprehensive or Commercial General Liability Insurance (Bodily Injury and Property Damage), including contractual liability to cover liability assumed under this License Agreement, with a limit of liability not less than One Million and No/100^{ths} Dollars ($1,000,000.00) combined single limit per occurrence, with contractual liability insurance to cover liability arising from the obligations of the License Agreement.

iii. Automobile Bodily Injury and Property Damage Liability Insurance, the limits of which shall not be less than One Million and No/100ths Dollars ($1,000,000.00) per person and One Million and No/100ths Dollars ($1,000,000.00) per occurrence for Bodily Injury and One Million and No/100ths Dollars ($1,000,000.00) Property Damage per occurrence. Such insurance shall cover automobiles in Licensee's inventory and extend to owned, non-owned, and hired automobiles used by the agents or contractors of License Agreement, and its or their employees, agents and/or subcontractors.

c. All insurance required under this Section 28 and all renewals thereof shall be issued by such responsible companies qualified to do and doing business in the State of California as may be approved by Licensor. Each policy shall expressly provide that the policy shall not be canceled or altered without **thirty (30) days'** prior written notice to Licensor. All insurance under this Section 28 shall name Licensor as an additional insured, shall be primary and noncontributing with any insurance which may be carried by Licensor, and shall expressly provide that Licensor, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Licensor, its employees and contractors. Upon the issuance thereof, each such policy or a duplicate or certificate thereof shall be delivered to Licensor for retention by it. Licensee shall not occupy the License Area or commence any improvements provided for in this License Agreement, if any, unless and until it has delivered the required policy or certificate of insurance to Licensor.

d. Licensee waives on behalf of its insurers under all policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the License Area, or any portion or any contents thereof, or any operations therein, or any area in the vicinity of the License Area, all rights of subrogation which any insurer might otherwise have to any claims of Licensee against Licensor. Licensor waives on behalf of its insurers under the policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the License Area or any property in the vicinity thereof or any portion thereof, or any operations therein, all rights of subrogation which any insurer might otherwise have to any claims of Licensor against Licensee in excess of the limits of any insurance carried by Licensee. Licensor and Licensee shall each, prior to or immediately after the execution of this License, procure from each of such insurers a waiver of all rights of subrogation which the insurer might otherwise have as against the other, to the extent required by this subsection. This subsection shall not be construed to require of Licensor or Licensee any insurance coverage not otherwise required by this License nor to waive any rights of recovery that either Licensor or Licensee may have directly against the other to the extent that any loss or damage giving rise to any such right of recovery is not actually covered by insurance. It is specifically understood and agreed by Licensee that notwithstanding any other provision of this License, Licensor may cover its obligations under this License through its financial resources and satisfy any required evidence of such through a Self-Administered Claims Letter to Licensee.

29. Destruction or Damage. If the License Area is damaged by fire or other casualty, Licensor shall, subject to the provisions of this Section 29 and provided such repairs can, in Licensor's opinion, be made within **sixty (60) days** following such damage, repair the same at its expense (unless such damage is caused by Licensee or any of its employees, invitees or licensees, in which event such repairs shall be made at Licensee's expense), and this License shall remain in full force and effect. If

such repairs cannot, in Licensor's opinion, be made within said **sixty (60) day** period, Licensor at its option shall by written notice to Licensee given within **sixty (60) days** after the date of such fire or other casualty either (1) elect to repair or restore such damage, this License continuing in full force and effect, or (2) terminate this License as of a date specified in such notice, which date shall not be less than **thirty (30) days** after the date such notice is given. If such fire or other casualty shall have damaged the License Area and if such damage is not the result of the negligence or willful misconduct of Licensee or Licensee's employees, invitees or licensees, then during the period the License Area are rendered unusable by such damage Licensee shall be entitled to a reduction in License Fee based on the extent to which the License Area may be rendered unusable by such damage. Licensor shall not be required to repair any injury or damage or to make any repairs or replacements of any improvements, alterations, additions or fixtures installed in the License Area by or for Licensee and Licensee shall, at Licensee's sole cost and expense, repair and restore its portion of such improvements, alterations, additions or fixtures.

30. Eminent Domain. If all or any part of the License Area shall be taken as a result of the exercise of the power of eminent domain or agreement in lieu thereof, this License shall terminate as to the part so taken as of the date of taking, and, in the case of a partial taking, either Licensor or Licensee shall have the right to terminate this License as to the balance of the License Area by giving written notice to the other within **thirty (30) days** after such date. In the event of any taking, Licensor shall be entitled to any and all compensation, damages, income, License Fee, awards, or interest therein whatsoever which may be paid or made in connection therewith, and Licensee shall have no claim against Licensor for the value of any unexpired term of this License or otherwise. In the event of a partial taking of the License Area which does not result in a termination of this License, the monthly License Fee thereafter to be paid shall be equitably reduced.

31. Assignment. Licensee shall not sell, assign or sublet this License Agreement or its license rights hereunder to any party without the prior written consent of Licensor, which consent may be withheld in Licensor's sole and absolute discretion, and any attempt by Licensee to do so without obtaining such consent shall be void and of no force or effect. Subject to the foregoing, this License Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

32. Licensor's Right of Entry. Licensor may enter the License Area at any reasonable time to (i) inspect the License Area, (ii) exhibit the License Area to prospective purchasers, lenders or Licensees, (iii) determine whether Licensee is complying with all its obligations hereunder, (iv) post notices and "for sale" signs in, on or about the License Area, (v) make repairs, (vi) repair, alter or otherwise prepare the License Area for re-occupancy if Licensee vacates the License Area prior to the expiration of the Term, and (vii) take any other measures, including inspections, maintenance, repairs, alterations, additions and improvements to the License Area as may be necessary or desirable for the safety, protection or preservation of the License Area or any property of Licensor in the vicinity of the License Area. Any such entry shall be for a reasonable period only and, if Licensee has not vacated the License Area, cause as little interference to Licensee as reasonably possible. Licensee hereby waives any claim for damages for any injury or inconvenience to or interference with Licensee's business, any loss of occupancy or quiet enjoyment of the License Area or any other loss occasioned by such entry. Licensor shall at all times have and retain a key with which to unlock the gate to the License Area, and Licensor shall have the right to use any and all means which Licensor may deem proper in an emergency in order to obtain entry to the License Area, and any entry to the License Area obtained by Licensor by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or

a detainer of the License Area or an eviction, actual or constructive, of Licensee from the License Area, or any portion thereof.

33. Abandonment. If Licensee shall abandon or surrender the License Area, or be dispossessed by process of law or otherwise, any personal property belonging to Licensee and left on the License Area shall be deemed to be abandoned, and, at the option of Licensor, Licensor may sell or otherwise dispose of such personal property in any commercially reasonable manner.

34. Sale. In the event Licensor shall sell or convey the Property, then this License Agreement shall terminate automatically upon the closing and transfer of title from Licensor to the new owner. Licensor will use reasonable efforts to provide Licensee with **ninety (90) days** advance notice of the closing date of any sale of the Property to a third party buyer.

35. Overdue Payments. Licensee acknowledges that late payment by Licensee to Licensor of the License Fee, or any other amount required to be paid under this License will cause Licensor to incur costs not contemplated by this License Agreement, if any, the exact amount of which is extremely difficult and impracticable to ascertain. Such costs include, without limitation processing and accounting charges, and late charges that may be imposed on Licensor by virtue of its debt obligations, if any. Accordingly, if Licensee fails to make any of such payments within **ten (10) days** after such payment is due, Licensee shall pay an additional charge equal to the greater of (i) interest on such payment, from the date due until paid, at the greater of (a) the "Reference Rate" of interest announced by the Bank of America N.T.&S.A., as in effect from day to day, plus five percent (5%) per annum, or (b) the maximum rate permitted by law, or (ii) One Hundred and No/100^{ths} Dollars ($100.00).

36. Real Estate Brokers. Licensee warrants and represents that licensee has not utilized any broker or real estate agent in connection with this transaction and that licensee has not authorized or employed, or acted by implication to authorize or to employ, any real estate broker or agent to act for licensee in connection with this license. Licensee shall hold licensor harmless from and indemnify and defend licensor against any and all claims by any real estate broker or salesman for a commission or finder's fee as a result of licensee's entering into this license.

37. Attorneys' Fees. If any legal or equitable action or proceeding is instituted to enforce any provisions of this License Agreement, the Party prevailing in such action shall be entitled to recover from the losing Party all of its costs, including court costs and reasonable attorneys fees.

38. Governing Law. This License Agreement and the terms hereof shall be governed by and construed in accordance with the laws of the State of California.

39. Alternative Dispute Resolution.

a. Matters Covered. Except as provided in Section 39(b), any controversy between the Parties arising out of this License, or breach thereof, shall be subject to the mediation process described below. If not resolved by mediation, the matter shall then be submitted to the American Arbitration Association ("AAA") for arbitration.

b. Matters Not Covered. The provisions of this Section 39 shall not apply to any controversy, breach or any other matter which, if resolved in favor of Licensor, would entitle Licensor to recover possession of the License Area from Licensee under unlawful detainer proceedings or

otherwise or which would cause immediate harm or injury to Licensor or any third party or which by the terms of this Agreement must be resolved in a specific time period.

c. Mediation; Arbitration. A meeting shall be held promptly between the Parties to attempt in good faith to negotiate a resolution of the dispute. The meeting shall be attended by individuals with decision-making authority regarding the dispute. If within thirty (30) days after such meeting the Parties have not succeeded in resolving the dispute, they shall, within thirty (30) days submit the dispute to a mutually acceptable third-party mediator who is acquainted with dispute resolution methods. Licensor and Licensee will participate in good faith in the mediation and the mediation process. The mediation shall be non-binding. If the dispute is not resolved by mediation, either Party may initiate an arbitration with the AAA, and the dispute shall be resolved by binding arbitration under the rules and administration of the AAA, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Neither Party shall be entitled to seek or recover punitive damages in considering or fixing any award under these proceedings.

d. Costs. The costs of the mediation and arbitration, including any mediator's fees, AAA administration fee, the arbitrator's fee, and costs for the use of facilities during the hearings, shall be borne equally by the Parties. Attorneys' fees may be awarded to the prevailing or most prevailing Party at the discretion of the arbitrator.

e. Discovery. The provisions of Sections 1282.6, 1283, and 1283.05 of the California Code of Civil Procedure shall apply to the arbitration.

f. Attorneys' Fees and Expenses. In any dispute between the Parties not resolved by mediation or arbitration, the prevailing Party shall be entitled to recover from the other Party all of the costs incurred by the prevailing Party as a result of the dispute, including reasonable attorneys' fees.

g. Attorneys' Fees. If any legal or equitable action or proceeding is instituted to enforce any provisions of this License Agreement, the Party prevailing in such action shall be entitled to recover from the losing Party all of its costs, including court costs and reasonable attorneys fees.

h. **NOTICE: BY INITIALLING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION" PROVISIONS OF THIS SECTION 39 DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALLING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION" PROVISIONS OF THIS SECTION 39. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.**

i. **WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE**

"ARBITRATION" PROVISIONS OF THIS SECTION 39 TO NEUTRAL ARBITRATION.

LICENSOR: SAS **LICENSEE:**

40. Notices. Whenever notice is to be given under the terms of this License Agreement, such notice shall be in writing and shall be deemed to have been given when addressed to the addresses set forth hereinbelow to the Party to receive such notice and (i) deposited in the United States mail, certified or registered mail, return receipt requested; (ii) deposited with a nationally recognized overnight courier service, (iii) transmitted by facsimile transmission (provided that such facsimile transmission is evidenced by a facsimile-generated confirmation receipt and a copy of such faxed notice is sent by overnight delivery as set forth above); (iv) transmitted by electronic e-mail transmission from the sender's valid e-mail address to the recipient's valid e-mail address and provided the recipient acknowledges receipt of said transmission notice by e-mail reply or any other method permitted by this Section 40 and photocopies of said e-mail communications are sent by overnight delivery to the recipient as set forth above; or (iv) personally delivered. When notice is to be received hereunder, such notice shall be deemed received on the date indicated on the mail return receipt as having been delivered, or on the date delivered by overnight courier, or date of personal delivery. The Parties hereto may at any time designate a new address for purposes of receiving notice by giving written notice as hereinabove set forth. The address for Licensor and Licensee is as follows::

If to Licensor:

Chevron U.S.A. Inc.
c/o Chevron Business and Real Estate Services
6001 Bollinger Canyon Road, Building V
San Ramon, CA 94583

Attention: Leasing Manager

If to Licensee:

Saadeh Corporation
dba Alameda County Auction
6438 Sierra Court
Dublin, CA 94568

Attention: Adel Saadeh, President

With a copy to:

Richard M. Osborne, Esq.
137 St. Malo Ct.
Martinez, CA 94553

41. Waiver. The waiver by Licensor or Licensee of any breach of any agreement, covenant, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, covenant, condition or provision herein contained, nor shall any custom or practice between Licensor and Licensee in the administration of this License be construed to waive or to lessen the right of Licensor or Licensee to insist upon the performance by

Licensor or Licensee in strict accordance with this License. The subsequent acceptance of License Fee hereunder by Licensor or the payment of License Fee by Licensee shall not be deemed to be a waiver of any preceding breach by Licensor or Licensee of any agreement, covenant, condition or provision of this License, other than the failure of Licensee to pay the particular License Fee so accepted, regardless of Licensor's or Licensee's knowledge of such preceding breach at the time of acceptance or payment of such License Fee.

42. Complete Agreement. There are no oral agreements between Licensor and Licensee affecting this License, and this License supersedes and cancels any and all previous negotiations, arrangements, brochures, letters of intent, agreements and understandings. This License may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Licensor and Licensee.

43. Authority. Each person executing this License on behalf of Licensee does hereby covenant and warrant that each person signing this License on behalf of Licensee is duly authorized to do so.

44. Conflicts of Interest; Right to Audit. Conflicts of interest relating to this License are strictly prohibited. Except as otherwise expressly provided herein, neither Licensee nor any director, employee or agent of Licensee, shall give to or receive from any director, employee or agent of Licensor any gift, entertainment or other favor of significant value, or any commission, fee or rebate. Likewise, neither Licensee nor any director, employee or agent of Licensee shall enter into any business relationship with any director, employee or agent of Licensor (or of any affiliate of Licensor), unless such person is acting for and on behalf of Licensor, without prior written notification thereof to Licensor. Any representative(s) authorized by Licensor may audit any and all records of Licensee for the sole purpose of determining whether there has been compliance with this Section.

45. Hazardous Materials.

a. Licensee will (i) obtain and maintain in full force and effect all Environmental Permits (as defined below) that may be required from time to time under any Environmental Laws (as defined below) applicable to Licensee, the Permitted Uses or the License Area and (ii) be and remain in compliance in with all terms and conditions of all such Environmental Permits and with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in all Environmental Laws applicable to Licensee, the Permitted Uses or the License Area. As used in this License Agreement, the term "Environmental Law" means any past, present or future federal, state or local statutory or common law, or any regulation, ordinance, code, plan, order, permit, grant, franchise, concession, restriction or agreement issued, entered, promulgated or approved thereunder, relating to (a) the environment, human health or safety, including, without limitation, emissions, discharges, releases or threatened releases of Hazardous Materials (as defined in Section 45(b) hereinafter below) into the environment (including, without limitation, air, surface water, groundwater or land), or (b) the manufacture, generation, refining, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport, arranging for transport, or handling of Hazardous Materials. "Environmental Permits" means, collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with, any Environmental Law.

b. Except for petroleum products which are used in the operation of motor vehicles parked in the License Area, ordinary and general office supplies, such as copier toner, liquid paper, glue, ink and common cleaning materials and, to the extent approved in writing by Licensor, materials reasonably necessary for the conduct of Licensee's business that are used and stored in compliance with all Environmental Laws (some or all of which may constitute "Hazardous Materials" as defined in this License Agreement), Licensee agrees not to cause or permit any Hazardous Materials to be brought upon, stored, used, handled, generated, released or disposed of on, in, under or about the License Area by Licensee, its agents, employees, assignees, sub-licensees, contractors or invitees (collectively, "Licensee's Parties"), without the prior written consent of Licensor, which consent Licensor may withhold in its sole and absolute discretion. Upon the expiration or earlier termination of this License Agreement, Licensee agrees to promptly remove from the License Area, at its sole cost and expense, any and all Hazardous Materials, including any batteries, equipment or systems containing Hazardous Materials which are installed, brought upon, stored, used, generated or released upon, in, under or about the License Area by Licensee or any of Licensee's Parties or other persons or entities. To the fullest extent permitted by law, Licensee shall promptly indemnify, protect, defend and hold harmless Licensor and Licensor's members, partners, officers, directors, employees, agents, successors and assigns (collectively, "Licensor Indemnified Parties") from and against any and all claims, damages, judgments, suits, causes of action, losses, liabilities, penalties, fines, expenses and costs (including, without limitation, clean-up, removal, remediation and restoration costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees and court costs) which arise or result from the presence of Hazardous Materials on, in, under or about the License Area and which are caused or permitted by Licensee or any of Licensee's Parties. Licensee shall promptly notify Licensor of any release of Hazardous Materials which Licensee becomes aware of during the Term of this License Agreement, whether caused by Licensee or any other persons or entities, and, immediately upon knowledge of any personal injury or property damage alleged to be

attributable to Hazardous Materials. In the event of any release of Hazardous Materials caused or permitted by Licensee or any of Licensee's Parties or any other persons or entities, Licensor shall have the right, but not the obligation, to cause Licensee to immediately take all steps Licensor reasonably deems necessary or appropriate to remediate such release and prevent any similar future release to the satisfaction of Licensor and Licensor's mortgagee(s); provided, however, prior to taking any such steps, Licensor shall first provide Licensee with reasonable written notice of its intent to take such steps and provide Licensee with a reasonable opportunity to remediate such release and prevent any similar future release. At all times during the Term of this License Agreement, Licensor will have the right, but not the obligation, to enter upon the License Area to inspect, investigate, sample and/or monitor the License Area to determine if Licensee is in compliance with the terms of this License Agreement regarding Hazardous Materials. In the event there has been an actual violation of this Section, Licensee shall, upon the request of Licensor, cause to be performed an environmental audit of the License Area at Licensee's expense by an environmental consulting firm reasonably acceptable to Licensor. As used in this License Agreement, the term "Hazardous Materials" shall mean and include any hazardous or toxic materials, substances or wastes as now or hereafter designated or regulated under any law, statute, ordinance, rule, regulation, order or ruling of any agency of the State of California, the United States Government or any local governmental authority, including, without limitation, asbestos, petroleum, petroleum hydrocarbons and petroleum based products, urea formaldehyde foam insulation, polychlorinated biphenyls ("PCBs"), and freon and other chlorofluorocarbons. The provisions of this Section shall survive the expiration or earlier termination of this License Agreement.

c. Nothing contained herein shall create a duty upon Licensor to conduct such investigations or to take any warranted remedial actions and Licensor shall have no liability for failure to do so.

d. Licensee hereby agrees to release, indemnify and hold Licensor harmless from and against any and all losses, damages, costs or expenses whatsoever (including attorney's fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, and claims therefor which may arise on account of or in any way connected with Licensee's having hazardous materials on the License Area.

46. No Partnership. Licensor does not, in any way or for any purpose, become a partner of Licensee in the conduct of its business, or otherwise, or joint venturer or a member of a joint enterprise with Licensee by reason of this License.

47. Non-Discrimination. Licensee acknowledges and agrees that there shall be no discrimination against, or segregation of, any person, group of persons, or entity on the basis of race, color, creed, religion, age, sex, marital status, national origin, or ancestry in the occupancy, tenure, use, or enjoyment of the License Area, or any portion thereof.

48. Miscellaneous. If there be more than one person or entity constituting the Licensee, the obligations hereunder imposed upon the Licensee shall be joint and several. Time is of the essence of this License and each and all of its provisions. If any provision of this License shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this License and all such other provisions shall remain in full force and effect. This License shall be governed by

and construed in accordance with the law of the State of California, without regard to the principles of conflicts of law.

IN WITNESS WHEREOF, Licensor and Licensee have executed this License Agreement as of the Effective Date first set forth above.

"Licensor"	"Licensee"
Chevron U.S.A. Inc., a Pennsylvania corporation, acting by and through its division, Chevron Business and Real Estate Services	Saadeh Corporation a California corporation, doing business as Alameda County Auction
By: Steven A. Berg Signature	By: Signature
Print Name: Steven A. Berg	Print Name: Adel Saadeh
Title: Assistant Secretary	Title: Pres

EXHIBIT "A"

Property

The land referred to herein is described as follows:

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF ALAMEDA, TOWNSHIP OF PLEASANTON, UNINCORPORATED, DESCRIBED AS FOLLOWS:

PARCEL 1:

COMMENCING AT THE MOST WESTERN CORNER OF AREA 7, AS SAID AREA IS DESCRIBED IN THAT CERTAIN INSTRUMENT NO. AZ/60836, ALAMEDA COUNTY RECORDS, SAID CORNER BEING ON THE NORTHERN LINE OF DUBLIN BOULEVARD, AS DESCRIBED IN THE INSTRUMENT DATED AUGUST 19, 1964, RECORDED AUGUST 28, 1964, ON REEL 1298, IMAGE 14, INSTRUMENT NO. AW/138892, ALAMEDA COUNTY RECORDS; THENCE ALONG THE LAST NAMED LINE, SOUTH 72° 43' 54" EAST 642.31 FEET; THENCE LEAVING SAID NORTHERN LINE OF DUBLIN BOULEVARD, FROM A TANGENT THAT BEARS SOUTH 72° 43' 54" EAST, ALONG THE ARC OF A 50 FOOT RADIUS CURVE TO THE LEFT, THROUGH AN ANGLE OF 90° 00' 00", A DISTANCE OF 78.54 FEET; THENCE TANGENT TO SAID CURVE, NORTH 17° 16' 06" EAST, 50.00 FEET TO THE BEGINNING OF A TANGENT 1000 FOOT RADIUS CURVE TO THE RIGHT; THENCE ALONG SAID CURVE, 61.93 FEET, THROUGH AN ANGLE OF 3° 32' 54"; THENCE TANGENT TO SAID CURVE, NORTH 20° 49' 00" EAST 105.65 FEET TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 69° 11' 00" WEST 555.87 FEET; THENCE NORTH 20° 49' 00" EAST 344.03 FEET; THENCE NORTH 19° 40' 15" EAST 100.02 FEET; THENCE NORTH 20° 49' 00" EAST 605.97 FEET; THENCE SOUTH 69° 11' 00" EAST 557.87 FEET; THENCE SOUTH 20° 49' 00" WEST 1050.00 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM, ALL OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN AND UNDER OR THAT MAY BE PRODUCED FROM A DEPTH BELOW 500 FEET FROM THE SURFACE OF SAID LAND, WITHOUT RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND FOR THE PURPOSE OF MINING, DRILLING, EXPLORING OR EXTRACTING SUCH OIL, GAS, MINERALS AND OTHER HYDROCARBON SUBSTANCES FOR OTHER USE OF OR RIGHTS IN OR TO ANY PORTION OF THE SURFACE OF SAID LAND TO A DEPTH OF 500 FEET BELOW THE SURFACE THEREOF, AS RESERVED IN THE DEED FROM VOLK MC LAIN COMMUNITIES, INC., TO QUALIFIED INVESTMENTS, INC., RECORDED JUNE 27, 1967, REEL 1988, IMAGE 207, INSTRUMENT NO. AZ/60836, ALAMEDA COUNTY RECORDS.

ALSO EXCEPTING THEREFROM:

ALL WATER RIGHTS, INCLUDING THE RIGHT TO USE SUBTERRANEAN WATERS, TOGETHER WITH ANY PIPES, PIPE LINES, WELLS OR OTHER EQUIPMENT RELATING TO THE USE OF OR EXTRACTION OF WATER FROM OR UNDER SAID PROPERTY, BUT WITHOUT THE RIGHT OF ENTRY UPON THE SURFACE OF SAID PROPERTY, IN CONNECTION WITH SUCH RIGHTS.

Dublin Blvd & Sierra Ct
Dublin Blvd
Alamo Canal
Sierra Court
Dougherty Road
© 1997-2004 PhotoUSA

EXHIBIT "B"

Primary License Area

Exhibit "B"

Primary License Area

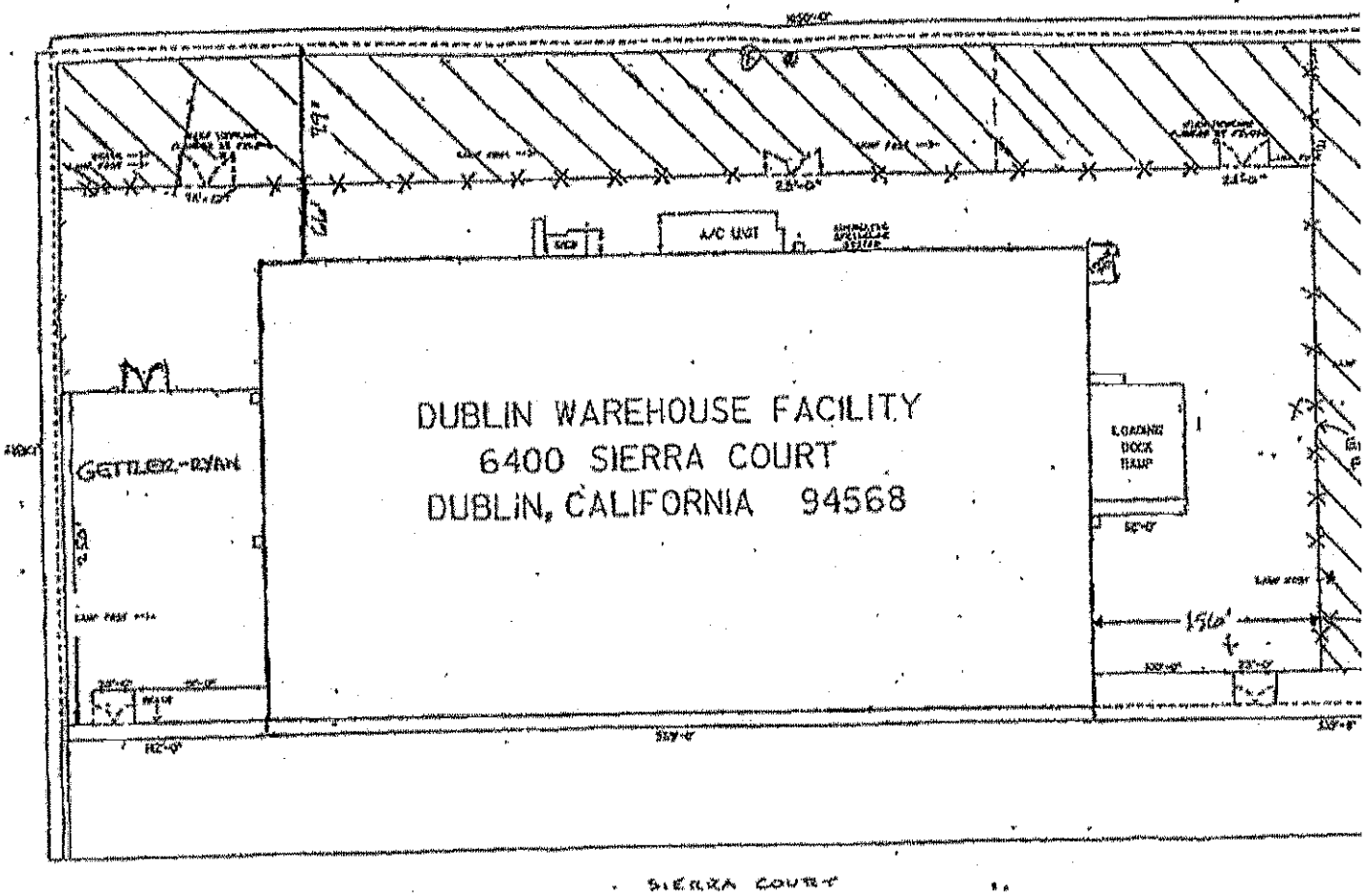


EXHIBIT "C"

Secondary License Area

Exhibit "C"

Secondary License Area

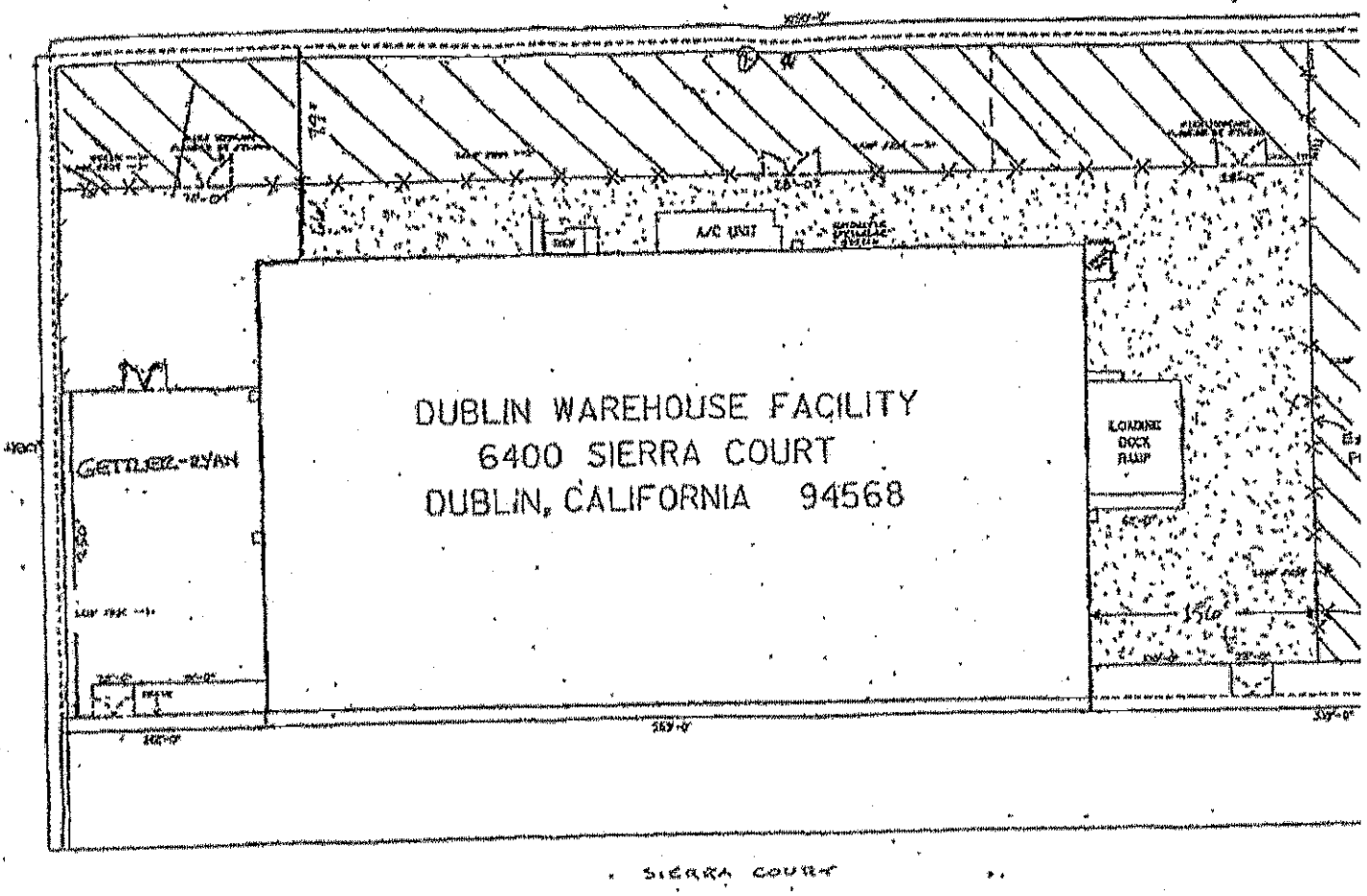


EXHIBIT "D"

Form of Request for Alterations or Improvements to Primary License Area

[See attached form of Request for Alterations or Improvements to Primary License Area.]

Request for Alterations or Improvements to Primary License Area

Date: _____

TO: Chevron U.S.A. Inc.
Attention: Chevron Business and Real Estate Services

Re: License Agreement dated July 1, 2005
6438 Sierra Court
Dublin, CA 94568

Pursuant to Section 19 of the referenced License Agreement, the undersigned Licensee requests the consent of Chevron U.S.A. Inc., as Licensor, to perform the following alterations or improvements at Licensee's sole cost and expense:

_____
_____
_____
_____
_____
_____
_____
_____

Approximate Cost: $_____

Name and Address of Contractor and Design Professionals:

_____
_____
_____
_____
_____
_____
_____
_____

[Continued.]

Please indicate by

City or County Permits either 1) ☐ **have been**, 2) ☐ **will be**, or 3) ☐ **are not required** under this request.

"Licensee"
Saadeh Corporation, a California corporation, doing business as Alameda County Auction

By: _____
Signature
Print Name: Adel Saadeh

Title: _____

ACKNOWLEDGED AND AGREED:

"Licensor"
Chevron U.S.A. Inc.,
a Pennsylvania corporation, acting by and through its division, Chevron Business and Real Estate Services

By: _____
Signature
Print Name: _____

Title: _____

PARKING LOT LEASE

THIS LEASE, made effective September 1, 1993, by and between CHEVRON U.S.A. INC., a Pennsylvania corporation, ("Landlord") and GETTLER-RYAN, INC., a California corporation ("Tenant"),

WITNESSETH:

1. LEASE SUMMARY

As used herein, the following terms shall have the meanings set forth opposite them. Other terms may be defined in other parts of this Lease.

1.1 Premises: The Parking Lot described as "Storage Yard" on the site plan shown on Exhibit A attached hereto, containing approximately Thirty-Six Thousand Two Hundred Fifty (36,250) square feet, including the appurtenant right to use, in common with others, the entries, sidewalks, curb areas, driveways, parking areas, and other public portions of the area surrounding the Premises, if any, including but not limited to any and all roads and steps adjacent to or in the vicinity of the Premises. It is understood and agreed, moreover, that during normal working hours Tenant and Tenant's licensees, invitees, agents, contractors, subcontractors, officers, directors, and employees may utilize at their sole cost, risk and expense parking areas of Landlord immediately adjacent to the Premises.

1.2 Term: Five (5) years from the Commencement Date.

1.3 Commencement Date: September 30, 1993.

1.4 Expiration Date: Five (5) years after the Commencement Date.

1.5 Renewal: In accordance with Section 30 below, this Lease may be renewed for a period of three (3) years from the Expiration Date.

1.6 Rent: One Thousand Four Hundred Fifty Dollars ($1,450.00) per month during the first twelve (12) months of the Term. At the end of the first twelve (12) months and every twelve (12) months thereafter, the Rent shall be adjusted, based upon changes in the Consumer Price Index, All Urban Consumers, San Francisco Bay Area, unadjusted for seasonal variation, published by the United States Department of Labor, Bureau of Labor Statistics. No adjustment of Rent shall exceed five percent (5%) of the Rent for the preceding twelve (12) month period.

1.7 Permitted Use: The Premises shall be used for the sole purposes of storage of equipment related to Tenant's business activities, and motor vehicles.

1.8 Landlord's Address:

CHEVRON U.S.A. INC.
c/o Chevron Real Estate
Management Company
225 Bush Street
San Francisco, CA 94104
Attention: Leasing Manager

1.9 Tenant's Address:

Gettler-Ryan, Inc.
2150 West Winton Avenue
Hayward, CA 94545

1.10 Notice Period: Notwithstanding any other provision of this Lease, either Landlord or Tenant may terminate this Lease upon one hundred eighty (180) days' prior written notice to the other given in accordance with Section 24 below.

2. LEASE OF PREMISES; USES

Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term and subject to the provisions hereinafter set forth. The Premises shall be used only for the Permitted Use. Tenant shall in its use and enjoyment of the Premises observe and abide by, and shall require each of its employees, licensees and invitees to observe and abide by, all laws, statutes, ordinances, rules and regulations, as well as any certificates of operation or any recorded document affecting the Premises. Tenant shall not do or permit to be done in or about the Premises anything which will in any way increase the existing rate of or affect any fire or other insurance upon any property of Landlord in the vicinity of the Premises. Neither Tenant nor any of its employees, licensees or invitees shall do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of Landlord, its officers, directors, licensees, agents, invitees, contractors, and subcontractors to have rights of access to and from property of Landlord in the vicinity of the Premises, or injure or annoy them, nor shall Tenant nor any of its employees, licensees or invitees cause, maintain or permit any nuisance in, on or about the Premises or commit or suffer to be committed any waste in, on or about the Premises. Landlord hereby reserves a perpetual right of way over the Premises to allow Landlord permanent access to property of Landlord in the vicinity of the Premises.

3. TERM; COMPLETION OF IMPROVEMENTS

The Term shall begin on the Commencement Date, and, unless sooner terminated or extended as hereinafter provided, shall end on the Expiration Date. If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, but in that event, and excepting cases where delays are caused by Tenant, Rent shall be waived for the period between the Commencement Date and the time when Landlord can deliver possession. No delay shall extend the Term or the Expiration Date.

In consideration for the lease of the Premises to Tenant, Tenant shall prior to the Commencement Date construct a chain link fence around the Premises to the reasonable satisfaction of Landlord in accordance with the Site Plan attached hereto and made a part hereof as Exhibit A. All such improvements shall be completed prior to the Commencement Date to the reasonable satisfaction of Landlord. At the end of the Term of this Lease, as such may be renewed in accordance with the terms and conditions hereof, all right and title to the chain-link fence constructed by Tenant around the Premises shall revert to Landlord.

4. RENT

Tenant shall pay the Rent specified in Section 1.6 above adjusted from time to time as described below, to the Landlord on the first day of each calendar month or part thereof during the Term. If either the Term or Rent commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for the fractional month shall be prorated. Rent shall be paid to Landlord, without deduction or offset, at Landlord's Address, or to such other person or at such other place as Landlord may from time to time designate in writing.

5. SERVICES

5.1 Landlord shall maintain Landlord's property in the vicinity of the Premises and the public portions of the Landlord's property in the vicinity of the Premises, such as the entries, sidewalks, curb areas, driveways and parking areas, in reasonably good order and condition (except for damage occasioned by the act of Tenant or employees, licensees or invitees of Tenant, which damage shall be repaired by Landlord at Tenant's expense).

5.2 If required for Tenant's use of the Premises, Tenant shall supply the Premises with and pay the full cost of: (i) sewage service, if any, and (ii) disposal service, if any, for a reasonable amount of garbage and waste generated by Tenant on the Premises.

5.3 Landlord shall supply Tenant with electricity for Tenant's use in, on or about the Premises; provided, however, that Tenant shall reimburse Landlord for the cost thereof as additional Rent hereunder on or before the first day of each calendar month or portion thereof during the Term of this Lease.

5.4 Landlord shall supply Tenant with water services for Tenant's use in, on or about the Premises, at Landlord's cost, so long as such usage is in reasonable amounts, as determined by Landlord in Landlord's sole and absolute discretion.

6. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with any and all rules and regulations concerning occupation and use of the Premises which may be adopted by Landlord in the reasonable exercise of its discretion.

7. ENVIRONMENTAL; REPAIRS

7.1 At the commencement of the Term of this Lease or a reasonable time thereafter, Landlord will perform at its expense a written baseline study of any environmental contamination of the Premises. Tenant shall provide Landlord with a report at the end of the Term, at Tenant's expense, by a contractor mutually agreed upon by Landlord and Tenant with expertise in conducting environmental assessments of real property, which shall indicate whether or not Hazardous Materials exist on the Premises which pose a significant threat to human health.

7.2 By entry hereunder, Tenant acknowledges the Premises as being in the condition in which Landlord is obligated to deliver the Premises, subject only to the completion or correction of minor items which do not materially impair the usability of the Premises by Tenant. Tenant shall, at all times during the Term hereof and at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, excepting ordinary wear and tear and excepting damage by fire, earthquake, act of God or the elements. Tenant shall at the end of the Term hereof surrender to Landlord the Premises and any alterations, additions and improvements thereto in the same condition as when received, but excepting ordinary wear and tear and also excepting damage by fire, earthquake, act of God or the elements. Landlord has no obligation and has made no promise to alter, improve, repair, decorate or paint the Premises. No representation respecting the condition of the Premises has been made to Tenant either by Landlord or any agent of Landlord except as specifically herein set forth.

8. ALTERATIONS

Tenant shall not alter or improve the Premises, or attach any fixtures or equipment thereto, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Tenant shall, at its sole cost and expense, alter or improve the Premises to comply with all applicable governmental laws, rules or regulations, and with the requirements of any insurer carrying fire, extended coverage, liability or other insurance covering the Premises. Any alterations or improvements to the Premises consented to by Landlord shall be made by Tenant at Tenant's sole cost and expense. The contractor or person selected by Tenant to make such alterations or improvements must be approved in writing by Landlord prior to commencement of any work. Landlord shall have the right but not the obligation to require that any such contractor hired by Tenant shall, prior

to commencing work on the Premises, provide Landlord with a performance bond and a labor and materials payment bond in the amount of the contract price for the work naming Landlord and Tenant (and any other person designated by Landlord) as co-obligees. All alterations, fixtures and improvements made in or upon the Premises by either Tenant or Landlord shall immediately become Landlord's property, and at the end of the Term hereof, shall, at Landlord's option, either remain on the Premises without compensation to Tenant or be removed by Landlord for Tenant's account. Tenant shall reimburse Landlord for the cost of such removal (including the cost of repairing any damage to the Premises or any building in the vicinity of the Premises caused by removal and a reasonable charge for Landlord's overhead) within ten (10) days after receipt of a statement therefor.

9. LIENS

Tenant shall keep the Premises free from any liens arising out of the any work performed, materials furnished or obligations incurred by Tenant. Landlord shall have the right to post and keep posted on the Premises any notices that may be provided by law or which Landlord may deem to be proper for protection from such liens.

10. INDEMNIFICATION AND INSURANCE; SUBROGATION

10.1 Landlord shall not be liable to, and Tenant hereby waives all claims against, Landlord, its affiliates, and each officer, director, employee and agent of Landlord or its affiliates, for injury to or death of any person or damage to any property (i) occurring in or on the Premises by or from any cause whatsoever, or (ii) occurring in, on or about any area in the vicinity of the Premises by reason of any act or omission or any active, passive or concurrent negligence or fault of Tenant, whether or not any such injury, death or damage referred to in clause (i) or (ii) above may be caused in whole or in part by the passive negligence or fault, or in part by the active negligence or fault, of any of those in whose favor Tenant so waives such claims, and excepting in all cases only injury, death or damage caused solely by the negligence or willful misconduct of Landlord or its employees or agents. As used in this Section 10, "affiliate" shall mean any corporation which controls, is controlled by or is under common control with Landlord, or any corporation resulting from the merger of or consolidation with Landlord.

10.2 Tenant shall indemnify and hold harmless Landlord, its affiliates, and each officer, director, employee and agent of Landlord or its affiliates (the "indemnitees"), from and against any and all claims or liability for injury to or death of any person (including employees of Tenant, Landlord, or any affiliate of Landlord) or damage to any property (including property belonging to Tenant or to Landlord) (i) occurring in or on the Premises by or from any cause whatsoever, or (ii) occurring in, on or about any area in the vicinity of the Premises, by reason of any act or omission or any active, passive or concurrent negligence or fault of Tenant, whether or not any such injury, death or damage referred to in clause (i) or (ii) above may be caused in whole or in part by the passive negligence or fault or in part by the active negligence or fault of any of said indemnitees; and excepting in all cases only injury, death or damage caused solely by the negligence or willful misconduct of any of said indemnitees. The obligations of indemnity set forth in this Section 10 shall survive termination of this Lease by expiration of the Term or otherwise.

10.3 Tenant shall, at its sole cost and expense, obtain and keep in force during the Term fire and extended coverage insurance on Tenant's improvements, fixtures, furnishings and equipment in and upon the Premises in an amount not less than one hundred percent (100%) of the full replacement cost (without deduction for depreciation) thereof. All amounts received from said insurance shall be applied to the payment of the cost of repair or replacement of any of Tenant's improvements, fixtures, furnishings and equipment that may have been damaged or destroyed unless this Lease terminates prior to such repair or replacement being made, in which case the portion of such amounts representing improvements and fixtures which would have become Landlord's property pursuant to Section 8 hereof shall be paid over to Landlord, and the balance shall be retained by Tenant.

10.4 Without in any way limiting Tenant's liability pursuant to Subsection 10.2 above, Tenant shall, at its sole cost and expense, obtain and keep in force during the Term hereof (i) Comprehensive or Commercial General Liability Insurance (Bodily Injury and Property Damage), including contractual liability to cover liability assumed under this Lease, with a limit of liability not less than one million dollars ($1,000,000) per occurrence; and (ii)

Automobile Bodily Injury and Property Damage Liability Insurance with a limit of liability not less than five hundred dollars ($500,000) per occurrence, extending to owned, non-owned, and hired vehicles.

10.5 All insurance required under this Section 10 and all renewals thereof shall be issued by such responsible companies qualified to do and doing business in the State of California as may be approved by Landlord. Each policy shall expressly provide that the policy shall not be canceled or altered without thirty (30) days' prior written notice to Landlord. All insurance under this Section 10 shall name Landlord as an additional insured, shall be primary and noncontributing with any insurance which may be carried by Landlord, and shall expressly provide that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord, its employees and contractors. Upon the issuance thereof, each such policy or a duplicate or certificate thereof shall be delivered to Landlord for retention by it. Tenant shall not occupy the Premises or commence any Tenant Improvements provided for in this Lease until it has delivered the required policy or certificate of insurance to Landlord.

10.6 Tenant waives on behalf of its insurers under all policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, or any area in the vicinity of the Premises, all rights of subrogation which any insurer might otherwise have to any claims of Tenant against Landlord. Landlord waives on behalf of its insurers under the policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the Premises or any property in the vicinity thereof or any portion thereof, or any operations therein, all rights of subrogation which any insurer might otherwise have to any claims of Landlord against Tenant in excess of the limits of any insurance carried by Tenant. Landlord and Tenant shall each, prior to or immediately after the execution of this Lease, procure from each of such insurers a waiver of all rights of subrogation which the insurer might otherwise have as against the other, to the extent required by this subsection. This subsection shall not be construed to require of Landlord or Tenant any insurance coverage not otherwise required by this Lease nor to waive any rights of recovery that either Landlord or Tenant may have directly against the other to the extent that any loss or damage giving rise to any such right of recovery is not actually covered by insurance. It is specifically understood and agreed by Tenant that notwithstanding any other provision of this Lease, Landlord may cover its obligations under this Lease through its financial resources and satisfy any required evidence of such through a Self-Administered Claims Letter to Tenant.

11. DESTRUCTION OR DAMAGE

If the Premises are damaged by fire or other casualty, Landlord shall, subject to the provisions of this Section and provided such repairs can, in Landlord's opinion, be made within sixty (60) days following such damage, repair the same at its expense (unless such damage is caused by Tenant or any of its employees, invitees or licensees, in which event such repairs shall be made at Tenant's expense), and this Lease shall remain in full force and effect. If such repairs cannot, in Landlord's opinion, be made within said sixty (60) day period, Landlord at its option shall by written notice to Tenant given within sixty (60) days after the date of such fire or other casualty either (1) elect to repair or restore such damage, this Lease continuing in full force and effect, or (2) terminate this Lease as of a date specified in such notice, which date shall not be less than thirty (30) days after the date such notice is given. If such fire or other casualty shall have damaged the Premises and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's employees, invitees or licensees, then during the period the Premises are rendered unusable by such damage Tenant shall be entitled to a reduction in Rent based on the extent to which the Premises may be rendered unusable by such damage. Landlord shall not be required to repair any injury or damage or to make any repairs or replacements of any improvements, alterations, additions or fixtures installed in the Premises by or for Tenant and Tenant shall, at Tenant's sole cost and expense, repair and restore its portion of such improvements, alterations, additions or fixtures.

12. EMINENT DOMAIN

If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain or agreement in lieu thereof, this Lease shall terminate as to the part so taken as of the date of taking, and, in the

case of a partial taking, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by giving written notice to the other within thirty (30) days after such date. In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise. In the event of a partial taking of the Premises which does not result in a termination of this Lease, the monthly Rent thereafter to be paid shall be equitably reduced. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

13. ASSIGNMENT AND SUBLETTING

Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, assign or sublease this Lease or any occupancy of the Premises by any person other than Tenant or its employees, invitees or licensees. Landlord and Tenant agree that Landlord's withholding of its consent to a sublease or assignment to or the use of occupancy of the Premises by one of Landlord's other tenants, if any, or a party with whom Landlord is negotiating to lease other space shall not be unreasonable. A consent by Landlord to any one assignment or subletting shall not constitute a consent to any other or subsequent assignment or subletting. Tenant shall provide Landlord with a copy of any assignment of this Lease or any sublease of the Premises and a copy of any document pursuant to which any such assignment or sublease may be made. Tenant shall pay or deliver over to Landlord, as additional Rent hereunder, any and all consideration received by Tenant in respect of any such assignment and any and all amounts received under any such sublease in excess of the Rent due under this Lease attributable to such portion of the Premises as is covered by such sublease and any and all other consideration received by Tenant in respect of any such sublease.

14. EVENTS OF DEFAULT

The occurrence of any one or more of the following events ("Event of Default) shall constitute a breach of this Lease by Tenant:

(a) If Tenant shall fail to pay any Rent, or additional Rent, or any other sum or charge payable by Tenant hereunder, when and as the same becomes due and payable; or

(b) If Tenant shall fail to perform or observe any other term or provision hereof or of the rules and regulations, if any, specified in Section 6 hereof, and such failure shall continue for more than ten (10) days; or

(c) If Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy or shall be adjudicated a bankrupt or insolvent; or

(d) If this Lease or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days; or

(e) If Tenant shall abandon the Premises.

15. REMEDIES

15.1 If an Event of Default shall occur, Landlord at any time thereafter may give a written termination notice to Tenant and on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination Landlord may recover from Tenant:

(i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

(iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

15.2 Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession pursuant to Subsection 15.1 above, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the Rent as it becomes due. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

15.3 If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Landlord on demand. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of Rent.

16. LANDLORD'S RIGHT OF ENTRY

In addition to the Right of Entry specified in the last sentence of Section 2 above, Landlord may enter the Premises at any reasonable time to (i) inspect the Premises, (ii) exhibit the Premises to prospective purchasers, lenders or tenants, (iii) determine whether Tenant is complying with all its obligations hereunder, (iv) post notices and "for sale" signs in, on or about the Premises, (v) make repairs, (vi) repair, alter or otherwise prepare the Premises for reoccupancy if Tenant vacates the Premises prior to the expiration of the Term, and (vii) take any other measures, including inspections, maintenance, repairs, alterations, additions and improvements to the Premises as may be necessary or desirable for the safety, protection or preservation of the Premises or any property of Landlord in the vicinity of the Premises. Any such entry shall be for a reasonable period only and, if Tenant has not vacated the Premises, cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. Landlord shall at all times have and retain a key with which to unlock the gate to the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper in an emergency in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises, or any portion thereof.

17. ABANDONMENT

If Tenant shall abandon or surrender the Premises, or be dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, and, at the option of Landlord, Landlord may sell or otherwise dispose of such personal property in any commercially reasonable manner.

18. HOLDING OVER

If, without objection by Landlord, Tenant holds possession of the Premises after expiration of the Term, Tenant shall become a tenant from month to month upon the terms herein specified at the then prevailing monthly Rent paid by Tenant at the expiration of the term of this Lease pursuant to the provisions of Section 4, payable in advance on or before the first day of each month. Each party shall give the other written notice at least thirty (30) days prior to the date of termination of such monthly tenancy of its intention to terminate such tenancy.

19. SALE

In the event the Landlord shall sell or convey the Premises, then all liabilities and obligations on the part of the Landlord accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding upon the new owner, and Tenant shall attorn to such new owner. Notwithstanding the foregoing, in the event that the Landlord is an affiliate of Chevron Corporation, and it sells the Premises to other than an affiliate of Chevron Corporation, the new owner and its successors and assigns shall have the right to terminate this Lease at any time upon sixty (60) days written notice to the Tenant.

20. ESTOPPEL CERTIFICATE

At any time and from time to time but on not less than ten (10) days' prior written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord, promptly upon request, a certificate stating:

(a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification);

(b) the date to which Rent and other sums payable hereunder have been paid;

(c) that, except as stated, no notice has been received by Tenant of any default which has not been cured;

(d) that, except as stated, Landlord is not in default hereunder; and

(e) such other matters as may be reasonably requested by Landlord.

Any such certificate may be relied upon by any actual or prospective purchaser, mortgagee, beneficiary under any deed trust encumbering, or landlord under any ground or other underlying lease covering any property of Landlord in the vicinity of the Premises or any part thereof.

21. OVERDUE PAYMENTS

Tenant acknowledges that late payment by Tenant to Landlord of the Rent, or any other amount required to be paid under this Lease will cause Landlord to incur costs not contemplated by this Lease, if any, the exact amount of which is extremely difficult and impracticable to ascertain. Such costs include, without limitation processing and accounting charges, and late charges that may be imposed on Landlord by virtue of its debt obligations, if any. Accordingly, if Tenant fails to make any of such payments within ten (10) days after such payment is due, Tenant shall pay an additional charge equal to the greater of (i) interest on such payment, from the date due until paid, at the lesser of (A) the "reference rate" of interest announced by the Bank of America N.T.&S.A., as in effect from day to day, plus five percent (5%) per annum, or (B) the maximum rate permitted by law, or (ii) one hundred dollars ($100).

22. REAL ESTATE BROKERS

Landlord recognizes CB Commercial as the procurring broker and agrees to pay CB Commercial a total sum of $4,850 (5% of total lease consideration) as commission payable upon execution of this lease agreement

~~Tenant warrants and represents that Tenant has not utilized any broker or real estate agent in connection with~~ this transaction and that Tenant has not authorized or employed, or acted by implication to authorize or to employ, ~~any real estate broker or agent to act for Tenant in connection with this Lease. Tenant shall hold Landlord harmless~~

~~from and indemnify and defend Landlord against any and all claims by any real estate broker or salesman for a commission or finder's fee as a result of Tenant's entering into this Lease.~~

23. ATTORNEYS' FEES

In the event of any legal or equitable action between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either Landlord or Tenant hereunder, the unsuccessful party shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred in such action or proceeding and in any appeal in connection therewith by such prevailing party, and any such costs, expenses and attorneys' fees shall be included in and as a part of any such judgment entered in favor of such prevailing party.

24. NOTICES

All notices and demands which may be or are required to be given by either Landlord or Tenant to the other hereunder shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified or registered, postage prepaid, and addressed as follows: to Tenant at Tenant's Address, or to such other place as Tenant may from time to time designate in a notice to Landlord, or delivered to Tenant at the Premises; to Landlord at Landlord's Address, or to such other place as Landlord may from time to time designate in a notice to Tenant. Tenant hereby appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices thereunder the person in charge of or occupying the Premises at the time and if no person shall be in charge of or occupying the Premises, then such service may be made by attaching the service on the main entrance of the Premises.

25. WAIVER

The waiver by Landlord or Tenant of any breach of any agreement, covenant, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, covenant, condition or provision herein contained, nor shall any custom or practice between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. The subsequent acceptance of Rent hereunder by Landlord or the payment of Rent by Tenant shall not be deemed to be a waiver of any preceding breach by Landlord or Tenant of any agreement, covenant, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance or payment of such Rent.

26. COMPLETE AGREEMENT

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, letters of intent, agreements and understandings. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord and Tenant.

27. CORPORATE AUTHORITY

Each person executing this Lease on behalf of Tenant does hereby covenant and warrant that (a) Tenant is duly incorporated and validly existing under the laws of the State of California, (b) Tenant has full corporate right and authority to enter into this Lease, and (c) each person signing this Lease on behalf of Tenant is duly authorized to do so.

28. MISCELLANEOUS

If there be more than one person or entity constituting the Tenant, the obligations hereunder imposed upon the Tenant shall be joint and several. Time is of the essence of this Lease and each and all of its provisions. The agreements, covenants, conditions and provisions herein contained shall, subject to Sections 13 and 19, apply to and

bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provision of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. This Lease shall be governed by and construed in accordance with the law of the State of California, without regard to the principles of conflicts of law.

29. CONFLICT OF INTEREST; RIGHT TO AUDIT

Conflicts of interest relating to this Lease are strictly prohibited. Except as otherwise expressly provided herein, neither Tenant nor any director, employee or agent of Tenant, shall give to or receive from any director, employee or agent of Landlord any gift, entertainment or other favor of significant value, or any commission, fee or rebate. Likewise, neither Tenant nor any director, employee or agent of Tenant shall enter into any business relationship with any director, employee or agent of Landlord (or of any affiliate of Landlord), unless such person is acting for and on behalf of Landlord, without prior written notification thereof to Landlord. Any representative(s) authorized by Landlord may audit any and all records of Tenant for the sole purpose of determining whether there has been compliance with this Section.

30. OPTION TO RENEW

30.1 Provided Tenant is not in default under this Lease, Tenant shall have and is hereby given the option to renew and extend this Lease for one (1) additional three (3) year period upon the terms, covenants, conditions, and provisions herein contained that are in effect as of the time of such renewal and extension, excepting Rent, to follow upon the expiration of the original Term of this Lease.

30.2 The option may be exercised by Tenant's giving Landlord notice of its irrevocable exercise of the same not less than forty-five (45) days' prior to the expiration date of the original Term hereof.

30.3 Tenant may renew this Lease and extend the Term hereof as to all (but not less than all) of the Premises that are, on the date of the exercise of the option, subject to this Lease.

30.4 The Rent payable during the renewal Term, shall be the greater of (i) the prevailing market rental rate for similar space and amenities in Alameda County, California as of the date of exercise of Tenant's election to renew, or (ii) the Rent being paid by Tenant at the end of the original Term hereof.

31. HAZARDOUS MATERIALS

Tenant shall not bring upon, cause to be brought upon, or generate on the Premises, or any area in the vicinity of the Premises any "hazardous materials". Landlord shall have the right to enter the Premises at any time in order to investigate the use, mishandling and/or release of hazardous materials. As used herein, the term "hazardous materials" means any hazardous or toxic substance, material or waste which is or may become regulated by any local governmental authority, the State of California or the United States government. The term "hazardous materials" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., (ii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., and (iii) petroleum and petroleum products.

Nothing contained herein shall create a duty upon Landlord to conduct such investigations or to take any warranted remedial actions and Landlord shall have no liability for failure to do so.

Tenant hereby agrees to release, indemnify and hold Landlord harmless from and against any and all losses, damages, costs or expenses whatsoever (including attorney's fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, and claims therefor which may arise on account of or in any way connected with Tenant's having hazardous materials on the Premises.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first hereinabove written.

LANDLORD:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation

By: _____

Title: Vice President

TENANT:

GETTLER-RYAN, INC.,
a California corporation

By: _____ 1 Sept 93

Title: President

THIRD AMENDMENT TO PARKING LOT LEASE

This THIRD AMENDMENT TO LEASE ("Third Amendment") is made and entered into as of the___ day of August, 2004 (the "Effective Date") by and between **Chevron U.S.A. Inc.**, a Pennsylvania corporation, acting by and through its division, ChevronTexaco Business and Real Estate Services, ("Landlord") and **Gettler-Ryan, Inc.**, a California corporation, ("Tenant"). The term "Parties" shall refer to Landlord and Tenant collectively and the word "Party" shall refer to either Landlord or Tenant, as the case may be.

RECITALS

A. Landlord and Tenant entered into that certain Parking Lot Lease ("Lease"), effective September 1, 1993, as amended by a Letter Agreement Re: Parking Lot Lease, dated September 21, 1998, and by a Second Amendment to Parking Lot Lease ("Second Amendment"), dated October 11, 2001, for certain premises owned by Landlord located at 6400 Sierra Court in the City of Dublin, County of Alameda, State of California.

B. Pursuant to Section 2 of the Second Amendment, Tenant has given Landlord notice of its exercise of an Option to Renew the Lease.

C. By this Third Amendment, Landlord and Tenant desire to set forth the terms for the renewal term of the Lease.

Now, therefore, in consideration of the mutual covenants and conditions set forth below and other good and valuable consideration, the Parties agree as follows:

AGREEMENT

1. Recitals. The Recitals are incorporated herein as true and correct statements of fact.

2. Defined Terms. Unless otherwise defined herein, defined terms shall have the meanings given them in the Lease.

3. Exercise of Option. Pursuant to Tenant's exercise of the option right of Tenant set forth in Section 2 of the Second Amendment, the Term of the Lease shall be extended for one (1) additional three (3) year period ("Extended Term") commencing October 1, 2004 ("Commencement Date") and expiring September 30, 2007 ("Termination Date").

4. Rent. Commencing on the Commencement Date, Rent shall be Two Thousand, Two Hundred Seventy-Three and 27/100ths Dollars ($2,273.27) per month for the first year of the Extended Term. Pursuant to Section 1.6 of the Lease, Rent for the second and third years of the Extended Term shall be adjusted annually based upon changes in the Consumer Price Index (CPI), All Urban Consumer, San Francisco Bay Area, unadjusted for seasonal variation, published by the United States Department of Labor, Bureau of Labor Statistics, using the methodology provided in Section 1.6 of the Lease.

5. No Other Modification. Except as expressly modified and amended by this Third Amendment, the Lease shall remain unmodified and in full force and effect and all terms, conditions, covenants and agreements of the Lease, as amended, shall continue to inure and to bind the respective Parties hereto for the Term provided by the Lease and any renewal thereof. In the event of any inconsistency between the terms of this Third Amendment and the Lease, the terms of this Third Amendment shall prevail.

In Witness Whereof, this Third Amendment has been executed and is effective as of the Effective Date referenced above.

"LANDLORD"

Chevron U.S.A. Inc.,
a Pennsylvania corporation,
acting by and through its division,
ChevronTexaco Business and Real Estate Services

By: _____
Signature

Print Name: K L Robertson

Title: Assistant Secretary

Date: 8/25/04

"TENANT"

Gettler-Ryan, Inc.,
a California corporation

By: _____
Signature

Print Name: JEFFREY M. RYAN

Title: PRESIDENT

Date: 19 AUG 2004

SECOND AMENDMENT TO PARKING LOT LEASE

CHEVRON U.S.A. INC., a Pennsylvania corporation ("Landlord"), and GETTLER-RYAN, INC., a California corporation ("Tenant"), entered into a Parking Lot Lease dated effective September 1, 1993, as amended by the Letter Agreement Re: Parking Lot Lease dated September 21, 1998 (the "Lease"), for the occupancy by the Tenant of certain premises owned by the Landlord and located at 6400 Sierra Court, City of Dublin, County of Contra Costa, State of California.

Landlord and Tenant desire to enter into this Second Amendment to Parking Lot Lease effective September 30, 2001, in order to confirm that Tenant has renewed the Lease, and to agree upon certain others matters related to the Lease. Accordingly, in consideration of the terms and conditions of this Second Amendment, Landlord and Tenant agree as follows:

1. Extended Term. The Term of the Lease is extended for one (1) additional three (3) year period (the "Second Extended Term").

2. Option to Renew. Tenant shall enjoy the option to renew the Lease for one (1) additional three (3) year period (the "Third Extended Term") subject to the terms and conditions set forth in Section 30 of the Lease.

3. Rent During Second Extended Term. The Rent payable by Tenant to Landlord for the first year of the Second Extended Term shall be Two Thousand Two Hundred Twenty and no/100 Dollars ($2,220.00) per month. Rent payable for the second and third years of the Second Extended Term shall be adjusted based upon changes in the Consumer Price Index, All Urban Consumers, San Francisco Bay Area, using the methodology provided by Section 1.6 of the Lease.

4. Broker's Fees. Landlord represents and warrants to Tenant that it has not used any broker or real estate agent in connection with the transaction which is the subject matter of this Second Amendment. Tenant represents and warrants to Landlord that it has not used any broker or real estate agent in connection with the transaction which is the subject matter of this Second Amendment. Both Tenant and Landlord shall indemnify, defend and hold the other harmless from and against all brokerage commissions or finder's fees, and claims therefor, payable in connection with the transaction which is the subject matter of this Second Amendment, resulting out of the acts or omission of such indemnifying party.

5. Landlord shall have the option to terminate the Lease upon sixty (60) days prior written notice if Landlord enters into an agreement to sell the Premises.

6. Section 1.1 of the Lease is amended upon commencement of the Second Extended Term to define the Premises as comprising the approximately thirty-four thousand six hundred forty-one (34,641) square feet shown on Exhibit A attached and incorporated herein.

7. Section 6 of the Lease is amended to read as follows:

> "Tenant shall faithfully observe and comply with any and all rules and regulations concerning occupation and use of the Premises which may be adopted by Landlord in the reasonable exercise of its discretion, including the Premises Rules and Regulations attached hereto and incorporated herein as Exhibit B."

8. Section 21 of the Lease is amended to provide that the last sentence thereof shall be deleted and the following substituted in its stead:

> "Accordingly, if Tenant fails to make any such payments within five (5) days after such payment is due, such past-due payments shall be subject to an interest charge of ten percent (10%) per annum.

9. Miscellaneous. Capitalized terms used herein shall have the same meaning given them in the Lease unless otherwise herein defined. Except as specifically amended hereby, all of the terms and conditions of the Lease shall be and remain in full force and effect.

EXECUTED as of the date first written above.

TENANT:

GETTLER-RYAN, INC.,
a California corporation

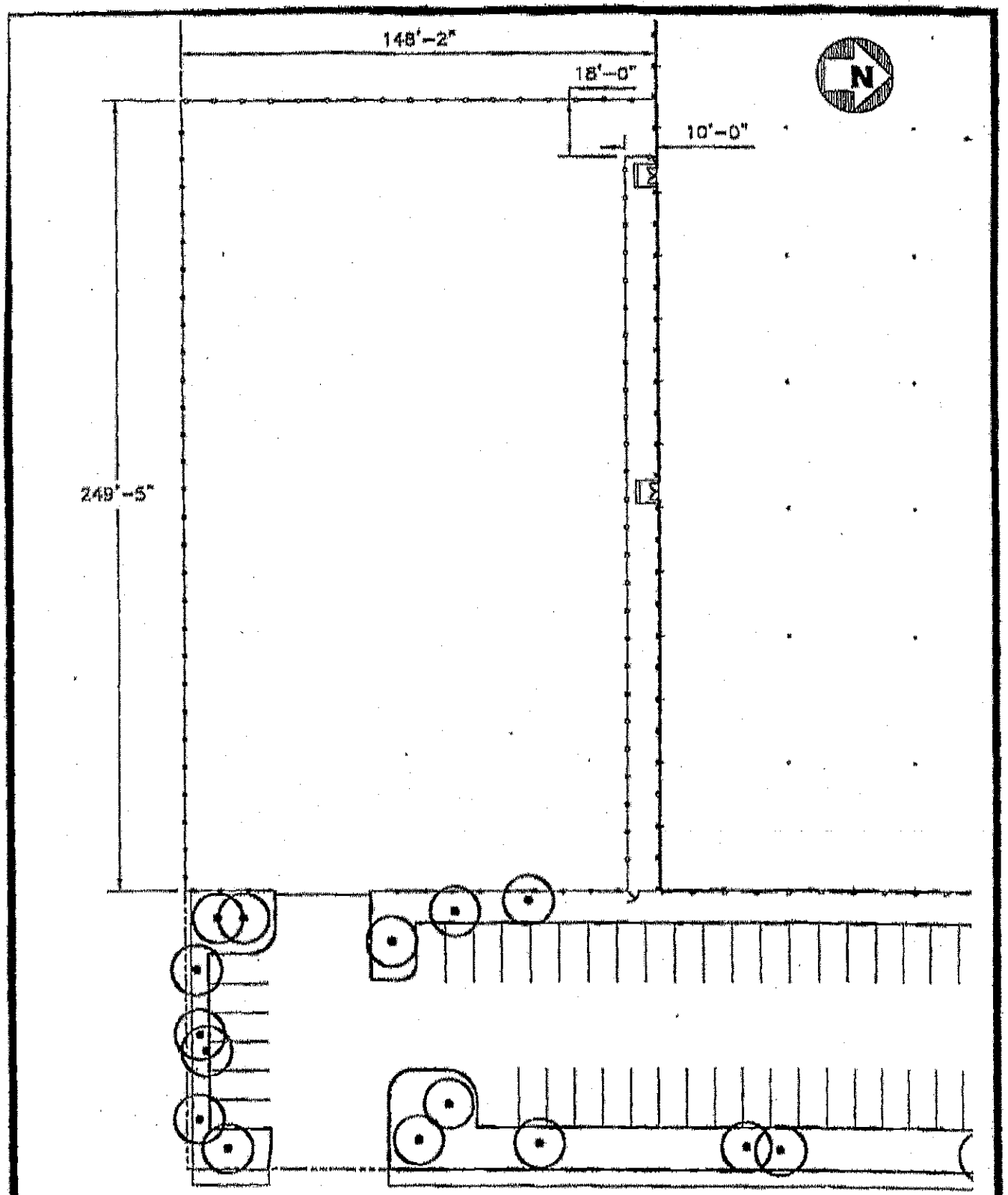
By: _____
Title: PRESIDENT
Date: OCT 8, 2001

LANDLORD:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation,
by its Chevron Business and
Real Estate Services division

By: _____
Title: Attorney In Fact
Date: 10/11/01

EXHIBIT A - DESCRIPTION OF THE PREMISES



DUBLIN WAREHOUSE - GETTLER-RYAN LEASE

6400 SIERRA LANE

SCALE: 1"=40'-0"

EXHIBIT B

PREMISES RULES AND REGULATIONS

(1) The entrance and exit ways shall not be obstructed or used for any purpose other than ingress and egress to and from the Premises. The Premises will be locked when not occupied by Tenant.

(2) Tenant or the employees, agents, servants, visitors or licensees of Tenant shall not at any time place, leave or discard any rubbish, paper, articles or objects of any kind whatsoever on the Premises. No animals or birds shall be brought onto the Premises.

(3) Landlord shall have the right to prohibit any advertising on the Premises by Tenant.

(4) Only workers employed, designated or approved by Landlord (such approval not to be unreasonably withheld) may be employed for repairs, installations, alterations, painting, material moving and other similar work that may be done on the Premises.

(5) Tenant shall not conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to the general public.

(6) Tenant shall not bring or permit to be brought or kept in or on the Premises any inflammable, combustible, corrosive, caustic, poisonous or explosive fluid, material, chemical or substance, or cause or permit any odors to permeate in or emanate from the Premises. Should Tenant desire to bring in any containers as above noted, Tenant shall contact CBRES for permission and instructions on how to properly store these containers. Additionally, Tenant is prohibited to dispose of any substances in all existing storm drains on the Premises.

(7) No boring or cutting in the surface of the parking area shall be permitted without prior written consent of Landlord (which consent shall not be unreasonably withheld) and as Landlord may reasonably direct.

(8) Tenant shall give immediate notice to Landlord in case of accidents in or on the Premises or of defects therein or in any fixtures or equipment or of any known emergency on the Premises.

(9) Tenant shall not place a load upon any portion of the paved surface of the parking area which exceeds the load per square foot which said surface is designed to carry and which is allowed by law.

(10) No portion of the Premises or any part of the Building shall at any time be occupied as sleeping or lodging quarters.

(11) Unauthorized use, possession, distribution, purchase, or sale of alcohol by any person while on Landlord's premises or while operating Landlord's equipment is prohibited. Any

person under the influence of alcohol (defined as a blood alcohol content of 0.04% or greater) is prohibited from entering Landlord's premises, engaging in Landlord's business, or operating Landlord's equipment.

(12) Use, possession, distribution, purchase, or sale of any controlled substance by any person while on Landlord's premises, engaged in Landlord's business, or while operating Landlord's equipment is prohibited. "Controlled substance" specifically includes: opiates, including heroin; hallucinogens, including marijuana, mescaline, and peyote; cocaine; PCP; any prescription drug, including amphetamines and barbiturates, which is not obtained and used under a lawfully issued prescription or which is not authorized by the Landlord's Medical Staff; any substance included in the Federal Controlled Substances Act and its regulations or any other substance that is unlawful under applicable law.

(13) Physical or verbal harassment including offensive comments or behavior of a sexual nature, physical violence, threats of harm, sexual or racial slurs, or derogatory statements or other actions which could result in an intimidating, hostile, or offensive work environment are prohibited.

(14) Removal of Landlord's property or possession of Landlord's property off Landlord's premises without authorization is prohibited.

(15) Smoking is not allowed on the Premises except as designated by Landlord in its sole and absolute discretion.

(16) Additional actions prohibited on Landlord's premises:

a. Gambling in any form.

b. Fighting, wrestling, horseplay, or practical jokes.

c. Possession of pornographic material.

d. Possession of firearms, ammunition, or explosives.

e. Harassment in any form.

f. Not complying with environmental rules and regulations.

(17) Tenant shall require that all of its employees and invitees participate in all safety and emergency drills that are conducted by Landlord, the fire department or any other governmental agency with authority.

In the event of any conflict between the express terms and provisions of the Lease and the Building Rules and Regulations, the express terms and conditions of the Lease shall control over the conflicting terms and provisions of the Building Rules and Regulations.

September 21, 1998

Chevron

Chevron Real Estate
Management Company
A Division of Chevron U.S.A. Inc.
P.O. Box 4619
Houston, TX 77210

Gettler-Ryan, Inc.
6747 Sierra Court, Suite J
Dublin, CA 94568

LETTER AGREEMENT RE: PARKING LOT LEASE

CHEVRON U.S.A. INC., a Pennsylvania corporation ("Landlord"), and GETTLER-RYAN, INC., a California corporation ("Tenant"), entered into a Parking Lot Lease dated effective September 1, 1993 (the "Lease") for the occupancy by the Tenant of certain premises owned by the Landlord commonly known as the Dublin Warehouse located at 6400 Sierra Court, City of Dublin, County of Contra Costa, State of California.

The Landlord and Tenant desire to enter into this Letter Agreement in order to confirm that the Tenant has exercised its option to renew the Term pursuant to Section 30 of the Lease, and to agree upon certain other matters related to the Lease. Accordingly, in consideration of the terms and conditions of this Letter Agreement, the Landlord and Tenant agree as follows, effective as of the date of this Letter Agreement:

1. Extended Term. Tenant has validly exercised its option to extend the Term of the Lease for one (1) additional three (3) year period (the "Extended Term") pursuant to Section 30 of the Lease.

2. Rent During Extended Term. Notwithstanding Section 30.4 of the Lease, the Rent payable by Tenant to Landlord for the first year of the Extended Term shall be Two Thousand One Hundred Dollars ($2,100.00) per month. Rent payable for the second and third year of the Extended Term shall be adjusted based upon changes in the Consumer Price Index, All Urban Consumers, San Francisco Bay Area, using the methodology provided by Section 1.6 of the Lease.

3. Brokers Fees. Landlord represents and warrants to Tenant that it has not used any broker or real estate agent in connection with the transaction which is the subject matter of this Letter Agreement. Tenant represents and warrants to Landlord that it has not used any broker or real estate agent in connection with the transaction which is the subject matter of this Letter Agreement. Both Tenant and Landlord shall indemnify, defend and hold the other harmless from and against all brokerage commissions or finder's fees, and claims therefor, payable in connection with the transaction which is the subject matter of this Letter Agreement, resulting out of the acts or omissions of such indemnifying party.

4. Miscellaneous. Capitalized terms used herein shall have the same meaning given them in the Lease unless otherwise herein defined. Except as specifically amended hereby, all of the terms and conditions of the Lease shall be and remain in full force and effect.

If the Tenant agrees with the terms and conditions of this Letter Agreement, please indicate such acceptance by executing two originals of this Letter Agreement where indicated below and returning one of them to my attention.

CHEVRON U.S.A. INC.,
a Pennsylvania corporation,
by its Chevron Real Estate Management
Company division

By: _____

Title: Lease Manager

ACCEPTED AND AGREED:

GETTLER-RYAN, INC.,
a California corporation

By: _____

Title: Vice - President

PLEASE INITIAL

PARKING LOT LEASE

THIS LEASE, made effective September 1, 1993, by and between CHEVRON U.S.A. INC., a Pennsylvania corporation, ("Landlord") and GETTLER-RYAN, INC., a California corporation ("Tenant"),

WITNESSETH:

1. LEASE SUMMARY

As used herein, the following terms shall have the meanings set forth opposite them. Other terms may be defined in other parts of this Lease.

1.1 Premises: The Parking Lot described as "Storage Yard" on the site plan shown on Exhibit A attached hereto, containing approximately Thirty-Six Thousand Two Hundred Fifty (36,250) square feet, including the appurtenant right to use, in common with others, the entries, sidewalks, curb areas, driveways, parking areas, and other public portions of the area surrounding the Premises, if any, including but not limited to any and all roads and steps adjacent to or in the vicinity of the Premises. It is understood and agreed, moreover, that during normal working hours Tenant and Tenant's licensees, invitees, agents, contractors, subcontractors, officers, directors, and employees may utilize at their sole cost, risk and expense parking areas of Landlord immediately adjacent to the Premises.

PLEASE INITIAL

1.2 Term: Five (5) years from the Commencement Date.

1.3 Commencement Date: September 30, 1993.

1.4 Expiration Date: Five (5) years after the Commencement Date.

1.5 Renewal: In accordance with Section 30 below, this Lease may be renewed for a period of three (3) years from the Expiration Date.

1.6 Rent: One Thousand Four Hundred Fifty Dollars ($1,450.00) per month during the first twelve (12) months of the Term. At the end of the first twelve (12) months and every twelve (12) months thereafter, the Rent shall be adjusted, based upon changes in the Consumer Price Index, All Urban Consumers, San Francisco Bay Area, unadjusted for seasonal variation, published by the United States Department of Labor, Bureau of Labor Statistics. No adjustment of Rent shall exceed five percent (5%) of the Rent for the preceding twelve (12) month period.

1.7 Permitted Use: The Premises shall be used for the sole purposes of storage of equipment related to Tenant's business activities, and motor vehicles.

1.8 Landlord's Address:

CHEVRON U.S.A. INC.
c/o Chevron Real Estate
Management Company
225 Bush Street
San Francisco, CA 94104
Attention: Leasing Manager

1.9 Tenant's Address:

Gettler-Ryan, Inc.
2150 West Winton Avenue
Hayward, CA 94545

1.10 Notice Period: Notwithstanding any other provision of this Lease, either Landlord or Tenant may terminate this Lease upon one hundred eighty (180) days' prior written notice to the other given in accordance with Section 24 below.

2. LEASE OF PREMISES; USES

Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord, for the Term and subject to the provisions hereinafter set forth. The Premises shall be used only for the Permitted Use. Tenant shall in its use and enjoyment of the Premises observe and abide by, and shall require each of its employees, licensees and invitees to observe and abide by, all laws, statutes, ordinances, rules and regulations, as well as any certificates of operation or any recorded document affecting the Premises. Tenant shall not do or permit to be done in or about the Premises anything which will in any way increase the existing rate of or affect any fire or other insurance upon any property of Landlord in the vicinity of the Premises. Neither Tenant nor any of its employees, licensees or invitees shall do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of Landlord, its officers, directors, licensees, agents, invitees, contractors, and subcontractors to have rights of access to and from property of Landlord in the vicinity of the Premises, or injure or annoy them, nor shall Tenant nor any of its employees, licensees or invitees cause, maintain or permit any nuisance in, on or about the Premises or commit or suffer to be committed any waste in, on or about the Premises. Landlord hereby reserves a perpetual right of way over the Premises to allow Landlord permanent access to property of Landlord in the vicinity of the Premises.

3. TERM; COMPLETION OF IMPROVEMENTS

The Term shall begin on the Commencement Date, and, unless sooner terminated or extended as hereinafter provided, shall end on the Expiration Date. If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any loss or damage resulting therefrom, but in that event, and excepting cases where delays are caused by Tenant, Rent shall be waived for the period between the Commencement Date and the time when Landlord can deliver possession. No delay shall extend the Term or the Expiration Date.

In consideration for the lease of the Premises to Tenant, Tenant shall prior to the Commencement Date construct a chain link fence around the Premises to the reasonable satisfaction of Landlord in accordance with the Site Plan attached hereto and made a part hereof as Exhibit A. All such improvements shall be completed prior to the Commencement Date to the reasonable satisfaction of Landlord. At the end of the Term of this Lease, as such may be renewed in accordance with the terms and conditions hereof, all right and title to the chain-link fence constructed by Tenant around the Premises shall revert to Landlord.

4. RENT

Tenant shall pay the Rent specified in Section 1.6 above adjusted from time to time as described below, to the Landlord on the first day of each calendar month or part thereof during the Term. If either the Term or Rent commences on a day other than the first day of a calendar month or ends on a day other than the last day of a calendar month, then the Rent for the fractional month shall be prorated. Rent shall be paid to Landlord, without deduction or offset, at Landlord's Address, or to such other person or at such other place as Landlord may from time to time designate in writing.

5. SERVICES

5.1 Landlord shall maintain Landlord's property in the vicinity of the Premises and the public portions of the Landlord's property in the vicinity of the Premises, such as the entries, sidewalks, curb areas, driveways and parking areas, in reasonably good order and condition (except for damage occasioned by the act of Tenant or employees, licensees or invitees of Tenant, which damage shall be repaired by Landlord at Tenant's expense).

5.2 If required for Tenant's use of the Premises, Tenant shall supply the Premises with and pay the full cost of: (i) sewage service, if any, and (ii) disposal service, if any, for a reasonable amount of garbage and waste generated by Tenant on the Premises.

5.3 Landlord shall supply Tenant with electricity for Tenant's use in, on or about the Premises; provided, however, that Tenant shall reimburse Landlord for the cost thereof as additional Rent hereunder on or before the first day of each calendar month or portion thereof during the Term of this Lease.

5.4 Landlord shall supply Tenant with water services for Tenant's use in, on or about the Premises, at Landlord's cost, so long as such usage is in reasonable amounts, as determined by Landlord in Landlord's sole and absolute discretion.

6. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with any and all rules and regulations concerning occupation and use of the Premises which may be adopted by Landlord in the reasonable exercise of its discretion.

7. ENVIRONMENTAL; REPAIRS

7.1 At the commencement of the Term of this Lease or a reasonable time thereafter, Landlord will perform at its expense a written baseline study of any environmental contamination of the Premises. Tenant shall provide Landlord with a report at the end of the Term, at Tenant's expense, by a contractor mutually agreed upon by Landlord and Tenant with expertise in conducting environmental assessments of real property, which shall indicate whether or not Hazardous Materials exist on the Premises which pose a significant threat to human health.

7.2 By entry hereunder, Tenant acknowledges the Premises as being in the condition in which Landlord is obligated to deliver the Premises, subject only to the completion or correction of minor items which do not materially impair the usability of the Premises by Tenant. Tenant shall, at all times during the Term hereof and at Tenant's sole cost and expense, keep the Premises and every part thereof in good condition and repair, excepting ordinary wear and tear and excepting damage by fire, earthquake, act of God or the elements. Tenant shall at the end of the Term hereof surrender to Landlord the Premises and any alterations, additions and improvements thereto in the same condition as when received, but excepting ordinary wear and tear and also excepting damage by fire, earthquake, act of God or the elements. Landlord has no obligation and has made no promise to alter, improve, repair, decorate or paint the Premises. No representation respecting the condition of the Premises has been made to Tenant either by Landlord or any agent of Landlord except as specifically herein set forth.

8. ALTERATIONS

Tenant shall not alter or improve the Premises, or attach any fixtures or equipment thereto, without Landlord's prior written consent, which consent may be withheld in Landlord's sole and absolute discretion. Tenant shall, at its sole cost and expense, alter or improve the Premises to comply with all applicable governmental laws, rules or regulations, and with the requirements of any insurer carrying fire, extended coverage, liability or other insurance covering the Premises. Any alterations or improvements to the Premises consented to by Landlord shall be made by Tenant at Tenant's sole cost and expense. The contractor or person selected by Tenant to make such alterations or improvements must be approved in writing by Landlord prior to commencement of any work. Landlord shall have the right but not the obligation to require that any such contractor hired by Tenant shall, prior

to commencing work on the Premises, provide Landlord with a performance bond and a labor and materials payment bond in the amount of the contract price for the work naming Landlord and Tenant (and any other person designated by Landlord) as co-obligees. All alterations, fixtures and improvements made in or upon the Premises by either Tenant or Landlord shall immediately become Landlord's property, and at the end of the Term hereof, shall, at Landlord's option, either remain on the Premises without compensation to Tenant or be removed by Landlord for Tenant's account. Tenant shall reimburse Landlord for the cost of such removal (including the cost of repairing any damage to the Premises or any building in the vicinity of the Premises caused by removal and a reasonable charge for Landlord's overhead) within ten (10) days after receipt of a statement therefor.

9. LIENS

Tenant shall keep the Premises free from any liens arising out of the any work performed, materials furnished or obligations incurred by Tenant. Landlord shall have the right to post and keep posted on the Premises any notices that may be provided by law or which Landlord may deem to be proper for protection from such liens.

10. INDEMNIFICATION AND INSURANCE; SUBROGATION

10.1 Landlord shall not be liable to, and Tenant hereby waives all claims against, Landlord, its affiliates, and each officer, director, employee and agent of Landlord or its affiliates, for injury to or death of any person or damage to any property (i) occurring in or on the Premises by or from any cause whatsoever, or (ii) occurring in, on or about any area in the vicinity of the Premises by reason of any act or omission or any active, passive or concurrent negligence or fault of Tenant, whether or not any such injury, death or damage referred to in clause (i) or (ii) above may be caused in whole or in part by the passive negligence or fault, or in part by the active negligence or fault, of any of those in whose favor Tenant so waives such claims, and excepting in all cases only injury, death or damage caused solely by the negligence or willful misconduct of Landlord or its employees or agents. As used in this Section 10, "affiliate" shall mean any corporation which controls, is controlled by or is under common control with Landlord, or any corporation resulting from the merger of or consolidation with Landlord.

10.2 Tenant shall indemnify and hold harmless Landlord, its affiliates, and each officer, director, employee and agent of Landlord or its affiliates (the "indemnitees"), from and against any and all claims or liability for injury to or death of any person (including employees of Tenant, Landlord, or any affiliate of Landlord) or damage to any property (including property belonging to Tenant or to Landlord) (i) occurring in or on the Premises by or from any cause whatsoever, or (ii) occurring in, on or about any area in the vicinity of the Premises, by reason of any act or omission or any active, passive or concurrent negligence or fault of Tenant, whether or not any such injury, death or damage referred to in clause (i) or (ii) above may be caused in whole or in part by the passive negligence or fault or in part by the active negligence or fault of any of said indemnitees; and excepting in all cases only injury, death or damage caused solely by the negligence or willful misconduct of any of said indemnitees. The obligations of indemnity set forth in this Section 10 shall survive termination of this Lease by expiration of the Term or otherwise.

10.3 Tenant shall, at its sole cost and expense, obtain and keep in force during the Term fire and extended coverage insurance on Tenant's improvements, fixtures, furnishings and equipment in and upon the Premises in an amount not less than one hundred percent (100%) of the full replacement cost (without deduction for depreciation) thereof. All amounts received from said insurance shall be applied to the payment of the cost of repair or replacement of any of Tenant's improvements, fixtures, furnishings and equipment that may have been damaged or destroyed unless this Lease terminates prior to such repair or replacement being made, in which case the portion of such amounts representing improvements and fixtures which would have become Landlord's property pursuant to Section 8 hereof shall be paid over to Landlord, and the balance shall be retained by Tenant.

10.4 Without in any way limiting Tenant's liability pursuant to Subsection 10.2 above, Tenant shall, at its sole cost and expense, obtain and keep in force during the Term hereof (i) Comprehensive or Commercial General Liability Insurance (Bodily Injury and Property Damage), including contractual liability to cover liability assumed under this Lease, with a limit of liability not less than one million dollars ($1,000,000) per occurrence; and (ii)

Automobile Bodily Injury and Property Damage Liability Insurance with a limit of liability not less than five hundred dollars ($500,000) per occurrence, extending to owned, non-owned, and hired vehicles.

10.5 All insurance required under this Section 10 and all renewals thereof shall be issued by such responsible companies qualified to do and doing business in the State of California as may be approved by Landlord. Each policy shall expressly provide that the policy shall not be canceled or altered without thirty (30) days' prior written notice to Landlord. All insurance under this Section 10 shall name Landlord as an additional insured, shall be primary and noncontributing with any insurance which may be carried by Landlord, and shall expressly provide that Landlord, although named as an insured, shall nevertheless be entitled to recover under the policy for any loss, injury or damage to Landlord, its employees and contractors. Upon the issuance thereof, each such policy or a duplicate or certificate thereof shall be delivered to Landlord for retention by it. Tenant shall not occupy the Premises or commence any Tenant Improvements provided for in this Lease until it has delivered the required policy or certificate of insurance to Landlord.

10.6 Tenant waives on behalf of its insurers under all policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, or any area in the vicinity of the Premises, all rights of subrogation which any insurer might otherwise have to any claims of Tenant against Landlord. Landlord waives on behalf of its insurers under the policies of fire, theft, public liability, workers' compensation and other insurance now or hereafter existing during the Term hereof and purchased by it insuring or covering the Premises or any property in the vicinity thereof or any portion thereof, or any operations therein, all rights of subrogation which any insurer might otherwise have to any claims of Landlord against Tenant in excess of the limits of any insurance carried by Tenant. Landlord and Tenant shall each, prior to or immediately after the execution of this Lease, procure from each of such insurers a waiver of all rights of subrogation which the insurer might otherwise have as against the other, to the extent required by this subsection. This subsection shall not be construed to require of Landlord or Tenant any insurance coverage not otherwise required by this Lease nor to waive any rights of recovery that either Landlord or Tenant may have directly against the other to the extent that any loss or damage giving rise to any such right of recovery is not actually covered by insurance. It is specifically understood and agreed by Tenant that notwithstanding any other provision of this Lease, Landlord may cover its obligations under this Lease through its financial resources and satisfy any required evidence of such through a Self-Administered Claims Letter to Tenant.

11. DESTRUCTION OR DAMAGE

If the Premises are damaged by fire or other casualty, Landlord shall, subject to the provisions of this Section and provided such repairs can, in Landlord's opinion, be made within sixty (60) days following such damage, repair the same at its expense (unless such damage is caused by Tenant or any of its employees, invitees or licensees, in which event such repairs shall be made at Tenant's expense), and this Lease shall remain in full force and effect. If such repairs cannot, in Landlord's opinion, be made within said sixty (60) day period, Landlord at its option shall by written notice to Tenant given within sixty (60) days after the date of such fire or other casualty either (1) elect to repair or restore such damage, this Lease continuing in full force and effect, or (2) terminate this Lease as of a date specified in such notice, which date shall not be less than thirty (30) days after the date such notice is given. If such fire or other casualty shall have damaged the Premises and if such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's employees, invitees or licensees, then during the period the Premises are rendered unusable by such damage Tenant shall be entitled to a reduction in Rent based on the extent to which the Premises may be rendered unusable by such damage. Landlord shall not be required to repair any injury or damage or to make any repairs or replacements of any improvements, alterations, additions or fixtures installed in the Premises by or for Tenant and Tenant shall, at Tenant's sole cost and expense, repair and restore its portion of such improvements, alterations, additions or fixtures.

12. EMINENT DOMAIN

If all or any part of the Premises shall be taken as a result of the exercise of the power of eminent domain or agreement in lieu thereof, this Lease shall terminate as to the part so taken as of the date of taking, and, in the

case of a partial taking, either Landlord or Tenant shall have the right to terminate this Lease as to the balance of the Premises by giving written notice to the other within thirty (30) days after such date. In the event of any taking, Landlord shall be entitled to any and all compensation, damages, income, rent, awards, or interest therein whatsoever which may be paid or made in connection therewith, and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease or otherwise. In the event of a partial taking of the Premises which does not result in a termination of this Lease, the monthly Rent thereafter to be paid shall be equitably reduced. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

13. ASSIGNMENT AND SUBLETTING

Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, assign or sublease this Lease or any occupancy of the Premises by any person other than Tenant or its employees, invitees or licensees. Landlord and Tenant agree that Landlord's withholding of its consent to a sublease or assignment to or the use of occupancy of the Premises by one of Landlord's other tenants, if any, or a party with whom Landlord is negotiating to lease other space shall not be unreasonable. A consent by Landlord to any one assignment or subletting shall not constitute a consent to any other or subsequent assignment or subletting. Tenant shall provide Landlord with a copy of any assignment of this Lease or any sublease of the Premises and a copy of any document pursuant to which any such assignment or sublease may be made. Tenant shall pay or deliver over to Landlord, as additional Rent hereunder, any and all consideration received by Tenant in respect of any such assignment and any and all amounts received under any such sublease in excess of the Rent due under this Lease attributable to such portion of the Premises as is covered by such sublease and any and all other consideration received by Tenant in respect of any such sublease.

14. EVENTS OF DEFAULT

The occurrence of any one or more of the following events ("Event of Default) shall constitute a breach of this Lease by Tenant:

(a) If Tenant shall fail to pay any Rent, or additional Rent, or any other sum or charge payable by Tenant hereunder, when and as the same becomes due and payable; or

(b) If Tenant shall fail to perform or observe any other term or provision hereof or of the rules and regulations, if any, specified in Section 6 hereof, and such failure shall continue for more than ten (10) days; or

(c) If Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due, or shall file a petition in bankruptcy or shall be adjudicated a bankrupt or insolvent; or

(d) If this Lease or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days; or

(e) If Tenant shall abandon the Premises.

15. REMEDIES

15.1 If an Event of Default shall occur, Landlord at any time thereafter may give a written termination notice to Tenant and on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination Landlord may recover from Tenant:

(i) The worth at the time of award of the unpaid Rent which had been earned at the time of termination;

(ii) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

(iii) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; and

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

15.2 Even though Tenant has breached this Lease, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession pursuant to Subsection 15.1 above, and Landlord may enforce all its rights and remedies under this Lease, including the right to recover the Rent as it becomes due. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of Landlord to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession unless written notice of termination is given by Landlord to Tenant.

15.3 If Tenant shall fail to pay any sum of money, other than Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Landlord may, but shall not be obligated so to do, and without waiving or releasing Tenant from any obligations of Tenant, make any such payment or perform any such other act on Tenant's part to be made or performed as in this Lease provided. All sums so paid by Landlord and all necessary incidental costs shall be deemed additional rent hereunder and shall be payable to Landlord on demand. Landlord shall have (in addition to any other right or remedy of Landlord) the same rights and remedies in the event of the nonpayment thereof by Tenant as in the case of default by Tenant in the payment of Rent.

16. LANDLORD'S RIGHT OF ENTRY

In addition to the Right of Entry specified in the last sentence of Section 2 above, Landlord may enter the Premises at any reasonable time to (i) inspect the Premises, (ii) exhibit the Premises to prospective purchasers, lenders or tenants, (iii) determine whether Tenant is complying with all its obligations hereunder, (iv) post notices and "for sale" signs in, on or about the Premises, (v) make repairs, (vi) repair, alter or otherwise prepare the Premises for reoccupancy if Tenant vacates the Premises prior to the expiration of the Term, and (vii) take any other measures, including inspections, maintenance, repairs, alterations, additions and improvements to the Premises as may be necessary or desirable for the safety, protection or preservation of the Premises or any property of Landlord in the vicinity of the Premises. Any such entry shall be for a reasonable period only and, if Tenant has not vacated the Premises, cause as little interference to Tenant as reasonably possible. Tenant hereby waives any claim for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. Landlord shall at all times have and retain a key with which to unlock the gate to the Premises, and Landlord shall have the right to use any and all means which Landlord may deem proper in an emergency in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord by any of said means, or otherwise, shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises, or any portion thereof.

17. ABANDONMENT

If Tenant shall abandon or surrender the Premises, or be dispossessed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned, and, at the option of Landlord, Landlord may sell or otherwise dispose of such personal property in any commercially reasonable manner.

18. HOLDING OVER

If, without objection by Landlord, Tenant holds possession of the Premises after expiration of the Term, Tenant shall become a tenant from month to month upon the terms herein specified at the then prevailing monthly Rent paid by Tenant at the expiration of the term of this Lease pursuant to the provisions of Section 4, payable in advance on or before the first day of each month. Each party shall give the other written notice at least thirty (30) days prior to the date of termination of such monthly tenancy of its intention to terminate such tenancy.

19. SALE

In the event the Landlord shall sell or convey the Premises, then all liabilities and obligations on the part of the Landlord accruing thereafter shall terminate, and thereupon all such liabilities and obligations shall be binding upon the new owner, and Tenant shall attorn to such new owner. Notwithstanding the foregoing, in the event that the Landlord is an affiliate of Chevron Corporation, and it sells the Premises to other than an affiliate of Chevron Corporation, the new owner and its successors and assigns shall have the right to terminate this Lease at any time upon sixty (60) days written notice to the Tenant.

20. ESTOPPEL CERTIFICATE

At any time and from time to time but on not less than ten (10) days' prior written request by Landlord, Tenant shall execute, acknowledge and deliver to Landlord, promptly upon request, a certificate stating:

(a) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified, and stating the date and nature of each modification);

(b) the date to which Rent and other sums payable hereunder have been paid;

(c) that, except as stated, no notice has been received by Tenant of any default which has not been cured;

(d) that, except as stated, Landlord is not in default hereunder; and

(e) such other matters as may be reasonably requested by Landlord.

Any such certificate may be relied upon by any actual or prospective purchaser, mortgagee, beneficiary under any deed trust encumbering, or landlord under any ground or other underlying lease covering any property of Landlord in the vicinity of the Premises or any part thereof.

21. OVERDUE PAYMENTS

Tenant acknowledges that late payment by Tenant to Landlord of the Rent, or any other amount required to be paid under this Lease will cause Landlord to incur costs not contemplated by this Lease, if any, the exact amount of which is extremely difficult and impracticable to ascertain. Such costs include, without limitation processing and accounting charges, and late charges that may be imposed on Landlord by virtue of its debt obligations, if any. Accordingly, if Tenant fails to make any of such payments within ten (10) days after such payment is due, Tenant shall pay an additional charge equal to the greater of (i) interest on such payment, from the date due until paid, at the lesser of (A) the "reference rate" of interest announced by the Bank of America N.T.&S.A., as in effect from day to day, plus five percent (5%) per annum, or (B) the maximum rate permitted by law, or (ii) one hundred dollars ($100).

22. REAL ESTATE BROKERS

Landlord recognizes CB Commercial as the procuring broker and agrees to pay CB Commercial a total sum of $ 9,600 (5% of total lease consideration) as commission payable upon execution of this lease agreement

~~Tenant warrants and represents that Tenant has not utilized any broker or real estate agent in connection with~~ this transaction and that Tenant has not authorized ~~or employed, or acted~~ by implication to authorize or to employ, ~~any real estate broker or agent to act for Tenant in connection with this Lease. Tenant shall hold Landlord harmless~~

from and indemnify and defend Landlord against any and all claims by any real estate broker or salesman for a commission or finder's fee as a result of Tenant's entering into this Lease.

23. ATTORNEYS' FEES

In the event of any legal or equitable action between Landlord and Tenant to enforce any provision of this Lease or to protect or establish any right or remedy of either Landlord or Tenant hereunder, the unsuccessful party shall pay to the prevailing party all costs and expenses, including reasonable attorneys' fees, incurred in such action or proceeding and in any appeal in connection therewith by such prevailing party, and any such costs, expenses and attorneys' fees shall be included in and as a part of any such judgment entered in favor of such prevailing party.

24. NOTICES

All notices and demands which may be or are required to be given by either Landlord or Tenant to the other hereunder shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified or registered, postage prepaid, and addressed as follows: to Tenant at Tenant's Address, or to such other place as Tenant may from time to time designate in a notice to Landlord, or delivered to Tenant at the Premises; to Landlord at Landlord's Address, or to such other place as Landlord may from time to time designate in a notice to Tenant. Tenant hereby appoints as its agent to receive the service of all dispossessory or distraint proceedings and notices thereunder the person in charge of or occupying the Premises at the time and if no person shall be in charge of or occupying the Premises, then such service may be made by attaching the service on the main entrance of the Premises.

25. WAIVER

The waiver by Landlord or Tenant of any breach of any agreement, covenant, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other agreement, covenant, condition or provision herein contained, nor shall any custom or practice between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. The subsequent acceptance of Rent hereunder by Landlord or the payment of Rent by Tenant shall not be deemed to be a waiver of any preceding breach by Landlord or Tenant of any agreement, covenant, condition or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance or payment of such Rent.

26. COMPLETE AGREEMENT

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, letters of intent, agreements and understandings. This Lease may not be amended or modified in any respect whatsoever except by an instrument in writing signed by Landlord and Tenant.

27. CORPORATE AUTHORITY

Each person executing this Lease on behalf of Tenant does hereby covenant and warrant that (a) Tenant is duly incorporated and validly existing under the laws of the State of California, (b) Tenant has full corporate right and authority to enter into this Lease, and (c) each person signing this Lease on behalf of Tenant is duly authorized to do so.

28. MISCELLANEOUS

If there be more than one person or entity constituting the Tenant, the obligations hereunder imposed upon the Tenant shall be joint and several. Time is of the essence of this Lease and each and all of its provisions. The agreements, covenants, conditions and provisions herein contained shall, subject to Sections 13 and 19, apply to and

bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provision of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. This Lease shall be governed by and construed in accordance with the law of the State of California, without regard to the principles of conflicts of law.

29. CONFLICT OF INTEREST; RIGHT TO AUDIT

Conflicts of interest relating to this Lease are strictly prohibited. Except as otherwise expressly provided herein, neither Tenant nor any director, employee or agent of Tenant, shall give to or receive from any director, employee or agent of Landlord any gift, entertainment or other favor of significant value, or any commission, fee or rebate. Likewise, neither Tenant nor any director, employee or agent of Tenant shall enter into any business relationship with any director, employee or agent of Landlord (or of any affiliate of Landlord), unless such person is acting for and on behalf of Landlord, without prior written notification thereof to Landlord. Any representative(s) authorized by Landlord may audit any and all records of Tenant for the sole purpose of determining whether there has been compliance with this Section.

30. OPTION TO RENEW

30.1 Provided Tenant is not in default under this Lease, Tenant shall have and is hereby given the option to renew and extend this Lease for one (1) additional three (3) year period upon the terms, covenants, conditions, and provisions herein contained that are in effect as of the time of such renewal and extension, excepting Rent, to follow upon the expiration of the original Term of this Lease.

30.2 The option may be exercised by Tenant's giving Landlord notice of its irrevocable exercise of the same not less than forty-five (45) days' prior to the expiration date of the original Term hereof.

30.3 Tenant may renew this Lease and extend the Term hereof as to all (but not less than all) of the Premises that are, on the date of the exercise of the option, subject to this Lease.

30.4 The Rent payable during the renewal Term, shall be the greater of (i) the prevailing market rental rate for similar space and amenities in Alameda County, California as of the date of exercise of Tenant's election to renew, or (ii) the Rent being paid by Tenant at the end of the original Term hereof.

31. HAZARDOUS MATERIALS

Tenant shall not bring upon, cause to be brought upon, or generate on the Premises, or any area in the vicinity of the Premises any "hazardous materials". Landlord shall have the right to enter the Premises at any time in order to investigate the use, mishandling and/or release of hazardous materials. As used herein, the term "hazardous materials" means any hazardous or toxic substance, material or waste which is or may become regulated by any local governmental authority, the State of California or the United States government. The term "hazardous materials" includes, without limitation, any material or substance which is (i) defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act, 42 U.S.C. 6901 et seq., (ii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et seq., and (iii) petroleum and petroleum products.

Nothing contained herein shall create a duty upon Landlord to conduct such investigations or to take any warranted remedial actions and Landlord shall have no liability for failure to do so.

Tenant hereby agrees to release, indemnify and hold Landlord harmless from and against any and all losses, damages, costs or expenses whatsoever (including attorney's fees and costs), whether direct or indirect, known or unknown, foreseen or unforeseen, and claims therefor which may arise on account of or in any way connected with Tenant's having hazardous materials on the Premises.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first hereinabove written.

LANDLORD:

CHEVRON U.S.A. INC.,
a Pennsylvania corporation

By: _____

Title: Vice President

TENANT:

GETTLER-RYAN, INC.,
a California corporation

By: _____ 1 Sept 93

Title: _____

ARCADIS

Attachment 3

Statement

Satya Sinha
Environmental Project Manager
Superfund and Specialty Portfolios

Chevron Environmental Management Company
6001 Bollinger Canyon Road
Room K2256
San Ramon, CA 94583-2324
Tel (925) 842-9876
Fax (925) 842-0213
satyasinha@chevron.com

Mr. Bruce H. Wolfe
Executive Officer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, California 94612

RE: **Statement**
Former Chevron Records Facility
6400 Sierra Court
Dublin, California
File No: 0150690 (CFC)

Dear Mr. Wolfe:

At the request of Chevron Environmental Management Company (Chevron EMC), ARCADIS has responded to the letter from the California Regional Water Quality Control Board ("RWQCB") dated April 21, 2008 ("The Letter") requesting information pertaining to the above-referenced site. Pursuant to the requirement of bullet item #11 of The Letter I certify under penalty of perjury that the information included within ARCADIS' *Response to Site History Request*, dated June 19, 2008 is full, true, and correct.

Satya Sinha
Environmental Project Manager

June 19/2008

EXHIBIT G

A. Gaylord

Chevron

Amy E. Gaylord
Counsel

Law Department
Chevron U.S.A. Inc.
6111 Bollinger Canyon Road
San Ramon, CA 94583
Tel 925-543-1676
Fax 925-543-2346
agaylord@chevron.com

October 2, 2008

Mr. Cleet Carlton, P.G.
Engineering Geologist
San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, California 94612

Re: AT&T/Lucent Responsibility at 6400 Sierra Court, Dublin, CA

Dear Mr. Carlton:

I write in follow up to several conversations which have occurred between you and various Chevron representatives about the investigation and remediation of solvents at the property located at 6400 Sierra Court in Dublin, California (the "Property"). Specifically, I write to address comments you have made indicating that the Regional Water Quality Control Board, San Francisco Bay Region ("RWQCB" or "Regional Board") does not intend to pursue AT&T/Lucent as successor(s) to Western Electric Company ("Western") despite the fact that Western was the owner/operator of the Property at the time of the solvent release. Instead, we understand you intend solely to pursue Chevron, even though Chevron never used hazardous substances at the Property – Chevron's only use of the Property was as a document storage warehouse subsequent to Western's operations. This approach is contrary to law and the policies of the State Water Resources Control Board ("SWRCB" or "State Board"). As the owner/operator at the time of a release, Western is the primarily responsible party for the investigation and cleanup of the Property.[1] If the Regional Board fails to treat it as such, Chevron is prepared to appeal any order issued to it for the Property.

A. The Regional Board Has a Duty to Name All Responsible Parties on an Order.

It is State Board policy to name all potentially responsible parties on orders issued pursuant to Water Code sections 13267 and 13304, *et seq.*: "[g]enerally speaking, it is appropriate and responsible for a Regional Board to name [on the order] all parties for which there is reasonable

[1] Chain of title records, enclosed, indicate that Western Electric Company leased the property at least as early as 1970 from Christopher MacDonald, Phyllis W. MacDonald, Nicole De Sugny MacDonald, C. Edward Nelson and Margaret Laurie Nelson ("Macdonald Owners"). Records indicate this lease was properly transferred to the MacDonald Owners when they purchased the property, suggesting that Western Electric Company was leasing the property prior to that time. Our research indicates, and representatives of AT&T have confirmed, that AT&T now is responsible for Western Electric Company and that AT&T and Lucent Technologies have entered into an indemnity agreement under which Lucent has contractual responsibility for Western Electric's liabilities at the Property.

evidence of responsibility, even in cases of disputed responsibility." Exxon Company, U.S.A., et al., Order No. 85-7 (SWRCB 1986). Arriving at a determination of responsibility requires the Regional Board consider "any reasonable evidence, whether direct or circumstantial, in order to establish the existence of a discharge or a threatened discharge or the source of a discharge." State Water Board Resolution 92-49. Specifically, Resolution 92-49 states:

> The Regional Water Board shall apply the following procedures in determining whether a person shall be required to investigate a discharge under WC Section 13267, or to clean up waste and abate the effects of a discharge or a threat of a discharge under WC Section 13304. The Regional Water Board shall:
>
> A. Use any relevant evidence, whether direct or circumstantial, including, but not limited to, evidence in the following categories: . . .
>
> 1. Documentation of historical or current activities, waste characteristics, chemical use, storage or disposal information, as documented by public records, responses to questionnaires, or other sources of information;
>
> 2. Site characteristics and location in relation to other potential sources of a discharge; ...
>
> 4. Industry-wide operational practices that historically have led to discharges, such as leakage of pollutants from wastewater collection and conveyance systems, sumps, storage tanks, landfills, and clarifiers; ...

Based on State Board Resolution 92-49, the following evidence requires naming AT&T/Lucent on any order regarding cleanup of solvents at the Property:

- Western Electric Company (for whom AT&T and/or Lucent are now responsible) used solvents on site. For example, site diagrams of Western Electric's operations at the site dated 1972, clearly show a tank identified as a "tri" tank. This tank is in the location of the tank which Chevron removed in 1996. Copies of these diagrams are enclosed, with the tri tank highlighted.

- Although it is not clear what solvents may have been held in the "tri" tank, the presence of such a tank for storage of solvents is consistent with Western Electric's operations. An internet webpage about Western Electric, a copy of which is enclosed, identifies Western Electric as "an American electrical engineering company, the manufacturing arm of AT&T from 1881 to 1995." It is described as having manufactured telephone, radio and cinema-related devices. Use of solvents in the manufacture of these devices during the timeframe of Western Electric's operations at the Property is highly likely. Historically,

solvents have been widely used as a degreaser for metal parts in industries such as electrical engineering and manufacturing.

- Records available on the internet from the Center for Disease Control website indicate that Western Electric's Dublin facility was actually part of a study about worker exposure to TCE in 1973! A copy of a print out from the National Institute for Occupational Safety and Health ("NIOSH") is enclosed, which contains an abstract of that study.

Based on the available evidence of the type described in Resolution 92-49, coupled with the long-standing State Board policy of naming all dischargers, AT&T/Lucent on behalf of Western Electric must be named on any order regarding the Property.

B. The Property Owner/Operator at the Time of Discharge – In this Case, Western Electric-Is the Primarily Responsible Party.

State Board policy is to name the owner and/or operator at the time of a discharge as the primarily responsible party. In contrast, State Board policy dictates that subsequent owners during a passive discharge are to be named only as secondarily responsible parties. *See* Wenwest, Inc., et al., State Board Order No. WQ 92-13 (finding primarily responsible party was owner at the time of discharge and that subsequent owners who passively allowed the release were appropriately named only as secondarily responsible parties).

As set forth above, Western used and likely released solvents during its operations on the Property. In contrast, the only facility Chevron operated on the Property was a document storage warehouse. Chevron did not have any operations involving hazardous substances at the Property. Rather, Chevron purchased the property with the solvent tank in 1980, and removed the tank in 1996. Accordingly, Western is the primarily responsible party. If named at all, Chevron may only be considered secondarily liable.

* * *

Because the evidence points to a solvent release by Western, and because Chevron never used solvents at the Property, State Board policy requires (1) naming AT&T/Lucent on behalf of Western Electric as a responsible party for the Property, (2) naming AT&T/Lucent on behalf of Western Electric as the primarily responsible party the Property, and (3) naming Chevron, if at all, only as a secondarily responsible party.

If the Regional Board fails to adhere to these longstanding State Board policies, Chevron will be left with no choice but to appeal any order issued to it.

If you have any questions, feel free to call.

Sincerely,

Elvie Nobida for Amy Gaylord

Amy E. Gaylord

Encls.

cc: Satya Sinha, Chevron Environmental Management Company (w/o encl.)
A. Todd Littleworth, Esq. (w/o encl.)

EXHIBIT H

California Regional Water Quality Control Board
San Francisco Bay Region

Linda S. Adams
Secretary for
Environmental Protection

1515 Clay Street, Suite 1400, Oakland, California 94612
(510) 622-2300 • Fax (510) 622-2460
http://www.waterboards.ca.gov/sanfranciscobay

Arnold Schwarzenegger
Governor

Date: February 9, 2009
File No: 01S0690 (CFC)

Chevron Environmental Management Company
c/o Satya Sinha
6001 Bollinger Canyon Rd., Room K2094
San Ramon, CA 94583
satyasinha@chevron.com

SUBJECT: Review of Site History Response Letter and Requirement for Investigation Work Plan - Former Chevron Records Facility, 6400 Sierra Court, Dublin, Alameda County

Dear Mr.Sinha:

This letter requires you to submit a Work Plan to define the extent of contamination as a result of releases from the former "trico" aboveground storage tank (AST) at the subject property. As explained below, this information will help Water Board staff to assess the threats to human health and the environment and determine the necessity for appropriate cleanup activities. Also explained below, Chevron Environmental Management Company is a suspected discharger based on their ownership of the property over a 28-year period during which releases likely occurred and/or spread uncontrolled into the environment. The deadline for submittal of this Work Plan is April 30, 2009.

Water Board staff has reviewed the *Response to Site History Request*, prepared by your consultant, Arcadis, dated June 19, 2008. Specific statements in the Arcadis report include the following:

- According to the Environmental Data Resources, Inc. report (attached to the Arcadis report), 0.1668 tons of waste, including halogenated solvents, was removed from the subject property in 1995 for disposal at a facility in Kern County. In 1996, 3.5 tons of empty containers were taken to a recycler, and 2.29 tons of hydrocarbon solvents were taken to a recycling facility in San Mateo County. In the Arcadis report, it states that it is possible these wastes were generated by Chevron during removal of the former AST and the residue left therein.
- Chevron removed the tank and liquids/residue in the tank in 1996 and cleaned and disposed of solvent or solvent residue left in one capped line.
- Chevron contracted Ecology and Environment, Inc. (E&E) for sampling and removal activities in 1996. E&E reported that the top of the former AST had rusted out and

> contained at the time of sampling and removal approximately 150 gallons of liquid believed to be accumulated rainwater. E&E sampled the liquid and tank bottom sludge and found trace quantities of trichloroethene (TCE), but samples were not taken of the liquid in the line as it smelled strongly of TCE.

These statements confirm that TCE was not completely removed from the former AST and associated lines during the change in ownership from Western Electric to Chevron in 1980. While it is presumed that the former AST was used by Western Electric and not Chevron, from the time of property transfer in 1980 to the time of AST removal activities in 1996, there was residual TCE in the AST and associated lines. It is evident from observations in 1996 that the AST had been breached. In addition, during an initial site visit on August 6, 2008, Water Board staff observed prominent iron staining on the center concrete cradle of the former AST, also suggesting a breach. No records of inspection or maintenance of the former AST and associated lines during Chevron's control of the AST from 1980 to 1996 has been brought to the attention of Water Board staff. It is likely that TCE was released to the environment during the 16-year period of Chevron's control of the AST based on:

- The continued presence of TCE in the AST, as noted in 1996;
- The abandonment (non-use) of the AST from 1980 to 1996;
- The expected progressive deterioration of an AST that apparently was not inspected or maintained.

In a letter dated October 2, 2008 to Water Board staff from Amy E. Gaylord, Law Department, Chevron U.S.A, Inc., it states that Water Board staff have commented that the Water Board does not intend to pursue AT&T/Lucent (as successor to Western Electric Company), and that it is State Board policy to name all potentially responsible parties on orders issued pursuant to Water Code sections 13267 and 13304. Citing Order No. 85-7 (SWRCB, 1986), the letter states "[g]enerally speaking it is appropriate and responsible for a Regional Board to name [on the order] all parties for which there is reasonable evidence of responsibility, even in cases of disputed responsibility." Not included in the letter, the text in the cited Order continues with: "However, there must be a reasonable basis on which to name each party. There must be substantial evidence to support a finding of responsibility for each party named. This means credible and reasonable evidence which indicates the named party has responsibility."

Based on the available information as explained above, we conclude that Chevron meets this reasonable basis as a potentially responsible party. We will defer consideration of AT&T/Lucent (as successor to Western Electric Company) as a potentially responsible party until after our review of AT&T/Lucent's responses to Site History report requirements, to be sent concurrently with this letter, and any other relevant information brought to our attention. Site History report requirements will be sent to both AT&T/Lucent (as successor to the former tenant on the property) and B.F. Saul Real Estate Investment Trust (the owner of the property during Western Electric Company's tenancy).

You are required to submit an investigation Work Plan including the following by April 30, 2009:

- Define the extent of contamination as a result of releases from the former AST in soil vapor, soil, groundwater, and as applicable to surface water (San Ramon Creek).
- Address all concerns related to the contamination that may affect human health or the environment, including soil vapor to indoor air, groundwater quality, nuisances, and discharges surface water bodies.
- Propose interim remedial actions and monitoring, as appropriate, to address any existing potential impacts to human health or the environment.

These requirements are made pursuant to Water Code Section 13267, which allows the Board to require technical or monitoring program reports from any person who has discharged, discharges, proposes to discharge, or is suspected of discharging waste that could affect water quality. The attachment provides additional information about Section 13267 requirements. Any extension in the above deadline must be confirmed in writing by Water Board staff.

If you have any questions, please contact Cleet Carlton of my staff at (510) 622-2374 [e-mail ccarlton@waterboards.ca.gov].

Sincerely,

Bruce H. Wolfe
Executive Officer

Attachment: Water Code Section 13267 Fact Sheet
cc w/attach: Mailing List

Mailing List

Robison Family Trust
c/o Gabriel E. Arechaederra
Colliers International - Pleasanton
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garecha@Colliersparrish.com

Robison Family Trust
c/o Laurie Faith
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lfaith@streamlineproperties.com

AT&T and Alcatel-Lucent c/o:
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Adel Saadeh
c/o Saadeh Corporation
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Cheryl Dizon
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Donna Drogos
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Mark Lander
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Mark.Lander@ci.dublin.ca.us

Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board

San Francisco Bay Region

Arnold Schwarzenegger
Governor

1515 Clay Street, Suite 1400, Oakland, California 94612
(510) 622-2300 • Fax (510) 622-2460
http://www.waterboards.ca.gov/sanfranciscobay

Fact Sheet – Requirements For Submitting Technical Reports Under Section 13267 of the California Water Code

What does it mean when the Regional Water Board requires a technical report?
Section 13267[1] of the California Water Code provides that "...the regional board may require that any person who has discharged, discharges, or who is suspected of having discharged or discharging, or who proposes to discharge waste...that could affect the quality of waters...shall furnish, under penalty of perjury, technical or monitoring program reports which the regional board requires."

This requirement for a technical report seems to mean that I am guilty of something, or at least responsible for cleaning something up. What if that is not so?
The requirement for a technical report is a tool the Regional Water Board uses to investigate water quality issues or problems. The information provided can be used by the Regional Water Board to clarify whether a given party has responsibility.

Are there limits to what the regional water board can ask for?
Yes. The information required must relate to an actual or suspected or proposed discharge of waste (including discharges of waste where the initial discharge occurred many years ago), and the burden of compliance must bear a reasonable relationship to the need for the report and the benefits obtained. The Regional Water Board is required to explain the reasons for its request.

What if I can provide the information, but not by the date specified?
A time extension may be given for good cause. Your request should be promptly submitted in writing, giving reasons.

Are there penalties if I don't comply?
Depending on the situation, the Regional Water Board can impose a fine of up to $5,000 per day, and a court can impose fines of up to $25,000 per day as well as criminal penalties. A person who submits false information or fails to comply with a requirement to submit a technical report may be found guilty of a misdemeanor. For some reports, submission of false information may be a felony.

Do I have to use a consultant or attorney to comply?
There is no legal requirement for this, but as a practical matter, in most cases the specialized nature of the information required makes use of a consultant and/or attorney advisable.

What if I disagree with the 13267 requirements and the Regional Water Board staff will not change the requirement and/or date to comply?
You may ask that the Regional Water Board reconsider the requirement, and/or submit a petition to the State Water Resources Control Board. See California Water Code sections 13320 and 13321 for details. A request for reconsideration to the Regional Water Board does not affect the 30-day deadline within which to file a petition to the State Water Resources Control Board

If I have more questions, whom do I ask?
Requirements for technical reports indicate the name, telephone number, and email address of the Regional Water Board staff contact.

Revised January 2008

[1] All code sections referenced herein can be found by going to www.leginfo.ca.gov.