

PHASE I ENVIRONMENTAL SITE ASSESSMENT

FOR

**CITY OF GARDEN GROVE
PARCELS 1, 6-15 BROOKHURST TRIANGLE
GARDEN GROVE, CALIFORNIA**

DATED: OCTOBER 2004



SUBJECT SITE - OP01

SECTION 1.0

EXECUTIVE SUMMARY: FINDINGS AND CONCLUSIONS

1.1 FINDINGS

This report presents the results of the Phase I Environmental Site Assessment conducted by **PHASE ONE INC.** at Parcels 1, 6-15 Brookhurst Triangle, Garden Grove, California (See Figure 1, *Site Location Map*). The Phase I assessment was undertaken at the request of Armando Morales in accordance with **PHASE ONE INC.**'s *Standard Terms and Conditions*, as outlined in **PHASE ONE INC.**'s *Letter of Intent/Authorization* for Project N^o 6025. The findings and conclusions of this investigation are based upon a review of historic site-use activities, contact with and records from governmental regulatory agencies, regulatory database searches, as well as a site reconnaissance and interviews with the client, site personnel, and possibly others who may have knowledge of various aspects of the subject site.

At the time of this assessment, the subject site consisted of eleven (11) parcels totaling approximately 10 acres of land. Information gathered in the course of this assessment indicates that the subject site is currently owned by: Minh V. Tran; Kim Loc Tran; Stanbrook Offices, A Joint Venture; Jose Luis Gonzalez; M. Taylor Katz, Trustee; Herbert T. Friedlander, Trustee; 31st Kitts; John C. Nelson, Trustee; Joann Ayala, Trustee; Henry Chul Park; Young Sook Park; Jae Moon Choi; Jung Sun Choi; and Dale G. Ruebsamen and Kyong R. Ruebsamen, Trustees.

The principal findings of **PHASE ONE INC.**'s Phase I Environmental Site Assessment for this site are as follows:

The subject site is currently affected by

- No major environmental concerns;
- No medium environmental concerns;
- One minor environmental concern; and
- Two potential or possible environmental conditions.
- The potential for soil or groundwater contamination of the subject property from either on- or off-site sources appears to be moderate.
- The presence of asbestos-containing materials in or on the on-site structures is suspected. Asbestos sampling is not recommended at this time.

- Given the findings and conclusions of **PHASE ONE INC.**'s Phase I Environmental Site Assessment, further investigation is recommended at this time.
- **PHASE ONE INC.** has performed this Phase I Environmental Site Assessment of the subject site in conformance with the scope and limitations of ASTM Practice E 1527 of the above-listed property. Any exceptions to, or deletions from, this practice are described in Section 1.4 of this report.
- This assessment has revealed no evidence of recognized environmental conditions in connection with the property except for those listed in Section 1.2.

1.2 CONCLUSIONS SUMMARY

Based on the findings of this Phase I Environmental Site Assessment, **PHASE ONE INC.** has identified no major, no medium, and one minor environmental concern currently associated with the subject site. Descriptions of any environmental concerns that may be associated with the subject site are given in the following table; these descriptions of concerns are given again in Section 7.0, **Conclusions and Recommendations**, along with recommendations as to how to address the concerns and the estimated costs of completing any recommended next-step action.

ITEMS OF ENVIRONMENTAL CONCERN (MAJOR, MEDIUM, OR MINOR)

Concern #	Location Description	Description of Environmental Concern	Level of Concern
1	Subject site	Automobile dealerships and several automobile repair facilities were observed on the subject site. A review of historical directories also revealed the presence of printing facilities on the subject site. Although an interior inspection of the subject structures could not be performed (no access was provided), historical and current operation practices are not known, however, those typically associated with these types of facilities include activities which may have impacted the subsurface with hazardous substances such as lubricating oils/greases, solvents, fuels, acids and/or bases, and other chemicals. In addition, several in-ground hydraulic lifts were observed on-site. Given the pre-1979 date of development of the subject property, it is possible that the hydraulic fluid currently or previously contained in this equipment may have contained PCBs (polychlorinated biphenyls), an extremely hazardous material. Since the lift mechanism extends below ground, there is a concern that the hydraulic fluids may have impacted the subsurface. Also, an area of heavy staining was observed on the west side of Lifetime Furniture, at 10151 Garden Grove Boulevard.	Minor

Note: **PHASE ONE INC.** classifies an environmental concern as a major, medium, or minor concern when it is one that involves a recognized environmental condition for which, in the opinion of **PHASE ONE INC.**, further investigation, action and/or remediation is recommended. The distinction among major, medium, and minor concerns is based solely on the relative estimated dollar-costs of completing any next-step recommended action.

Based on the findings of this Phase I Environmental Site Assessment, **PHASE ONE INC.** has identified two potential or possible environmental conditions currently associated with the subject site. Descriptions of any potential or possible environmental conditions that may be associated with the

subject site are given in the following table. These descriptions of potential or possible conditions are given again in Section 7.0, **Conclusions and Recommendations**, along with recommendations as to how to address the potential or possible conditions, when such recommendations are called for.

POTENTIAL OR POSSIBLE ENVIRONMENTAL CONDITIONS

Potential Condition #	Location Description	Description of Potential or Possible Environmental Condition
2	Subject structures	During the site reconnaissance, materials were identified that are suspected of containing asbestos. (See Section 5.4.2 for a complete list of suspect materials.) No samples of the suspect materials were taken. At the time of inspection, all of the materials appeared to be intact and undisturbed (that is, they appeared to be in a non-friable condition) and, thus, may not pose an immediate environmental concern. Still, these materials may become hazardous if they in fact contain asbestos and are subsequently damaged or disturbed, as, for example, in the course of remodeling. Asbestos-containing materials are considered to be hazardous materials, and their eventual disposal and handling are subject to federal and state regulatory guidelines.
3	Throughout site	A pad-mounted transformer and numerous pole-mounted transformers were observed on-site. Given the pre-1979 date of development of the subject site, the presence of polychlorinated biphenyls- (PCBs) containing fluids in the transformers is suspected. No leakage or staining is visible on or around the transformers.

Note: **PHASE ONE INC.** classifies an environmental condition as a potential or possible **condition**, as distinct from a major, medium, or minor **concern**, when it involves issues that appear to pose no immediate threat to the subject site given the current knowledge of site conditions or it is the current commercial or customary practice to do so. This **condition** with time, groundwater movement, demolition or other disturbances, or sometimes with the acquisition of further information, may come to pose a long-term, immediate or chronic environmental risk; and/or this condition may appear to have a negligible monetary/physical impact on the subject property, and therefore, does not require additional investigation at this time.

1.3 SITE FACTS

This report presents the results of the Phase I Environmental Site Assessment conducted by **PHASE ONE INC.** at Parcels 1, 6-15 Brookhurst Triangle, Garden Grove, California (See Figure 1, **Site Location Map**). The Phase I Environmental Site Assessment was conducted at the request of Armando Morales in accordance with **PHASE ONE INC.**'s **Standard Terms and Conditions**, as outlined in **PHASE ONE INC.**'s **Letter of Intent/Authorization** for Project N^o 6025.

Current Owner(s): Minh V. Tran; Kim Loc Tran; Stanbrook Offices, A Joint Venture; Jose Luis Gonzalez; M. Taylor Katz, Trustee; Herbert T. Friedlander, Trustee; 31st Kitts; John C. Nelson, Trustee; Joann Ayala, Trustee; Henry Chul Park; Young Sook Park; Jae Moon Choi; Jung Sun Choi; and Dale G. Ruebsamen and Kyong R. Ruebsamen, Trustees

Current Occupants: See Appendix G

Business Type: Automotive dealerships and repair; various commercial/retail stores

Field Assessor: Christopher Carle

Report Writer: Paolo Dizon

Total # of Existing Buildings: 11

Parcel #: See Appendix G

Address(es) Provided by Client: Parcel 1, 6-15 Brookhurst Triangle

Total Sq. Ft. of Buildings: 50,000

Additional/Previous Address(es): 12755, 12753, 12865, 12911 Brookhurst Street; 10011, 10055, 10081, 10151 Garden Grove Boulevard (obtained during site walk), 12861 Brookhurst Street; 10071, 10115, 10111 Garden Grove Boulevard (provided by client), 12863 Brookhurst Street, 100015, 10021, 10031, 10041, 10045, 10051 Garden Grove Boulevard (obtained from directories), 10091 Garden Grove Boulevard (obtained from regulatory records)

Total Acreage of Land: Approximately 10

Date of Site Reconnaissance: October 15, 2004

Total # of Units: See Appendix G

Specific Units Inspected: Only an inspection of the site's exterior was possible

Total # of Wells (water, oil, gas, other) observed on site: 0

Were enough (units/offices/buildings/acres) inspected to ensure that the inspection was homogenous?

No

Areas/Units that were inaccessible to the **PHASE ONE INC.** field assessor: No access was provided to the interior of the structures. Also, the canopied area located behind the fence in photograph OP12 was not inspected.

The subject site obtains its potable water from municipal sources.

The subject site disposes of its sewage through use of the municipal sewage system.

The subject buildings are heated and/or cooled by a heating and air-conditioning systems which obtains its fuel from natural gas and/or electricity.

Did the field assessor notice any unusual odors on or from the subject site or adjoining sites during the site reconnaissance? No

1.4 EXCEPTIONS AND/OR DELETIONS TO ASTM E 1527

There are exceptions to ASTM E 1527. Historical information back to the property's obvious first developed use or 1940 (whichever is earlier) was not reasonably ascertainable. In addition, an interview was requested of the site owners; however, no reply was received. Therefore, required questions were not answered. Also, no access was provided to the interior of the site structures.

SECTION 7.0

CONCLUSIONS AND RECOMMENDATIONS

7.1 ENVIRONMENTAL CONCERNS

This section contains full descriptions of any major, medium, or minor environmental concerns that have been identified as a result of the **PHASE ONE INC.** Phase I Environmental Site Assessment for the subject site. **PHASE ONE INC.** classifies a concern as a major, medium, or minor environmental concern (as opposed to a potential or possible condition) when it is one that involves a recognized environmental condition for which, in the opinion of **PHASE ONE INC.**, further investigation and/or remediation is recommended. The distinction among major, medium, and minor concerns is based solely on the relative estimated dollar-cost of completing the next-step recommended action. In addition to the descriptions of concern, this section also contains a statement of the recommended next-step actions for any concerns that are described in the following tables.

Each identified environmental concern receives its own table, and that table will collect together the particular findings from the body of the report that have been used to support **PHASE ONE INC.**'s conclusion as to the presence of an environmental concern. For the benefit of the reader, the tables also contain the ID, page, and section numbers of the findings cited in support of the concern.

CONCERN # 1		IDENTIFIED CONCERN APPEARS TO BE A MINOR ENVIRONMENTAL CONCERN	
ID #	SECTION #	PAGE #	COMMENTS
OP03—05, OP09—10, OP12, OP24, OP26—27	3.1	3-1 3-2 3-3	Various photographs of automotive repair services with hydraulic lifts, hazardous materials storage, and staining.
HD01—05	4.3		Historical directories revealing the presence of automotive-related and printing facilities on the subject site.
HMS01	5.3	5-4	Observation of hazardous materials storage.
SC01	5.7	5-4	Observation of heavy staining.
PCB03	5.5	5-4	Observation of hydraulic lifts suspected of containing polychlorinated biphenyls.
<p>DESCRIPTION OF CONCERN: Automobile dealerships and several automobile repair facilities were observed on the subject site. A review of historical directories also revealed the presence of printing facilities on the subject site. Although an interior inspection of the subject structures could not be performed (no access was provided), historical and current operation practices are not known, however, those typically associated with these types of facilities include activities which may have impacted the subsurface with hazardous substances such as lubricating oils/greases, solvents, fuels, acids and/or bases, and other chemicals. In addition, several in-ground hydraulic lifts were observed on-site. Given the pre-1979 date of development of the subject property, it is possible that the hydraulic fluid currently or previously contained in this equipment may have contained PCBs (polychlorinated biphenyls), an extremely hazardous material. Since the lift mechanism extends below ground, there is a concern that the hydraulic fluids may have impacted the subsurface. Also, an area of heavy staining was observed on the west side of Lifetime Furniture, at 10151 Garden Grove Boulevard.</p>			
<p>ACTION SUGGESTED: Contact PHASE ONE INC. or another consultant to sample the subsurface to determine the extent of any impact, if any. Remove and properly dispose of the stained surfaces and any deeper soils which may have been impacted. Soils and other materials contaminated with hazardous materials are considered hazardous waste and must be disposed of in accordance with federal, state, and local regulations. The hydraulic fluid in the lifts should also be sampled for the presence of polychlorinated biphenyls (PCBs).</p>			
<p>ESTIMATED COST TO COMPLETE SUGGESTED NEXT STEP ACTION† : \$15,000 to \$20,000</p>			

†The estimated cost to complete the next-step action is based on **PHASE ONE INC.**'s professional opinion as based on our experience with similar problems under similar circumstances. The estimated cost given above is only meant to give the client a "ballpark" estimate, not an exact dollar figure for the cost to complete the next-step action. When requested, **PHASE ONE INC.** can help the client to negotiate and control project costs with qualified subcontractors through our Program Management Department, and help fix the costs by obtaining quotes.

7.2 POTENTIAL OR POSSIBLE ENVIRONMENTAL CONDITIONS

This section contains descriptions of potential or possible environmental conditions that have been identified in the **PHASE ONE INC.** Phase I Environmental Site Assessment for the subject site. **PHASE ONE INC.** classifies a concern as a potential or possible environmental condition (as opposed to a major, medium, or minor concern) when (1) it involves issues that appear to pose no immediate or imminent threat to the subject site, but which over time (with the occurrence of groundwater movement, demolition, disturbance, etc.) may come to pose an actual or present environmental concern for the subject site and/or when (2) it involves areas that currently appear to have a negligible impact on the subject property and which do not, therefore, require additional investigation at this time, but of which **PHASE ONE INC.** feels the client should be made aware.

Each identified potential or possible condition receives its own table, and that table will collect together the particular findings from the body of the report that have been used to support **PHASE ONE INC.**'s conclusion as to the presence of that potential or possible condition. For the benefit of the reader, the table also contains the ID, page, and section numbers of the findings cited in support of the condition.

CONDITION # 2		IDENTIFIED LOCATION APPEARS TO BE A POTENTIAL OR POSSIBLE ENVIRONMENTAL CONDITION	
ID #	SECTION #	PAGE #	COMMENTS
OP01	3.1	3-1	Photograph of structure suspected of asbestos-containing materials.
SHS01	5.4.1	5-2	Observation of structures suspected of asbestos-containing materials.
<p>DESCRIPTION OF CONDITION: During the site reconnaissance, materials were identified that are suspected of containing asbestos. (See Section 5.4.2 for a complete list of suspect materials.) No samples of the suspect materials were taken. At the time of inspection, all of the materials appeared to be intact and undisturbed (that is, they appeared to be in a non-friable condition) and, thus, may not pose an immediate environmental concern. Still, these materials may become hazardous if they in fact contain asbestos and are subsequently damaged or disturbed, as, for example, in the course of remodeling. Asbestos-containing materials are considered to be hazardous materials, and their eventual disposal and handling are subject to federal and state regulatory guidelines.</p>			
<p>ACTION SUGGESTED: Prior to disturbing the suspected asbestos-containing materials, such as during remodeling or demolition, contact PHASE ONE INC. or another asbestos consultant for sampling and analysis of the suspect materials. If samples test positive, develop an Operations and Maintenance (O&M) Plan detailing the material-handling procedures to be implemented.</p>			

CONDITION # 3		IDENTIFIED LOCATION APPEARS TO BE A POTENTIAL OR POSSIBLE ENVIRONMENTAL CONDITION	
ID #	SECTION #	PAGE #	COMMENTS
OP02, OP07, OP11, OP25	3.1	3-1 3-2	Photographs of transformers suspected of polychlorinated biphenyls.
PCB01—02	5.5	5-4	Observation of transformers suspected of polychlorinated biphenyls.
<p>DESCRIPTION OF CONDITION: A pad-mounted transformer and numerous pole-mounted transformers were observed on-site. Given the pre-1979 date of development of the subject site, the presence of polychlorinated biphenyls- (PCB) containing fluids in the transformers is suspected. No leakage or staining is visible on or around the transformers.</p>			
<p>ACTION SUGGESTED: No action is suggested or recommended at this time. If leaks should develop, contact the utility to sample the fluids for the presence of PCBs. If the analysis results indicate that the transformers contain PCBs, the utility would be responsible for remediating any leakage and staining, and for changing the fluids in the transformers.</p>			

No evidence of further environmental concerns or potential or possible environmental conditions was observed during the site reconnaissance, beyond that evidence that has already been noted in this Section

