

11 April 2014

Confidential Attorney-Client PrivilegedClarke Miller
Strada Investment Group
cmiller@stradasf.com**Subject: Updated Phase I Environmental Site Assessment
Site X
Mission Bay Blocks 29-32
San Francisco, California
Langan Project No. 731617202**

Dear Mr. Miller:

This letter presents the results of Langan Treadwell Rollo's (Langan) Updated Phase I Environmental Site Assessment (ESA) for the property located at Mission Bay Blocks 29 through 32, in San Francisco, California (Figure 1). Previous Phase I ESAs were completed for the site by ENVIRON in September 2004 and by Strata Environmental in September 2010. We understand that Strada Investment Group is facilitating the property transaction for a proposed development that requires this Updated Phase I ESA for environmental due diligence activities related to the site.

The site is located at Blocks 29, 30, 31, and 32 in the Mission Bay area of San Francisco, California, and is bound by South Street to the north, Third Street to the west, the future Terry Francois Boulevard to the east, and 16th Street to the south. It has a rectangular shape, with plan dimensions of approximately 770 feet and 600 feet, and encompasses approximately 12 acres (Assessor's Parcel Number 8722/001) (Figure 2). With the exception of an area in the southern portion of the site, the ground surface is relatively flat, with elevations ranging from about 99 to 103 feet¹. There is a depressed area in the southern portion of the site due to an excavation previously performed and backfilled for an environmental cleanup; the area has a plan dimension of approximately 320 feet by 280 feet and the ground surface elevation ranges from about 91 to 96 feet. The site is located in the Mission Bay Redevelopment Area and land use in the immediate vicinity of the site is primarily commercial with some parking and vacant properties.

The purpose of this Updated Phase I ESA is to identify substantial changes in environmental conditions at the site. Substantial changes are defined as conditions that indicate the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products on the site or into the ground, groundwater,

¹ All elevations reference San Francisco City Datum plus 100 feet.

Confidential Attorney-Client Privileged

or surface water of the site since the Phase I ESA was prepared by Strata Environmental in September 2010.

The Updated Phase I ESA was performed to identify changes in site environmental conditions that may have occurred since September 2010. This project included the tasks listed below:

- reviewing regulatory agency databases and readily available files for the site and surrounding area sites that could identify a change in the environmental conditions since September 2010; and
- conducting a reconnaissance of the site and neighboring sites to assess any changes in the environmental conditions since September 2010.

SPECIALIZED KNOWLEDGE

Langan has reviewed the following readily available documents regarding the site:

- San Francisco Department of Public Health (SFDPH), 1995. *UST Case Closure Letter to Figone Cold Storage Site, 420 17th Street, San Francisco, California*. 13 October.
- ENVIRON Corporation (ENVIRON), 1998. *Results of Investigation, Mission Bay South of Channel, San Francisco, California*. 4 February.
- ENVIRON, 1999. *Risk Management Plan, Mission Bay Area, San Francisco, California*. 1 May.
- Regional Water Quality Control Board (RWQCB), 1999. *Letter to Catellus Development Corporation regarding Certificate of Completion, Mission Bay Project Area, San Francisco*. 26 May.
- RWQCB, 2000. *Letter to Catellus Development Corporation regarding Modifications to Exhibit D of Certificate of Completion, Mission Bay Project Area, City and County of San Francisco*. 1 December.
- RWQCB, 2001. *Letter to California Integrated Waste Management Board and Department of Public Health regarding Mission Bay Project Area, City and County of San Francisco*. 15 May.
- SFDPH, 2001. *Letter to California Regional Water Quality Control Board regarding Clarification of AB2061-Mission Bay Project Area*. 21 May.
- Clayton Group Services (Clayton), 2001. *Remedial Investigation and Design Report, Former Petroleum Terminals and Related Pipelines, Vicinity of Pier 64, Port of San Francisco, San Francisco, California*. June.
- Iris, 2002a. *Soils Analysis Report, Blocks 29 and 30 – Temporary Parking Lot, Mission Bay Project Area, San Francisco, California*. 12 June.

Confidential Attorney-Client Privileged

- Iris, 2002b. *Soils Analysis Report, Bode Gravel Demolition and Grading Project, Mission Bay Project Area, San Francisco, California.* 20 December.
- Clayton, 2004. *First Quarter 2004 Groundwater Monitoring Event, Pier 64 and Associated Offsite Facilities, Other Areas of Site and Parcel X4 Operable Units, Mission Bay Area, San Francisco, California.* 19 May.
- Environ, 2004. *Phase I Environmental Site Assessment, Mission Bay Development Parcels 29, 20, 31, and 32, San Francisco, California.* 27 September.
- Clayton, 2005. *1st Quarter 2005 Groundwater Monitoring Report, Pier 64 and Associated Offsite Facilities, Other Areas of Site and Parcel X4 Operable Units, Mission Bay, San Francisco, California.* 28 June.
- BBL Environmental Services (BBL), 2005. *Revised Groundwater Monitoring Program, Pier 64 and the Vicinity, City and County of San Francisco, California.* November.
- ENVIRON, 2005a. *Phase I Environmental Site Assessment, Mission Bay Development Parcels 33 and 34 San Francisco, California.* 1 December.
- ENVIRON, 2005b. *Report of Site Characterization, Mission Bay Development Parcels 33 and 34 San Francisco, California.* 8 December.
- BBL, 2006a. *Pier 64 Phase II Completion Report, Former Petroleum Terminals and Related Pipelines Located at Pier 64 and the Vicinity, City and County of San Francisco, California.* June.
- BBL, 2006b. *Revised Risk Management Plan, Former Petroleum Terminals and Related Pipelines Located at Pier 64 and the Vicinity, City and County of San Francisco, California.* August.
- RWQCB, 2006. *Letter of Approval of (1) Pier 64 Phase II Completion Report and (2) Time Extension Request for 16th Street West OU FS/RAP Implementation, Board Order No. R2-2005-0028, Pier 64 Remediation Project, Mission Bay Redevelopment Project Area, City and County of San Francisco, California.* 22 December.
- BBL, 2007. *3rd Quarter 2006 Groundwater Monitoring Report, Pier 64 and Associated Offsite Facilities, Other Areas of Site and Parcel X4 Operable Units, Mission Bay, San Francisco, California.* January.
- Treadwell & Rollo (T&R), 2007. *Geotechnical Investigation, Block 30, Mission Bay, San Francisco, California.* 17 October.
- T&R, 2008. *Preliminary Geotechnical Evaluation, Blocks 29-32, Mission Bay, San Francisco, California.* 7 March.

Confidential Attorney-Client Privileged

- T&R, 2008. *Preliminary Geotechnical Evaluation, Blocks 33-34, Mission Bay, San Francisco, California*. 29 May.
- Iris, 2010. *2009 Quarterly RMP Compliance Inspections, Blocks 29-32, Mission Bay, San Francisco, California*. 14 January.
- Telesis Engineers, 2010. *Geotechnical Conditions and Natural Hazards, Due Diligence Assessment for Cloudspace Properties, San Francisco, California*. 6 October.
- Strata, 2010. *Phase I Environmental Site Assessment, Mission Bay Development Parcels 29 through 34, Project Cloudspace, San Francisco, California*. September.
- RWQCB, 2013. *Approval of Site Closure Request for the former petroleum terminals and related pipelines located at Pier 64 and the vicinity, a part of the Mission Bay Redevelopment Area, City and County of San Francisco*. 31 May.
- ARCADIS, 2013. *Well Decommissioning Report, Former Petroleum Terminals and Related Pipelines Located at Pier 64 and the Vicinity*. 20 September.

Information from these documents has been included in the preparation of this report, as appropriate.

OWNER-PROVIDED INFORMATION

An information request was sent to Ford Fish of the Salesforce Real Estate group on April 4, 2014. At the time of the completion of this Phase I Update, no owner-provided information has been received.

Environmental Liens or Activity and Use Limitation

Although no owner information has been provided, we are aware that the City and County of San Francisco submitted the Covenant and Environmental Restriction for the entire Mission Bay development site in February 2000. This covenant states that site must be developed in accordance with the 1999 Mission Bay RMP. The RMP presents the decision framework and the specific protocols for managing chemicals in the soil and groundwater in a manner that is protective of human health and the ecological environment, consistent with the existing and planned future land uses, and compatible with long-term phased development (Environ, 1999). The RMP delineates the specific risk management measures that must be implemented prior to, during, and after development of each parcel within the Mission Bay area. On 26 May 1999, the RWQCB provided a Certificate of Completion for the RMP prepared by ENVIRON. The letter stated that no further investigation or response action will be required within Mission Bay other than the requirements of the RMP, and Covenant and Environmental Restrictions.

Confidential Attorney-Client Privileged

On 15 May 2001, the RWQCB clarified the role of the RWQCB as the administering agency regarding management of methane at the Mission Bay area. In that letter, the RWQCB stated that they are the administering (lead) agency by the California Environmental Protection Agency (EPA). Furthermore, the RWQCB stated that rather than mandating application of Title 27 of the California Code of Regulations (solid waste management unit regulations), each project at Mission Bay would be evaluated on a site-by-site basis for management of methane gas. The letter stated that whenever soil gas methane sample results exceed 1.25 percent by volume (%), the project applicant shall notify their office of the results to determine whether any additional investigation or mitigation measures are warranted.

In August 2006, BBL submitted a Revised RMP (RRMP) for the Pier 64 Operable Units (OUs). The RRMP was developed to address any changes to the original Mission Bay RMP resulting from the completed remedial actions and any residual contamination at Pier 64 Site. It also discusses the delegation of responsibility for long-term management of residual contamination for the OUs.

Valuation Reduction for Environmental Issues

No owner information has been provided regarding potential valuation reductions for environmental issues are known or believed to be present at the site.

Owner Information

The owner of the site is Salesforce.com, Inc.

GEOLOGIC AND HYDROGEOLOGIC SETTING

The physical setting of the site was determined using information provided in the EDR *Radius Map with GeoCheck®*, topographic maps, and information obtained from our files. The site elevation ranges from about 99 to 103 feet² and is relatively flat.

Langan and others have completed several geotechnical and environmental investigations throughout the site. In general, subsurface conditions at the site consist of fill, Bay Mud, Colma Formation sand, clay and sand layers, and bedrock. Where explored, the site is blanketed by approximately 9 to 33.5 feet of fill. The fill thickness varies significantly throughout the site; however, where explored, the fill generally is greater than 15 feet within Block 29, the northern half of Block 30 and the western half of Block 31. The fill consists of gravel, sand, and clay mixtures, with brick, rock (including serpentinite), and other rubble. The sands and gravel are loose to very dense, and the clay is soft to stiff.

A weak and compressible marine clay deposit, referred to as Bay Mud, is present beneath the fill. Where explored within the project site, this layer ranges from about 2.5 to 46.5 feet thick, generally becoming thicker to the north.

² All elevations reference San Francisco City Datum plus 100 feet.

Confidential Attorney-Client Privileged

A medium dense to very dense clayey sand, silty sand and sand with clay and stiff to hard sandy clay, clay with sand and clay was encountered below the Bay Mud. Where encountered the sand and clay layers total 3 to 31 feet thick.

A medium dense to very dense sand, sand with clay, clayey sand, silty sand and sand with silt, known as the Colma Formation, was encountered below the sand and clay in portions of the site. The top of the Colma formation was encountered about 19 to 70 feet below the ground surface. Where encountered the sand is approximately 5 to 35 feet thick. The Colma Formation generally becomes thicker to the north and west.

A stiff to hard clay known as Old Bay Clay, very stiff to hard sandy clay, clay, gravelly clay with sand and clay with gravel and dense to very dense sand with silt and clayey sand were encountered below the Colma Formation to bedrock. Bedrock was encountered at depths ranging from 32 to 130 feet. Bedrock generally becomes deeper to the northwest and consists of serpentinite, greenstone, shale, and claystone of the Franciscan Complex. The rock is crushed to intensely fractured, soft to moderate hardness, and friable to weak, with deep to moderate weathering.

Groundwater was encountered about 6.5 to about 7 feet below ground surface (bgs). Local groundwater flow patterns vary in this area due to the heterogeneous nature of the fill, but the overall direction of shallow groundwater flow in this area is generally southeast toward San Francisco Bay. The groundwater level is influenced by rainfall and tides; therefore, the groundwater level measurements may not represent stabilized groundwater levels.

SITE DESCRIPTION AND HISTORY

This summary of land-use history of the site was evaluated by reviewing previous environmental records prepared for the site and searching aerial photos, historical topographic maps, City Directories, and Sanborn Fire Insurance Maps provided by EDR. Historical topographic maps were reviewed for the years 1895, 1915, 1943, 1947, 1948, 1950, 1956, 1968, 1973, 1993, and 1995. Sanborn maps were reviewed for the years 1899, 1900, 1913, 1914, 1949, 1950, 1970, 1974, 1975, 1984, 1987, 1988, 1989, 1990, 1991, and 1999. Historical aerial photographs of the site were reviewed for the years 1938, 1946, 1956, 1968, 1974, 1982, 1993, 1998, 2005, 2009, 2010, and 2012. City Directories were reviewed for the years 1910 to 2013. Historical research documentation is provided in Appendix A. Based on the available sources, the following chronology of the site use was developed.

Originally, the site was below water in a shallow bay known as Mission Bay. The tip of historic Point San Quentin was located just south of the site, along the 1852 San Francisco shoreline. Starting in the late 1860s, the bay was reclaimed by placing fill. A review of historic maps (Rumsey, 2003) and documents (ESA, 1990) indicates that the site was reclaimed starting around 1869 with soil and rock from nearby Irish Hill and the Second Street cut, and the filling completed between 1906 and 1910s with fill and building rubble from the 1906 San Francisco earthquake. In addition, a structure named the Long Bridge was constructed along what is now

Confidential Attorney-Client Privileged

3rd Street; this structure was a timber pile-supported bridge that crossed Mission Bay from north to south.

Former operations included the following:

- bulk fuel storage and distribution (approximately 1902 to 1966)
- railroad operations (approximately 1904 to 1939)
- a machine shop (approximately 1904 to 1927)
- a boiler house (approximately 1904 to 1927)
- steel mill (approximately 1906 to 1928)
- well casing manufacturer (1907 to 1975)
- warehousing, shipping, and receiving operations for a variety of products including agricultural chemicals, lumber, food, automobiles, metals, etc. (approximately 1910 to 2006)
- a fruit cannery (approximately 1935 to 1961)
- junk yards, vehicle parking, and vehicle maintenance facilities (approximately 1950 to 2004), and
- ready-mix concrete facilities (approximately 1972 to 2010) (ENVIRON, 2004 and Strata, 2010).

No former coal gasification sites exist within a half mile radius of the site. There are no oil & gas pipelines, active landfill sites, Department of Defense sites, or Indian Reservations within one mile of the site.

The site has been vacant and undeveloped since 2005 and no changes to property use have been noted since September 2010 Strata Phase I ESA. Detailed descriptions of the various owners and property uses are presented in the Phase I ESA reports by ENVIRON in September 2004 and Strata Environmental in September 2010.

PREVIOUS SITE INVESTIGATIONS AND REMEDIAL ACTIONS

Past activities within the Pier 64 area, specifically at the former petroleum terminals and related pipelines, significantly impacted environmental conditions. On 15 June 2005, the RWQCB adopted Order No. R2-2005-0028 which set forth the final cleanup requirements and redefined the Pier 64 area into six OUs. Former excavations related to the North Terminal OU are located on-site (Figure 2). Portions of the site within the North Terminal OU include the southeastern portion of Block 29, southern portion of Block 30, eastern half of Block 31, and entirety of Block

Confidential Attorney-Client Privileged

32. Responsible parties for the investigation and cleanup of the Pier 64 area, including North Terminal OU, are ARCO, Chevron, Phillips, UNOCAL, and Texaco (collectively referred to as the "Pier 64 Group" - primary dischargers) and the City and County of San Francisco and Esprit (secondary dischargers). A summary of the remedial actions conducted at the site follows.

Environmental Investigations

Environmental investigations have been conducted at the site since 1998. The following environmental investigations have been performed within the North Terminal Operable Unit:

- Remedial Investigations by ENVIRON in 1998,
- Maher Ordinance Investigations by Iris in 2000 and 2002,
- Remedial Investigations by the IT Group (IT) in 1998 and 2001,
- Interim remedial activities including exposing, tapping, grouting, and removing former oil pipelines, and removal of separate phase hydrocarbons (SPH) by IT in 1998, and
- Remedial Investigations by Clayton in 2000 and 2002.

The following environmental investigations have been performed at on-site locations outside of the North Terminal OU:

- Subsurface Investigations by ENVIRON in 1998,
- South of Channel Area Site Investigations by ENVIRON in 1998, and
- Maher Ordinance (San Francisco Health Code Article 22A) Investigations by Iris in 2000 and 2002.

The historical soil, groundwater, and soil gas sampling locations are shown on Figure 3.

UST Removals

One 13,500-gallon diesel underground storage tank (UST), formerly operated by the Pacific Coast Bus/Franciscan Bus Line, was removed from Block 31 in 1987, and one 1,000-gallon gasoline UST, formerly operated by Filbert Warehouse Corporation, was removed from Block 32 in 1997. These USTs were located within the area of the SPH plume in the North Terminal OU. Free product was present near the water table during removal of both USTs. The UST areas were subsequently excavated during the remedial activities conducted by BBL (discussed below).

One 4,000-gallon diesel UST, one 10,000-gallon UST, and one 5,000-gallon gasoline UST were formerly located at the portions of Blocks 29 and 31 outside of the North Terminal OU (Environ, 2004). The USTs were permanently removed in 1995, followed by sampling and removal actions for localized soil and groundwater impacts. Tank closures were conducted under the

Confidential Attorney-Client Privileged

authority of the SFDPH Local Oversight Program (LOP) and the Water Board. The LOP and Water Board issued case closure in February 1995. Historical UST locations are shown on Figure 2.

Phase I Remedial Excavation in 2001

The Phase I remedial action was implemented by Clayton in 2001 (Clayton, 2001). Approximately 14,020 tons of visibly stained soil was excavated to a depth of 2 feet below the groundwater surface (to approximately 9 feet bgs), and SPH was removed from the exposed groundwater surface within the excavation. Additionally, an SPH collection trench and high-density polyethylene (HDPE) sheeting was installed along the western edge of the excavation to minimize the lateral migration of floating SPH. Soil containing residual oil below the target zone was left in place. The 2001 Phase I remedial excavation area is shown on Figure 2.

Phase II Remedial Excavation in 2005

A Phase II remedial action was completed within the Pier 64 OUs, including the North Terminal OU, in 2005 through 2006 (BBL, 2006) (Figure 2). On-site activities included demolition and disposal of above ground structures, excavation and stockpiling of overburden soils, excavation of 90,000 tons of SPH impacted soils to a depth of about 2 feet below the ground water surface (to approximately 9 feet bgs), dewatering, removal of SPH from the exposed groundwater surface, and backfilling the excavation. The excavation was backfilled using crushed concrete from on-site demolition activities and overburden from the respective operable units that met the Mission Bay RMP reuse criteria (BBL, 2006). On 22 December 2006, the Water Board issued a no further action letter to the Pier 64 Group for soil remediation activities within the Pier 64 OUs, including the North Terminal OU.

Groundwater Monitoring

The RWQCB required the Pier 64 Group to develop and implement a Groundwater Monitoring Program (GMP) to continue to assess groundwater quality in and around the general vicinity of the OUs (BBL, 2006). The GMP comprised approximately 18 active monitoring wells for the Pier 64. RWQCB Board approved ARCADIS' site closure request on 31 May 2013. Based on post-remediation groundwater monitoring results, the RWQCB has rescinded Order R2-2005-0028 and approved destruction of all on site monitoring wells. In June 2013, ARCADIS abandoned 20 monitoring wells at the Pier 64 site.

Strata Environmental Phase I ESA

The significant findings identified in Strata Environmental's September 2010 Phase I ESA report are related to the historic fill materials underlying the site and the past industrial site activities including oil bulk storage and transfer operations, railroad operations, warehousing, and vehicle maintenance operations. However, extensive soil and groundwater remediation activities have taken place at the site and the remaining environmental conditions can be managed by the Mission Bay RMP.

Confidential Attorney-Client Privileged

Based on these findings, Strata did not require greater certainty regarding the identified recognized environmental condition (REC), and thus an additional investigation was not recommended.

REVIEW OF PUBLIC RECORDS

A review of environmental regulatory agency lists and records was performed for the site and vicinity to identify potential sources of or activities involving hazardous substances or petroleum products that might affect the soil and groundwater quality at the site. The lists identify sites where UST leaks, chemical spills, or contamination of soil and/or groundwater have been reported and confirmed. The regulatory lists also include sites where above-ground or USTs are present, hazardous materials are generated and/or stored, and whether or not there has been an unauthorized release.

A search of environmental regulatory agency databases for the site and vicinity was prepared for Langan by Environmental Data Resources Inc. (EDR), and is included in Appendix B of this report. The list of the government agency databases reviewed by EDR is summarized in their report. Our Updated Phase I ESA also included searching online databases maintained by the RWQCB and California Department of Toxic Substances Control (DTSC) regarding any additional files and evaluating any fuel and hazardous materials leaks reported at the site and neighboring sites since September 2010.

Based on our review of the EDR report, the general conditions for the site and nearby properties remain as described in Strata's September 2010 Phase I ESA. During our review, we noted that the following LUST sites upgradient of the property were not mentioned in Strata's September 2010 Phase I ESA, but are not considered environmental concerns because all the cases have attained closure.

- 3rd Street Light Rail Project (3rd Street and 16th Street, <1/8 mile S)
- Kaiser Sand & Gravel (300 16th Street, <1/8 mile S)
- Catellus Development Corporation (1600 6th Street, <1/4 mile W)
- Port of San Francisco (333 Illinois Street, <1/8 mile S)
- Ares Commercial Properties (1501 3rd Street, <1/8 mile N)
- Former Pearson Equipment Company (1400 6th Street, <1/4 mile W)

A review of the GeoTracker database indicated that site closure was approved by the RWQCB for the Pier 64 area in a letter dated 31 May 2013, as discussed in the Groundwater Monitoring section above. Post-remediation groundwater monitoring has shown that residual petroleum products have a very limited impact on groundwater and results from the February 2013 show that the groundwater conditions meet the RWQCB's Environmental Screening Levels (ESLs). Therefore, the RWQCB concluded that no further action is necessary at the site and any

Confidential Attorney-Client Privileged

residual contamination would be effectively managed using the existing Mission Bay RMP. As a result, ARCADIS decommissioned 20 wells in the Pier 64 vicinity, as documented in their Well Decommissioning Report dated 20 September 2013.

SITE AND VICINITY RECONNAISSANCE

Ms. Annie Lee, a registered Professional Engineer in California, performed a site and vicinity reconnaissance on 9 April 2014 with Brian Parker, the Facilities Manager for Salesforce. The objective of the reconnaissance was to check for visual evidence of past or present use or storage of hazardous materials that could potentially affect the soil and groundwater quality at the site. Photographs 1 through 12 taken at the time of our reconnaissance are presented in Appendix C.

The northeast portion of the property (located on Block 30 and a portion of Block 29) has been operated by Impark as a parking lot since August 2013 (Photograph 2). The remainder of the property consists of a vacant, unused parking lot along the west side of the site in portions of Block 31 and 29 (Photograph 1) and vacant unpaved land within the former excavation areas (Photograph 9). The historical soil excavation and backfill work has resulted in a depressed area that contains water at a depth of approximately 6.5 feet below street level on the eastern side of Parcel 31, as shown on Photograph 4. Mr. Parker indicated that there is always water within the depression, though he has seen the water level approximately two feet lower in the past. During the site visit, birds were observed in the vicinity of the depression, including geese, ducks and birds. A surface swale has been excavated from the center of the site towards the depression to allow for drainage of water into the depression (Photograph 7). Mr. Parker indicated that mosquito control measures have been implemented at the site by Pestec, an integrated pest management provider.

A wood pile was observed near the center of the property, as shown on Photograph 8. The wood may be former railroad ties related to the historical railroads that crossed the property or the Long Bridge that previously crossed Mission Bay. No staining or discoloration was observed on the wood or in the vicinity of the wood pile.

No monitoring wells were observed on the property, consistent with the Well Decommissioning Report by ARCADIS.

No visual evidence of the following features was observed during the site reconnaissance: USTs; stressed vegetation or stained soil; or mining, oil, and gas exploration, production, or distribution. At the time of our inspection, the asphalt parking and sidewalk areas appeared well maintained with no evidence of any significant staining, spillage, and/or ponded liquids or uncontained solids.

Nearby Area

A reconnaissance of the adjoining properties was conducted from the public right-of-ways. Surrounding properties were dominated by multi-level commercial buildings, parking structures,

Confidential Attorney-Client Privileged

and vacant lots. No apparent signs of chemical releases or leaks were noted at any nearby facilities.

Langan observed large soil piles east of the property boundary, in between the site and Terry A. Francois Boulevard. Mr. Parker did not have information regarding the origin or use of the stockpiled soils. However, as shown in Photograph 11, the soil appeared to be fill material with cobbles, boulders, and bricks.

Since the Strata 2010 Phase I ESA, the concrete mixing equipment at the former Cemex facility to the south of the property has been removed and the property is vacant, as shown on Photograph 12.

SUMMARY AND CONCLUSIONS

The site was created in the late 1800s and early 1900s by placing fill material in Mission Bay. Historical uses of the property include a bulk oil storage and transfer terminal, a machine shop, a boiler house, steel mill, well casing manufacturer, warehousing, shipping, and receiving operations for a variety of products, a fruit cannery, junk yards, vehicle parking, vehicle maintenance facilities, and ready-mix concrete facilities. Past activities within the Pier 64 area, specifically at the former petroleum terminals and related pipelines, significantly impacted environmental conditions at the site. However, the Pier 64 site attained site closure on 31 May 2013 and groundwater monitoring wells were abandoned in June 2013.

Any remaining soil and groundwater impacts at the site would be managed through the Mission Bay RMP (Environ, 1999). The RMP presents the decision framework and the specific protocols for managing the chemicals in the soil and groundwater in a manner that is protective of human health and the ecological environment, consistent with the existing and planned future land uses, and compatible with long-term phased development. The RMP delineates the specific risk management measures that must be implemented prior to, during, and after development of each parcel within the Mission Bay area.

The portions of the site within the North Terminal OU (southeastern portion of Block 29, southern portion of Block 30, eastern half of Block 31, and entirety of Block 32) are subject to the requirements of the RRMP for the Pier 64 Operable Units (BBL, 2006). The RRMP was developed to address any changes to the original Mission Bay RMP resulting from the completed remedial actions and any residual contamination at Pier 64 Site. It also discusses the delegation of responsibility for long-term management of residual contamination for the OUs.

Additionally, this site is located bayward of San Francisco's historic shoreline. Article 22A of the San Francisco Public Health Code, administered by SFDPH, states that construction projects in San Francisco that are bayward of the historic 1852 high tide line and disturb more than 50 cubic yards of soil, require assessment of the site history and subsurface soil quality. Like many sites along San Francisco's waterfront that are comprised primarily of fill material, some fill soils at the site contain contaminants that exceed hazardous waste threshold concentrations, and will require special handling and disposal. In accordance with the requirements of Article 22A, a

Confidential Attorney-Client Privileged

site mitigation and health and safety plan will also be required before construction and off-haul of the fill materials to designated landfills.

Based on our review of regulatory files, the site history, and site reconnaissance, this assessment revealed no substantial changes at the site since the previous Phase I ESA report dated September 2010.

QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

Annie Lee, PE, earned a Bachelor of Science in Civil Engineering, with an emphasis on Environmental and Water Studies, at Stanford University. She has also earned a Master of Science in Environmental Engineering at Stanford University. She is a Professional Civil Engineering in the State of California. She has four years of experience in environmental due diligence, site characterization, remedial investigation and in-situ remediation design. Annie specializes in in-situ remediation technologies for the treatment of contaminated soil and groundwater. She is a LEED Accredited Professional and an Envision Sustainability Professional, and is interested in engineering for environmental sustainability.

Dorinda Shipman, PG, Certified Hydrogeologist (CHG), has 25 years of experience in managing and performing site audits, environmental site assessments, site investigations and cleanup, and brownfields site redevelopment. Her expertise encompasses real estate property transfer and redevelopment, as-needed environmental services, groundwater investigation and cleanup, well field development and protection, and litigation support. She has worked with EPA Region IX, Cal-EPA, DTSC, RWQCB, and numerous county regulators. Ms. Shipman is a Professional Geologist and Certified Hydrogeologist in California and holds a Bachelor of Science degree in Geology from Ohio University and a Master of Science in Geology (Hydrogeology Option) from Wright State University.

Appendix D contains copies of Ms. Lee's and Ms. Shipman's resumes.

LIMITATIONS

Activities undertaken as part of this assessment were conducted on behalf of the Golden State Warriors to provide preliminary information and data as input to possible decisions about the site. The conclusions presented in this report are professional opinions based on the specific activities conducted. Information obtained from government agencies and the current property owner is dependent upon the quality of the information obtained.

Langan makes no guarantees or warranties with respect to the accuracy or completeness of this information. Opinions and recommendations presented herein apply to site conditions existing at the time of our assessment, and cannot necessarily be taken to apply to site changes or conditions of which we are not aware and have not had the opportunity to evaluate.

The assessment did not include testing for the presence of lead paint, asbestos, PCBs in transformers or other electrical equipment, or naturally occurring environmental hazards (e.g., radon). The assessment did not address non-chemical hazards, such as the potential

Confidential Attorney-Client Privileged

for seismic hazards at the site, nor did the scope of this work include any soil, air, or groundwater testing. Thank you for the opportunity to provide this Updated Phase I ESA. If you have any questions or need any information clarified, please call Ms. Dorinda Shipman at (415) 955-5262.

Sincerely yours,

Langan Treadwell Rollo



Annie Lee, PE
Senior Staff Engineer



Dorinda Shipman, PG, CHG
Principal

cc: David Kelly Golden State Warriors, dkelly@warriors.com
Stuart Graiwer, Stroock, sgraiwer@stroock.com

Attachments: Figure 1 – Site Location Map
Figure 2 – Site Plan
Figure 3 – Historical Sampling Locations
Appendix A – Historical Research Documentation
Appendix B – Environmental Regulatory Records
Appendix C – Photographs


731617202.02 DCS

FIGURES

**CONFIDENTIAL
ATTORNEY-CLIENT
PRIVILEGED**

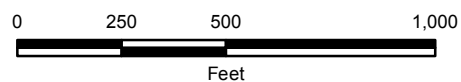


Legend

 Proposed Site location

Notes:

1. Aerial orthophoto mosaic is courtesy of the City and County of San Francisco and is from April 2012.
2. Map displayed in California State Plane Coordinate System, Zone III, North American Datum of 1983 (NAD83), US Survey Feet.



SITE X
San Francisco, California

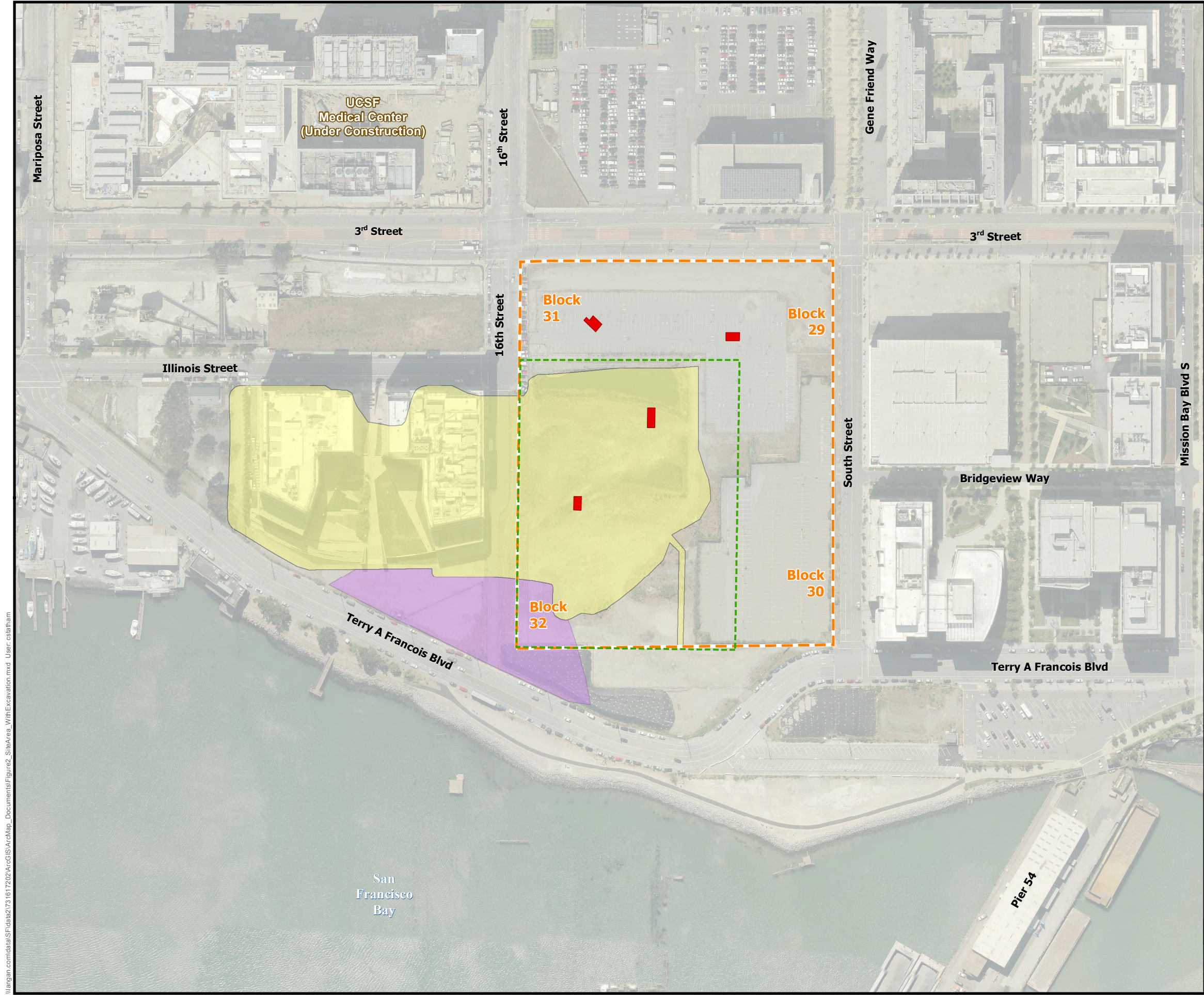
PROJECT SITE LOCATION

LANGAN TREADWELL ROLLO

Date 4/11/2014

Project 731617202

Figure 1



Legend

- Proposed Site Location
- Proposed Future Parcel
- North Terminal Operable Unit Boundary
- Former Underground Storage Tank (UST) Location
- Extent of phase I excavation by Clayton in 2001
- Extent of phase II excavation by BBL in 2005

**CONFIDENTIAL
ATTORNEY-CLIENT
PRIVILEGED**

Notes:

- All locations are to be considered approximate.
- Aerial orthophoto mosaic is courtesy of the City and County of San Francisco and is from April 2012.
- Map displayed in California State Plane Coordinate System, Zone III, North American Datum of 1983 (NAD83), US Survey Feet.

0 100 200 400
Feet

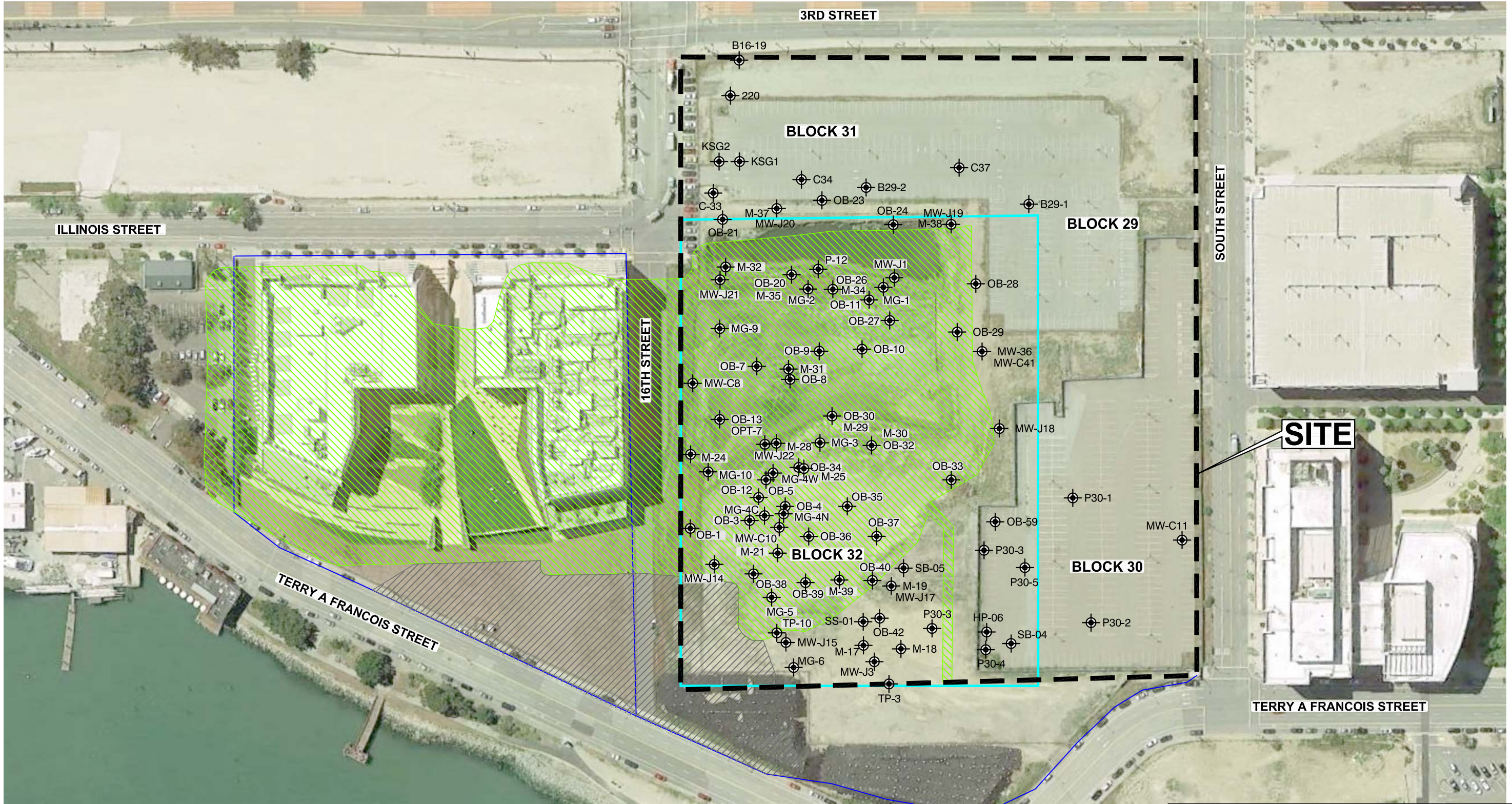
SITE X
San Francisco, California

SITE PLAN

Date 4/11/2014	Project 731617202	Figure 2
----------------	-------------------	----------




LANGAN TREADWELL ROLLO



\\langan.com\data\SF\data2\731617202\2D-DesignFiles\Environmental\731617202-N-SP0101.dwg 4/11/14



Base Map: Google Earth Pro, 2014.

EXPLANATION

-  Approximate location of soil, soil-gas and/or groundwater sample by others, 1996 through 2006
-  North Terminal Operable Unit Boundary
-  Approximate location of Site boundary

-  Extent of Phase I excavation by Clayton in 2001
-  Extent of Phase II excavation by BBL in 2005

Note:
1. Sample locations within excavation areas only include those soil samples collected below the depth of excavation (approximately 9 feet below grade), groundwater, and soil gas samples.



0 120 Feet
Approximate scale

SITE X
San Francisco, California

HISTORICAL SAMPLING LOCATIONS

Date 04/09/14 Project No. 731617202 Figure 3

LANGAN TREADWELL ROLLO

CONFIDENTIAL ATTORNEY-CLIENT PRIVILEGED