Bob Olson
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PHASE 1
ENVIRONMENTAL SITE ASSESSMENT
BOHEMIA PARCELS
APN 052-102-012, -013 & -017
PLACER COUNTY, CALIFORNIA

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June 8, 2004

CHARLES LOCKWOOD CONSULTING ENGINEER, INC.

CHARLES LOCKWOOD CONSULTING ENGINEER, INC.
General Engineering Contractor #598710 (Haz.)

June 8, 2004

Mr. Dan Henning
Senior Vice President
Western Sierra Bank
2779 East Bidwell Street, Suite 400
Folsom CA, 95630

Subject: Phase 1 Environmental Site Assessment for Bohemia Parcels, Placer County

Dear Dan,

Charles Lockwood Consulting Engineer, Inc., is pleased to submit this Phase 1 Environmental Site Assessment for three parcels totaling approximately 18.5 acres of land located northeast of the intersection of Highway 49 and Luther Road in Placer County. This assessment was prepared pursuant to your authorization, which we received on May 18, 2004.

We appreciate the opportunity to participate in this project. Please call if you have any questions.

Very Truly Yours,

CHARLES LOCKWOOD CONSULTING ENGINEER, INC.

Charles P. Lockwood

Charles P. Lockwood, P.E., R.E.A.
Principal Engineer,
President

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PHASE 1 ENVIRONMENTAL SITE ASSESSMENT FOR BOHEMIA PARCELS, APN 052-102-012, -013 & -017 PLACER COUNTY, CALIFORNIA

The objective of this assessment is to preliminary identify liabilities resulting from the presence of hazardous substances or petroleum products at the property. The assessment consisted of inspection of the property and neighborhood, and review of regulatory and other agency files.

The property was inspected to identify visible evidence of chemical occurrence, such as stains, chemical containers and debris. Elements of the property inspection included:

- Inspection of the property,
- Interview of the property owner, and
- Cursory inspection of adjacent parcels.

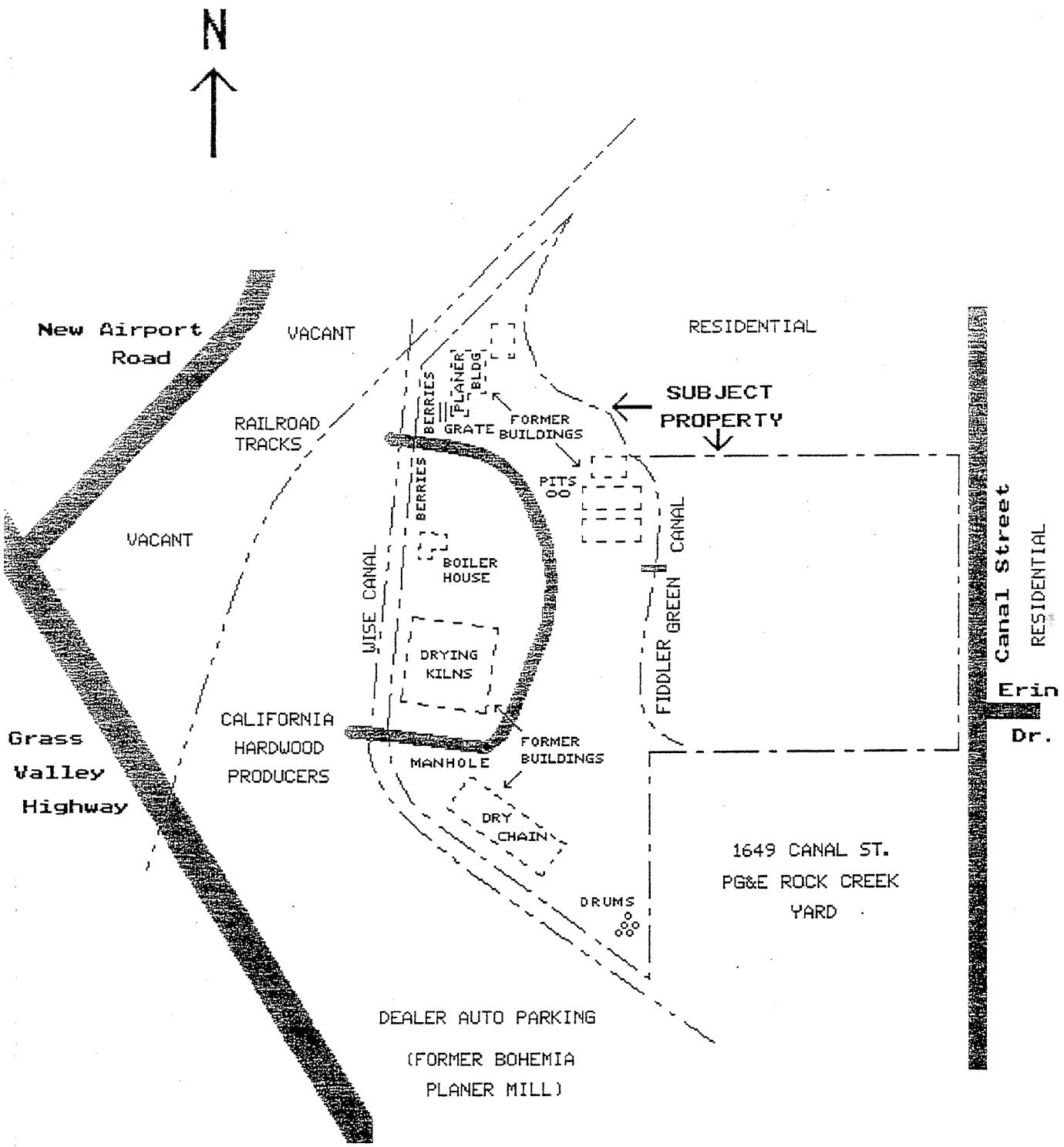
Regulatory agency files were reviewed to determine if any investigations associated with hazardous substances or petroleum product use have been performed at the property or at nearby locations which could impact the property. Agency records were also reviewed for historic information regarding the property. To provide additional historic information, aerial photographs were reviewed.

This Phase 1 assessment did not include water, soil or air sampling or sampling of construction materials for asbestos or lead. The focus of this assessment is on potential hazardous substance contamination, and the assessment did not address other possible issues such as restrictions on development, zoning and use permit issues, or potential flood hazards at the property. In addition, it should be recognized that regulatory agency files are often difficult to access and are sometimes incomplete, particularly in regard to historical data.

This report was prepared solely for the use of Western Sierra Bank and their assigns for evaluating the subject property. This assessment was performed in accordance with generally accepted engineering practices for conduct of a Phase 1 assessment and in accordance with the American Society of Testing and Materials (ASTM) Practice E 1527-00. This assessment should be viewed as an estimate of existing conditions at the property.

Property Description

As shown on Figure 1, the property consists of approximately 18.5 acres of land identified as Assessor parcel numbers (APN) 052-102-012, -013 and -017. A copy of the Assessor's parcel map is included as Attachment 1. The property is located between Grass Valley Highway, New Airport Road, Canal Street and Luther Road, outside the city limits of Auburn. The property was vacant at the time of this



CHARLES LOCKWOOD CONSULTING ENGINEER, INC.	FIGURE 1 PROPERTY AND VICINITY

inspection, but paving and foundations from former buildings remain at the property. The property is part of a larger area originally developed as Cal Ida Lumber, which began operations in 1901. In the 1970s, the property was part of a Bohemia lumber mill which included facilities extending west to Grass Valley Highway. Bohemia operations on the property ceased in the early 1980s, and buildings on the property were demolished in 1983 or 1984. Approximate locations of former buildings seen on aerial photographs and noted in Assessor's records are shown on Figure 1. The property has been owned by Bohemia Properties LLC since April 2004, but was previously owned by partnerships and corporations involving James Conkey since 1988. There have been no tenants and no use of the property since then.

The property is bordered to the southwest by Wise Canal. Across the canal to the west is California Hardwood Producers, which is a retail lumberyard on property originally part of Cal Ida Lumber. To the southwest across the canal is vacant land used for automobile parking by a local Dodge dealer. That parcel was formerly occupied by the Bohemia Planer Mill, and is identified as a "closed" leaking tank site. Railroad tracks extend along the northwest side of the property, with vacant land to the northwest between the tracks and New Airport Road. The property extends east to Canal Street. The east side of Canal Street consists of a residential development, and homes are also located to the northeast of the subject property. To the southeast is a PG&E maintenance yard at 1649 Canal Street, which is another "closed" leaking tank site. File information for nearby sites was reviewed as part of this assessment.

Property Inspection

The property was inspected on May 19, 2004, by Charles Lockwood, Registered Environmental Assessor #00343 and Professional Engineer (Civil) #30633 (see Attachment 5). James Conkey, managing member of Bohemia Properties LLC, was interviewed by telephone later that day. Mr. Conkey indicated that he has been involved in various partnerships and corporations which have owned the property since 1988. In 1988, the property was in its current condition, with foundations from historic use of the property as part of the Bohemia Lumber Mill. There have been no tenants and no use of the property since 1988. Mr. Conkey's understanding was that the lumber mill had been scrapped in 1983 and 1984, and the buildings were demolished at that time. Mr. Conkey indicated that the property has been the subject of several development proposals, including proposals for development by Lumberjack, Target and most recently Walmart. Mr. Conkey thought that Phase 1 environmental site assessments and possibly Phase 2 sampling had been done as part of the development proposals, but he could find no copies of the previous assessment reports. Mr. Conkey thought the property had been used for log storage and for cutting lumber when the property was part of the lumber mill. Underground storage tanks were removed from another part of the Bohemia Lumber Mill, located across Wise Canal to the southwest of the subject property, and he was aware of no underground storage tanks on the subject property. Mr. Conkey was uncertain of connections for rest rooms at the former lumber mill, and thought that there were only storage buildings on the subject property, with rest rooms on the west part of the lumber mill, west of Wise Canal. Mr. Conkey indicated that he had no knowledge of

any dumping, burying or burning of wastes on the property. Mr. Conkey indicated that the owners have received no correspondence regarding environmental issues at the property; the owners are unaware of any pending, threatened, or past litigation or administrative proceedings regarding hazardous substances or petroleum products in, on, or from the property; and, the owners have received no notices from any governmental entities regarding violation of environmental laws or possible liability relating to hazardous substances or petroleum products at the property.

No survey work was done to establish the property boundaries. Figure 1 is based on the Assessor's parcel map and apparent property lines. As shown on Figure 1, an irrigation ditch called Fiddler Green Canal crosses the property, and a larger canal called Wise Canal runs along the west side of the property.

The east part of the property, east of Fiddler Green Canal, consists of approximately 7.6 acres of land identified as APN 052-102-012. No obvious building foundations were seen in this area, but a bridge over the irrigation ditch provides access to the west part of the property. Aerial photographs suggest that this part of the property was used for log decks and outdoor lumber storage when the lumber mill was operating. Minor amounts of litter including an abandoned truck shell near the east property line and approximately one dozen old tires were noted on the east part of the property.

Most Assessor's records refer to APN 052-102-013, consisting of the northwest part of the property totaling approximately seven acres. This part of the property has a considerable amount of pavement and building foundations. At one time, a road, which is shown on the Assessor's map, looped through this area crossing over Wise Canal at two locations. A large manhole cover was noted in the south part of the road. Concrete foundation remnants were noted towards the northeast corner of this area. Two pits were noted west of the building foundations. The pits exposed large diameter piping, possibly having asbestos wrapping. Tires were seen to have been dumped into the pits. On the order of 50 old tires were noted at various locations on the northwest part of the property. Additional building foundations were seen at the north end of the property. Near these foundations, two grates were noted in a concrete pad. We are uncertain what the grates were used for. Several piles of wood scraps were noted in this general area. The north bridge over Wise Canal is located in this area. The bridge was blocked by a fence and gate. The area west of the gate contained stacks of old logs. The area along the fence was overgrown with berries. A large iron valve, appearing to be part of a boiler system, was seen in the berry plants. Assessor's records indicate that a boiler house, presumably providing heat for kilns, was formerly located on the west side of the property. Assessor's records indicate that the boiler was fired with sawdust, but we assume the boiler probably had oil or other fuel to start up. Drying kilns were located south of the boiler. The south bridge over Wise Canal leads into California Hardwood Producers.

The south end of the property, APN 052-102-017, consists of approximately 3.8 acres of land. Historic aerial photographs show that a large building, identified

as the "Dry Chain Building" was formerly located on this parcel. At the extreme south corner of the property, approximately eight old rusty drums were noted along with some ducting. Some of the drums were heavy, likely still containing fluid or solids.

Adjacent parcels include California Hardwood Producers to the west, PG&E maintenance facility to the southeast, vacant land used for auto parking to the southwest and residences. California Hardwood Producers was seen to have a memorial marker indicating that it was the original location of the Cal Ida Lumberyard, established in 1901. California Hardwood Producers is a firewood dealer, and stacks of firewood were noted on the roadway west of the south bridge from the subject property. Assessor's maps indicate that most planing mill buildings were formerly located on the California Hardwood Producers parcel. Our understanding is that those buildings burned in approximately 1997. Assessor's maps indicate that a shop building was formerly located on the vacant parcel used for auto parking southwest of the subject property. Our understanding is that three underground storage tanks were removed from that area in 1991. Maintenance materials, such as pipe, wire coils, and vaults, were seen to be stored in the PG&E yard southeast of the property. An underground tank was removed from the PG&E facility in 1998. File information regarding tank removals on adjacent parcels was reviewed as part of this assessment.

Review of Aerial Photographs

To better define historic uses of the property, aerial photographs taken in August 1962, June 1971, February 1982, May 1989 and June 1993 were reviewed. Photos from 1962 through 1982 show the former lumber mill facilities on the property. The Drying Kiln Building, Boiler House and Dry Chain Building are visible in the three photographs from 1962 to 1982. Buildings at the north end of the property were added between 1962 and 1971. The east part of the property appears unused in 1962, but lumber storage is visible in that area in the 1971 and 1982 photos. Buildings were seen to have been removed by the time the 1989 photo was taken. The large original planer mill buildings formerly located on the California Hardwood Producers parcel are visible in the 1989 and 1993 photos. Our understanding is that those buildings burned in 1997. Some vehicles are visible parked on the foundation of the Dry Chain Building in the 1989 photograph, but there was no obvious activity on the property by 1993.

Agency Record Review

To identify sites in accordance with ASTM guidelines, a Radius Map Report was obtained from Environmental Data Resources, Inc., (EDR), May 19, 2004. Excerpts of the EDR report are included as Attachment 4. Agency lists reviewed by EDR included:

- Environmental Protection Agency (EPA) National Priorities List (NPL), January 29, 2004;

- EPA Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) listing, February 26, 2004;

- California Department of Toxic Substances Control, CalSites listing, March 2, 2004;

- State Water Resources Control Board, Leaking Underground Storage Tank Information System, April 13, 2004; and,

- California Integrated Waste Management Board, Solid Waste Inventory System (SWIS) database, March 15, 2004.

Other lists were also reviewed, as detailed in Attachment 4. Because of the size of the property, search radii were extended by one-eighth mile when the EDR report was ordered. The EDR report makes references to Bohemia Inc., and Former Planer Mill, which were found to refer to the parcel immediately southwest of the subject property. Otherwise, the subject property is not identified in lists reviewed by EDR. As shown in Table 1, the EDR report identified eight leaking underground storage tank sites located within one-half mile of the property, and one dry cleaner. EDR uses extended radii for some lists, and the ASTM guidelines only require identification of adjacent underground tank sites, waste generators and spill sites. As a result, more sites are identified in Attachment 4 than are shown in Table 1. The EDR report includes maps showing the location of the property and sites in the vicinity.

The EDR report was used to identify sites that should be researched. Sites identified in the EDR report were cross-checked with lists of sites known to have contamination. The dry cleaner identified in the EDR report is not identified as having contamination according to other lists. Five of the eight leaking tank sites have been "closed", which means that investigation and cleanup work have been completed. In general, closed sites are considered unlikely to have any adverse impact on the property. File information was sought for the subject property, adjacent sites, and "open" sites in the vicinity.

To provide additional information on sites in the vicinity of the property and information regarding the subject property, staff and/or files at the following agencies were reviewed:

- California State Library,

- Placer County Assessor's Office,

- Placer County Consolidated Fire District,

- Placer County Planning Department,

- Placer County Environmental Health Division, and

Table 1. Sites Located Within ASTM Search Radii Identified in the EDR Report

Site	Address	Distance[a]	Type/ Status[b]
Village Cleaners	2244 Grass Valley Hwy.	0.2 SW	Cleaner
PG&E Rock Creek Yard	1649 Canal St.	Adjacent SE	LUST/Closed SM GEN HAZNET
Former Planer Mill (aka Bohemia Inc.)	Hwy 49/Luther Rd.	Adjacent SW	LUST/Closed
McLaughlin Ford Dealership	1650 Hwy 49	0.2 S	LUST/Closed
Auburn State Recreation Area	Hwy 49	0.2 S	LUST/Closed
Tanko Well Drilling	12150 Luther Road	0.2 S	LUST/Closed
Auburn Equipment Rental	1460 Canal St.	0.2 S	LUST
Payne Property	1449 Hwy 49	0.4 S	LUST
Exxon/Nella Oil	2280 Drive Inn Way	0.4 NW	LUST

[a]Approximate distance (miles) and direction from subject property to site. Distances corrected based on file information and property inspection.
[b]Cleaner - Dry cleaner identified in EDR's database
LUST - Leaking underground storage tank site
Closed - Investigation and remediation completed to the satisfaction of regulators
SM GEN - Small quantity waste generator
HAZNET - Address identified on a waste transport manifest

- Central Valley Regional Water Quality Control Board.

California State Library

The State Library was visited on May 20, 2004, to review historic Sanborn Fire Insurance Maps and directories in accordance with ASTM guidelines. The Library's collection of Sanborn maps for Auburn includes maps prepared in 1891, 1894, 1899, 1907, 1912, 1925 and 1944, but none of the maps show the subject property. The State Library has only a few historic directories for Auburn. The 1967 directory had no obvious listing for the subject property. The 1967 directory does not list Canal Street or Luther Road. The 1969 directory identified Cal Ida Lumber on the west side of Grass Valley Highway, but gave no street address.

Placer County Assessor's Office

The Assessor's office was initially visited on May 19, 2004. The Assessor's map was obtained and is included as Attachment 1. The Assessor's roll indicates that APN 052-102-012, -013 and -017 have been owned by Bohemia Properties LLC since April 2004. The parcels are zoned industrial, and only land is valued with no indica-

tion of improvements. All three parcels have the same historic ownership, with prior owners including Bohemia Inc. in 1978, Auburn 49 Associates in 1988, Fiddler Green Associates in 1988 and Auburn 49 Associates in 1992. Because the Assessor's Roll values only land, we initially thought there would be no building records for the property, but we learned that files were available, which were reviewed on June 7, 2004. No records were found of historic buildings on APN 052-102-012. Documents were on file regarding hearings for a conditional use permit for Walmart. The hearings were held in November 1995. Records were found for several former buildings on APN 052-102-013, including: Car Loading Building completed in 1960, Part of New Planing Mill completed in 1960, Planing Mill completed in 1966, Boiler House completed in 1951, Dry Kilns & Cooling Sheds completed in 1952, Dry Kiln completed in 1966, Lumber Shed completed in 1960, and miscellaneous items including spur track, Sticker Building, Storage Warehouse, steel sawdust bin and wash room. The record indicates that boilers in the Boiler House were fired with sawdust. The Dry Chain Building, formerly located on APN 052-102-017, was constructed in 1959. Assessor's records help to identify buildings seen on aerial photographs of the property, as shown on Figure 1. Copies of the records are included as Attachment 2. Assessor's records gave no indication of underground storage tanks at the property.

Placer Consolidated Fire District

The Placer Consolidated Fire District provides fire protection services for the property, and was contacted on June 2, 2004, in hopes of obtaining historic information regarding the property. Battalion Chief Brad Albertazzi was aware of the former lumber mill site, but indicated that the Fire District has no records of buildings and facilities formerly located on the property.

Placer County Planning Department

Occasionally, Phase 1 and Phase 2 assessment reports are submitted as part of proposals for development. The Planning Department was contacted on May 27, 2004, in hopes of obtaining copies of assessment reports which may have been prepared for Walmart, Target or other planned tenants. Charlene Daniels was the project planner for WalMart. She indicated that documents regarding proposed development of the property had been archived. She had no recollection of any Phase 1 or Phase 2 reports being submitted as part of the application process for proposed tenants.

Placer County Environmental Health Division

Placer County Health and Human Services Environmental Health Division is the Certified Unified Program Agency (i.e. compiles information on hazardous materials handlers and underground tank sites) and is the lead agency for site cleanup work for most of Placer County. The Environmental Health Divisions Master List of Facilities, dated November 2003, was reviewed. The Master List identifies hazardous material handlers and site cleanup work. Files for sites adjacent to the subject property and

"open" cleanup sites identified in the EDR report were requested for review. Files were reviewed on June 3, 2004.

PG&E Rock Creek Yard. This facility is located at 1649 Canal Street, immediately southeast of the subject property. A 6,000-gallon underground gasoline storage tank was removed in April 1998. Soil samples collected beneath the tank had non-detect results, except for lead. Water flowed into the tank excavation, and was sampled with low levels of gasoline reported. A monitor well was installed, and nearly all of the samples from the well were non-detect. A closure letter was issued for the site on April 3, 2000. Excerpts of documents regarding the tank removal are included as part of Attachment 3. In addition to records regarding the tank removal, information was also available regarding materials handling at the PG&E facility. The facility currently has a 2,000-gallon aboveground diesel tank and a 500-gallon aboveground waste oil tank, and diesel, kerosene, hydraulic fluid and lube oil are also handled in drums at the facility. Cement, sealants, propane and welding gases are also used. The facility appears to comply with County requirements. File information gave no indication of adverse impacts on the subject property.

Former Planer Mill (Bohemia Inc.). This site is identified as a "closed" leaking tank site. Location maps in the County's file indicate that this site was located on the west side of Wise Canal at the vacant parcel currently used for automobile parking, not on the subject property. Two 10,000-gallon tanks, one used for diesel and the other for gasoline, were removed in 1986, and in 1988, a 2,100-gallon waste oil tank was removed. Apparently, the tanks were close to bedrock, so excavating soil was difficult, and groundwater flowed on top of the bedrock and in fractures in the rock. Eleven monitor wells were constructed as part of investigations at the site. Groundwater was very shallow, ranging from only about 2 to 12 feet below ground surface over the period of record for the wells. Wells indicated southerly gradients, not towards the subject property. Diesel contamination appears to have been confined to three wells. Because the extent of groundwater impacts was defined and the source area largely removed, the Regional Water Quality Control Board issued a closure letter indicating that further investigation and remediation of the site was not required. Excerpts of the file are included as Attachment 3. The file gave no information regarding the subject property.

Auburn Equipment Rental. This site is located at 1460 Canal Street, approximately 0.2-mile south of the subject property. Two tanks including a 1,000-gallon diesel tank and a 1,000-gallon gasoline tank were removed in 1989. Excavation work was performed in 1990. Seven monitor wells have been installed at the site. Semi-Annual Groundwater Monitoring Report, prepared by Western Geo-Engineers, March 24, 2004, was reviewed. Contamination appears limited to three wells. Wells indicate westerly groundwater gradients, with down-gradient wells to the west having non-detect results. The extent of groundwater impacts appears to have been defined, with no adverse impacts on the subject property indicated.

Payne Property. This site is located at 1449 Grass Valley Highway, on the west side of the highway between Holly Vista Way and Live Oak Lane. Two under-

ground storage tanks were removed in 1992. Seven monitor wells have been constructed. The Fourth Quarter 2003 Groundwater Monitoring Report, prepared by Apex Environmental, January 23, 2004, was reviewed. Wells appear to have defined the extent of groundwater impacts. No impacts on the subject property are indicated.

Exxon/Nella Oil. This service station is located at 2280 Drive Inn Way, approximately 0.4-mile northwest of the subject property. Underground tanks and pumps at the station were replaced in 1993. A considerable amount of excavation work was done, removing approximately 3,800 cubic yards of soil. Eight monitor wells have been constructed, and a groundwater extraction and treatment system operated in 2003. According to 4th Quarter 2003 Groundwater Monitoring and Remediation System Report, prepared by GHH Engineering, April 2004, the extent of groundwater impacts appears defined. No adverse impacts on the subject property are indicated.

Central Valley Regional Water Quality Control Board

The Leaking Underground Storage Tank Information System identifies a site called "Former Planer Mill" at Highway 49 and Luther Road. Because we were uncertain if that site was the same as the Bohemia, Inc., site identified by Placer County Environmental Health, on May 25, 2004, we submitted a request to review the Regional Water Quality Control Board file. Staff indicated that the site had been closed, and the file had been archived, with several weeks required to retrieve the file. Because the Bohemia Inc. file at the County included references to the Former Planer Mill and included a Regional Water Quality Control Board closure letter for the site, we concluded that the sites refer to the same location, i.e., the tank removal on the west side of Wise Canal, southwest of the subject property.

Conclusions

We have performed a Phase 1 Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-00 for property identified as APN 052-102-012, -013 and -017, consisting of approximately 18.5 acres of land in Placer County. In our opinion, historic use of the property as a lumber mill represents a recognized environmental condition in connection with the property. Our observations and opinions regarding the property are presented below.

1. Relatively little historic information was found for the property. No Sanborn Fire Insurance Maps were available showing the property, nor were any records found at the Fire Department. Aerial photographs dating back to 1962 show lumber mill facilities on the property. Assessor's records identify many of the buildings formerly located on the property. We believe that the lumber mill was scrapped in 1982 or 1983, and the buildings were removed with no use of the property since then.

2. No records were found indicating that there were underground tanks on the property, and the property is not identified in regulatory lists. We are aware,

however, that many lumber mills are identified as cleanup sites. Our understanding is that issues at other lumber mills include fuel storage tanks, green chain operations involving dipping of lumber in preservatives, and landfilling of ash and lumber waste. We are uncertain if those activities occurred at the subject property. Because lumber mill activities date back to 1901, from a practical standpoint it is probably impossible to fully define historic activities on the property.

3. Old tires were noted at various locations on the property, and several old rusted drums were seen at the south corner of the property. Pits were noted exposing underground piping. We expect that additional underground features including piping, landfilled sawdust and wood waste, and possibly forgotten tanks may be encountered during redevelopment of the property.

4. EDR identified sites in the vicinity of the property. File information was reviewed for nearby sites. No adverse impacts on the subject property were identified from nearby sites.