

Project No. 14121.001.000

October 31, 2018

Mr. Parker Larson TC Agoge Associates, LLC 101 California Street, Suite 2200 San Francisco, CA 94111

Subject: 260 N. Montgomery and 255 N. Autumn Street San Jose, California

ESTIMATED QUANTITY OF IMPACTED MATERIAL AND REMEDIAL COST

References: 1. ENGEO, Phase I Environmental Site Assessment, 260 N. Montgomery and 255 N. Autumn Street, San Jose, California, September 11, 2018 (DRAFT).

2. ENGEO, Phase II Environmental Site Assessment, 260 N. Montgomery and 255 N. Autumn Street, San Jose, California, October 10, 2018

Dear Mr. Larson:

We are pleased to submit this document estimating the volume of hazardous-materials-impacted surface soils and summarizing the estimated costs for remediation at the above-referenced property (Property), located in San Jose, California. This estimate is based on our recent phase I and phase II environmental assessments (References) conducted at the Property.

BACKGROUND

The Property is located at 260 N. Montgomery Street and 255 N. Autumn Street in San Jose, California. The Property is comprised of two adjacent parcels, totaling approximately 0.45 acre in area, and is identified by Assessor's Parcel Numbers (APN) 259-29-012 and 259-29-020.

The Property is currently occupied by a landscaping business. There are three buildings onsite: one main building used as an office, maintenance and storage area, and hazardous materials storage; one shipping container converted to pesticide/herbicide/fertilizer storage; and an additional shipping container converted to a supply shed. The buildings are set on a concrete foundation with a single drain south of the southern side of the building. Gravel ground cover is present adjacent to the building perimeters. During the referenced phase I ESA conducted by ENGEO in September 2018, drums and some areas of minor spills and generally poor housekeeping practices were observed.

A phase II ESA was subsequently conducted by ENGEO to determine if environmental impacts are present from onsite activities. As a part of this assessment, surface soil samples were collected from 13 boring locations at the Property, at depths of 6 to 12 inches below the ground surface. Review of the laboratory test results found elevated concentrations of lead and arsenic exceeding the corresponding residential screening levels in surface soils at the Property. The concentrations of lead, chromium, and arsenic in some soil samples exceeded 50 milligrams per kilograms (mg/kg), which is 10 times the soluble threshold limit concentration (STLC) of 5 milligrams per liter (mg/L). Similarly, the concentrations of lead and arsenic in some soil

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samples exceeded 100 mg/kg, which is 20 times the Toxicity Characteristic Leaching Procedure (TCLP) of 5 mg/L. Soluble testing of lead, chromium, and arsenic indicated that the soil at Sample Locations B1, B3, B5, and B10 would be categorized as California hazardous material if it was offhauled for disposal. Most of the other samples also exhibited lead concentrations exceeding 50 mg/kg.

VOLUME AND COST ESTIMATES

The shallow soil impacts identified at the Property are likely associated with the long-term use of the Property. Since the samples were collected at depths of 6 to12 inches, and impacts are expected to attenuate with depth, we assume a conservative depth of impact to 3 feet below the ground surface. Assuming a depth of 3 feet across the entire Property (approximately 0.45 acre, or 20,000 square feet), the total volume of impacted soil would be about 2,300 cubic yards (or 3,500 tons) (in-situ soil). The total cost to excavate and dispose of this soil would be approximately \$525,000 (assuming a disposal cost of \$150/ton).

In addition, the cost to excavate and dispose clean soil is about \$38/ton, so that would be deducted from the total cost for off-haul. Therefore, the adjusted total cost for excavation and disposal of impacted soil from the Property would be approximately \$392,000. This estimate does not include the costs associated with importing clean backfill material for the excavation areas.

The estimated costs can be further refined by conducting additional sampling to further delineate the vertical and lateral extent of soil impacts.

If you have any questions regarding this report, please do not hesitate to contact us.

Sincerely,

ENGEO Incorporated

Divya Bhargava, PE db/jaa/jf

Jéffrey A. Adams, PhD, PE