

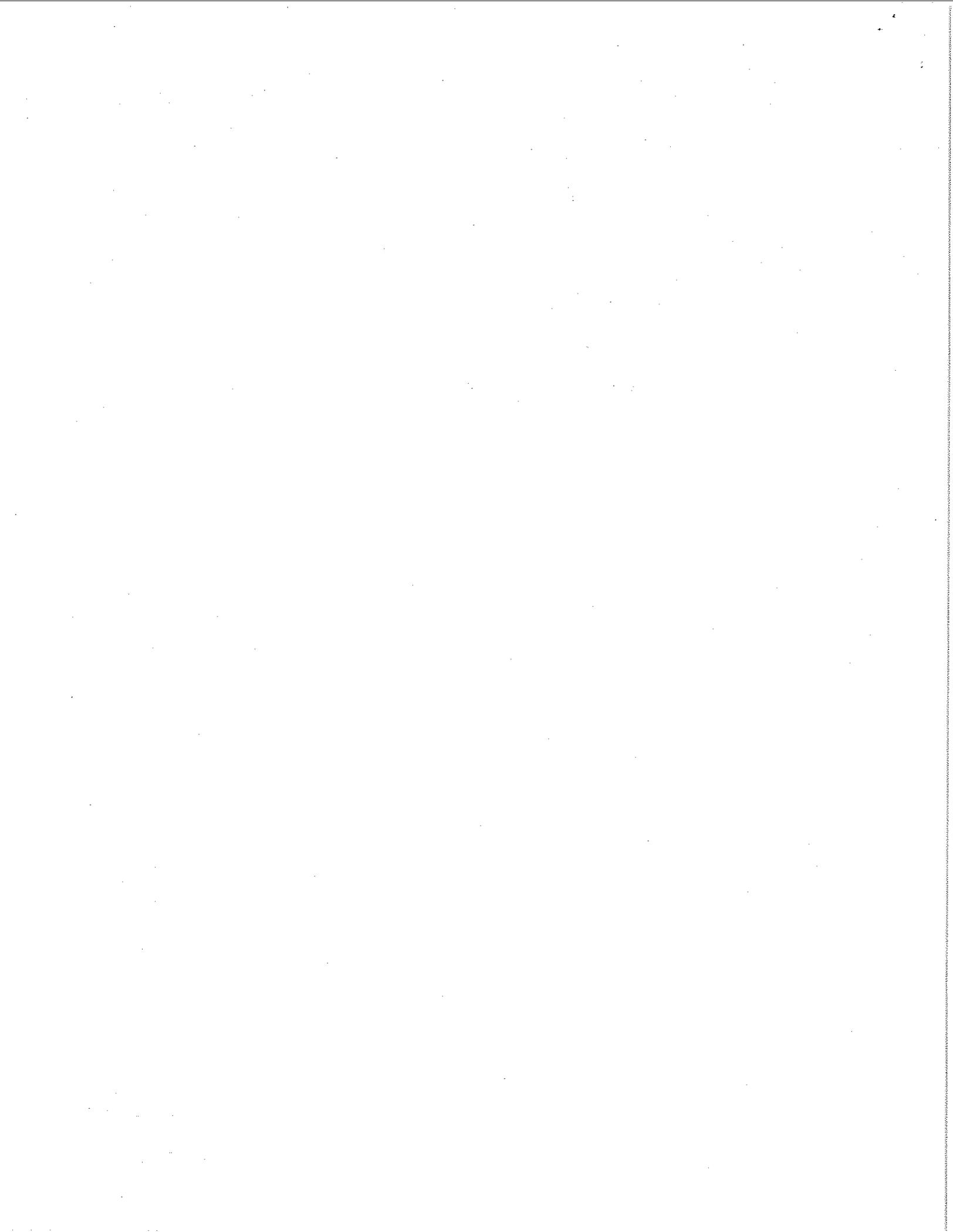
OTHER ENVIRONMENTAL INFORMATION

Letter from Allen Matkins (Environmental Attorney)

Copy of Phase 1 Environmental Site Assessment and Asbestos Sampling Report

City of Huntington Beach

JAN 17 2006



Allen Matkins

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File Number: H4190-005/OC764817.01

January 13, 2006

Planning Department
City of Huntington Beach
2000 Main Street
Post Office Box 190
Huntington Beach, CA 92648
Attention: Ron Santos

Re: Home Depot

Dear Mr. Santos:

I am enclosing another copy for your reference of the Phase I Environmental Site Assessment and Asbestos Sampling report prepared by ENVIRON dated September 2004 that Home Depot commissioned in connection with its acquisition of the leasehold interest in the former K-Mart store. I am also enclosing a copy of a Supplemental Asbestos Survey prepared by Panacea, Inc. dated December 28, 2004 that Home Depot subsequently commissioned on this facility. In connection with Home Depot's redevelopment activities at the Property, Home Depot will be addressing the environmental issues as follows:

1. Asbestos Containing Materials: The asbestos containing materials will be abated from the Building. Home Depot will engage a licensed abatement contractor to undertake this work in accordance with the South Coast Air Quality Management District regulations and guidelines.
2. Light Ballasts, Fluorescent Lamps and Thermostat Switches: The light ballasts, fluorescent lamps and thermostat switches will be removed from the Building and disposed of properly.
3. Former Auto Center Repair Garage: A soil management plan will be implemented in connection with redevelopment activities, and the former automotive repair facility will be inspected and sampled to assess potential contamination as these improvements are demolished. Appropriate samples will be collected and analyzed. Soil containing chemicals of concern in excess of the Huntington Beach Fire Department ("HBFD") cleanup standards will be removed from the Property and disposed or recycled properly offsite. Home Depot's environmental consultant will prepare a

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plan outlining the sampling and disposal protocols for submittal to the HBFD for approval prior to beginning demolition.

4. Methane Mitigation District: Home Depot's consultant has reviewed a map of the Methane Mitigation Districts provided by the HBFD and has determined that the Property is not within a delineated methane area specified on the map.

5. Abandoned Onsite Well: The Department of Oil Gas and Geothermal Resources ("DOGGR") has been contacted regarding the onsite abandoned oil well. Home Depot's representatives have been orally informed, and await written confirmation, that DOGGR has no records for the onsite well. Home Depot will complete the DOGGR Construction Site Plan Review and prepare an Oil Well History Disposition Report, which will be submitted to the HBFD. The oil well will be uncovered and tested for leakage by DOGGR personnel. Home Depot will cause to be prepared, prior to uncovering the well, a plan that outlines the steps to be taken, the sampling and testing protocols to be implemented and the offsite disposal locations to be used for any impacted soil. The plan will include visual and olfactory screening by Home Depot's consultant during well excavation activities and segregation and sampling of any soils suspected of containing petroleum hydrocarbons. If the well is not leaking, a vent cone will be installed. If the well is leaking, it will be reabandoned to current DOGGR standards.

6. Former Adjacent Gas Station Site: The former Mobil station is not on the Home Depot site. Based on discussions with the HBFD, Home Depot will not be required to investigate the offsite Mobil gas station release issue.

We trust the foregoing provides the information you need for completing the environmental portions of the Mitigated Negative Declaration. If you require any further information, please contact me. Thank you.

Very truly yours,



Pamela L. Andes

PLA
Enclosures

cc: Mr. Scott Mommer
Michael A. Alvarado, Esq.
R. Michael Joyce, Esq.

PHASE I ENVIRONMENTAL SITE ASSESSMENTS
AND ASBESTOS SAMPLING AT SELECTED
PROJECT KELLOGG RETAIL STORE SITES

Prepared for

Allen Matkins Leck Gamble & Mallory LLP
Irvine, California

On Behalf of

Home Depot USA, Inc.
Atlanta, Georgia

Prepared by

ENVIRON International Corporation
Atlanta, Georgia

September 2004

City of Huntington Beach

JAN 17 2006

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I. PROJECT OVERVIEW

A. Introduction

ENVIRON International Corporation (ENVIRON) was retained by Allen Matkins Leck Gamble & Mallory LLP (AMLGM) on behalf of Home Depot USA, Inc. to conduct a limited environmental review and asbestos sampling program at twelve K-Mart Corporation retail stores in Arizona and California in anticipation of a potential property acquisition/lease and facility redevelopment. A summary description of the facilities reviewed is presented in Table I-1.

Store Number	Facility Location	Facility Size (sf)	Type of Operation ¹
4424	Huntington Beach, California	120,786	Traditional

¹ Traditional operations refer to the company's original-style general merchandise retail outlets. Big K-Marts, which are larger in size, focus on three distinct businesses – home fashions, children's apparel and consumables (including an expanded food area known as the "Pantry"). Super Centers are a combination of full-service grocery and general merchandise stores.

B. Objectives

ENVIRON conducted Phase I Environmental Site Assessment that meets the substantive requirements of the ASTM International's *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, subject to the exceptions described in Section E.

E-1527-00 (the "ASTM Standard"), identifying "recognized environmental conditions" (RECs), which are defined in the ASTM Standard as:

"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 into structures on the

property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include *de minimis* conditions that generally do not represent a material risk of harm to public health or the environment and that generally would not be the subject of enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not recognized environmental conditions.”

The term “historical recognized environmental condition” (HREC) is based on the definition in the ASTM Standard that refers to an environmental condition in the past that would have been considered a REC, but has been satisfactorily remediated or addressed in such a manner that it is not considered to be a current REC. Because ENVIRON was not provided with potential corroborating environmental documentation, certain HRECs may be classified as “environmental conditions” in this review.

In addition to identifying environmental conditions, ENVIRON was asked to identify and assess potential risks and financial exposure associated with both current site conditions and possible building decommissioning/renovation requirements, and to collect samples of building materials known or presumed to contain asbestos (a “non-scope consideration,” as defined in the ASTM standard). Other non-scope considerations (e.g., radon, lead-based paint, lead in drinking water, wetlands, cultural and historic resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, and high voltage power lines) were not addressed.

C. Scope of Work

This environmental assessment included the following components:

- A visit to the twelve K-Mart facilities by ENVIRON personnel between April 21, 2004 and April 30, 2004 (see Table I-2). Due to confidentiality constraints, ENVIRON was provided limited access to facility personnel. To the extent possible, each site visit comprised an after-hours visual inspection of customer areas, employee-only access areas, the building roof, and exterior areas. Subsequent to the completion of the site visit to the Eureka facility, ENVIRON was requested by counsel to discontinue further analysis/review.
- A review of files at local agencies (e.g., Health Department, Fire Department, and Building Department) for the purpose of identifying (or obtaining more information regarding) recognized environmental conditions associated with each K-Mart site.

- A review of federal and state environmental database records prepared by Environmental Data Resources, Inc. (EDR) for each K-Mart site, as well as properties adjacent to or in the vicinity of the subject sites. EDR conducted its search for the standard environmental record sources and the minimum search distances, as specified by the ASTM Standard. Because the environmental databases themselves are sometimes not updated by the specific regulatory agencies for periods up to one year or more (depending on the database and the state), the database search conducted herein will not necessarily list an environmental investigation or listing that has been initiated subsequent to the last update. Copies of the database reports for the K-Mart sites are included in Appendix A.

The EDR database searches contained a number of unmapped sites. Although ENVIRON briefly reviewed the list of unmapped sites for properties observed during the site visits to be nearby or adjacent to the subject site, it was beyond the scope of this review to locate the unmapped sites identified by EDR.

- A review of readily available standard historical sources, as defined in the ASTM Standard, including topographic maps, aerial photographs, abstracts of City Directory information, and fire insurance maps, provided by EDR. A description of the available historical information is provided in Table I-3. Copies of the historical documentation for the K-Mart sites are included in Appendix A.
- A review of flood zone, wetlands and water supply well information, as provided in the EDR reports.
- A review of publicly available regulatory information in the USEPA's Envirofacts and ECHO databases regarding each site.
- A review of United States Geologic Survey (USGS) 7.5-minute topographic maps for the subject sites.

D. Limited Asbestos Survey and Sampling

Collection of samples from presumed asbestos-containing building materials was accomplished during the after-hours site visits. ENVIRON contracted with asbestos contractors with appropriate local and state licenses to assist in the identification of presumed asbestos-containing materials and the collection of representative samples. Within the time constraints imposed, ENVIRON collected samples from floor covering and underlying mastics, ceiling coverings, accessible insulated pipe chases, areas above suspended ceiling and utility closets; three

representative samples were typically collected from each suspect homogeneous material. Sampling was not performed in areas that were not readily accessible (i.e., areas where destructive measures must be used to gain access or confined space entry areas as defined by the Occupational Safety and Health Administration). Samples also were not collected from roofing materials and other exterior building materials (e.g., roof flashing) that would compromise the physical integrity of these materials; such materials were classified as "presumed asbestos-containing."

Analysis of asbestos samples for each suspect homogeneous material was conducted using Polarized Light Microscopy (PLM) via the "positive stop" method, which is consistent with asbestos regulations recently updated by OSHA. Samples were analyzed by laboratories accredited by the American Industrial Hygiene Association (AIHA), and a participant in the National Voluntary Laboratory Accreditation Program (NVLAP), as administered by the National Institute of Standards and Technology (NIST).

A summary of the analytical data for the samples collected is presented in Section F in the individual site chapters. Copies of the asbestos survey reports and accompanying data are provided in Appendix B.

E. Limitations and Exceptions

ENVIRON did not make any exceptions to, or deletions from, either ASTM Practice E1527-00 or standard due diligence practices by engineering professionals during this assessment, except as noted herein:

- Visits were conducted after typical customer business hours and access was generally limited to not more than four hours. Due to poor ambient light conditions at some facilities during the night hours, visual assessments of portions of exterior areas were restricted.
- Due to confidentiality constraints, ENVIRON's scope was not to include direct contact with store personnel knowledgeable of site conditions, operations and practices during or after the site visits. In some instances, the corporate K-Mart representative on-site during each site visit invited facility personnel to be present and answer a limited series of questions from ENVIRON. No post-audit follow-up opportunities were afforded.
- The absence of facility personnel during site visits occasionally precluded inspection of certain interior areas (e.g., office spaces) with key-access restrictions. For security reasons, complete access to certain interior areas, such as the pharmacies, typically was not possible.

- Due to low-light and/or safety considerations, comprehensive walking tours of roof areas were not conducted at some locations.
- ENVIRON was neither provided nor made aware of documentation related to on-site soil or ground water conditions at the sites (e.g., historical site characterization studies or closure documentation for underground storage tanks or infrastructure associated with former automotive care operations), building materials used in facility construction, or facility renovation or maintenance activities.
- Detailed property diagrams and plats indicating property ownership were generally not available for review prior to site assessment activities. In addition, ENVIRON was not provided and did not review chain-of-title documentation or metes and bounds surveys.

F. Disclaimer

This environmental review has been prepared exclusively for use by Allen Matkins Leck Gamble & Mallory LLP and Home Depot USA, Inc., and may not be relied upon by any other person or entity without ENVIRON's express written permission. The findings presented in this report represent ENVIRON's best professional judgment based upon the information available and conditions existing as of the date of the review. In performing its assignment, ENVIRON must rely upon publicly available information, information provided by the client, and information provided by third parties. Accordingly, the conclusions in this report are valid only to the extent that the information provided to ENVIRON was accurate and complete.

This review is not intended as a substitute for legal advice, nor is it an exhaustive review of site conditions. ENVIRON makes no representations or warranties express or implied, about the condition of the sites.

ENVIRON's scope of work for this assignment did not include collecting samples of environmental media, other than presumed asbestos-containing materials. As such, this review cannot rule out the existence of latent conditions, and is intended, consistent with normal standards of practice and care, to assist the client in identifying the risks of such conditions.

Following this Project Overview (Chapter I), ENVIRON's Summary of Conclusions is presented in Chapter II. Chapters III through XIV summarize ENVIRON's site-specific findings for the twelve facilities visited.

TABLE I-2 K-Mart Corporation Facilities and Site Visit Information			
Facility Address	ENVIRON Personnel	Asbestos Contractor	Date of Facility Visit

19101 Magnolia Street Huntington Beach, California	Melida Escalante-Henricks	Panacea Environmental.	April 27 and 28, 2004
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TABLE I-3 Historical Sources Reviewed				
Facility	Historical Sources Reviewed ¹			
	Topos	Aerials	City Directories	Sanborns
Huntington Beach, California	√	√	N/C	√

¹ Historical sources reviewed for the facilities, designated by a "√" were provided by EDR.
 Topos = topographic maps; Aerials = aerial photographs; City Directories = abstracts of city directory information;
 Sanborns = fire insurance maps; N/C = resource not readily available; NR = not reviewed at request of counsel

II. SUMMARY OF CONCLUSIONS

A. Introduction

ENVIRON was retained by Allen Matkins Leck Gamble & Mallory LLP on behalf of Home Depot USA, Inc. to conduct Phase I Environmental Site Assessments and limited asbestos sampling programs at certain K-Mart Corporation retail stores ("K-Mart" or the "Company") in California and Arizona in anticipation of a potential property acquisition/lease and facility redevelopment. The purpose of ENVIRON's review was to identify "recognized environmental conditions" (RECs), as defined in the ASTM Standard, to identify and assess potential risks and financial exposure associated with both current site conditions and possible building decommissioning/renovation, and to assist in the identification and collection of building materials known or presumed to contain asbestos.

This Chapter presents a summary of ENVIRON's major conclusions. Refer to Chapters III through XIV for more detailed information.

B. Overall Conclusions

Based on its review, ENVIRON provides the general conclusions cited below about site conditions:¹

- The K-Mart stores visited appear to have been constructed between the 1960s and the early 1980s. Several of the older facilities appear to have had interior renovations, although the extent of facility upgrades and the dates of such renovations are not known with certainty.
- Each of the facilities visited historically had an automotive care center operation and at least one underground storage tank (UST); many also had hydraulic lifts.
- Asbestos-containing materials (ACM) were identified in each of the eleven stores considered. The majority of the ACM (mainly floor tile and underlying mastic and ceiling tiles) was determined to be non-friable and in good condition. Some friable materials were identified (e.g., drywall with joint compound, insulated pipe joints), which were characterized by qualified technicians as being in good condition in each instance.

¹ At the request of counsel, a report for the Eureka facility was not prepared. The analysis herein excludes consideration of the Eureka location.

- Nominal staining was observed on surfaced areas within and particularly outside of most K-Mart stores. Exterior staining appeared to be related to drips and spills of oil onto asphalt pavement in customer parking and truck unloading areas, as well as certain store-related sales areas (e.g., garden centers) and facility maintenance operations. ENVIRON does not believe that the staining observed represents a REC, as defined in Section B of Chapter I. As noted in Chapter I, the site visits were made during night hours, such that some exterior areas had difficult physical or visual accessibility.
- Several of the facilities operate garden centers. While "agricultural" chemicals (e.g., fertilizers, herbicides, pesticides) may be employed to promote growth of retail plants, ENVIRON believes that limited quantities are used. While such chemicals might be entrained within water used to hydrate plants or wash down exterior surfaces, the quantities present are unlikely to represent a significant environmental concern, particularly in light of the fact that the materials in question are intended to be applied to ground surfaces.

C. Recognized Environmental Conditions

Based on ENVIRON's review, the basic consumer retail operations at each of the K-Mart stores, featuring the sale of general household merchandise and grocery items, require a minimal use of hazardous chemicals, have a low potential for adverse environmental impact and, therefore, have a low likelihood of scrutiny by environmental regulatory agencies or for incurring significant environmental liabilities or compliance costs. Nevertheless, there are certain operations, materials, or environmental conditions that are or could represent potential RECs or HRECs, as defined in Section B of Chapter I. The potential RECs and HRECs include former operation of automotive care centers, former operation of USTs, and asbestos-containing building materials. In addition, other issues of concern include the presence of gasoline service stations on adjacent properties and the current or former presence of dry cleaning facilities on adjacent properties. A summary of these potential RECs/HRECs and other issues of potential concern is presented in Table II-1.

TABLE II-1 Potential RECs/HRECs Issues of Concern at the K-Mart Facilities Visited					
Facility ^a	Potential REC/HREC			Issues of Concern	
	Former Auto Care	Former USTs	Confirmed ACM	Off-site Gas Station	Off-site Dry Cleaning
Huntington Beach, California	√	√	√	√	

Notes:

^a ENVIRON conducted a review of the Eureka facility, but did not complete its analysis at the request of counsel.

Automotive care operations have been discontinued at the eleven facilities. Based on ENVIRON's experience at similar facilities, operations conducted at these locations would have mainly been associated with routine preventative vehicle maintenance activities. The primary constituents of potential environmental concern are petroleum compounds (oils, greases and lubricants), antifreeze, and possibly PCBs (as a potential constituent in hydraulic oils used in car lifts). Based on ENVIRON's observations, several of the locations had hydraulic lifts to elevate vehicles. ENVIRON was unable to confirm whether chlorinated solvents might have been used in parts washer systems, but database records regarding waste management activities did not indicate the generation of spent chlorinated wastes. Further investigation may be warranted at some locations to characterize environmental conditions and/or impacts, if any, caused by these former automotive care operations. Future decommissioning/renovation activities associated with the former automotive care operations may require notification to regulatory authorities.

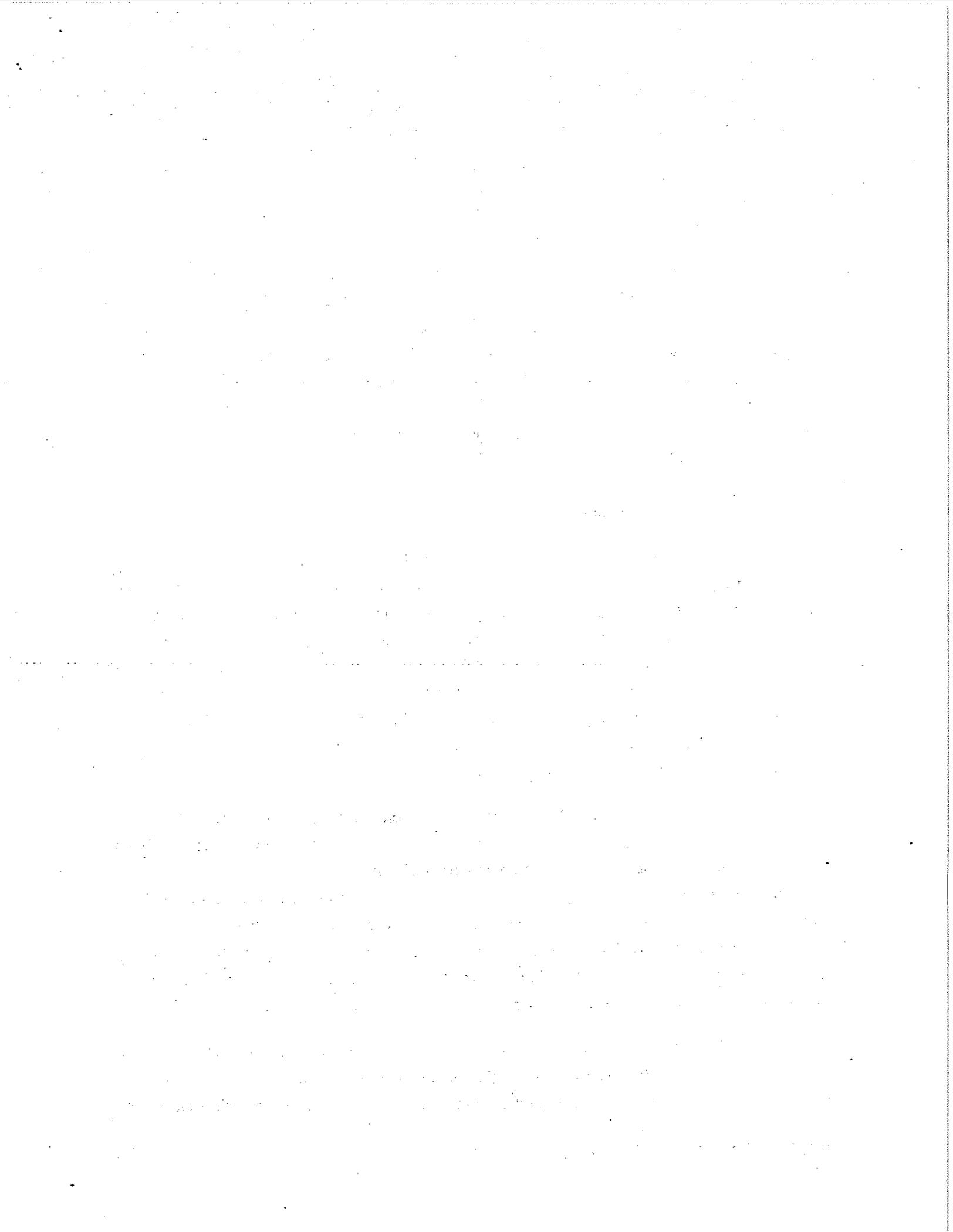
Each of the facilities historically had a UST, typically for the storage of waste oil that would have been generated from automotive care operations conducted on-site, as well as from off-site

activities by "do-it-yourselfers" at some locations. At most sites, the location of the USTs was not readily discernible, although rectangular patched areas of asphalt or concrete at some locations were suggestive of former USTs. If closure of a previously unclosed UST is sought by The Home Depot, notification of the appropriate regulatory authorities may be in order.

Because ENVIRON was not provided with site plats or chain-of-title documentation prior to the site assessment, the actual extent of property owned/leased for the K-Mart facilities was not known at the time of the site reconnaissance. The presence of certain off-site facilities, such as gasoline service stations or dry cleaners (of which ENVIRON has been informed by AMLGM to not be part of the sites), while not operated by K-Mart, may represent a potential liability to K-Mart if it is considered the owner/operator of the land on which these "off-site" facilities operate. Thus, ENVIRON has conservatively considered these off-site facilities in this analysis. While the operators of such facilities should be financially liable for soil or ground water contamination attributable to these operations, further investigations (e.g., Phase II investigations) may be warranted at those sites where K-Mart might reasonably be considered a potentially responsible party or in a future legal action.

D. Management of Building Materials

Based on the original construction dates for most of the K-Mart facilities, certain building materials could require special management due to possible environmental concerns, including light ballasts or certain types of electrical or hydraulic equipment (can contain polychlorinated biphenyls); fluorescent light bulbs and thermostats (can contain traces of mercury); drywall, floor tile and associated mastic, ceiling tile and insulating materials (possible mold growth and/or asbestos); and heating, venting and air conditioning (HVAC) units, refrigerators/coolers and freezers (can contain ozone-depleting refrigerants). There are presently no environmental requirements or regulatory conditions that would mandate that these building materials be removed under existing operating conditions, although special handling or disposal may be required when they are removed from service. In the absence of building decommissioning/renovation activities, the majority of these materials could be left in place for the duration of their useful service life with normal service and maintenance.



V. HUNTINGTON BEACH, CALIFORNIA

A. Introduction

K-Mart Corporation (K-Mart) owns and operates a general merchandise retail store located at 19101 Magnolia Street in Huntington Beach, Orange County, California (the "facility" or the "site"). Mélida Escalante-Henricks of ENVIRON visited the facility on April 27 and 28, 2004, along with Hsin Chou and Steven Modtland of Panacea, Inc. A review of files available at local agencies was conducted, and ENVIRON reviewed federal and state environmental regulatory agency databases, as provided by EDR on April 23, 2004 (Section D). Historical and physical setting information (e.g., aerial photographs, topographic maps, abstracts of city directories) was also obtained from EDR.

B. General Site Setting and History

The site is comprised of an approximately 120,710 square foot building that houses retail areas, a café, a photo enlargement booth (printer type), a fenced garden center, and a former Penske automotive care center currently used as storage area, as well as areas dedicated to offices, an employee break room, and merchandise storage (Appendix D-V). The portion of the store used for general retail is one story, while the portion used for warehouse and office space is two stories. The facility is located within a large shopping center complex of unknown acreage, and is surrounded to the sides and front of the building by an asphalt-paved parking area. At the time of ENVIRON's site visit, the parking area was observed to be in fair condition; however, the entire parking lot area could not be closely inspected due to poor lighting conditions.

The K-Mart facility is located in an area characterized primarily by residential and commercial development. The shopping center is bordered by Garfield Street and Magnolia Street to the north and east, respectively, beyond which are residences. The shopping center is bordered by residences to the west, and to the south by commercial stores (nail care salon, driving school, liquor store, restaurants). A Blockbuster video store is located to the northeast portion of the shopping center. A Taco Bell fast food restaurant is located adjacent to Magnolia Street and the front parking area entrance of the store. ENVIRON also observed three gas stations at the corner of Garfield Street and Magnolia Street (within approximately 200 feet north and northeast of the store).

According to the EDR report, elevation at the site is approximately twelve feet above mean sea level. The topography of the site is relatively flat, although the surface of the parking lot area located to the northern portion of the building slightly slopes to the north, towards Garfield Street.

The surrounding topography slopes toward the Pacific Ocean, located approximately 3.5 miles south of the site. Surface drainage flows toward storm drains located in the parking lot. These storm drains likely discharge to the Pacific Ocean via the municipal storm sewer system.

Based on information provided to ENVIRON, a portion of the current structure was used as an automotive service center until about ten to twelve years ago. Facility personnel informed ENVIRON that this area of the building had three hydraulic lifts, which were noted during the site visit. Facility personnel also reported that there might have been an oil/grease release from the auto service center when it was operating ten to twelve years ago, although they were not aware if the release reached a storm drain. There is the potential that the oil release may have entered the two sewer drains adjacent to the former auto service center. At the time of the site visit, although lighting was not sufficient to inspect the area in detail and miscellaneous materials were stored in this area, ENVIRON observed evidence of nominal historic staining on the concrete floor (i.e., two separate areas comprising less than ten square feet total).

Based on a review of available historical sources, the site was developed sometime between 1968 and 1977. No visible changes are depicted in the exterior building structure since it is first depicted a 1977 aerial photograph reviewed. Prior to construction of the current facility, the site had been undeveloped land.

C. Description of Operations

Operations conducted at the facility consist of general merchandise retail (e.g., clothing, paper products, small appliances, toys, sporting equipment). The facility also maintains a small customer cafeteria and a garden center. The cafeteria is centrally-located within the inside of the store. The garden center, located on the northern side of the store, houses a 100-pound propane tank and five 20-pound propane tanks, and sells plants, gardening supplies, tools, and gardening chemicals/plant food, which are stored in labeled, closed containers on shelving. At the time of the site visit, the area appeared to be well-maintained, although some white powder was observed on the concrete floor under the shelves storing fertilizers. Along the western side of the store are offices and warehouse space. Additional merchandise is stored inside the warehouse along with returned merchandise, store cleaning supplies, and several closed containers of what appeared to be paint. An automotive service center operation was discontinued about ten to twelve years ago and is currently used as a storage area.

The facility's SIC code appears to be either 5311 (Department Stores) or 5399 (Miscellaneous General Merchandise Stores).

D. Database Review for the Site and Surrounding Properties

ENVIRON reviewed the results of the state and federal environmental database searches performed by EDR (see Appendix A). ENVIRON also conducted a search for the site in the USEPA's Envirofacts and ECHO databases. The facility is listed on the following databases, as summarized below:

- The facility is listed on the RCRIS database as a Small Quantity Generator (SQG) of hazardous waste. No other substantive information related to this listing is provided in the EDR report.
- The facility is listed in the California Underground Storage Tank (CA UST) and Historic UST (HIST UST) databases. The CA UST listing indicates that the site is an active UST location (UST # U003779338). The HIST UST database listing indicates that one tank is associated with the site, although the facility status is not reported. Further discussion of the status of the UST (which indicates that the tank was removed) is presented in Section E.
- The facility is listed on the HAZNET database. According to information contained in the HAZNET listing, hazardous wastes generated at the site include unspecified organic liquid mixtures and unspecified solvent mixture waste (these were likely associated with the former Penske operation). Facility personnel were not aware of current hazardous waste generation.
- The facility is listed on the Los Angeles County Street Number List (HMS)³ database identifying the facility as having a removed permit (permit #174). The type of removal permit is not specified in the EDR report.

In addition, a listing for Penske Auto Center #4424 was found on the HAZNET database. According to information contained in this HAZNET listing, wastes generated at the former Penske Auto Center site included unspecified organic liquid mixtures and oil/water separation sludge, which is consistent with the HAZNET report for the K-Mart facility.

ENVIRON also reviewed listings associated with off-site facilities included in the EDR report within applicable ASTM search radii. Several of these listings (e.g., hazardous waste generators, registered underground storage tank sites, historic underground storage tanks), by themselves, are not necessarily indicative of an environmental concern. Several properties appear on databases indicative of potential environmental concern (e.g., LUST). However, other than the

³ HMS database is taken from Department of Public Works records, which list Industrial Waste and UST sites.

properties listed below, none appear to be located adjacent to or upgradient of the site,⁴ or they have been issued regulatory closure approval, and are, therefore, not considered to pose a significant environmental concern to the site.

- A Mobil service station "#18-G6G", located within one-eighth mile north of the site, is listed in the State LUST, LUST Region 8, LUST Region OR, HAZNET, and CORTESE databases. The LUST databases indicate that gasoline was released in 1982. According to the listing, the property was tested for MTBE, which was detected in ground water at a maximum concentration of 1,200 parts per billion (ppb). The State LUST and LUST Region 8 databases indicate that remedial action is underway. Because the listings indicate impact to ground water and the presence of MTBE, and given the proximity of the service station to the facility and the fact that it is possibly upgradient, it is possible that this reported release could have impacted soil and/or ground water underlying the site.
- A Shell Oil service station, located within one-quarter mile northeast of the site, is listed in the State LUST, LUST Region 8, LUST Region OR, CORTESE, RCRIS, and FINDS databases. The LUST databases indicate that gasoline was released in both 1986 and in 1999. According to the listings, the property was tested for MTBE in 1999, which was detected in ground water and soil at maximum concentrations of 46,000 ppb and 6.9 parts per million (ppm), respectively. The State LUST and LUST Region 8 databases list both cases as "closed" in 1997 and 2003, respectively. Due to the potential presence of MTBE and given the proximity of the service station to the facility, it is possible that this reported release could have impacted soil and/or ground water underlying the site.
- A TOSCO service station "76 Station #5274," located within one-quarter mile northeast of the site, is listed in the State LUST, LUST Region 8, LUST Region OR, UST HIST, RCRIS-SQG, FINDS, UST Orange County, HAZNET, and CORTESE databases. The LUST databases indicate that gasoline was released in 1989. According to the listings, the property was tested for MTBE in 1998, which was detected in ground water and soil at maximum concentrations of 24,000 ppb and 0.41 ppm, respectively. The LUST databases do not report the case close date. Due to the potential presence of MTBE and given the proximity of the service station to the facility, it is possible that this reported release could have impacted soil and/or ground water underlying the site.

⁴ There are limitations to this interpretation (e.g., shallow ground water where a steep gradient may allow further downgradient migration; a flat gradient may allow spreading both up and downgradient; the type of hazardous material released where miscible material may migrate further more readily; and other geologic and hydrogeologic conditions).

- A Thrifty Oil service station “#384,” located within one-quarter mile north of the site, is listed in the LUST, CORTESE and HAZNET databases. However, the EDR report does not provide additional information related to these listings. Due to the potential release of oil to ground water and/or soil and the potential presence of MTBE, and given the proximity of the service station to the facility, it is possible that a gasoline release could have impacted soil and/or ground water underlying the site.

EDR identified a number of properties that could not be mapped due to inadequate address information. While it was beyond the scope of this review to locate each of the unmapped properties identified by EDR, ENVIRON reviewed the list of unmapped (or “orphan”) properties included in the database report and verified that none were adjacent to the site.

E. File Review Findings and Results

ENVIRON contacted and/or conducted file reviews at the following agencies for the purpose of identifying recognized environmental conditions in connection with the subject property:

- City of Huntington Beach Fire Department
- City of Huntington Beach Building Department
- City of Huntington Beach Planning Department
- County of Orange Health Care Agency

To the extent available for review, ENVIRON also reviewed historical documents (e.g., aerial photographs, topographic maps, fire insurance maps) at local agencies or through public sources. In general, these sources confirm the development of the site and surrounding properties for retail and commercial purposes, as described above. In addition, based on the information obtained from the file review efforts, no new substantive information pertaining to recognized environmental conditions for the site or adjoining properties was identified, except as noted below:

- The County of Orange Health Care Agency files contained a record from 1990 stating that, with regard to a tank removal at the site in 1988 (likely a 1,000-gallon waste oil UST), its position is that no significant soil contamination has occurred at the site (Appendix D-V).

F. General Findings

During the site visit, ENVIRON observed both the interior of the buildings and the exterior portions of the site, to the extent observable and accessible, to evaluate if environmental conditions, as defined in Chapter I, are present. The entire interior and the majority of the exterior of the property were walked, including an observation of the building roof. The intent of ENVIRON’s

limited visual survey was to identify indicators of potential sources/areas of environmental concern in order to obtain a representative understanding of site conditions. Consistent with the ASTM Standard, ENVIRON also made observations concerning each of the interior and exterior issues specified in Section 8.4.2 through 8.4.4 of the ASTM Standard. However, it should be noted that the site visit was conducted at night and poor outdoor lighting impacted ENVIRON's ability to conduct a detailed observation of outdoor conditions, including the parking lot, exterior areas of the building, and roof. The presence or absence of each issue of environmental interest or concern is noted in Table V-1. Only those areas of environmental interest or concern that were observed to be present at the property are discussed further in the text below.

TABLE V-1 Summary of Site Reconnaissance Observations	
Issue	Observation
Containers of hazardous substances or petroleum products (non-retail sale)	Present
Unidentified containers suspected of containing hazardous substances or petroleum products	Absent
Chemical use on-site (non-janitorial)	Present
Storage tanks	
Underground storage tanks (e.g., fill ports, vent pipes, dispensing units)	Previously Present
Aboveground storage tanks	Present
Potential mold precursors on interior floors, walls or ceilings (e.g., water damage/staining, discolored building material surfaces)	Present
Stains or corrosion on interior floors, walls or ceilings (except for staining from water)	Absent
Polychlorinated biphenyls (PCBs)	Potentially Present
Electrical equipment interior (e.g., capacitors, light ballasts)	Present
Electrical equipment exterior (e.g., transformers)	Present
Hydraulic equipment on-site (e.g., elevators, truck dock lifts)	Present
Potential mercury-containing equipment (e.g., thermostats, switches, fluorescent bulbs)	Potentially Present
Heating/cooling systems (possible Freons or other refrigerants)	Present
Floor drains and interior sumps	Present
Stained pavement (vehicle oil drips, leaking hydraulic equipment)	Present
Stained soil or stressed vegetation	Absent
Exposed exterior chemical or waste storage areas	Present
On-site solid waste disposal (mounds or depressions suggesting disposal, debris piles, areas apparently filled or graded by non-natural causes)	Absent
Visible surface subsidence or soil erosion	Absent
Wells	Absent
Natural surface water bodies	Absent
Pits, ponds, lagoons, standing surface water or sumps	Present
Septic systems or cesspools	Absent
Odors (strong, pungent or noxious) indoor or exterior	Absent
Storm drains	Present
Off-site discharges of wastewater, storm water or other liquids (compressor condensate or boiler blowdown) into a drain, retention pond, ditch or stream	Present

1. Containers of Hazardous Substances or Petroleum Products (non-retail sale): Inside the warehouse area, ENVIRON observed storage of propane cylinders, which are used to power the

forklift and/or the sweeper machines. Additionally, ENVIRON observed approximately 30 one-gallon and smaller paint and cleaning containers, and two helium cylinders in various areas in the back of the store. No evidence of a spill or release was observed.

2. **Chemical use on-site (non-janitorial):** Inside the warehouse area, ENVIRON observed storage of propane cylinders, as described above. It is possible that garden personnel periodically apply pesticides, herbicides and/or insecticides to plants in the garden center, as these chemicals are sold in the store and are readily available. ENVIRON did not observe direct evidence of the use of garden-related chemicals for such purposes.
3. **Underground Storage Tanks (USTs):** According to the EDR report, the site is listed in the UST HIST and the State UST databases. Facility personnel reported that there are no USTs currently on-site, and ENVIRON did not observe infrastructure typical of USTs (e.g., fill ports, vent pipes or dispensing equipment). Although poor lighting conditions existed, ENVIRON noted a patched area on the paved surface outside the back wall of the building that may be indicative of a former UST. The possible presence of a previous UST is addressed in Section D, and its potential removal is described in Section E.
4. **Aboveground Storage Tanks (ASTs):** ENVIRON observed one fixed 100-pound propane tank (AST), five 20-pound propane tanks located in the garden center and one LPG cylinder exchange on a locked shelf located outside of the garden area with approximately 36 small tanks. The tanks appear to be in good condition. No visible stains were noted in the areas surrounding the tanks.
5. **Potential Mold Precursors on Interior Floors, Walls or Ceilings:** Water staining was observed at several locations inside the store, generally on the ceilings and at the ceiling/wall interface. Approximately four areas were observed with water damage in the ceilings located in the storage areas in the back of the store during the site visit. An area in the central portion of the warehouse that seemed to be used to wash mops was observed as having standing water near a floor drain. Based on ENVIRON's observations, the presence of mold inside the building cannot be ruled out. Therefore, if the facility is to remain in its current condition, a survey for mold should be considered to assess the potential for mold impact at the facility.
6. **Polychlorinated Biphenyls (PCBs):** ENVIRON observed approximately 2,000 fluorescent light bulbs and light fixtures (one light bulb per light fixture) inside the store. Based on the suspected age of the building, the ballasts associated with these light fixtures might contain PCBs, and would require appropriate management should the lighting system be renovated/upgraded.

One pad-mounted transformer was observed outside the western building wall in the back of the store where material is being stored outdoors. However, due to the poor ambient lighting, an assessment regarding potential staining associated with the transformer could not be made. Given the suspected age of the building, the transformer could contain PCB-bearing fluid. It is unclear whether the transformer is owned by the facility or by the local utility.

In addition, ENVIRON noted three hydraulic lifts and four drains in the former auto service center area.

7. **Potential Mercury-containing Equipment:** There are approximately 2,000 fluorescent light bulbs in use in the store, as described above. These bulbs may contain a small quantity of mercury. Should these bulbs require replacement, they should be properly managed in order to avoid breakage that might release mercury.
8. **Heating/Cooling Systems:** ENVIRON identified an HVAC unit during the site visit located on the second floor near the roof access. Information regarding the type and quantity of refrigerant present was not readily available. Due to low visibility conditions during the site visit, the number and condition of the cooling units could not readily be assessed.
9. **Floor Drains and Interior Sumps:** ENVIRON noted several floor drains in the store, including one drain located in the warehouse area that receives wash water for mops (standing water was observed near this floor drain). During the site visit, ENVIRON also observed four drains, apparently sealed, located in the former auto service center. The floor area within the former auto service center area could not be closely inspected because it is currently used as a warehouse. Facility personnel were not aware of discharge locations for these drains (i.e., to a pit/sump, oil/water separator, or directly to the municipal sewer).
10. **Stained Pavement (vehicle oil drips, leaking hydraulic equipment):** ENVIRON noted localized areas of exterior stained pavement around most of the frequently used parking spaces in the parking lot, as well as oil/grease staining on the concrete floor in the room formerly used as auto service center and in the adjacent room. These rooms are currently being used as storage areas and, therefore, could not be inspected completely for staining because stored materials covered the floor. However, ENVIRON noted three hydraulic lifts and four drains in the former auto service center area.
11. **Exposed Exterior Chemical or Waste Storage Areas:** ENVIRON observed wooden pallets, car batteries, computer monitors, cardboard boxes, and sealed cans of paint being stored

outdoors, in the back of the store. However, due to the poor ambient lighting, an assessment regarding potential staining associated with the exposed materials could not be made.

- 12. Pits, Ponds, Lagoons, Standing Surface Water or Sumps:** At the time of the site visit, ENVIRON observed hydraulic lift equipment components and associated pits in the former auto service center area, two adjacent square manholes located outside of the former auto service center entrance, and three grease traps located outside the store that appear to be connected to the café inside the store.
- 13. Storm Drains:** Surface drainage flows toward drains located in the parking lot that discharge to at least two storm drains in the parking lot (the exact number of storm drains could not be determined at night).
- 14. Off-site Discharges of Wastewater, Storm Water or Other Liquids:** Off-site discharges of wastewater were not observed at the site. Off-site discharges of storm water are discussed above.

G. Results of Limited Asbestos Survey and Sampling

The asbestos survey for this site included collection of 34 samples of representative building materials from sixteen homogenous areas, as summarized in Table V-2. Based on PLM analysis, eleven of these homogenous areas contained asbestos. Because roofing materials were not sampled during this review, they are conservatively characterized as PACM. The detailed ACM analytical report is presented in Appendix B.

TABLE V-2 Results of Limited ACM Sampling			
Material Description	Number of Samples	Asbestos Confirmed?	Approximate Quantity
Floor tile and black mastic, 1'x1', off-white, with green specks. Included entire showroom and various areas throughout this building.	3	Yes	-76,000 SF
Floor tile and black mastic, 1'x1', off-white, with green and light brown specks	2	Yes	
Floor tile and black mastic, 1'x1', light brown, with brown specks	1	Yes	
Floor tile and black mastic, 1'x1', off-white, with black specks	1	Yes	
Floor tile and black mastic, 1'x1', black, with off-white specks	1	Yes	
Floor tile and black mastic, 1'x1', off-white, with light gray specks	1	Yes	
Floor tile and black mastic, 1'x1', off-white, with brown specks	1	Yes	
Floor tile and yellow mastic, 1'x1', off-white, with green and light brown specks	1	No	None
Floor tile and yellow mastic, 1'x1', off-white, with black specks	1	No	None
Joint compound, off-white	7	Yes	-19,500 SF
Pipe insulation, elbow, 2" OD, off-white	3	Yes	<50 joints

TABLE V-2 Results of Limited ACM Sampling			
Material Description	Number of Samples	Asbestos Confirmed?	Approximate Quantity
Cove base and brown mastic, 3", some gray, some dark brown	2	Yes	<1,500 LF
Ceiling tile and brown mastic, 1'x1', white, with tan matrix, random dots	3	Yes	-3,600 SF
Ceiling tile, 2'x4', white, with light gray matrix, textured	1	No	None
Wallboard (drywall), white	1	No	None
Exterior stucco wall, off-white	5	No	None
Roofing materials	0	Presumed	~96,000 SF
Notes: LF = Linear feet; SF = Square feet Areas estimated by Panacea, Inc.			

Panacea, Inc. concluded that the majority of materials were non-friable and in good condition. The joint compound was classified as friable and in good condition. Although the joint compound contained greater than one percent asbestos (specifically, chrysotile), the wall system composite material of which it is a part is considered to be less than one percent chrysotile. As such, the joint compound is technically not considered an ACM by USEPA, but the facility must still comply with more stringent California OSHA regulations, which characterize trace quantities (i.e., between 0.1% and 1%, "asbestos-containing construction material" per regulatory definition) as ACM. Similarly, the pipe insulation joints are also considered to be friable ACM and in good condition.

H. Recommendations

ENVIRON has the following recommendations to address potential issues identified during this assessment.

- **Former USTs.** Based on the EDR report, the site is listed in the CA UST and HIST UST databases. Based on information provided by the County Health Agency, however, it seems unlikely that the previous waste oil UST at the site adversely impacted environmental media at the site (although confirmatory data was not available).
- **Mold Precursors.** Limited evidence of potential indicators of the presence of mold (e.g., near the drain inside the warehouse area used for mop washing and in the observed ceiling areas with water staining) were observed during ENVIRON's site visit. If the facility is to remain in its current condition, a survey for mold should be considered to assess the potential for mold impact at the facility.

- **Proper Handling of Potential PCB-containing Materials.** Based on the suspected age of the building, the ballasts associated with fluorescent light fixtures might contain PCBs, and would require appropriate management should the lighting system be renovated/upgraded.
- **Proper Handling of Potential Mercury-containing Materials.** Fluorescent light bulbs within the facility could contain a small quantity of mercury and should be properly managed in order to avoid breakage.
- **Heating/Cooling Systems Maintenance and Refrigerant Handling.** The HVAC systems should be inspected to determine the refrigerant type and managed appropriately in future repair, upgrading or decommissioning.
- **Surficial Staining.** ENVIRON noted localized areas of exterior stained pavement around most of the frequently used parking spaces in the parking lot, as well as oil/grease staining on the concrete floor in the room formerly used as auto service center and in the room adjacent. The presence of staining co-located with the former automotive center is cause for increased scrutiny and, therefore, further investigation may be warranted in these areas to assess whether this staining is associated with adverse impacts to environmental media at the site.
- **Exposed exterior materials and waste storage areas.** ENVIRON observed wooden pallets, car batteries, computer monitors, cardboard boxes, and lidded cans of paint being stored outdoors, in the back of the store. These wastes should be discarded appropriately and the area inspected for evidence of spills or releases.
- **Sumps/Traps.** ENVIRON observed lift equipment components and associated pits in the former auto service center area, two drains and two adjacent square manholes located outside of the former auto service center entrance, and three grease traps located outside the store that appear to be connected to the café inside the store. Further investigation of the lift equipment components, pits, drains, manholes, and grease traps for presence of oil and its potential impact to the area surrounding each piece of equipment may be warranted.

I. Conclusions

Based on ENVIRON's review, several *de minimis* conditions were identified that may warrant further investigation, including the former UST, and the floor staining, lift components, drains and sumps/traps associated with the former automotive service center. While nominal quantities of gardening-related constituents may be washed into on-site storm water management

systems, the likelihood of significant on-site impacts would be considered low. ENVIRON's review of available database information did not indicate the presence of known areas of contamination on the property or evidence of adverse regulatory involvement with respect to soil and/or ground water conditions. However, several properties in the vicinity appear on databases indicative of potential environmental releases (e.g., LUST, Cortese).

Current operations were observed to be generally low-impact, with minimal use of chemicals. ENVIRON noted housekeeping at the facility to be generally good.



PANACEA, INC.

14700 FIRESTONE BLVD., SUITE 110, LA MITONIA, CA 92653
PHONE (714) 228-1286 • FAX (714) 228-1228

December 28, 2004

Ms. Tatyana Litovsky, Esq.
Allen Matkins Leck Gamble & Mallory LLP
1900 Main Street, 5th Floor
Irvine, CA 92614

Via Email

SUBJECT: Supplement Asbestos Survey Results for the Building Located at 19101 Magnolia Street, Huntington Beach, California

Dear Ms. Litovsky:

In response to your request and authorization, Panacea, Inc. (Panacea) personnel conducted a supplement survey at the above-referenced building. This supplemental survey was conducted based on the previous survey report prepared by Panacea (Panacea, 2004). The results from previous survey were incorporated and updated as necessary in the attached *Asbestos Survey Summary Table, Figure 1, and Figure 2*.

The objective, guidelines and terminology, and limitations from the previous survey report remained unchanged; therefore, not reiterated herein.

Please accept this letter, attached table, and figures as the survey report for this building. The table and figures will be incorporated into an Asbestos Statement of Work for bidding and abatement purposes.

If you have any questions, please feel free to contact me at (714) 228-1286.

Very truly yours,
PANACEA, INC.

Hsin H. Chou, CIH, REA, CAC
Certification No. 92-0389

REFERENCE:

Panacea, Inc. (Panacea), 2004. *Final – Asbestos Survey for Kellogg-Huntington Beach Building, Huntington Beach, California*. Panacea Project No. C04-465 – Huntington Beach, May 1, 2004.

ATTACHMENTS:

- Asbestos Survey Summary Table
- Figures 1 and 2
- Laboratory Reports and Chain-of-Custody Records

ASBESTOS SURVEY SUMMARY TABLE

Building No. **19101-B-001**

Sample No.	Analysis Results	Description of Material	Sample Location	Estimate of Quantity	Removal Status	Additional Comments
19101-B-001 Priority No. 4	FT=3% CH, MAS=7% CH	Floor tile and black mastic, 1'x1', off-white, with green specks	Ground floor, Unit #2, Room #2	~76,000 SF	Included various areas throughout Unit #2.	Nonfriable and in good condition. Several 1'x1' FTs were reported to contain asbestos in mastic only. For estimation and future removal purposes, they were included in the estimated quantity.
19101-B-002 Priority No. 4	NOT ANALYZED	Floor tile and black mastic, 1'x1', off-white, with green specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition. Sample not analyzed because similar homogeneous samples reported positive.
19101-B-003 Priority No. 4	NOT ANALYZED	Floor tile and black mastic, 1'x1', off-white, with green specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition. Sample not analyzed because similar homogeneous samples reported positive.
19101-B-004 Priority No. 4	FT=ND, MAS=10% CH	Floor tile and black mastic, 1'x1', off-white, with green and light brown specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.
19101-B-005 Priority No.	ND	Floor tile and black mastic, 1'x1', off-white, with green and light brown specks	Ground floor, Unit #2, Room #1			
19101-B-006 Priority No.	ND	Floor tile and yellow mastic, 1'x1', off-white, with green and light brown specks	Ground floor, Unit #2, Room #1			
19101-B-007 Priority No. 4	FT=2% CH, MAS=5% CH	Floor tile and black mastic, 1'x1', light brown, with brown specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.
19101-B-008 Priority No.	ND	Floor tile and yellow mastic, 1'x1', off-white, with black specks	Ground floor, Unit #2, Room #1			
19101-B-009 Priority No. 4	FT=ND, MAS=5% CH	Floor tile and black mastic, 1'x1', off-white, with black specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.

ASBESTOS SURVEY SUMMARY TABLE

Building No. **Huntington Beach**

Sample No.	Analysis Results	Description of Material	Sample Location	ESTRAC Coverage	Homogeneous Area	Additional Comments
19101-B-010 Priority No. 4	FT=ND, MAS=5% CH	Floor tile and black mastic, 1'x1', black, with off-white specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.
19101-B-011 Priority No. 4	FT=ND, MAS=10% CH	Floor tile and black mastic, 1'x1', off-white, with light gray specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.
19101-B-012 Priority No. 4	FT=ND, MAS=10% CH	Floor tile and black mastic, 1'x1', off-white, with brown specks	Ground floor, Unit #2, Room #1	0	Included in 19101-B-001.	Nonfriable and in good condition.
19101-B-013 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #2, behind light switch	-97,500 SF	Included JC on wall and/or ceiling systems throughout Unit #2. Actual surface areas may be 2 to 5 times the floor area.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-014 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #16, behind light switch	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-015 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #22	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-016 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, outside Room #29			
19101-B-017 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #40	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-018 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, Room #42			

ASBESTOS SURVEY SUMMARY TABLE

Building No. 19101-B-019
 Sampling Location Beach

Sample No.	Analytical Results	Description of Material	Sampling Location	Estimated Exposure	Homogeneous Area	Additional Comments
19101-B-019 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, outside Room #54			
19101-B-020 Priority No. 3	5% CH	Pipe insulation, elbow, 2" OD, off-white	Mezzanine floor, Unit #2, above Room #6	<100 joints	Included pipe joints (elbows, tees, valves, ends, etc.) throughout various areas of this building. Assumed <100 joints in this building.	Friable and in good condition.
19101-B-021 Priority No. 3	NOT ANALYZED	Pipe insulation, elbow, 2" OD, off-white	Mezzanine floor, Unit #2, above Room #14	0	Included in 19101-B-020.	Friable and in good condition. Sample not analyzed because similar homogeneous samples reported positive.
19101-B-022 Priority No. 3	NOT ANALYZED	Pipe insulation, elbow, 2" OD, off-white	Mezzanine floor, Unit #2, above Room #39	0	Included in 19101-B-020.	Friable and in good condition. Sample not analyzed because similar homogeneous samples reported positive.
19101-B-023 Priority No.	ND	Wallboard (drywall), white	Ground floor, Unit #2, Room #22			
19101-B-024 Priority No.	ND	Ceiling tile, 2'x4', white, with light gray matrix, textured	Ground floor, Unit #2, Room #1			
19101-B-025 Priority No.	ND	Exterior stucco wall, off-white	Ground floor, northeastern portion, on column			
19101-B-026 Priority No.	ND	Exterior stucco wall, off-white	Ground floor, eastern portion, on column			
19101-B-027 Priority No.	ND	Exterior stucco wall, off-white	Ground floor, eastern portion, on column			

ASBESTOS SURVEY SUMMARY TABLE

Building No. **19101-B-031** Huntington Beach

Sample No.	Asbestos Result	Description of Material	Sample Location	EPA Area Covered	Homebestos Area	Additional Comments
19101-B-028 Priority No.	ND	Exterior stucco wall, off-white	Ground floor, southeastern portion, on column			
19101-B-029 Priority No.	ND	Exterior stucco wall, off-white	Ground floor, southeastern portion, on column			
19101-B-030 Priority No. 5	CB=ND, MAS=<1% AN	Cove base and brown mastic, 3", gray	Ground floor, Unit #2, Room #10	<2,000 LF	Included various types of cove base throughout this building.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-031 Priority No. 5	CB=ND, MAS=<1% AN	Cove base and brown mastic, 3", dark brown	Ground floor, Unit #2, Room #32	0	Included in 19101-B-030.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-032 Priority No. 5	CT=ND, MAS=<1% AN	Ceiling tile and brown mastic, 1'x1', white, with tan matrix, random dots	Ground floor, Unit #2, Room #7	~3,900 SF	Included various areas throughout Unit #2. See Figure 1.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-033 Priority No. 5	CT=ND, MAS=<1% AN	Ceiling tile and brown mastic, 1'x1', white, with tan matrix, random dots	Ground floor, Unit #2, Room #16	0	Included in 19101-B-032.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-034 Priority No. 5	CT=ND, MAS=<1% AN	Ceiling tile and brown mastic, 1'x1', white, with tan matrix, random dots	Ground floor, Unit #2, Room #48	0	Included in 19101-B-032.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-035 Priority No.	ND	Rolled-on roofing material, horizontal surface, light gray, black matrix	Roof #1			
19101-B-036 Priority No.	ND	Rolled-on roofing material, horizontal surface, light gray, black matrix	Roof #1			

ASBESTOS SURVEY SUMMARY TABLE

Building No. 19101-B-037

Sample No.	Priority No.	Material/Asbestos	Sample Location	Area/Volume Covered	Information/Notes	Additional Comments
19101-B-037	Priority No.	ND	Roof #1			
	Priority No.	Rolled-on roofing material, horizontal surface, light gray, black matrix				
19101-B-038	Priority No.	ND	Roof #1			
	Priority No.	Rolled-on roofing material, vertical surface, light gray, black matrix				
19101-B-039	Priority No.	ND	Roof #1			
	Priority No.	Rolled-on roofing material, vertical surface, light gray, black matrix				
19101-B-040	Priority No.	ND	Roof #2			
	Priority No.	Rolled-on roofing material, horizontal surface, light gray, black matrix				
19101-B-041	Priority No.	ND	Roof #1			
	Priority No.	Plastic roof cement (roof mastic) and silver paint sealant, black				
19101-B-042	Priority No.	ND	Roof #1			
	Priority No.	Plastic roof cement (roof mastic) and silver paint sealant, black				
19101-B-043	Priority No. 5	FM=ND, MAS=<1% AN	Mezzanine floor, Unit #2, outside Room #57, on stair step	~50 SF	Included mastic associated with flooring material on stair steps outside Room #57.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-044	Priority No. 5	CB=ND, MAS=<1% AN	Mezzanine floor, Unit #2, outside Room #57, on stair tread	0	Included in 19101-B-030.	Nonfriable and in good condition. Not considered as ACM under EPA and Cal-OSHA regulations. However, must comply with notification requirements as ACCM.
19101-B-045	Priority No. 4	JC=5% CH, COMP=<1% CH	Mezzanine floor, Unit #2, Room #57, behind light switch	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.

ASBESTOS SURVEY SUMMARY TABLE

Building No. Huntington Beach

Sample No.	Asbestos Results	Identification of Material	Sample Location	Est. Age (Year)	Remedial Action	Additional Comments
19101-B-046 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, outside Room #55			
19101-B-047 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #34	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-048 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, Room #28			
19101-B-049 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #31	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-050 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #1	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-051 Priority No.	ND	Joint compound, off-white	Ground floor, Unit #2, outside Room #1A			
19101-B-052 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, outside Room #52	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-053 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, Room #50, on ceiling	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.
19101-B-054 Priority No. 4	JC=5% CH, COMP=<1% CH	Joint compound, off-white	Ground floor, Unit #2, outside Room #40	0	Included in 19101-B-013.	Friable and in good condition. JC >= 1% CH (or <1% CH), but as a wall system composite, assumed <1% CH. Not considered as ACM under EPA, but must comply with Cal-OSHA regulations as ACM.

ASBESTOS SURVEY SUMMARY TABLE

Building No.: 19101-B-055

Sample No.	Analysis Results	Material/Matrix	Sample Location	Area	Remarks	Additional Comments
19101-B-055	ND	Linoleum and yellow mastic, off-white	Ground floor, Unit #2, Room #38			
Priority No.						
19101-B-056	FT=ND, MAS=2% CH	Floor tile and black mastic, 1'x1', off-white, with light gray specks	Ground floor, Unit #1, Room #59	~19,500 SF	Included Rooms #59, #61, #63, #64, #67, and #68 of Unit #1.	Nonfriable and in good condition. For estimation and future removal purposes, FT was included in the estimated quantity.
Priority No.						
19101-B-057	ND	Ceiling tile, 2'x4', off-white, light gray matrix, smooth texture	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-058	ND	Joint compound, off-white	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-059	ND	Ceiling tile, 2'x4', white, light gray matrix, random crevices and holes	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-060	ND	Ceiling tile, 2'x4', white, light gray matrix, smooth texture	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-061	ND	Floor tile and black mastic, 1'x1', off-white, with light gray specks	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-062	ND	Ceiling tile, 2'x4', white, light gray matrix, random crevices and holes	Ground floor, Unit #1, Room #59			
Priority No.						
19101-B-063	ND	Joint compound, off-white	Ground floor, Unit #1, Room #68			
Priority No.						

ASBESTOS SURVEY SUMMARY TABLE

Building No. 1 Huntington Beach

Sample No.	Analytical Results	Description of Material	Sample Location	Exposed Area / Coverage	Removal Cost / Area	Additional Comments
19101-B-082 Priority No.	ND	Finish coat, off-white	Ground floor, northeastern portion, north wall			
19101-B-083 Priority No.	ND	Finish coat, off-white	Ground floor, northern portion, north wall			

NOTES (where applicable):

- This summary table is intended to be used with the figures prepared by Panacea, Inc. Please refer to the figures for the room or area designations.
- Estimated area covered and removal costs are intended for discussion and management purposes only. Actual square footage and removal costs may vary. Other asbestos-containing materials (ACMs) may be present in inaccessible areas of the building.
- CH = chrysotile; AM = amosite; CR = crocidolite; AN = anthophyllite; TR = tremolite; AC = actinolite; ND = none detected; <1% = trace amount of asbestos.
- HVAC = heating, ventilation, and air conditioning unit; FP = floor plan; OD = outside diameter; LF = linear feet; SF = square feet; "≈" = approximately; "<" = less than; ">" = greater than; OH = overhang; TEM = transmission electron microscopy; "+" = positive, "x" = times.
- FM = flooring material; FT = floor tile; MAS = mastic; LN = linoleum; CB = cove base; CBM = cove base and mastic; SP = silver paint sealant; DS = duct sealant; RM = roofing material; PRC = plastic roof cement; FLC = floor leveling compound; CT = ceiling tile.
- JC = asbestos concentration for joint compound; COMP = assumed asbestos concentrations for the composited system (walls and/or ceiling) consisting of wallboard (drywall) and joint compound. Estimated area covered for joint compound and other wall material is based on the floor area. Actual square footage of the composite wall and/or ceiling system can vary from 2 to 5 times the floor area.
- ACCM = asbestos-containing construction material.
- EPA = U.S. Environmental Protection Agency; Cal-OSHA = California Division of Occupational Safety and Health.



LEGEND (Where Applicable)

- Bulk Sample Location (Negative)
- Bulk Sample Location (Positive, <1% Asbestos)
- Bulk Sample Location (Positive, >1% Asbestos)
- ▲ Sample Not Analyzed Because A Homogeneous Sample Was Reported Positive For Asbestos (Positive-Stop Method)
- M Mezzanine Sample Location
- Area With Asbestos-Containing Joint Compound (>1% Asbestos). As a Composite Wall/Ceiling System, It Is Assumed to Contain <1% Asbestos.
- ▨ Floor Tile and Black Mastic (>1% Asbestos)
- ▧ Black Mastic Only (>1% Asbestos)
- ▩ Lithium (>1% Asbestos) and Black Mastic (Assumed Positive)
- Brown Mastic (<1% Asbestos) Associated With 1/2" Ceiling Tile (None Detected)

GENERAL NOTES

1. All locations are approximate. No scale or dimension is implied.
2. Base map obtained from property management.
3. Room numbers or area designations are arbitrarily assigned for discussion purposes only.
4. Sample numbers are identified for graphic presentation purposes (e.g., sample number: BLDG NO. B-001 is identified to B1).
5. Other asbestos-containing materials may be present in inaccessible areas of the building.
6. Multiple layers of asbestos-containing flooring materials may be present.



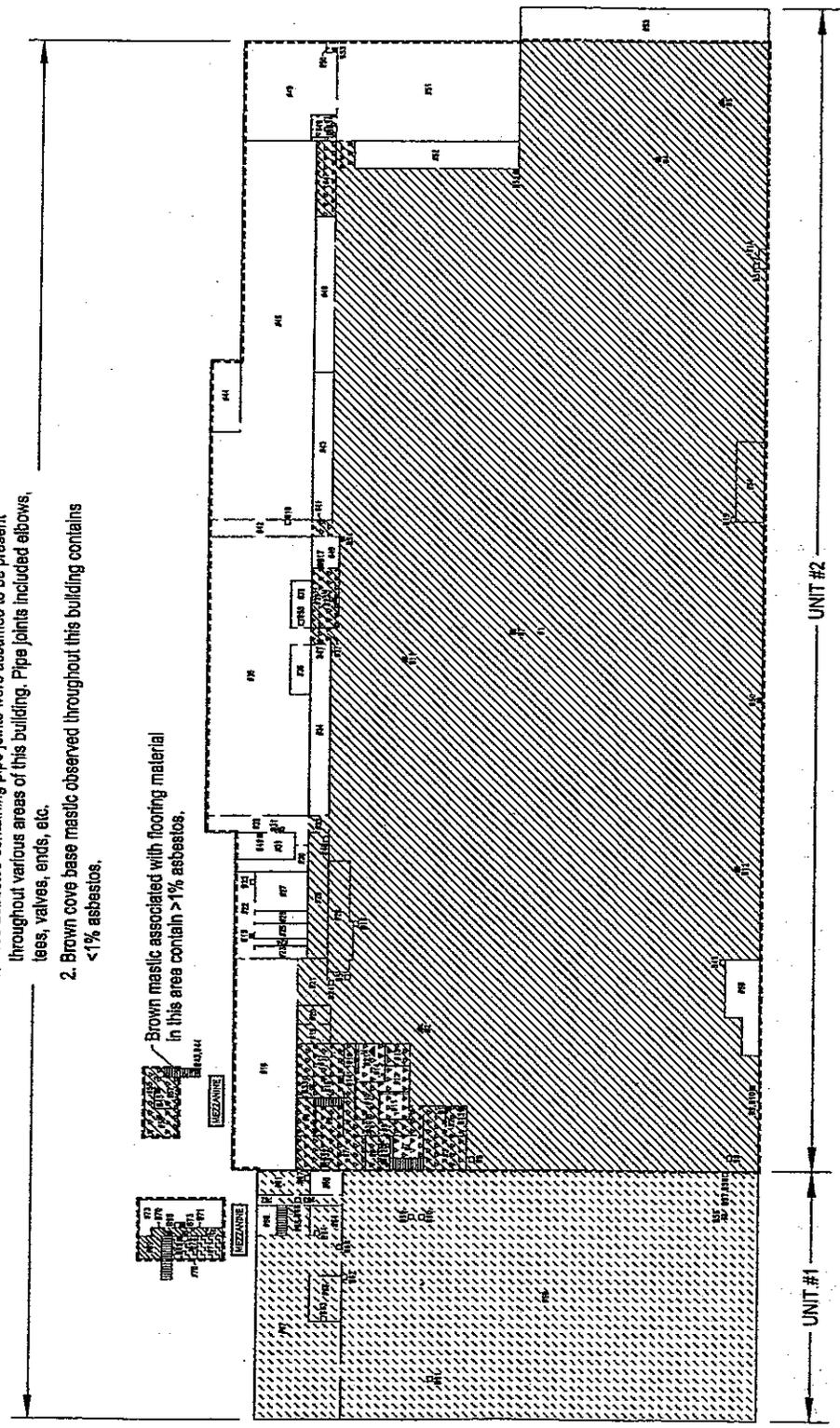
PANACEA, INC.
Environmental Services
BULK SAMPLE LOCATIONS
FLOOR PLAN
1901 MAGNOLIA STREET
HUNTINGTON BEACH, CALIFORNIA

PROJECT NO. C04-08C FIGURE 1
SUPPLEMENTAL SURVEY - REVISION NO. 1

SPECIAL NOTES:

1. <100 asbestos-containing pipe joints were assumed to be present throughout various areas of this building. Pipe joints included elbows, tees, valves, ends, etc.
2. Brown cove base mastic observed throughout this building contains <1% asbestos.

Brown mastic associated with flooring material in this area contain >1% asbestos.



UNIT #1

UNIT #2



LEGEND (Where Applicable)

□ Bulk Sample Location (Negative)

GENERAL NOTES

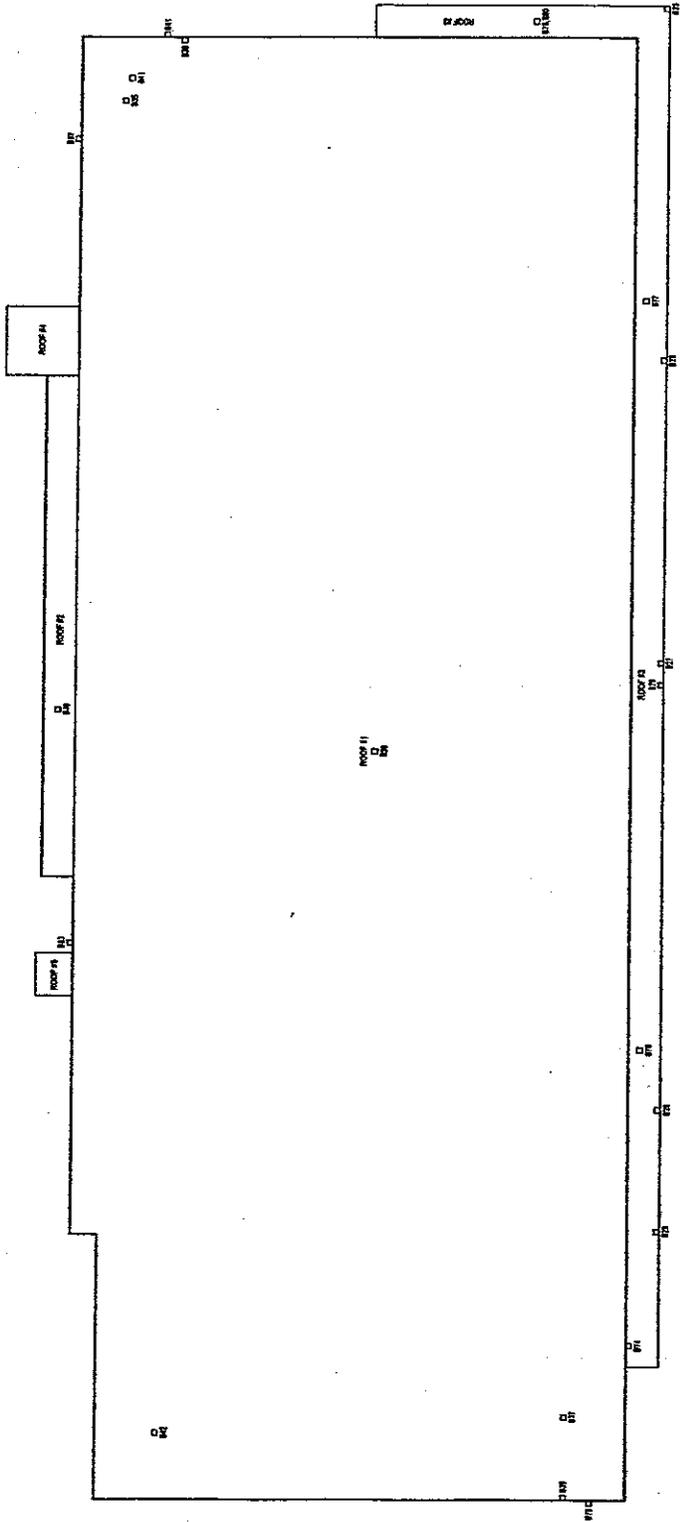
1. All locations are approximate. No scale or dimension is implied.
2. Basal map obtained from property management.
3. Room numbers or area designations are arbitrarily assigned for discussion purposes only.
4. Sample numbers are shortened by graphic presentation purposes (e.g., sample number [BLDG NO]-[R]-[00] is shortened to B1).
5. Other asbestos-containing materials may be present in inaccessible areas of the building.
6. Multiple layers of asbestos-containing roofing materials may be present.

PANACEA, INC.
Environmental Services

BULK SAMPLE LOCATIONS
ROOF AND EXTERIOR PLAN
19191 MAGNOLIA STREET
HANTINGTON BEACH, CALIFORNIA

PROJECT NO. C01-490C FIGURE 2

SUPPLEMENTAL SURVEY - REVISION NO. 1



NO ACM DETECTED ON THE ROOF AND EXTERIOR OF THIS BUILDING



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

Client ID: 5572
Report Number: B060465
Date Received: 04/29/04
Date Analyzed: 04/29/04
Date Printed: 04/30/04
First Reported: 04/30/04

Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-1	50215693						
Layer: Off-White Tile		Chrysotile	3 %				
Layer: Black Mastic		Chrysotile	7 %				

Total Composite Values of Fibrous Components: Asbestos (3%)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004

19101-B-2 50215694

Comment: Sample not analyzed due to prior positive result in series. Collected on 04/27/2004

19101-B-3 50215695

Comment: Sample not analyzed due to prior positive result in series. Collected on 04/27/2004

19101-B-4 50215696

Layer: Off-White Tile			ND
Layer: Gold Mastic			ND
Layer: Black Mastic	Chrysotile		10 %

Total Composite Values of Fibrous Components: Asbestos (Trace)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004

19101-B-5 50215697

Layer: Off-White Tile			ND
Layer: Black Mastic			ND

Total Composite Values of Fibrous Components: Asbestos (ND)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

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Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-6	50215698						
Layer: Off-White Tile			ND				
Layer: Gold Mastic			ND				
Total Composite Values of Fibrous Components:		Asbestos (ND)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-7	50215699						
Layer: Off-White Tile		Chrysotile	2 %				
Layer: Black Mastic		Chrysotile	5 %				
Total Composite Values of Fibrous Components:		Asbestos (2%)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-8	50215700						
Layer: Off-White Tile			ND				
Layer: Gold Mastic			ND				
Total Composite Values of Fibrous Components:		Asbestos (ND)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-9	50215701						
Layer: Off-White Tile			ND				
Layer: Gold Mastic			ND				
Layer: Black Mastic		Chrysotile	5 %				
Total Composite Values of Fibrous Components:		Asbestos (Trace)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
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Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-10	50215702						

Total Composite Values of Fibrous Components: Asbestos (Trace)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004

19101-B-11	50215703						

Total Composite Values of Fibrous Components: Asbestos (Trace)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004

19101-B-12	50215704						

Total Composite Values of Fibrous Components: Asbestos (Trace)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004

19101-B-13	50215705						

Total Composite Values of Fibrous Components: Asbestos (5%)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

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Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-14	50215706						
Layer: Off-White Skimcoat/Joint Compound		Chrysotile	5 %				
Layer: Paint			ND				
Total Composite Values of Fibrous Components:		Asbestos (5%)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-15	50215707						
Layer: Off-White Skimcoat/Joint Compound		Chrysotile	5 %				
Layer: Brown Mastic		Anthophyllite	Trace				
Total Composite Values of Fibrous Components:		Asbestos (5%)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-16	50215708						
Layer: Off-White Skimcoat/Joint Compound			ND				
Layer: Paint			ND				
Total Composite Values of Fibrous Components:		Asbestos (ND)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							
19101-B-17	50215709						
Layer: Off-White Skimcoat/Joint Compound		Chrysotile	5 %				
Layer: Paint			ND				
Total Composite Values of Fibrous Components:		Asbestos (5%)					
Cellulose (Trace)							
Comment: Collected on 04/27/2004							



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

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First Reported: 04/30/04

Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
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19101-B-18	50215710						
Layer: Off-White Skimcoat/Joint Compound			ND				
Layer: Paint			ND				

Total Composite Values of Fibrous Components:	Asbestos (ND)
Cellulose (Trace)	
Comment: Collected on 04/27/2004	

19101-B-19	50215711						
Layer: Off-White Skimcoat/Joint Compound			ND				
Layer: Paint			ND				

Total Composite Values of Fibrous Components:	Asbestos (ND)
Cellulose (Trace)	
Comment: Collected on 04/27/2004	

19101-B-20	50215712						
Layer: Beige Semi-Fibrous Material		Chrysotile	5 %				

Total Composite Values of Fibrous Components:	Asbestos (5%)
Cellulose (2 %) Fibrous Glass (20 %)	
Comment: Collected on 04/27/2004	

19101-B-21	50215713						
Comment: Sample not analyzed due to prior positive result in series. Collected on 04/27/2004							

19101-B-22	50215714						
Comment: Sample not analyzed due to prior positive result in series. Collected on 04/27/2004							



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

Client ID: 5572
Report Number: B060465
Date Received: 04/29/04
Date Analyzed: 04/29/04
Date Printed: 04/30/04
First Reported: 04/30/04

Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-23 Layer: White Drywall	50215715		ND				
Total Composite Values of Fibrous Components: Asbestos (ND) Cellulose (2 %) Fibrous Glass (5 %) Comment: Collected on 04/27/2004							
19101-B-24 Layer: Beige Fibrous Material Layer: Paint	50215716		ND ND				
Total Composite Values of Fibrous Components: Asbestos (ND) Cellulose (45 %) Fibrous Glass (35 %) Comment: Collected on 04/27/2004							
19101-B-25 Layer: Grey Plaster Layer: White Coating Layer: Paint	50215717		ND ND ND				
Total Composite Values of Fibrous Components: Asbestos (ND) Cellulose (Trace) Fibrous Glass (2 %) Wollastonite (2 %) Comment: Collected on 04/27/2004							
19101-B-26 Layer: Grey Plaster Layer: White Coating Layer: Paint	50215718		ND ND ND				
Total Composite Values of Fibrous Components: Asbestos (ND) Cellulose (Trace) Fibrous Glass (2 %) Wollastonite (Trace) Comment: Collected on 04/27/2004							



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

Client ID: 5572
Report Number: B060465
Date Received: 04/29/04
Date Analyzed: 04/29/04
Date Printed: 04/30/04
First Reported: 04/30/04

Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
19101-B-27	50215719						
Layer: Grey Plaster			ND				
Layer: White Coating			ND				
Layer: Paint			ND				

Total Composite Values of Fibrous Components: Asbestos (ND)
 Cellulose (Trace) Fibrous Glass (2 %) Wollastonite (2 %)
 Comment: Collected on 04/27/2004

19101-B-28	50215720						
Layer: Grey Plaster			ND				
Layer: White Coating			ND				
Layer: Paint			ND				

Total Composite Values of Fibrous Components: Asbestos (ND)
 Cellulose (Trace) Fibrous Glass (2 %) Wollastonite (Trace)
 Comment: Collected on 04/27/2004

19101-B-29	50215721						
Layer: Grey Plaster			ND				
Layer: White Coating			ND				
Layer: Paint			ND				

Total Composite Values of Fibrous Components: Asbestos (ND)
 Cellulose (Trace) Fibrous Glass (2 %) Wollastonite (Trace)
 Comment: Collected on 04/27/2004

19101-B-30	50215722						
Layer: Grey Non-Fibrous Material			ND				
Layer: Beige Mastic			ND				
Layer: Brown Mastic		Anthophyllite	Trace				
Layer: Paint			ND				

Total Composite Values of Fibrous Components: Asbestos (Trace)
 Cellulose (Trace)
 Comment: Collected on 04/27/2004



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

Client ID: 5572
Report Number: B060465
Date Received: 04/29/04
Date Analyzed: 04/29/04
Date Printed: 04/30/04
First Reported: 04/30/04

Job ID/Site: C04-465, Kellog Buildings

FASI Job ID: 5572-461

Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
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19101-B-31	50215723						
Layer: Brown Non-Fibrous Material						ND	
Layer: Brown Mastic		Anthophyllite				Trace	

Total Composite Values of Fibrous Components:	Asbestos (Trace)
Cellulose (Trace) Talc (Trace)	
Comment: Collected on 04/27/2004	

19101-B-32	50215724						
Layer: Tan Fibrous Material						ND	
Layer: Paint						ND	
Layer: Brown Mastic		Anthophyllite				Trace	

Total Composite Values of Fibrous Components:	Asbestos (Trace)
Cellulose (85 %) Talc (Trace)	
Comment: Collected on 04/27/2004	

19101-B-33	50215725						
Layer: Tan Fibrous Material						ND	
Layer: Paint						ND	
Layer: Brown Mastic		Anthophyllite				Trace	
Layer: Tan Mastic						ND	

Total Composite Values of Fibrous Components:	Asbestos (Trace)
Cellulose (85 %)	
Comment: Collected on 04/27/2004	

19101-B-34	50215726						
Layer: Tan Fibrous Material						ND	
Layer: Paint						ND	
Layer: Brown Mastic		Anthophyllite				Trace	

Total Composite Values of Fibrous Components:	Asbestos (Trace)
Cellulose (75 %) Talc (Trace)	
Comment: Collected on 04/27/2004	



Bulk Asbestos Analysis

(EPA Method 600/R-93-116, Visual Area Estimation)

Panacea Inc.
Mr. Hsin Chou

14700 Firestone Blvd, Ste 118
La Mirada, CA 90638

Client ID: 5572
Report Number: B060465
Date Received: 04/29/04
Date Analyzed: 04/29/04
Date Printed: 04/30/04
First Reported: 04/30/04

Job ID/Site: C04-465, Kellogg Buildings

FA SI Job ID: 5572-461

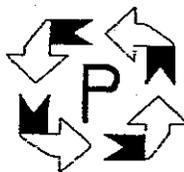
Sample ID	Lab Number	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer	Asbestos Type	Percent in Layer
-----------	------------	---------------	------------------	---------------	------------------	---------------	------------------

Steven Takahashi, Laboratory Supervisor, Rancho Dominguez Laboratory

Note: Limit of Quantification ('LOQ') = 1%. 'Trace' denotes the presence of asbestos below the LOQ. 'ND' = 'None Detected'.

Analytical results and reports are generated by Forensic Analytical at the request of and for the exclusive use of the person or entity (client) named on such report. Results, reports or copies of same will not be released by Forensic Analytical to any third party without prior written request from client. This report applies only to the sample(s) tested. Supporting laboratory documentation is available upon request. This report must not be reproduced except in full, unless approved by Forensic Analytical. The client is solely responsible for the use and interpretation of test results and reports requested from Forensic Analytical. This report must not be used by the client to claim product endorsement by NVLAP or any other agency of the U.S. Government. Forensic Analytical is not able to assess the degree of hazard resulting from materials analyzed. Forensic Analytical reserves the right to dispose of all samples after a period of thirty (30) days, according to all state and federal guidelines, unless otherwise specified. All samples were received in acceptable condition unless otherwise noted.

CHAIN OF CUSTODY RECORD



PANACEA, I N C.
 Project Manager: Alan Chan
 14700 Firestone Blvd., Suite 118
 La Mirada, CA 90638
 Tel. (714) 228-1286
 Fax (714) 228-1248

Date: 4/29/04
 Page: 1 of 2
 Project No.: 004-461
 Project Name: Kellogg Bldg. 5
 Sampled By: cm
 Shipped To: Env. Div. by: _____

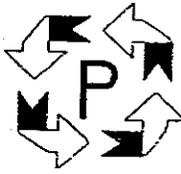
SAMPLE NUMBER	SAMPLING DATE / TIME	PRESERVATION METHOD	CONTAINER TYPE/SIZE	SAMPLE MATRIX	ANALYSES REQUIRED	
					PLM	
19101 B 1	4/29/04	None	Sealed	Bit	✓	First Point
2						↓
3						↓
4						↓
5						↓
6						↓
7						↓
8						↓
9						↓
10						↓
11						↓
12						↓
13						↓
14						↓
15						↓
16						↓
17						↓
18						↓
19						↓
20						↓

TOTAL NUMBER OF SAMPLES 34 First Point - Stop at last Point

COMMENTS: Return signed chain-of-custody forms with final report(s). Fax results as soon as possible.
 FTM = floor tile and mastic; LNM = linoleum and mastic; CBM = cove base and mastic;
 CTM = ceiling tile and mastic; DWJ = wallboard and joint compound; ML = other multiple-layered materials.
First Point Analyze Analyze These Samples

Relinquished By: [Signature] Company: Panacea Inc. Date: 4/29/04 Time: _____
 Received By: [Signature] Company: FAS1 Date: 4/29/04 Time: 10:30
 Relinquished By: _____ Company: _____ Date: _____ Time: _____
 Received By: _____ Company: _____ Date: _____ Time: _____
 Relinquished By: _____ Company: _____ Date: _____ Time: _____
 Received By: _____ Company: _____ Date: _____ Time: _____

CHAIN OF CUSTODY RECORD



PANACEA, I N C.
 Project Manager: H. R. (H. R.)
 14700 Firestone Blvd., Suite 118
 La Mirada, CA 90638
 Tel. (714) 228-1286
 Fax (714) 228-1248

Date: 4/29/04
 Page: 2 of 2
 Project No.: C04-463
 Project Name: Kellogg Buildings
 Sampled By: SM
 Shipped To: Furn. Div. by: _____

SAMPLE NUMBER	SAMPLING DATE / TIME	PRESERVATION METHOD	CONTAINER TYPE/SIZE	SAMPLE MATRIX	ANALYSES REQUIRED	
					PLM	
19101 B 21	4/27/04	None	Sealed	Blank	✓	First Report
22						↓
23						Analyze
24						Analyze
25						First Report
26						↓
27						↓
28						↓
29						↓
30						First Report
31						↓
32						First Report
33						↓
34						↓

TOTAL NUMBER OF SAMPLES 34 First Report = Stop at First Positive Sample
Sample 19101-B 20

COMMENTS: Return signed chain-of-custody forms with final report(s). Fax results as soon as possible.
 FTM = floor tile and mastic; LNM = linoleum and mastic; CBM = cove base and mastic; Analyze - Analyze These Samples
 CTM = ceiling tile and mastic; DWJ = wallboard and joint compound; ML = other multiple-layered materials.
Risk Assessment First Report - Stop at First Positive

Relinquished By: <u>[Signature]</u>	Company: <u>Panacea, Inc.</u>	Date: <u>4/26/04</u>	Time: _____
Received By: <u>[Signature]</u>	Company: <u>[Signature]</u>	Date: <u>4/29/04</u>	Time: <u>10:30</u>
Relinquished By: _____	Company: _____	Date: _____	Time: _____
Received By: _____	Company: _____	Date: _____	Time: _____
Relinquished By: _____	Company: _____	Date: _____	Time: _____
Received By: _____	Company: _____	Date: _____	Time: _____