Appendix D1 – Phase I Environmental Site Assessment

PHASE I ENVIRONMENTAL SITE ASSESSMENT

3300 El Camino Real, Palo Alto, California 94301
Prepared at the Request of Gibson, Dunn & Crutcher LLP

March 11, 2014

Revised May 12, 2014

PRIVILEGED AND CONFIDENTIAL
Attorney-Client Work Product

PRIVILEGED AND CONFIDENTIAL
Attorney-Client Work Product

PHASE I ENVIRONMENTAL SITE ASSESSMENT

3300 El Camino Real, Palo Alto, California 94301
Prepared at the Request of Gibson, Dunn & Crutcher LLP

March 11, 2014
Revised May 12, 2014

Client

Gibson, Dunn & Crutcher LLP
333 South Grand Avenue, Los Angeles, CA 90071-3197

Consultant

WSP Services, Inc.
2025 Gateway Place Suite 435
San Jose, CA 95110
Tel: 408-453-6100

WSP Contacts

Rick Freudenberger
rick.freudenberger@wspgroup.com

Table of Contents

List of Figures

List of Appendices

Executive Summary

WSP Services, Inc., now part of WSP USA Corp. (WSP), conducted a Phase I Environmental Site Assessment (Phase I ESA) of a parcel occupied by a parking lot located in Palo Alto, Santa Clara County, California (subject property or site), at the request of the Gibson, Dunn & Crutcher LLP (Client). The Phase I environmental site assessment was conducted in accordance with the U.S. Environmental Protection Agency Standards and Practices for All Appropriate Inquiries as required under Section 101(35)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act and referenced in Title 40 Code of Federal Regulations, Part 312; the ASTM International Standard E 1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM E 1527-13) and WSP's proposal to Gibson, Dunn & Crutcher LLP for the work dated February 14, 2014.

The goal of this Phase I environmental site assessment was to identify recognized environmental conditions in connection with the subject property based on a records review, the site visit, and interviews. Key definitions from ASTM E 1527-13 that serve as the basis for WSP's findings are included in Appendix A.

A site visit was conducted on February 21, 2014 by Mr. Richard Freudenberger, executive vice president, and Wanda Wong, consultant, of WSP Services, Inc. WSP was unaccompanied during reconnaissance of the subject property.

The subject property is comprised of one parcel located at 3300 El Camino Real, Palo Alto, California, APN 142-20-046. The subject property is approximately 2.93 acres in size and consists of a paved asphalt parking lot used by Communications and Power Industries (CPI), located in a neighboring building in an adjacent parcel to the southwest. The parking area contains driveways located along El Camino Real and Hansen Way and landscaping irrigated with City of Palo Alto reclaimed water. Eight groundwater monitoring wells were observed throughout the Site. The Site is currently owned by Lam Research and leased by CPI for parking.

WSP identified the following known recognized environmental conditions in connection with the subject property:

- Known groundwater contamination exists at two adjacent upgradient facilities. It is possible that this contamination has affected the subject property.
    - Review of a previous Phase I ESA dated December 2013, environmental database records and observations made by WSP during the February 21, 2014 site visit revealed the presence of eight groundwater monitoring wells located throughout the subject property. The wells were installed between 1989 and 1991 as part of a soil and groundwater investigation associated with Varian Medical Systems, Inc. (Varian), located at 611 Hansen Way, Palo Alto, Santa Clara County, California. Varian also operated a groundwater remediation system located on a neighboring property and treated groundwater was used for irrigation purposes on the subject property until the treatment system was shut down in 2007. The measured depth to groundwater is generally between 11 to 19 feet below ground surface (bgs). TCE concentrations were detected in monitoring wells on the subject property above the cleanup goal of 5 µg/L, indicative that the TCE groundwater plume from Varian appears to have migrated onto the subject property. WSP also reviewed the most recent available groundwater monitoring report (2013 Annual Progress Report, 611 Hansen Way Site and Study Area, Palo Alto, California prepared by Stantec, October 10, 2013). Monitoring well V1-9A2 contained 21 µg/L of TCE; additionally V1-14 contained elevated concentrations of TCE breakdown products

(most notably 1,1-DCE and cis-1,2-DCE).These detections constitute a known recognized environmental condition for the subject property.

- Review of the previous Phase I ESA dated December 2013, environmental database records revealed that the subject property is located in close proximity to the Hewlett-Packard National Priority Listing (NPL) Superfund Site (HP Site). Hewlett-Packard manufactured optoelectronic equipment until 1986 on a 10-acre site located at 620-640 Page Mill Road, Palo Alto, Santa Clara County, California. According to the previous Phase I ESA, the subject property does not appear to be located within the HP Site, but is immediately adjacent to its east boundary. At least 300 gallons of waste solvents leaked from an underground storage tank in 1981. The tank was removed along with approximately 100 cubic yards of contaminated soil from the HP Site in 1981. Groundwater monitoring data from wells located upgradient of the subject property revealed elevated concentrations of tetrachloroethene (PCE) and trichloroethene (TCE). Based on the proximity of the HP Site and the potential for contaminants of concern from this off-site property, it is likely that contaminants have impacted groundwater beneath the subject property. This is a known recognized environmental condition for the subject property.

WSP recommends the following with respect to future development at the subject property:

- Appropriate care should be exercised before conducting any construction or excavation activities on the subject property that may encounter impacted groundwater. Should groundwater be encountered, dewatering and/or treatment of such groundwater may be required and appropriate health and safety measures may require implementation. Additionally, the potential for vapor intrusion into future buildings on the subject property from volatile contaminants in the groundwater may require further characterization and/or evaluation.

1 Introduction

1.1 General

WSP Services, Inc., now part of WSP USA Corp. (WSP), conducted a Phase I environmental site assessment of a parcel located at 3300 El Camino Real, Palo Alto, Santa Clara County, California (subject property or site), at the request of the Gibson, Dunn & Crutcher LLP. The Phase I environmental site assessment was conducted in accordance with the U.S. Environmental Protection Agency Standards and Practices for All Appropriate Inquiries as required under Section 101(35)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act and referenced in Title 40 Code of Federal Regulations, Part 312; the ASTM International Standard E 1527-13, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM E 1527-13) and WSP's proposal to Gibson, Dunn & Crutcher LLP for the work dated February 14, 2014.

The goal of this Phase I environmental site assessment was to identify recognized environmental conditions in connection with the subject property based on a records review, the site visit, and interviews. Key definitions from ASTM E 1527-13 that serve as the basis for WSP's findings are included in Appendix A.

- The assessment is based on a visit to the site by Richard Freudenberger, executive vice president, an Environmental Professional, and Wanda Wong, consultant, of WSP on February 21, 2014. The site visit covered all areas of the subject property.
- Photographs of the site were taken to document conditions during the site visit and to highlight potential environmental concerns. The photographs are presented in Appendix C.
- WSP conducted interviews with the following entities:
  - WSP was unable to contact previous property owners. The significance of this data gap is discussed in Section 5.
  - Sand Hill Property Company, the "user" of this Phase I environmental site assessment
- WSP retained Environmental Data Resources, Inc. (EDR), to conduct a database search of the site and properties within AAI- and ASTM-specified search radii to identify releases or threatened releases and to help assess the likelihood of problems from migrating hazardous substances or petroleum products. The search (including the approximate minimum search distances) was conducted in accordance with the standards established by Section 101(35)(B) of CERCLA, 40 CFR 312.26, and ASTM 1527-13. The results of the database search are presented in Appendix D.
- WSP also retained EDR to conduct a search for historical records pertaining to the subject property. The records search produced the following results:
  - Aerial photographs dated 1939, 1948, 1956, 1968, 1974, 1981, 1991, 1998, 2005, 2009, 2010, and 2012 (Appendix E)
  - Sanborn fire insurance maps dated 1956, 1969, and 1978 (Appendix E)
  - Historical topographic maps from 1899, 1902, 1943, 1947, 1948, 1953, 1961, 1968, 1973, 1991, and 1997 (Appendix E)
  - City directories from 1922 to 2013 (Appendix E)

- WSP requested documents from the City of Palo Alto Planning and Community Environment, Fire Department, and Public Works Department.
- WSP requested documents from the Bay Area Air Quality Management District, but no records were found.
- WSP reviewed property information available on the Santa Clara County Geographical Information System Parcel Viewer database.
- WSP requested to review available documents from the Santa Clara County Department of Environmental Health; this request is pending
- WSP reviewed available documents from the Santa Clara County Department of Environmental Health database, but no documents were available.
- WSP searched the Santa Clara Valley Water District's database, but no records were found.
- WSP searched the Santa Clara County Assessor's Office database, but no records were found.
- WSP searched the California State Water Resources Control Board (SWRCB) GeoTracker database, but no records were found.
- WSP searched the DTSC's Envirostor and Hazardous Waste Tracking System (HWTS) databases, but no records were found for the subject property.
- A search of engineering and institutional controls on the use of the property, including deed restrictions, was included as part of the regulatory database search performed by EDR.
- Previous Phase I environmental assessment report prepared by ERM in 2013 was available for the subject property.
- A chain of title was not obtained for the subject property.

This Phase I environmental site assessment was conducted in accordance with ASTM E 1527-13. Radon, lead-based paint, lead in drinking water, wetlands delineation, cultural and historical resources, industrial hygiene, health and safety, ecological resources, endangered species, indoor air quality, biological agents, mold, and high voltage power lines are non-scope considerations under Section 13.1.5 of ASTM E 1527-13 and were not included in WSP's Phase I environmental site assessment process.

1.2 Disclaimer

Client acknowledges and agrees that this report was prepared solely on its behalf and functions solely as a Phase I environmental site assessment. By accepting this report Client acknowledges and agrees that it may in part rely upon sources, either written or oral, that WSP considers reliable, but which are not guaranteed or independently verified by WSP.

Natixis Real Estate Capital LLC, its employees; agents, successors and assigns may rely upon this report in evaluating a request for an extension of credit to be secured by the property (the "Mortgage Loan"). This report may also be used and relied upon by any actual or prospective purchaser, transferee, assignee, or servicer of the Mortgage Loan (or any portion thereof), any actual or prospective investor (including agent or advisor) in any securities evidencing a beneficial interest in or backed by the Mortgage Loan (or any portion thereof), any rating agency actually or prospectively rating any such securities, any indenture trustee, and any institutional provider(s) from time to time of any liquidity facility or credit support for such financing. In addition, this report or a reference to this report may be included

or quoted in any offering circular, private placement memorandum, registration statement or prospectus and Partner Assessment Corporation agrees to cooperate in answering questions by any of the above parties in connection with a securitization or transaction involving the Mortgage Loan (or any portion thereof) and/or such securities. Notwithstanding the foregoing, Partner Assessment Corporation encourages interested third parties to conduct their own due diligence with a scope commensurate to the level of intended involvement.

Where Client is required to disseminate this report, either by law or in connection with Client's business activities, to any other party to whom this report is not addressed (the "Third Party"), Client agrees to notify the Third Party of the terms of this disclaimer who in turn shall be bound by such terms. Any Third Party wishing to rely on the information and opinions contained herein does so at its own risk in absence of a written letter of reliance provided by WSP.

1.3 Term of Report Viability

In accordance with ASTM E 1527-13 and AAI, this Phase I environmental site assessment will remain valid for 12 months from the date of this report. In instances where more than 6 months (180 days) elapses from the date of this report to a future transaction closing or lease execution date involving the subject property, certain aspects of the assessment must be updated to benefit from the "innocent purchaser" protection.

1.4 Environmental Professional Declaration

This report was prepared by Wanda Wong under the direction of Richard Freudenberger, executive vice president of WSP. As an Environmental Professional, Mr. Freudenberger's resume is included in Appendix B.

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in Section 312.10 of 40 CFR Part 312. I have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. I have developed and performed all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Richard Freudenberger, Executive Vice President

2 Subject Property

2.1 Present Use

The subject property is a paved asphalt parking area located at 3300 El Camino Real, Palo Alto, Santa Clara County, California (Figure 1). The subject property is comprised of an approximately 2.93 acre parcel, APN 142-20-046 and leased for parking by CPI, located on an adjacent parcel to the southwest.

2.1.1 General Description

The subject property is owned by Lam Research and leased by CPI for parking. The subject property is comprised of one parcel located at 3300 El Camino Real, APN 142-20-046, and is approximately 2.93 acres in size. It currently consists of a paved asphalt parking lot used by Communications and Power Industries (CPI), located in an adjacent parcel to the southwest. The parking area contains driveways located along El Camino Real and Hansen Way and landscaping irrigated with City reclaimed water. Eight groundwater monitoring wells were observed throughout the Site.

The area surrounding the Site is residential, retail, and commercial. The subject property is zoned RP for research park district by the City of Palo Alto Planning and Community Environment Department. Prior to its current use as a parking area, the subject property was agricultural and used for cattle grazing since at least 1939 to the early 1950s. It has been in use as a parking area since at least 1956. The Site has been paved with asphalt since at least 1968.

Key features of the subject property include the following:

- One driveway entrance/exit along El Camino Real
- One driveway entrance/exit along Hanover Way
- Landscaping throughout the parking area

2.1.2 Environmental Setting

According to the U.S. Geological Survey Palo Alto, California quadrangle (7.5-minute series) map, the ground elevation of the subject property is approximately 39 feet above mean sea level. The site is located within the Santa Clara Valley Groundwater Basin and the San Mateo Subbasin, a northwest-southeast trending structural basin in northwestern Santa Clara County, on relatively flat land with the property sloping slightly to the northeast. The subject property is bound to the northeast by Highway 101, to the northwest by Grant San Francisquito Creek, to the southwest by Highway 280, and to the southeast by Matadero Creek. Based on information from the database search and evidence from investigations in the area, groundwater flow is presumed to be to the northeast. The measured depth to groundwater is generally between 11 to 19 feet below ground surface (bgs).

The U. S. Department of Agriculture Soil Conservation Service indicates that the soils at the subject property are classified as Botella. The soils texture is identified as a clay loam. The bedrock underlying the property consists of rocks from the Quatemary Series and Cenozoic Era.

According to the Federal Emergency Management Agency Flood Insurance Rate Map, the subject property is located within the 500-year flood plain. A 100-year flood plain is located northeast of the subject property.

WSP reviewed wetlands information provided by EDR and obtained from the National Wetland Inventory database. According to the National Wetland Inventory database, wetlands are not present on the subject property.

2.2 Past Uses

Based on review of historical aerial photographs and a previous Phase I ESA, Prior to its current use as a parking area, the subject property was agricultural and used for cattle grazing since at least 1939 to early 1950s. The area surrounding the subject property contained agricultural land, farmhouses, and residential, commercial, and industrial areas. The subject property has been in use as a parking area since at least 1956. Review of historical aerial photographs from 1968 to 2012, shows the subject property with its current general configuration. The Site has been paved with asphalt since at least 1968.

According to a review of public records, previous owners of the subject property have included Lam Research.

No other information was available regarding previous operations at the subject property.

2.2.1 Previous Environmental Reports

WSP reviewed a previous Phase I Environmental Site Assessment prepared by ERM for the Two Acre Parking Lot dated December 2013. ERM identified two recognized environmental conditions associated with offsite groundwater contamination from the adjacent Hewlett-Packard NPL Superfund Site and the Varian site at 611 Hansen Way, Palo Alto, CA. Similarly, as noted throughout this report, WSP has also noted these offsite sources of groundwater contamination as known recognized environmental conditions for the subject property.

2.3 Current Operations and Conditions

2.3.1 Raw Materials Handling and Storage Practices

No quantities of chemicals or hazardous materials are currently stored onsite. Landscape maintenance is performed by an outside contractor. WSP did not identify any significant staining or stressed vegetation on the subject property.

2.3.2 Solid and Hazardous Waste

No evidence of hazardous materials or hazardous waste was observed on the subject property. Hazardous waste has not been generated under current or former operations. The subject property is not currently registered as a generator of hazardous waste.

No onsite pits, ponds, or lagoons were observed that would suggest onsite waste disposal.

2.3.3 Underground and Aboveground Tanks

Based on a review of historical records and information from the Santa Clara Valley Water District (SCVWD), no underground storage tanks (UST) are currently present on the subject property. According to historical records no USTs or aboveground storage tanks (ASTs) have been reported for the subject property. Additionally, WSP did not observe evidence of underground storage tanks (such as fill or vent piping) or aboveground storage tanks during the site visit.

2.3.4 Water, Wastewater, and Storm Water

Landscaping sprinkler system water is provided to the subject property by the City of Palo Alto. As noted below, treated groundwater was previously used in the sprinkler system until 2007. According to the previous Phase I ESA, underground piping has provided municipal water service to the subject property and no water supply wells are currently on the Site. No evidence of water wells were observed during WSP's site visit.

During a site visit on February 21, 2014, WSP observed eight groundwater monitoring wells located throughout the subject property. According to information obtained from previous environmental reports available on the GeoTracker and Envirostor databases, these wells were installed at the site between 1989 and 1991 as part of a soil and groundwater investigation at the Varian Medical Systems, Inc. site (Varian), located at 611 Hansen Way, Palo Alto, CA which investigation included the subject property. Information obtained during review of these environmental reports, including groundwater monitoring well information, is discussed in detail in Section 3. It appears that the monitoring wells on the subject property are still part of the Varian groundwater monitoring program.

According to the previous Phase I ESA dated December 2013, TCE was detected at a maximum concentration of 8.5 µg/L in a monitoring well located in the central area of the subject property, above cleanup levels for TCE (5 µg/L). Groundwater flow at the Varian site is approximately to the north-northeast and upgradient of the subject property. Varian also operated a groundwater remediation system on a neighboring site, and treated groundwater was used for irrigation purposes on the subject property until the treatment system was shut down in 2007. The measured depth to groundwater is generally between 11 to 19 feet below ground surface (bgs). Figures in the previous Phase I report show the TCE plume has migrated from the Varian site onto the subject property.

WSP reviewed the most recent available groundwater monitoring report (2013 Annual Progress Report, 611 Hansen Way Site and Study Area, Palo Alto, California prepared by Stantec, October 10, 2013). Monitoring well V1-9A2 contained 21 µg/L of TCE; additionally, monitoring well V1-14 contained elevated concentrations of TCE breakdown products (most notably 1,1-DCE and cis-1,2-DCE). These detections in the groundwater constitute a known recognized environmental condition for the subject property.

With respect to groundwater conditions beneath the subject property, appropriate care should be exercised before conducting any construction or excavation activities on the subject property that may encounter impacted groundwater. Should groundwater be encountered, dewatering and/or treatment of such groundwater may be required and appropriate health and safety measures may require implementation. Additionally, the potential for vapor intrusion into future buildings on the subject property from volatile contaminants in the groundwater may require further characterization and/or evaluation.

Storm water that contacts the subject property infiltrates into the soil or asphalt, runs off by sheet flow or along curbs into storm drains within the subject property or along the streets bordering the subject property. No evidence of stains or stressed vegetation was observed. No storm water permit is maintained for the subject property and none appears to be required. The storm water flows into the Palo Alto municipal storm system and discharges to Matadero Creek.

2.3.5 Air Emissions

No sources of air emissions that require air permits are present on the subject property. No recognized environmental conditions were identified relating to air emissions.

2.3.6 Polychlorinated Biphenyls

No electrical transformers or other equipment potentially containing PCBs were observed.It is unlikely that there are any PCBs at the subject property from present or past use.

2.3.7 Asbestos

WSP was requested to determine if any readily observable building materials have the potential to contain asbestos. WSP was not contracted to perform a comprehensive asbestos survey or testing of materials for asbestos content.
No structures are currently located on the subject property and review of historical records did not indicate the presence of former structures. Therefore, it is unlikely that asbestos-containing material has been present at the subject property.

2.3.8 Lead-Based Paint

In 1978, the U.S. Consumer Product Safety Commission lowered the permissible levels of lead contained in paints and prohibited application of lead-based paint to housing constructed or rehabilitated with federal assistance. Paint manufacturers complied by lowering or eliminating lead content from paint products sold for residential use.

There are no structures currently located on the subject property and no structures have historically been present on site. Therefore, it is unlikely that lead-based paint is present at the subject property

3 Adjoining Properties

3.1 Present Uses

The subject property is bordered to the north, south, and west by commercial buildings with paved asphalt parking areas and to the east by commercial buildings and residential neighborhoods. According to a review of the EDR database, none of the adjacent properties are currently conducting any environmentally significant activities.

The closest residence is located approximately 350 feet to the southeast of the subject property. Monitoring wells were observed on the subject property during WSP's site visit on February 21, 2014. These wells are associated with Varian's ongoing remedial activities to clean up chlorinated volatile organic compound (VOC) impacted groundwater beneath its site and in surrounding areas. Details concerning the wells and groundwater contamination are contained in other sections within this report.

No other evidence of environmental concern was observed in adjoining or surrounding properties.

No recognized environmental conditions that may affect the subject property were identified for current uses on adjoining properties.

3.2 Past Uses

Based on a review of historical aerial photographs, the area surrounding the subject property had been used as cattle grazing land, agricultural, and residential from 1939 to the late 1940s when more commercial and residential developments appeared. Development of the Varian Site significantly increased the number of commercial developments in adjacent and surrounding areas between 1956 and 1968. Light industrial, commercial and residential developments were fully constructed in 1974.

The subject property has been used as a parking area since at least 1956. The Site has been paved with asphalt since at least 1968.

Known groundwater contamination exists at two adjacent upgradient facilities. It appears that this contamination has affected the subject property.

Review of available information and observations made by WSP during a February 21, 2014 site visit revealed the presence of eight groundwater monitoring wells located throughout the subject property. The wells were installed between 1989 and 1991 as part of a soil and groundwater investigation associated with Varian Medical Systems, Inc. (Varian), located at 611 Hansen Way, Palo Alto, Santa Clara County, California. Varian also operated a groundwater remediation system offsite and treated groundwater was used for irrigation purposes on the subject property until the treatment system was shut down in 2007. TCE concentrations were detected above the cleanup goal of 5 µg/L. The TCE groundwater plume appears to have migrated onto the subject property. This is a known recognized environmental condition for the subject property.

Similarly, review of additional information revealed that the subject property is located in close proximity to the Hewlett-Packard National Priority Listing Superfund Site (HP Site). Hewlett-Packard manufactured electronic equipment until 1986 on a 10-acre site located at 620-640 Page Mill Road, Palo Alto, Santa Clara County, California. The subject property does not appear to be located within the HP Site, but is immediately adjacent to its east boundary. At least 300 gallons of waste solvents leaked from an

underground storage tank on the HP Site in 1981. The tank was removed along with approximately 100 cubic yards of contaminated soil in 1981. HP has been pumping and treating groundwater since 1982. Additional soil was excavated in 1987. Groundwater monitoring data from wells located upgradient of the subject property revealed elevated concentrations of tetrachloroethene (PCE) and trichloroethene (TCE). Based on the proximity of the HP Site and the potential for contaminants of concern from this off-site property, it is likely that contaminants have impacted the subject property. This is a recognized environmental condition for the subject property.

No other past uses of surrounding properties that could impact the subject property were identified from the historical sources reviewed.

4 Government Records Search/User Provided Information

4.1 Regulatory Database Search

WSP retained EDR to search federal and state regulatory databases to identify environmental issues that have been reported for the subject property or properties in the vicinity of the site. The search radii was extended to 2.0 miles, which is greater than the search radii specified by the AAI Standard (40 CFR 312.26(c)) and ASTM 1527-13. The complete database report, which provides detailed descriptions of the databases searched, subject property, and surrounding properties, is provided in Appendix D. The subject property is not listed on any of the federal or state environmental regulatory databases searched by EDR.

Federal and state databases also were searched to determine the potential for the subject property to be affected by releases from neighboring properties. The sites that have the greatest potential to have caused environmental contamination are those that have had releases or spills of hazardous substances or petroleum products located upgradient or in close proximity to the subject property. The direction of localized groundwater flow at the subject property is presumed to be to the northeast. Therefore, the sites that are of the greatest potential concern are those that have had releases or spills of hazardous substances or petroleum products and are southwest (upgradient) or in close proximity to the subject property.

There are 46 sites listed within a one-mile radius of the subject property. Twenty-three of the 46 listings are at lower elevations (downgradient) and therefore do not pose an environmental concern to the subject property. Ten of the remaining 23 listings are for sites with no releases of petroleum or hazardous materials. Of the remaining 13 listings, twelve are sites listed as case closed and no further action, or the noted conditions do not pose any environmental concern to the subject property. The remaining listing is the Varian UST site located at 611 Hansen Way, Palo Alto, CA where, as documented in this report, continued groundwater monitoring indicates that groundwater beneath the subject property may be impacted. This is a known recognized environmental condition.

Ten facilities within a one-mile radius of the subject property were identified as “orphan sites” in the EDR database report. These sites are identified as unmappable sites due to imprecise or limited address information (e.g., an incomplete street address or a P.O. box). None of the ten sites are listed as having spills or releases of petroleum products or hazardous materials, and thus are unlikely to pose an environmental concern to the subject property.

4.2 Environmental Cleanup Liens/Activity and Use Limitations

WSP conducted a search for the existence of environmental cleanup liens against the subject property through EDR. Based on WSP’s review, no environmental cleanup liens have been filed against the subject property or its present or previous owners.

A search of engineering and institutional controls on the use of the property, including deed restrictions, was included in the regulatory database search conducted by EDR. The results of the search indicated that no current engineering or institutional controls exist for the property.

4.3 Review of Local Records

WSP contacted the city of Palo Alto Fire Department, Planning and Community Enironment, and Public Works Department for information on any aboveground or underground storage tanks, hazardous waste storage, inspections, and plans associated with the subject property. WSP is awaiting a response.

WSP contacted the Santa Clara Valley Water District (SCVWD) for information on underground storage tanks and solvent and toxic releases affecting groundwater. The SCVWD is no longer the lead agency for solvent releases or underground storage contamination. They referred WSP to the Geotracker and Envirostor websites for this information. No records were found for the subject property.

WSP also reviewed the State Water Resources Control Board Geotracker online system, which identifies pollution sites in the vicinity of the subject property. No pollution sites were identified for the subject property.

WSP also reviewed the State Department of Toxic Substances Control Envirostor online system, which identifies sites that have known contamination of sites for which there may be reasons to investigate further and sites that are authorized to treat, store, dispose, or transfer hazardous waste. No contaminated sites were identified for the subject property.

WSP also reviewed the Santa Clara County Department of Environmental Health website to determine whether any hazardous substances incidents have been reported for the subject property. According to the website, no incidents have been reported.

WSP contacted the Santa Clara County Department of Environmental Health for information on hazardous substances incidents and is awaiting a response.

WSP contacted the Bay Area Air Quality Management District (BAAQMD) for information on air emissions. According to the BAAQMD, no records were found.

No “commonly known” information was identified during the local records review.

WSP requested to review documents from the City of Palo Alto Planning Division, and is awaiting a response.

WSP requested to review documents from the Santa Clara County Planning Division, but no records were found.

WSP reviewed the Santa Clara County Assessor’s Office database, but no records were found.

4.4 User-Provided Information

WSP interviewed Rochelle Lopez of the Sand Hill Property Company regarding the following:

- Environmental clean-up liens that are filed or recorded against the site – Ms. Lopez has no knowledge concerning any environmental liens associated with the property.
- Activity and land use limitations that are in place on the site or that have been filed or recorded in a registry – Ms. Lopez has no knowledge concerning any land use limitations associated with the property.
- Specialized knowledge or experience –Ms. Lopez has no specific knowledge as to the specific businesses and occupants of the property.

- Relationship of the purchase price to the fair market value of the property – Ms. Lopez reported that the purchase price reflects the fair market value of the property and that she knew of no issue concerning contamination on the property that would affect the purchase price.
- Commonly known or reasonably ascertainable information about the property – Ms. Lopez is not aware of any information about the property related to environmental conditions
- The degree of obviousness of the presence or likely presence of contamination at the property, and the ability to detect the contamination by appropriate investigation – Ms. Lopez is not aware of any information about the property related to environmental contamination.

5 Data Gaps

WSP identified the following data gap during the Phase I environmental assessment:

- WSP was unable to interview any previous property owners or occupants of the subject property; however, sufficient information was available through other sources to determine historical operations that were conducted at the subject property. Therefore, this data gap does not affect WPS's ability to identify recognized environmental conditions at the subject property.

6 Findings and Opinion

6.1 Known Recognized Environmental Conditions

- Known groundwater contamination exists at two adjacent upgradient facilities. It is possible that this contamination has affected the subject property.
    - Review of a previous Phase I ESA and environmental database records and observations made by WSP during the February 21, 2014 site visit revealed the presence of eight groundwater monitoring wells located throughout the subject property. The wells were installed between 1989 and 1991 as part of a soil and groundwater investigation associated with Varian Medical Systems, Inc. (Varian), located at 611 Hansen Way, Palo Alto, Santa Clara County, California. Varian also operated a groundwater remediation system offsite and treated groundwater was used for irrigation purposes on the subject property until the treatment system was shut down in 2007. The measured depth to groundwater is generally between 11 to 19 feet below ground surface (bgs). TCE concentrations were detected in monitoring wells on the subject property above the cleanup goal of 5 µg/L, indicative that the TCE groundwater plume from Varian appears to have migrated onto the subject property. WSP also reviewed the most recent available groundwater monitoring report (2013 Annual Progress Report, 611 Hansen Way Site and Study Area, Palo Alto, California prepared by Stantec, October 10, 2013). Monitoring well V1-9A2 contained 21 µg/L of TCE; additionally V1-14 contained elevated concentrations of TCE breakdown products (most notably 1,1-DCE and cis-1,2-DCE). These detections constitute a known recognized environmental condition for the subject property.
    - Review of the previous Phase I ESA and environmental database records revealed that the subject property is located in close proximity to the Hewlett-Packard National Priority Listing (NPL) Superfund Site (HP Site). Hewlett-Packard manufactured optoelectronic equipment until 1986 on a 10-acre site located at 620-640 Page Mill Road, Palo Alto, Santa Clara County, California. According to the previous Phase I ESA, the subject property does not appear to be located within the HP Site, but is immediately adjacent to its east boundary. At least 300 gallons of waste solvents leaked from an underground storage tank in 1981. The tank was removed along with approximately 100 cubic yards of contaminated soil from the HP Site in 1981. Groundwater monitoring data from wells located upgradient of the subject property revealed elevated concentrations of tetrachloroethene (PCE) and trichloroethene (TCE). Based on the proximity of the HP Site and the potential for contaminants of concern from this off-site property, it is likely that contaminants have impacted groundwater beneath the subject property. This is a known recognized environmental condition for the subject property.

6.2 Suspect Recognized Environmental Conditions

WSP did not identify any suspect recognized environmental conditions in connection with the subject property.

6.3 Historical Recognized Environmental Conditions

WSP did not identify any historical recognized environmental conditions in connection with the subject property.

6.4 *De minimis* Conditions

WSP did not identify any *de minimis* conditions in connection with the subject property

7 Conclusions and Recommendations

WSP conducted a Phase I environmental site assessment of the parking area located at 3300 El Camino Real, Palo Alto, Santa Clara County, California APN 142-20-046. This assessment was conducted in accordance with the U.S. EPA Standards and Practices for AAI; ASTM E 1527-13; and WSP's proposal to the Gibson, Dunn & Crutcher LLP dated February 14, 2014.

WSP identified the following known recognized environmental conditions in connection with the subject property:

- Review of a previous Phase I ESA and environmental database records and observations made by WSP during the February 21, 2014 site visit revealed the presence of eight groundwater monitoring wells located throughout the subject property. The wells were installed between 1989 and 1991 as part of a soil and groundwater investigation associated with Varian Medical Systems, Inc. (Varian), located at 611 Hansen Way, Palo Alto, Santa Clara County, California. Varian also operated a groundwater remediation system offsite and treated groundwater was used for irrigation purposes on the subject property until the treatment system was shut down in 2007. The measured depth to groundwater is generally between 11 to 19 feet below ground surface (bgs). TCE concentrations were detected in monitoring wells on the subject property above the cleanup goal of 5 µg/L, indicative that the TCE groundwater plume from Varian appears to have migrated onto the subject property. WSP also reviewed the most recent available groundwater monitoring report (2013 Annual Progress Report, 611 Hansen Way Site and Study Area, Palo Alto, California prepared by Stantec, October 10, 2013). Monitoring well V1-9A2 contained 21 µg/L of TCE; additionally V1-14 contained elevated concentrations of TCE breakdown products (most notably 1,1-DCE and cis-1,2-DCE). These detections constitute a known recognized environmental condition for the subject property.
- Review of the previous Phase I ESA and environmental database records revealed that the subject property is located in close proximity to the Hewlett-Packard National Priority Listing (NPL) Superfund Site (HP Site). Hewlett-Packard manufactured optoelectronic equipment until 1986 on a 10-acre site located at 620-640 Page Mill Road, Palo Alto, Santa Clara County, California. According to the previous Phase I ESA, the subject property does not appear to be located within the HP Site, but is immediately adjacent to its east boundary. At least 300 gallons of waste solvents leaked from an underground storage tank in 1981. The tank was removed along with approximately 100 cubic yards of contaminated soil from the HP Site in 1981. Groundwater monitoring data from wells located upgradient of the subject property revealed elevated concentrations of tetrachloroethene (PCE) and trichloroethene (TCE). Based on the proximity of the HP Site and the potential for contaminants of concern from this off-site property, it is likely that contaminants have impacted groundwater beneath the subject property. This is a known recognized environmental condition for the subject property.

WSP recommends the following with respect to future development at the subject property:

- Appropriate care should be exercised before conducting any construction or excavation activities on the subject property that may encounter impacted groundwater. Should groundwater be encountered, dewatering and/or treatment of such groundwater may be required and appropriate health and safety measures may require implementation. Additionally, the potential for vapor intrusion into future buildings on the subject property from volatile contaminants in the groundwater may require further characterization and/or evaluation.

8 References

California State Water Resources Control. Board Geotracker Database. 2014. Geotracker Lookup System.

Environmental Data Resources, Inc. 2014. The EDR Aerial Photo Decade Package. Inquiry Number: 3858776.25-1, 5-2, 5-3, 5-4, and 5-5. February 21.

Environmental Data Resources, Inc. 2014. The EDR City Directory Abstract. Inquiry Number: 3858776618. February 18.

Environmental Data Resources, Inc. 2014. The EDR Historical Topographic Map Report. Inquiry Number: 3858776.17-1, 17-2. February 18.

Environmental Data Resources, Inc. 2014. The EDR Environmental Lien and AUL Search. Inquiry Number: 3858776 7. February 18.

Environmental Data Resources, Inc. 2014. The EDR Radius Map with GeoCheck. Inquiry Number: 3858776_15. February 18.

Environmental Data Resources, Inc. 2014. Sanborn® Map Report. Inquiry Number: 3858776 16. February 21.

Environmental Data Resources, Inc. 2014. EDR Property Tax Map Report. Inquiry Number: 3858776819. February 18.

Environmental Data Resources, Inc. 2014. EDR Building Permit Report. Inquiry Number: 385877621. February 18.

ENVIROSTOR Department of Toxic Substances Control (DTSC) website. 2014

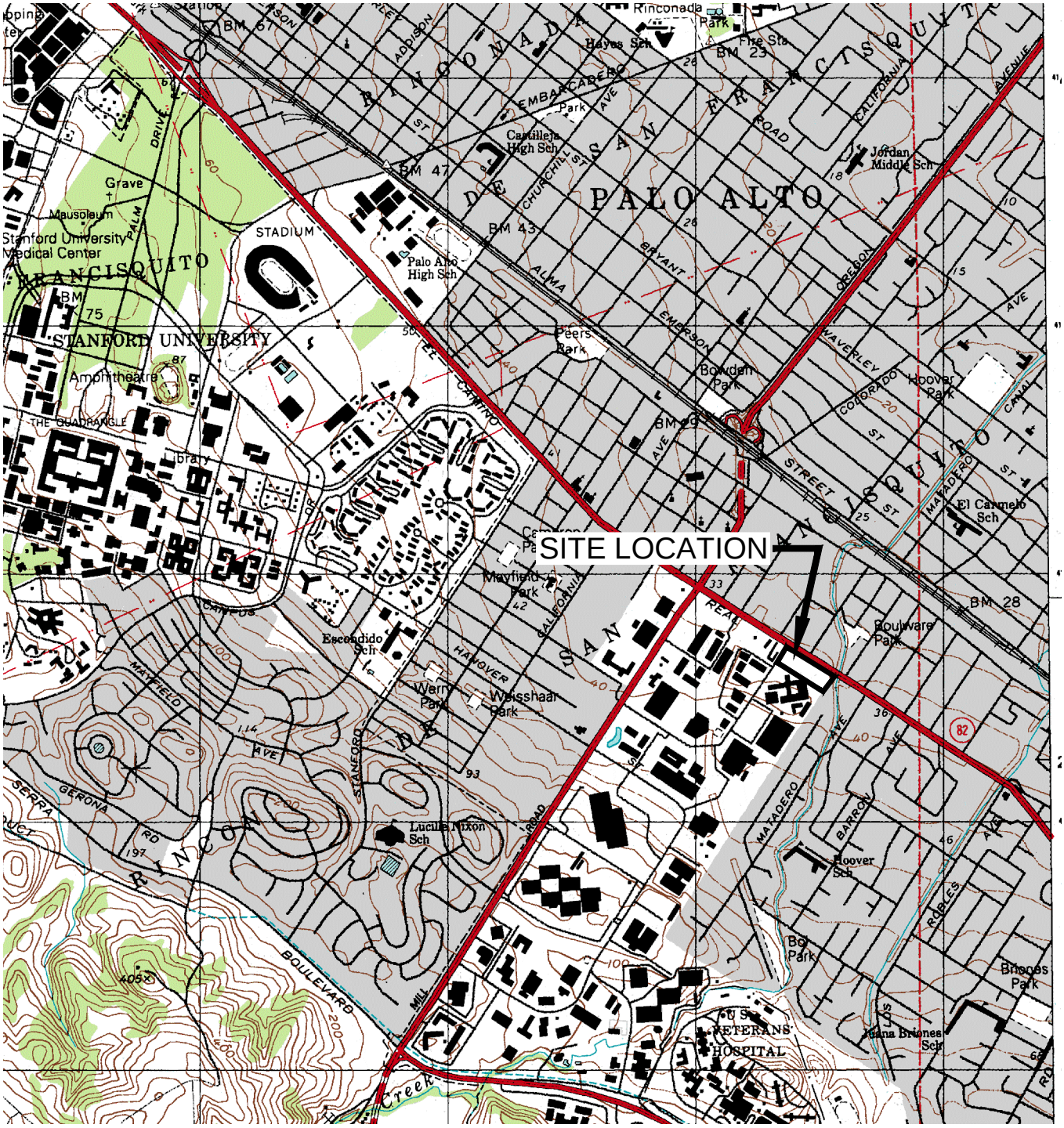
Stantec, 2013 Annual Progress Report, 611 Hansen Way Site and Study Area, Palo Alto, California, October 10, 2013

U.S. Environmental Protection Agency. 2013. Envirofacts Online Database Search.

U.S. Geological Survey. 1997. Cupertino, California, Quadrangle, 7.5 Minute Series (Topographic). Scale 1:24,000.

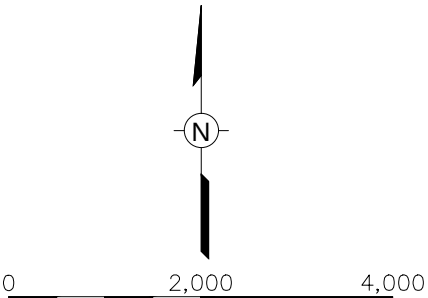
Figures

A | Drawn By: LS 5/15/2014 | Checked: | Approved: | DWG Name: 14M0790-004



REFERENCE
7.5 MINUTE SERIES TOPOGRAPHIC QUADRANGLE
PALO ALTO, CALIFORNIA
1997
SCALE:1:24,000

QUADRANGLE LOCATION



APPROXIMATE SCALE IN FEET

WSP
WSP Services, Inc.
2025 Gateway Place, Suite 435
San Jose, California 95110
(408) 453-6100
www.wspgroup.com/usa

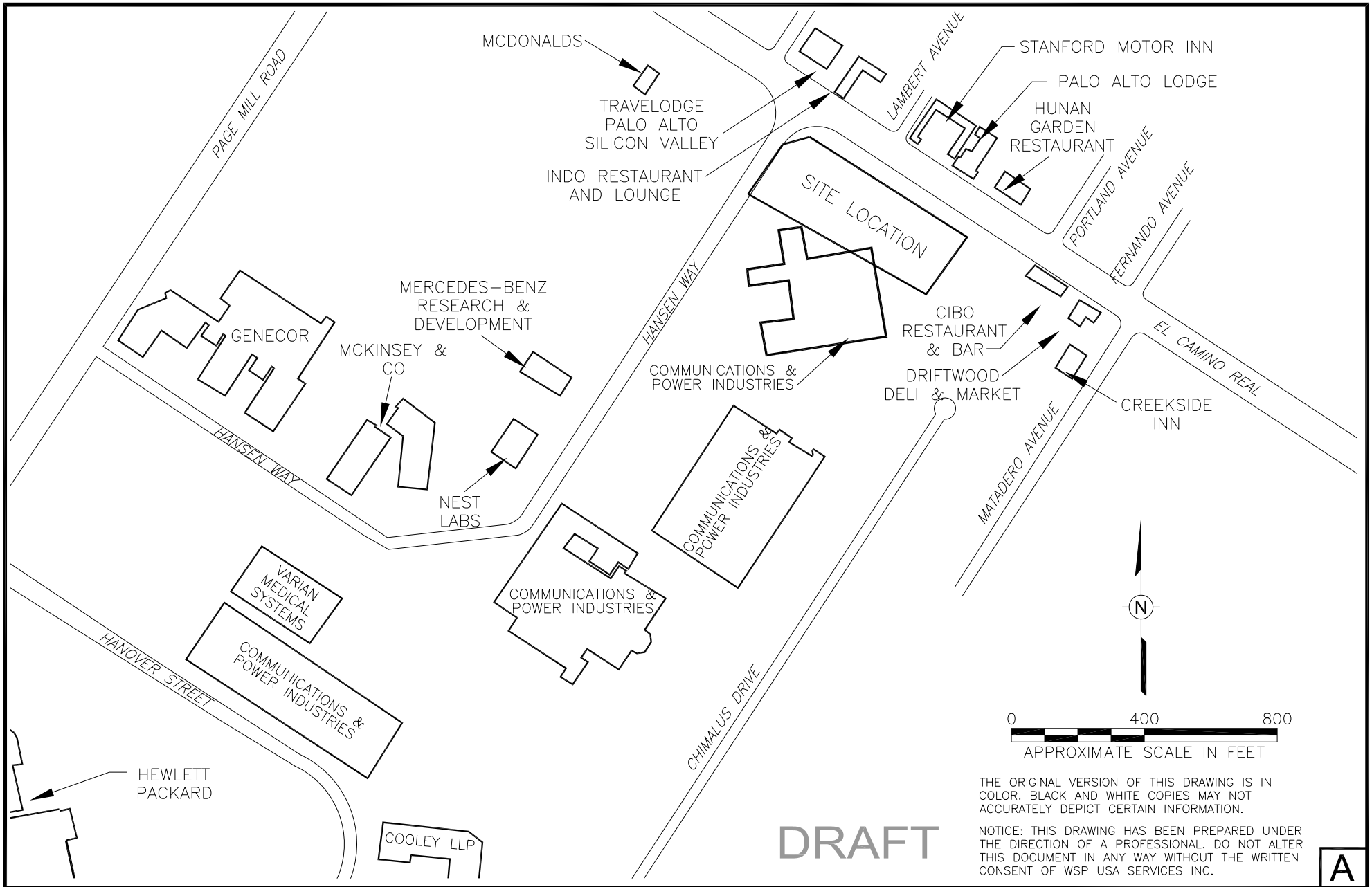
Figure 1

SITE LOCATION MAP

STANFORD RESEARCH PARK
3300 EL CAMINO REAL
PALO ALTO, CALIFORNIA
PREPARED FOR
GIBSON, DUNN & CRUTCHER LLP
LOS ANGELES, CALIFORNIA

R:\Acad\CADD\2014\1400790\CADD\14M0790-004.dwg 5/15/2014 2:21 PM Usls01166

R:\Acad\CADD\2014\1400790\CADD\14M0790-006.dwg 5/16/2014 7:57 AM UsIs01166



THE ORIGINAL VERSION OF THIS DRAWING IS IN COLOR. BLACK AND WHITE COPIES MAY NOT ACCURATELY DEPICT CERTAIN INFORMATION.

NOTICE: THIS DRAWING HAS BEEN PREPARED UNDER THE DIRECTION OF A PROFESSIONAL. DO NOT ALTER THIS DOCUMENT IN ANY WAY WITHOUT THE WRITTEN CONSENT OF WSP USA SERVICES INC.

DRAFT

A

WSP
WSP Services, Inc.
2025 Gateway Place, Suite 435
San Jose, California 95110
(408) 453-6100
www.wspgroup.com/usa

Figure 2

SITE LAYOUT

STANFORD RESEARCH PARK
3300 EL CAMINO REAL
PALO ALTO, CALIFORNIA
PREPARED FOR
GIBSON, DUNN & CRUTCHER LLP
LOS ANGELES, CALIFORNIA

Drawn By: LS 5/15/2014
Checked:
Approved:
DWG Name: 14M0790-006

Appendix A – Key Definitions from ASTM 1527-13

Key Definitions from ASTM E 1527-13
Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process

As stated in ASTM E 1527-13, the goal of the Phase I site assessment process is to identify recognized environmental conditions. A recognized environmental condition means:

> … the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment.

In addition, WSP used the following definitions from ASTM E 1527-13 to identify certain findings for this Phase I site assessment:

Controlled Recognized Environmental Condition – a recognized environmental condition resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls).

Historical Recognized Environmental Condition – a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls).

De minimis Condition – a condition that generally does not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies.

Appendix B – Statement of Qualifications

Rick Freudenberger, PE

Senior Vice President
WSP

Career Summary

Mr. Freudenberger has over 30 years of experience in performing environmental assessments and remedial investigations, in waste treatment process design, and in technical management programs. He directs the technical staff in a wide range of projects and is currently serving as General Manager in the WSP Environment & Energy's San Jose office.

Professional Qualifications

- Registered Professional Engineer: Maryland, New York, Virginia, Georgia, Kentucky, Indiana, Minnesota, and Ohio
- Maryland Certified Wastewater Treatment Plant Operator
- Diplomat of the American Academy of Environmental Engineers
- California Registered Environmental Assessor

Education and Training

- B.S. - Civil Engineering, University of Maryland
- M.S. - Environmental Engineering, University of Maryland

Selected Relevant Experience

Project Experience

- Expert Witness Testimony: Mr. Freudenberger has served as an expert witness in various environmental litigation matters. He has extensive experience in insurance related matters and environmental claims, having worked both with the insured and insurers. This insurance work has included issues involving trigger of coverage, fate and transport modeling, and Superfund PRP cases.
- Environmental Investigations: Mr. Freudenberger has been most heavily involved in the design of groundwater cleanup and Superfund remedial investigation programs, assessments for mergers and acquisitions, environmental audits, and environmental assessments for major corporate clients. His previous service with local governments qualifies him to represent clients effectively in negotiations with regulatory agencies. One of

Mr. Freudenberger's major clients is an international lead company with smelting operations in the United States and Europe. Mr. Freudenberger has directed extensive RCRA Facility Investigations and Corrective Actions at the client's three U.S. smelters.

- RCRA and CERCLA Investigations: Mr. Freudenberger has worked with Environmental Strategies clients in various industries in designing and planning extensive investigations and cleanups under CERCLA (Superfund), RCRA, and ECRA regulations. These industries have included secondary lead smelters, wood preserving, petroleum refineries, telecommunications, electric utilities, automotive parts manufacturing, and industrial chemicals. Specifically, in two Superfund projects, he directed the preparation of remedial investigations and feasibility studies to address the characterization and remediation of groundwater contamination by chlorinated organics.
- Health and Safety: He has designed detailed health and safety and soil sampling plans for dioxin, performed field sampling programs, and directed the remedial activities in the field for the cleanup and secure storage of the dioxin-contaminated soils.
- Remedial Investigations: Mr. Freudenberger has designed sampling and remedial action programs for groundwater and soil contamination at numerous industrial sites and has performed more than 500 industrial site surveys and risk assessments for a variety of industrial clients. He also oversaw a wastewater facility construction management contract for the city of Baltimore from 1979 to 1981.
- Environmental Management: Mr. Freudenberger was Director of Public Works for Howard County, Maryland, with management responsibility for solid waste collection and disposal, environmental engineering, wastewater treatment, road maintenance, engineering, and capital projects. He also was Project Engineer for a $50-million expansion of the county's wastewater treatment plant and successfully directed the permitting and siting process for a new 600-acre sanitary landfill. He spent 3 years as Superintendent of Operations and Maintenance for a 10-million-gallon per day secondary wastewater treatment plant.

Appendix C – Site Photographs

PHOTOGRAPHIC LOG		
Sand Hill Property	**Stanford Research Park 3300 El Camino**	

Photo No.	**Date**
1	February 21, 2014

View of monitoring well on subject property

Photo No.	**Date**
2	February 21, 2014

View of parking lot from eastern boundary looking west

PHOTOGRAPHIC LOG		
Sand Hill Property	**Stanford Research Park 3300 El Camino**	

Photo No.	**Date**
3	February 21, 2014

View of parking lot from northern boundary looking south

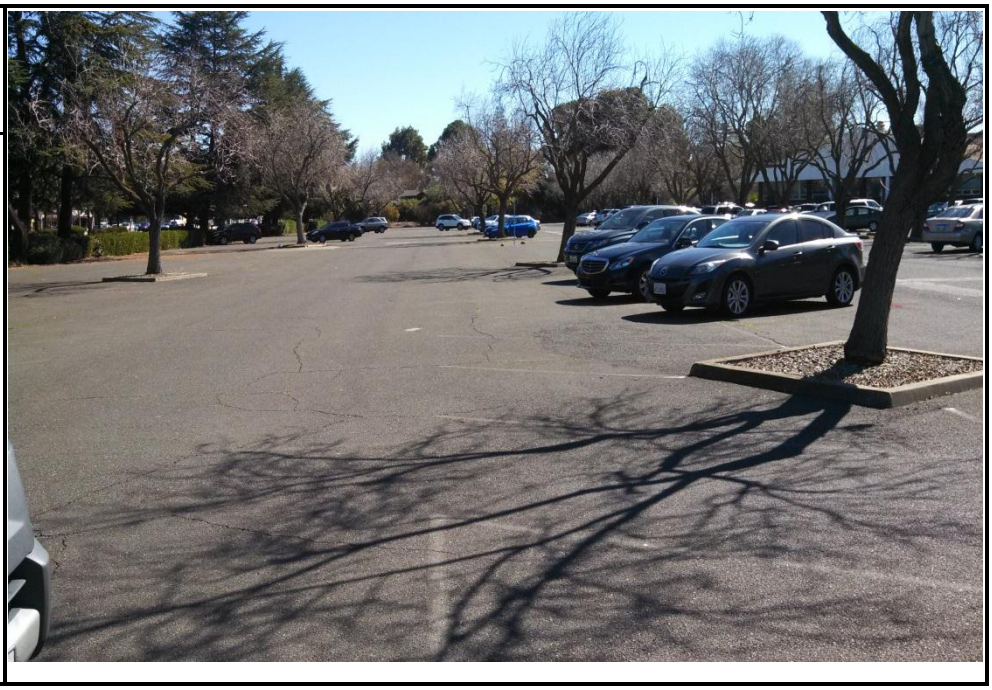
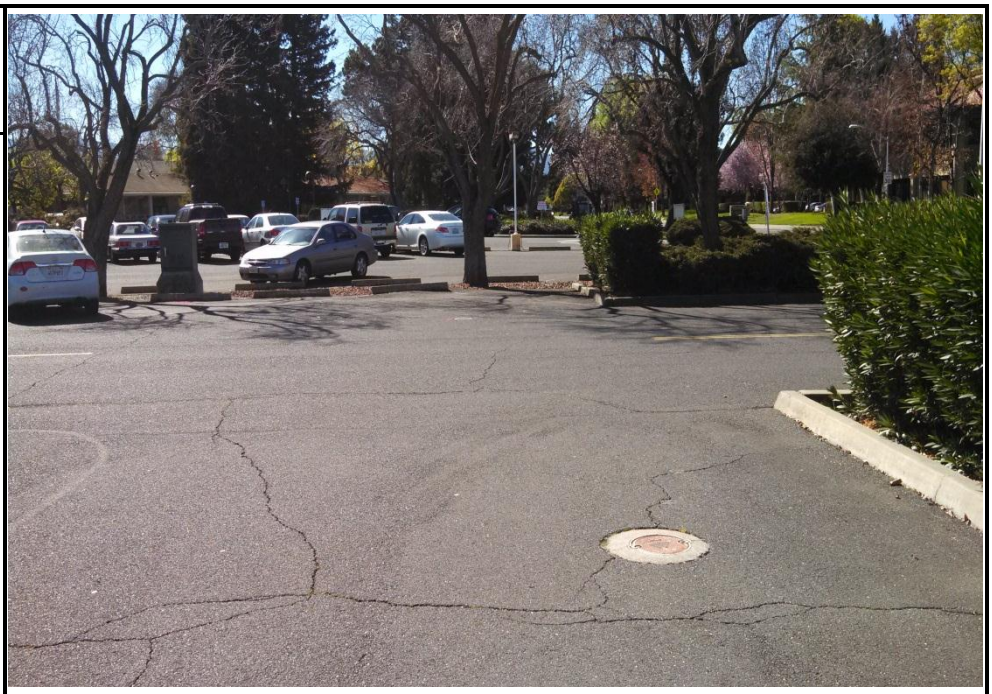


Photo No.	**Date**
4	February 21, 2014

View of parking lot and monitoring well in southern portion of subject property



PHOTOGRAPHIC LOG		
Sand Hill Property	**Stanford Research Park 3300 El Camino**	

Photo No. 5	**Date** February 21, 2014	
View of parking lot looking to the northeast; El Camino Real to the right		

Photo No. 6	**Date** February 21, 2014	
View of monitoring well near El Camino Real along eastern boundary of parking lot		

PHOTOGRAPHIC LOG		
Sand Hill Property	**Stanford Research Park 3300 El Camino**	

Photo No.	**Date**	
7	February 21, 2014	
View of two monitoring wells in parking lot		

Appendix D – Environmental Database Report

Parking Area
3300 El Camino Real
Palo Alto, CA 94304

Inquiry Number: 3858776.16
February 18, 2014

Certified Sanborn® Map Report

6 Armstrong Road, 4th Floor
Shelton, Connecticut 06484
Toll Free: 800.352.0050
www.edrnet.com

Certified Sanborn® Map Report

2/18/14

Site Name:
Parking Area
3300 El Camino Real
Palo Alto, CA 94304

Client Name:
WSP Environmental & Energy
2025 Gateway Place
San Jose, CA 95110

EDR Inquiry # 3858776.16

Contact: Wanda Wong

The Sanborn Library has been searched by EDR and maps covering the target property location as provided by WSP Environmental & Energy were identified for the years listed below. The Sanborn Library is the largest, most complete collection of fire insurance maps. The collection includes maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow, and others. Only Environmental Data Resources Inc. (EDR) is authorized to grant rights for commercial reproduction of maps by the Sanborn Library LLC, the copyright holder for the collection. Results can be authenticated by visiting www.edrnet.com/sanborn.

The Sanborn Library is continually enhanced with newly identified map archives. This report accesses all maps in the collection as of the day this report was generated.

Certified Sanborn Results:

Site Name: Parking Area
Address: 3300 El Camino Real
City, State, Zip: Palo Alto, CA 94304
Cross Street:
P.O. # NA
Project: Gibson Dunn Palo Alto
Certification # 8E57-4EA8-ADB4

Maps Provided:

1978
1969
1956

Sanborn® Library search results
Certification # 8E57-4EA8-ADB4

The Sanborn Library includes more than 1.2 million fire insurance maps from Sanborn, Bromley, Perris & Browne, Hopkins, Barlow and others which track historical property usage in approximately 12,000 American cities and towns. Collections searched:

- ☑ Library of Congress
- ☑ University Publications of America
- ☑ EDR Private Collection

The Sanborn Library LLC Since 1866™

Limited Permission To Make Copies

WSP Environmental & Energy (the client) is permitted to make up to FIVE photocopies of this Sanborn Map transmittal and each fire insurance map accompanying this report solely for the limited use of its customer. No one other than the client is authorized to make copies. Upon request made directly to an EDR Account Executive, the client may be permitted to make a limited number of additional photocopies. This permission is conditioned upon compliance by the client, its customer and their agents with EDR's copyright policy; a copy of which is available upon request.

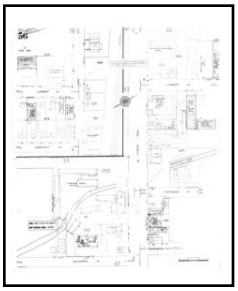
Sanborn Sheet Thumbnails

This Certified Sanborn Map Report is based upon the following Sanborn Fire Insurance map sheets.

1978 Source Sheets

Volume 1, Sheet 50

Volume 1, Sheet 53

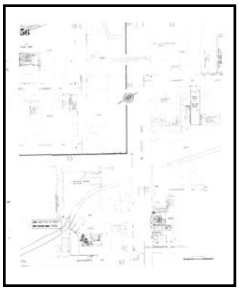


Volume 1, Sheet 56

1969 Source Sheets

Volume 1, Sheet 50

Volume 1, Sheet 53



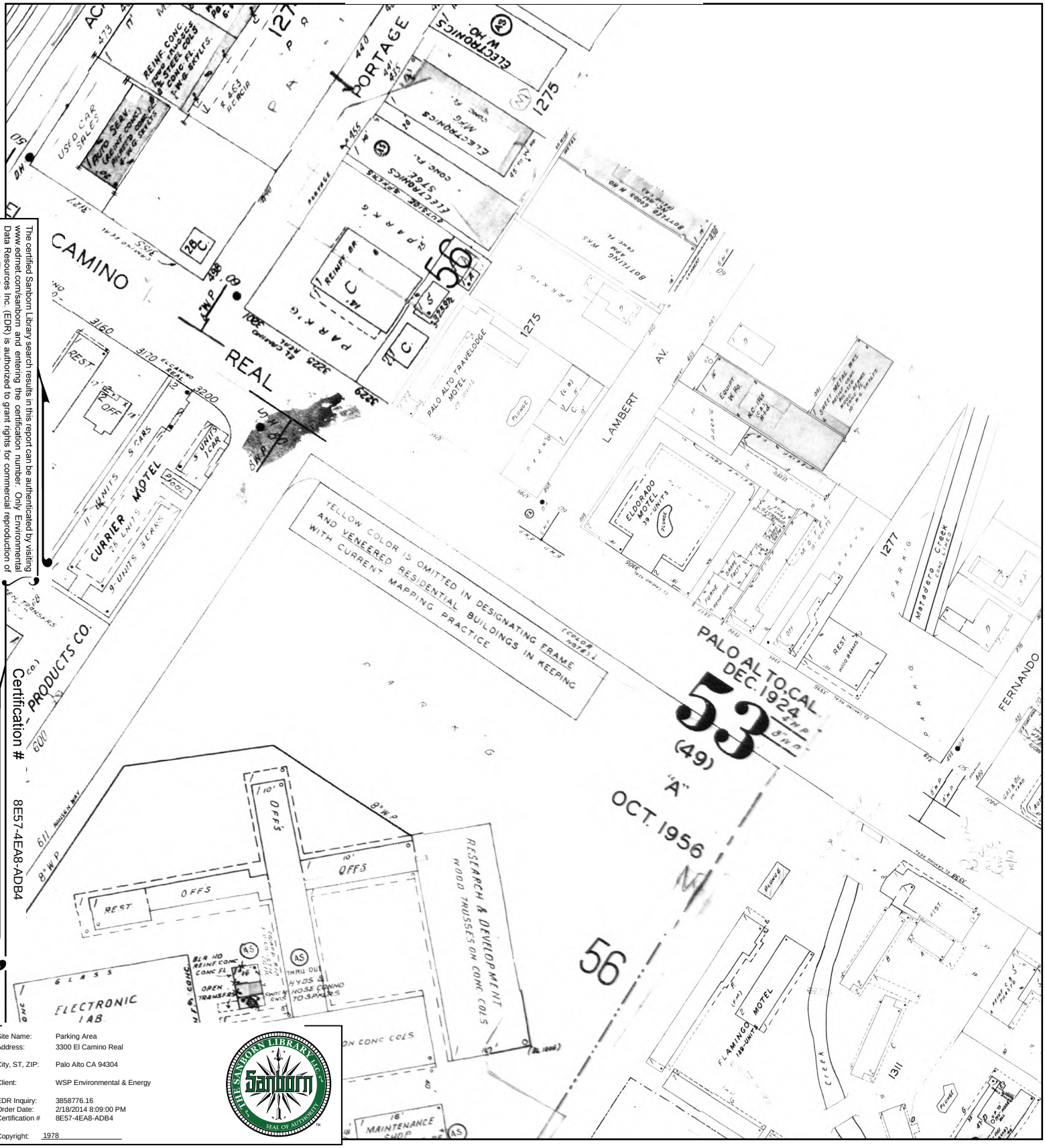
Volume 1, Sheet 56

1956 Source Sheets

Volume 1, Sheet 50

Volume 1, Sheet 53

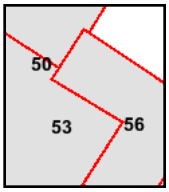
1978 Certified Sanborn Map



Certification # 8E57-4EA8-ADB4

Site Name:	Parking Area
Address:	3300 El Camino Real
City, ST, ZIP:	Palo Alto CA 94304
Client:	WSP Environmental & Energy
EDR Inquiry:	3858776.16
Order Date:	2/18/2014 8:09:00 PM
Certification #	8E57-4EA8-ADB4
Copyright:	1978

This Certified Sanborn Map combines the following sheets.
Outlined areas indicate map sheets within the collection.

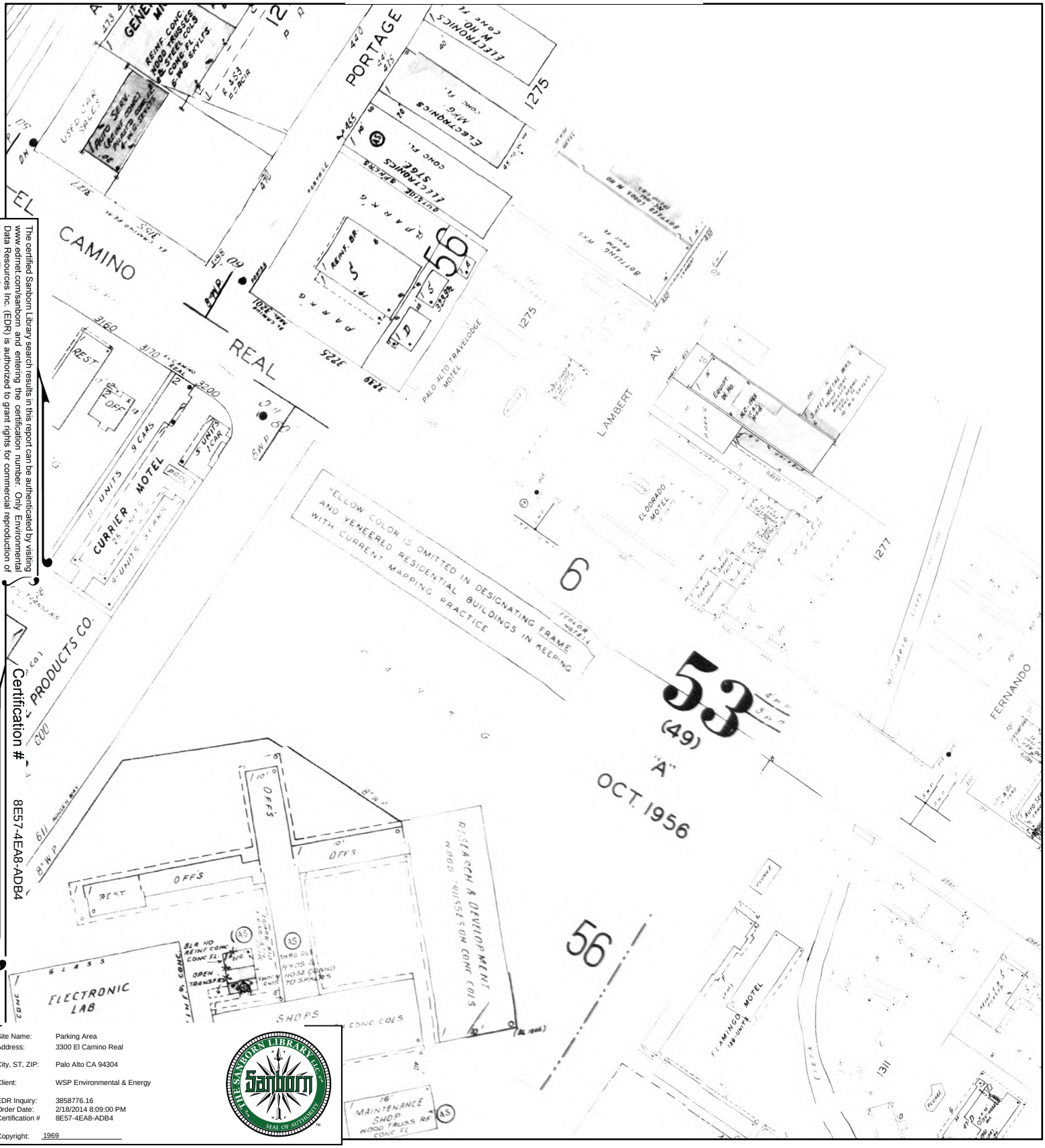


Volume 1, Sheet 50
Volume 1, Sheet 53
Volume 1, Sheet 56

0 Feet 150 300 600

N

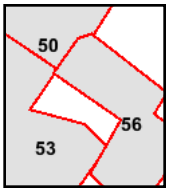
1969 Certified Sanborn Map



Certification # 8E57-4EA8-ADB4

Site Name:	Parking Area
Address:	3300 El Camino Real
City, ST, ZIP:	Palo Alto CA 94304
Client:	WSP Environmental & Energy
EDR Inquiry:	3858776.16
Order Date:	2/18/2014 8:09:00 PM
Certification #	8E57-4EA8-ADB4
Copyright:	1969

This Certified Sanborn Map combines the following sheets.
Outlined areas indicate map sheets within the collection.

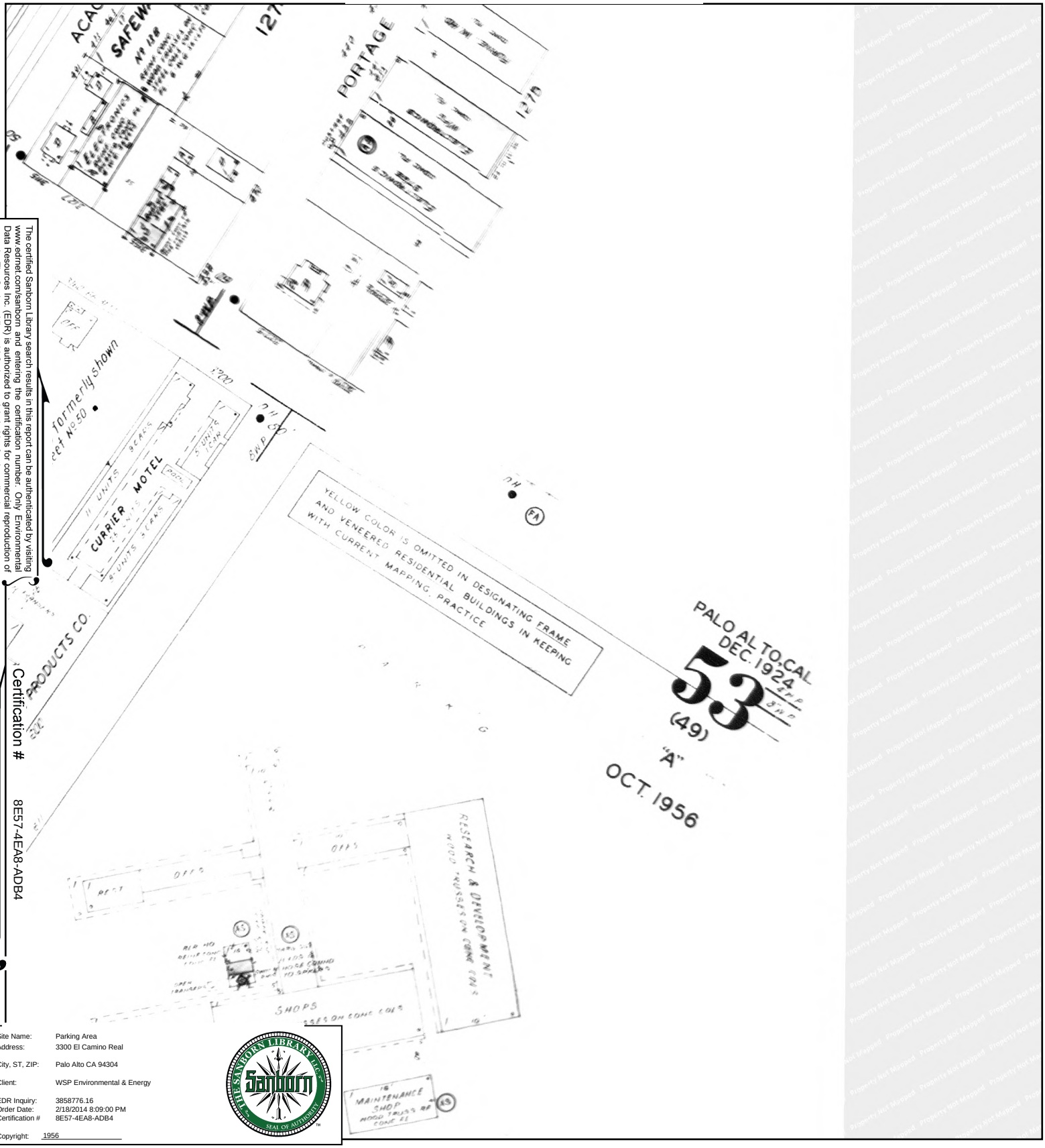


Volume 1, Sheet 50
Volume 1, Sheet 53
Volume 1, Sheet 56

0 Feet 150 300 600

N

1956 Certified Sanborn Map



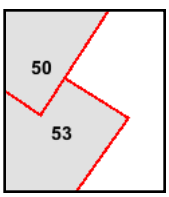
Certification # 8E57-4EA8-ADB4

Site Name: Parking Area
Address: 3300 El Camino Real
City, ST, ZIP: Palo Alto CA 94304
Client: WSP Environmental & Energy

EDR Inquiry: 3858776.16
Order Date: 2/18/2014 8:09:00 PM
Certification # 8E57-4EA8-ADB4

Copyright: 1956

This Certified Sanborn Map combines the following sheets.
Outlined areas indicate map sheets within the collection.



Volume 1, Sheet 50
Volume 1, Sheet 53

0 Feet 150 300 600

N

UNITED
BY OUR
DIFFERENCE

WSP