

February 16, 2006

Mr. Ender Sezgin Lakeside Motorsports—Altamont LLC 3500 West Olive Avenue, Suite 650 Burbank, California 91505

Re: Environmental Investigation Summary Altamont Raceway, Alameda County, California

Dear Mr. Sezgin:

In accordance with your request, Northgate Environmental Management, Inc. (Northgate) has performed a Phase I environmental site assessment (ESA) and Phase II soil and groundwater quality investigation at the Altamont Raceway, located at 17001 Midway Road in Alameda County, California (the Site). The purpose of the ESA has been to acquire and review information regarding the history of activities on the Site and adjacent area to evaluate the potential for on-Site soil or groundwater contamination. Northgate has endeavored to perform the assessment in general accordance with ASTM E-1527-00, Standard Practice for Environmental Site Assessments. The purpose of the Phase II soil and groundwater quality investigation has been to evaluate the potential presence of contaminants in shallow soil and groundwater at select portions of the Site identified during a brief reconnaissance of the Site performed with you on December 27, 2005.

PHASE I ESA FINDINGS

The Site consists of an approximate 82-acre raceway and outdoor recreation facility located at 17001 Midway Road in Tracy, California. The Site is bordered on the north by Interstate 580, and on the west by rural residential properties. The Site is bordered on the east and south by vacant and/or grazing land.

The Site is developed as an operating racetrack. Two paved, banked racetracks of ¹/₂- and ¹/₄- mile lengths are present in the center of the Site. A grandstand and concession building are located on the northwest side of the racetracks. A caretaker lives on-Site in a small mobile home adjacent to the concession building. A "pit" or racecar service area is located on the southeast side of the tracks. This area contains a Quonset hut, several sheds, and what appears to be a waste oil collection area. Two water wells are located on

the Site; one west of the concession building, and another in a low-lying area on the northern boundary of the Site. In addition, a septic system is located at the Site, associated with the concession building. Available information indicates that groundwater from the wells is not suitable for drinking water due to high mineral content. General features of the Site are shown on Figure 2.

Our Site history review indicates that the racecourse was constructed in the mid-1960s. Prior to that time, the Site appears to have been vacant land used for dry-farming. The track area generally appears to have been constructed on fill placed in a former drainage swale. The area to the north and northeast of the track consists of a lowland drainage swale that drains into an approximate ½-acre pond located on the northern boundary of the Site. It should be noted that our review of historic aerial photographs did not indicate the obvious presence of grading or waste disposal activities in the low-lying drainage swale located northeast of the racetrack. However, scattered debris including empty drums and motor vehicle parts, and garbage, along with an excavated trench containing several full and empty drums were observed in the low-lying area during our Site reconnaissance. A plastic 250-gallon tank containing waste oil is present on a concrete slab near the Quonset hut in the "pit" area located on the southeast side of the racetrack.

Information on file with the Alameda County Department of Public Works (ACDPW) indicates that there has been a contentious relationship between previous Site owners and the ACDPW. The files contain notices of violation from the years 1969, 1974, 1985, and 1989 related to code violations for storage of wrecked vehicles, illegal operation of the racetrack, occupation of the Site without a septic system or other sanitary facilities, and general disrepair of facilities. A "special investigation" was performed at the Site in 1989, which concluded that over \$100,000 worth of improvements had been done at the Site without required permits.

Files maintained by the Alameda County Fire Department include two fire inspection reports for "Spector Racing" and "Traffic Crew Racing" dated April 26, 2005. The inspection reports list several violations, including the need to properly restrain compressed gas cylinders, keep flammable liquid storage out of buildings, lack of secondary containment devices for fuel products, and lack of hazardous material information sheets. The inspection reports indicate that hazardous material use and storage at the Site includes compressed gases and automotive fuels and fluids that appear to be associated with individual racing teams and operations.



Files maintained by the Alameda County Health Department (ACDEH) include a notice addressed to the Altamont Raceway, dated November 17, 2005, requesting that a Hazardous Materials Business Plan (HMBP) be prepared for the Site and submitted to the ACDEH by December 16, 2005. No HMBP was included in the file at the time of our review.

The ACDEH files also contain a Phase I ESA for the Site, prepared by The Bentley Company on October 28, 1994. The ESA indicates that the facilities at the Site had been constructed in 1966, and used for an estimated 300 events between 1966 and 1991. The ESA indicates that some dry farming for wheat and barley was conducted in undeveloped areas of the Site between 1991 and 1993. The Site was being redeveloped for racing at the time of the ESA. Environmental concerns noted in the previous ESA included the presence of a 500gallon aboveground fuel storage tank (AST) located southeast of the racetrack and the presence of construction debris and fill material in a triangular-shaped depression southwest of the racetrack, adjacent to paved drive areas leading to the track and grandstands.

The ACDEH files also contain a report titled "Subsurface Investigation of Buried Fill Deposit, Altamont Raceway Park," by LEE, Inc., dated December 12, 1995. The report indicates that soil samples were collected from borings and test pits located in the fill area identified in the Bentley Company ESA. Soil sample analytical results indicated that the fill material contained total residual petroleum hydrocarbons (TRPH) up to 5,900 parts per million (ppm). However, the chromatograms from the sample analyses reportedly matched a chromatogram from an analysis of asphalt samples collected from the fill material, suggesting that the TRPH in soil was due to asphalt debris in the fill. A closure letter was issued by the ACDEH on January 15, 1996, indicating that no further action was required related to the fill material at the Site. The ACDEH letter concluded that the material posed no threat to human health or the environment, due to the absence of dangerous or high-risk compounds, the limited mobility of the detected TRPH compounds, and the depth to groundwater (estimated at that time to be greater than 35 feet bgs) in the area of the fill material.

In summary, information collected during the Phase I ESA did not indicate the presence of recognized environmental conditions, with the exception of the following:

- 1. A 250-gallon plastic tank containing waste oil is located on a concrete slab in the pit area located southeast of the racetrack.
- 2. An excavated trench containing several full and empty 55-gallon drums is present in the low-lying area northeast of the racetrack.



A Phase II soil and groundwater investigation was performed to evaluate these potential concerns.

PHASE II INVESTIGATION FINDINGS

A soil and groundwater quality investigation was performed at the Site on January 24 and 25, 2006 to evaluate the areas of potential environmental concern identified during the Phase I assessment. Sampling locations are shown on Figure 2. The investigation results are summarized in the following sections.

Waste Oil Storage Area

Soil samples were collected for chemical analysis from one boring (boring NG-5) drilled to a depth of 20 feet below ground surface (bgs) in the vicinity of the waste oil collection area. The boring was advanced using a truck-mounted hollow-stem auger rig equipped with 8-inch diameter augers. Soil samples collected at the ground surface and at approximate five-foot intervals thereafter to a depth of 15 feet bgs were analyzed for total petroleum hydrocarbons as gasoline (TPH-g), diesel (TPH-d), and oil (TPH-o) using EPA Method 8015M, and for volatile organic compounds (VOCs) using EPA Method 8260B. The samples from the surface and approximately 5 feet bgs were additionally analyzed for 17 metals using EPA Methods 6010B/7471A.

Soil sample chemical test results are shown in Tables 1, 2, and 3. As shown in the Tables, TPH-g and VOCs were not detected in the samples above the laboratory method reporting limits (MRLs). TPH-d and TPH-o were detected in the sample collected at the ground surface (sample NG5-0.0) at concentrations of 1.1 and 13 ppm, respectively. These concentrations are well below the Environmental Screening Levels (ESLs) for commercial land use established by the California Regional Water Quality Control Board (RWQCB). Metals were detected in the two shallow samples at concentrations generally representative of naturally occurring background levels for the San Francisco Bay Area. Based on these test results, the waste oil collection area does not appear to have significantly impacted soil quality at the subject Site.

Lowland Drainage Swale

Soil and groundwater samples were collected in the lowland drainage swale north of the racetrack to evaluate potential impacts to shallow soil and groundwater at the Site related to automotive debris and drums present in the excavated trench. Eight test pits (TP-1 through TP-8) were excavated by backhoe to evaluate potential impacts to shallow soil,



and four borings (NG-1 through NG-4) were advanced to evaluate potential impacts to groundwater. Sampling locations are shown on Figure 2. The investigation results are summarized in the following sections.

Soil Quality Investigation

Eight test pits were excavated to depths of about 5 feet bgs in the lowland drainage swale northeast of the racetrack, using a backhoe. In general, the test pits encountered 1 to 2 feet of mixed fill material underlain by native clay soils. Samples collected at a depth of about 1 foot bgs in each test pit were combined at the laboratory to form three composite soil samples for analysis. Samples collected at a depth of 3 feet bgs from test pits TP5, 6, and 7, were combined at the laboratory to form an additional composite sample. The soil sample compositing scheme is shown on Table 4. In addition, one individual soil sample was collected from beneath the drums located in an excavated trench in the swale area. All of the samples were analyzed for TPH-g, TPH-d, TPH-o, and VOCs. The composite samples were additionally analyzed for 17 metals, and for organochlorine pesticides and PCBs using EPA Method 8081/8082.

Chemical test results are shown on Tables 1, 2, and 3. As shown on the tables, metals were detected in the composite samples at concentrations generally representative of naturally occurring background levels. Organochlorine pesticides, PCBs, petroleum hydrocarbons and VOCs were not measured in any of the composite soil samples collected from the test pits. However, the individual sample collected from beneath the drums located in the trench contained TPH-g at 73 ppm, TPH-d at 970 ppm, and TPH-o at 2,900 ppm. Petroleum hydrocarbon-related VOCs such as trimethylbenzene, toluene, xylenes, and naphthalene were measured in the samples. However, chlorinated VOCs were not reported in the sample. With the exception of naphthalene, all of the measured VOCs are below the ESLs for commercial land use.

Based on these test results, it appears that shallow soil quality in the excavated trench containing several plastic and rusted-metal drums has been impacted by leakage from the drums. Following our investigation, these drums were removed from the trench by the property owner, and removed from the Site as Non-RCRA hazardous waste by Clearwater Environmental of Hayward, California. We recommend that impacted soil in this area be excavated and removed from the Site. Based on the absence of impact observed in a test pit excavated near the drums, it appears that impacted soils are restricted to a relatively limited area. Based on our field observations and the chemical testing performed to date, we estimate that the impacted soils cover an approximate 15 by

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15 square-foot square area, extending to a depth of about 5 feet bgs (an estimated 42 cubic yards of soil).

Groundwater Investigation

Groundwater samples were collected from two borings (NG-2 and NG-4) located in the lowland swale area. Groundwater was not encountered in the other two borings advanced in the area (NG-1 and NG-3). One surface water sample (NG-POND) was collected from the small pond located in the lowland swale area. Each water sample was analyzed for TPH-g and VOCs. Water samples from NG-2 and the small pond were additionally analyzed for TPH-d and TPH-o.

Borings were advanced using a truck-mounted Geoprobe sampling rig. Groundwater, where encountered, was present at a depth of about 17.5 to 19 feet bgs. Groundwater samples were collected by lowering a stainless-steel bailer through temporary PVC casings placed in the boreholes.

Groundwater sample analytical results are shown in Table 5. As shown in the Table, petroleum hydrocarbon compounds (TPH-g, TPH-d, TPH-o) and VOCs were not detected above the laboratory MRLs in groundwater or surface water samples collected at the Site, with the exception of bromomethane, which was detected at a concentration of 1.5 parts per billion (ppb) in the groundwater sample collected from boring NG-2. There is no Maximum Contaminant Level established for bromomethane. However, the measured concentration is below the Preliminary Remediation Goal (PRG) for Tap Water established by the U. S. Environmental Protection Agency, Region 9. Based on these test results, it does not appear that groundwater at the Site has been significantly impacted by automotive debris or the drums present in the lowland swale area.

CONCLUSIONS

In summary, our investigation did not reveal the presence of conditions that would significantly impact use of the Site as a motor speedway. We recommend that petroleum hydrocarbon-impacted soil present in the lowland area northeast of the racetrack be excavated and removed from the Site.



LIMITATIONS

The scope of work for this investigation was designed to evaluate the potential for soil or groundwater contamination at the Site. It should be recognized that some limitations are inherent in the evaluation of subsurface conditions, and that certain conditions may not be detected during an investigation of this type, or one performed in the short timeframe required for this investigation. Thus, this investigation cannot provide a guarantee that all possible on-Site contamination has been discovered. Our full report describing the Phase I and II investigations will be submitted at a later date.

CLOSING

We appreciate the opportunity to provide service to you on this project. If you have any questions or require additional information, please do not hesitate to call.

Sincerely, Northgate Environmental Management, Inc.

Dennis Laduzinsky, C.E.G., R.E.A. Principal

Encl: 5 Tables 2 Figures



Table 1Soil Sample Analytical ResultsPetroleum Hydrocarbons, Pesticides, PCBs

Sample ID	Petr	oleum Hydrocarl (EPA 8015)	oons	Organochlorine Pesticides	Polychlorinated	
	TPH as gasoline	TPH as gasoline TPH as diesel		(EPA 8081)	(EPA 8082)	
NG-5-0.0	ND	1.1	13			
NG-5-4.5	ND	ND	ND			
NG5-9.5	ND	ND	ND			
NG5-14.5	ND	ND	ND			
TP-1-CP	ND	ND	ND	ND	ND	
TP-2-CP	ND	ND	ND	ND	ND	
TP-3-CP	ND	ND	ND	ND	ND	
TP-4-CP	ND	ND	ND	ND	ND	
TP-009-1.0	73	970	2900			
Screening		ESL		CHHSL		
CILCUIT	400	500	1000	na	na	

Notes:

Test results reported in parts per million (ppm)

ND: Not detected at or above the laboratory method reporting limits

CHHSL: California Human Health Screening Level for commercial land use (California EPA, 2005)

ESL: Environmental Screening Level for direct exposure in commercial land use (SFRWQCB, 2005)

--: Not analyzed

Table 2Soil Sample Analytical ResultsVolatile Organic Compounds

	Volatile Organic Compounds (EPA 8260B)									
Sample ID	1-2,4-Trimethylbenzene	1,3,5-Trimethylbenzene	Ethylbenzene	Naphthalene	n-Butylbenzene	n-Propylbenzene	Toluene	4-Isopropyl toluene	Xylenes, Total	Other VOCs
NG5-0.0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
NG5-4.5	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
NG5-9.5	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
NG5-14.5	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
TP-1-CP	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
TP-2-CP	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
TP-3-CP	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
TP-4-CP	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
TP-009-1.0	3.6	1.1	0.43	2	1.1	0.39	0.53	0.24	2.9	ND
Screening	ESL									
Criterion	ne	ne	32	1.5	ne	ne	9.3	ne	11	na

Notes:

Test results reported in parts per million (ppm)

ND: Not detected above laboratory method reporting limits.

ne: Not established.

ESL: Environmental Screening Level for direct exposure in commercial land use (SFRWQCB, 2005)

Table 3 Soil Sample Analytical Results - Metals

	Metals (EPA 6061B, 7471A)																
Sample ID	Antimony	Arsenic	Barium	Beryllium	Cadmium	Chromium	Cobalt	Copper	Lead	Mercury	Molybdenum	Nickel	Selenium	Silver	Thallium	Vanadium	Zinc
NG5-0.0	ND	8.0	180	ND	ND	45	13	39	7.5	0.069	0.51	62	ND	ND	ND	80	64
NG5-4.5	ND	2.0	63	ND	ND	52	9.9	18	5.6	0.073	ND	69	ND	ND	ND	60	33
TP-1-CP	ND	6.2	280	0.54	ND	47	11	25	10	ND	ND	59	ND	ND	ND	61	85
TP-2-CP	0.51	6.3	240	0.53	ND	50	12	26	8.0	ND	0.54	60	ND	ND	ND	65	53
TP-3-CP	ND	5.4	230	0.53	ND	49	11	25	7.3	ND	0.50	63	ND	ND	ND	58	49
TP-4-CP	ND	4.7	170	0.54	ND	48	12	27	8.4	ND	ND	59	ND	ND	ND	57	52
TP-009-1.0																	
Screening Criterion	CHHSLs																
Concerning Criterion	380	0.24*	63000	1700	7.5	100000 **	3200	38000	3500	180	4800	16000	4800	4800	63	6700	100000

Notes:

Test results reported in parts per million (ppm)

ND: Not detected at or above the laboratory method reporting limits CHHSLs: California Human Health Screening Levels (California EPA, 2005)

* or background level

**Screening value is for noncancer endpoint, Cr+3.

Table 4Soil Sample Compositing Schedule

Composite Sample	Individual Samples	Depth Below Ground Surface (feet)			
	TP-005-1.0	1			
TP-1-CP	TP-006-1.0	1			
	TP-007-1.0	1			
TP-2-CP	TP-001-1.0	1			
11-2-01	TP-002-1.0	1			
	TP-003-1.0	1			
TP-3-CP	TP-004-1.0	1			
	TP-008-1.0	1			
	TP-005-3.0	3			
TP-4-CP	TP-006-3.0	3			
	TP-007-3.0	3			

Table 5
Groundwater Sample Analytical Results

Sample ID	Petr	oleum Hydrocarl (EPA 8015)	bons	Volatile Organic Compounds 8260)			
	TPH as gasoline	TPH as diesel	TPH as oil	Bromomethane	Other VOCs		
NG-2	ND	ND	ND	1.5	ND		
NG-4	ND			ND	ND		
NG-Pond	ND	ND	ND	ND	ND		
Screening				PF	RG		
Criterion	na	na	na	8.7	na		

Notes:

Test results reported in parts per billion (ppb)

ND: Not detected at or above the laboratory method reporting limits

PRG: Preliminary Remediation Goal for Tap Water (US EPA Region 9, 2004)

na: not applicable as no compounds detected



