PHASE I ENVIRONMENTAL SITE ASSESSMENT 933 EAST SECOND STREET BOSTON, MASSACHUSETTS

PREPARED FOR: Esquire Realty Trust Boston, Massachusetts

McCourt Construction S. Boston, Massachusetts

PREPARED BY: GZA GeoEnvironmental, Inc. Norwood, Massachusetts

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GZA GeoEnvironmental, Inc. Engineers and Scientists

June 22, 2011 File No. 170937.00

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02062

Phase I Environmental Site Assessment Re: 933 East Second Street Boston, Massachusetts

Dear Messrs. Smith and McCourt:

In accordance with our proposal dated May 4, 2011, GZA GeoEnvironmental, Inc. (GZA) is pleased to provide the attached Phase I Environmental Site Assessment Report. This assessment was completed in general accordance with the guidelines described in ASTM Standard Practice E 1527-2005 for Phase I Site Assessments.

This report is based on our review of available historical and environmental records, visual observations of the surface of the subject Site and adjoining properties and personal interviews with available persons having knowledge of the property. Section 11.00 of the report, our Findings and Conclusions, is considered an Executive Summary, and should be reviewed in conjunction with the entire report.

We hope this satisfies your present needs. If you need any additional information, please call any of the undersigned at (781) 278-3700.

Christine M Lentini

Project Reviewer

Very truly yours,

GZA GEOENVIRONMENTAL, INC.

Dean S. Giuliano Assistant Project Manager

Charles D. Crealese Principal/Environmental Professional

Report Attachment:

TABLE OF CONTENTS



			<u>Page</u>
1.00	INTRO	ODUCTION	1
	1.10	PROJECT AUTHORIZATION	1
	1.20	PROJECT OBJECTIVE	1
	1.30	SCOPE OF SERVICES	1
2.00	BACK	KGROUND SITE INFORMATION	2
	2.10	SITE LOCATION	3
	2.20	SITE DESCRIPTION	3
	2.30	SITE USE	3
	2.40	ADJOINING PROPERTIES USE	3
	2.50	AREA USE	3
	2.60	SITE UTILITIES	4
3.00	ENV	IRONMENTAL SETTING	4
	3.10	REGIONAL PHYSIOGRAPHY	4
	3.20	GROUNDWATER CONDITIONS	4
4.00	HIST	ORICAL USE INFORMATION	5
	4.10	SITE AND AREA HISTORY SUMMARY	5
	4.20	CITY DIRECTORIES REVIEW	6
	4.30	HISTORICAL TOPOGRAPHIC MAP REVIEW	6
	4.40	AERIAL PHOTOGRAPH REVIEW	6

TABLE OF CONTENTS (continued)



				<u>Page</u>
	4.50	HISTORI	C ATLAS REVIEW	7
		4.50.1	Site	7
		4.50.2	Adjoining Properties	7
		4.50.3		7
	4.60	TITLE SE	EARCH	8
	4.70	BUILDIN	IG DEPARTMENT RECORDS	8
	4.80	PROPER'	TY TAX FILES	8
	4.90	OTHER I	HISTORICAL SOURCES	8
5.00	PREV	TOUS SITE	EINVESTIGATIONS	9
6.00	SITE	RECONNA	AISSANCE	9
	6.10	EXTERIO	OR OBSERVATIONS	9
		6.10.1	Underground Storage Tanks (USTs)	9
		6.10.2	Aboveground Storage Tanks (ASTs)	9
		6.10.3	Hazardous Substances or Petroleum Products Use	9
		6.10.4	Staining	9
		6.10.5	Electrical Transformers/Equipment	10
		6.10.6	Drywells and Sumps	10
		6.10.7	Pits, Ponds, and Lagoons	10
		6.10.8	Wells	10
		6.10.9	Solid Waste	10
		6.10.10	Process Wastewater	10
		6.10.11	Septic System	10
		6.10.12	Stressed Vegetation	10
		6.10.13	Soil/Water Sampling	11
		6.10.14	Oil/Water Separators	11
		6.10.15	Surface Water Runoff	11
		6.10.16	Other Observations	11
	6.20	INTERIO	OR OBSERVATIONS	11
		6.20.1	Construction	11

TABLE OF CONTENTS (continued)

Page



		6.20.2 6.20.3 6.20.4 6.20.5 6.20.6 6.20.7 6.20.8	Heating and Cooling Current Site Use Chemical Use and Storage Areas Hazardous Wastes Generated and Waste Storage Areas Stains or Corrosions Floor Drains or Sumps Other Interior Observations	12 12 12 12 12 12
7.00	VICIN	ITY RECC	ONNAISSANCE	13
	7.10	HAZARD	OUS MATERIAL USE AT ADJOINING PROPERTIES	13
	7.20	HAZARD	OUS MATERIAL USE AT VICINITY PROPERTIES	13
8.00	REGU	LATORY	DATABASE REVIEW	13
	8.10	FEDERA	L AGENCY DATABASES	14
		8.10.1 8.10.2	RCRA Generators CERCLIS NFRAP Sites and RCRA TSD and CORRACTS Facilities	15 15
	8.20	STATE A	GENCY DATABASE REVIEW	15
		8.20.1 8.20.2 8.20.3	Adjoining Properties Area Sites Former CONE Terminal Site, 900 East First Street	16 17 17
	8.30	LOCAL R	REGULATORY AGENCIES	18
		8.30.1 8.30.2	Fire Department Health Department	18 18
9.00	INTE	RVIEWS		18
10.00	USER	RESPONS	SIBILITIES	18
11.00	FINDI	NGS AND	CONCLUSIONS	19
	11.10	FINDING	es s	19

TABLE OF CONTENTS (continued)



		Page
	11.20 CONCLUSION AND OPINIONS	21
	11.30 CONSTRUCTION-RELATED CONCERNS	21
12.00	LIMITATIONS	21
13.00	ENVIRONMENTAL PROFESSIONAL STATEMENT	22

FIGURES

FIGURE 1 LOCUS PLAN

FIGURE 2 SITE PLAN

APPENDICES

APPENDIX A	LIMITATIONS/TERMS AND CONDITIONS
APPENDIX B	PHOTOGRAPHS
APPENDIX C	SANBORN MAPS
APPENDIX D	DATABASE SEARCH REPORT
APPENDIX E	URS JULY 2008 IRA STATUS REPORT AND IRA COMPLETION REPORT
APPENDIX F	GEI DECEMBER 2010 ROS AND IRA STATUS REPORT
APPENDIX G	URS MARCH 2011 ROS STATUS REPORT
APPENDIX H	USER QUESTIONNAIRE
APPENDIX I	ENVIRONMENTAL PROFESSIONAL QUALIFICATIONS

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1.00 INTRODUCTION

1.10 PROJECT AUTHORIZATION



This report presents the results of a Phase I Environmental Site Assessment conducted by GZA GeoEnvironmental, Inc. (GZA) for Esquire Realty Trust and McCourt Construction (Clients) at a property identified as 933 East Second Street in Boston, Massachusetts (Site). The Site visit portion of the environmental assessment of the property was conducted on May 17, 2011. Authorization to proceed on this project was granted in accordance with GZA's executed proposal dated May 4, 2011.

1.20 PROJECT OBJECTIVES

The objectives of this Phase I Environmental Site Assessment were:

- to render an opinion as to whether surficial or historical evidence indicates the presence of Recognized Environmental Conditions (RECs) which could result in hazardous substances or petroleum products in the environment, as defined in the American Society for Testing and Materials (ASTM) Standard Practice E 1527-05 for Phase I Environmental Site Assessments; and
- to permit the User of this assessment to satisfy one of the requirements to qualify for certain Landowner Liability Protections under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA).

As defined by ASTM Method E 1527-05, the term Recognized Environmental Condition means "the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, past release, or material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions under compliance with laws. The term is not intended to include de minimis conditions that generally do 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."

1.30 SCOPE OF SERVICES

GZA's assessment of the Site was completed in general accordance with the ASTM Method E 1527-05 and GZA's proposal for services. We understand that this assessment is not funded with a Federal Grant awarded under the U.S. EPA Brownfield Assessment and Characterization Program. GZA's scope of services consisted of the following activities:

• a review of federal and state regulatory agency databases identified by ASTM for the Site and a selected radii around the Site;

- contact with local environmental regulatory agencies to inquire about environmental conditions at the Site and in its vicinity;
- a review of the Site history through available ASTM Standard Historical Sources;
- a limited review of certain Massachusetts Department of Environmental Protection public records pertaining to the former Cone Oil Terminal property located at 900 East First Street;
- a Site reconnaissance to make surficial observations for evidence of RECs;
- a vicinity reconnaissance of properties within ¼ mile of the Site;
- a review of adjoining properties to identify the potential use of hazardous materials;
- an interview with the current Key Site manager pertaining to Site usage and daily operations;
- a review of the information provided as part of "User's Responsibilities" described in ASTM E 1527-05; and
- the preparation of this report of our findings.

GZA notes the following omission from the standard:

• no chain-of-title or search for environmental liens was provided for review by the Client. This is considered a "User Responsibility" by ASTM.

This report presents GZA's field observations, results, and opinions. This report is subject to modification if subsequent information is developed by GZA or any other party. This report is subject to the limitations presented in Section 12.00 and Appendix A.

2.00 BACKGROUND SITE INFORMATION

The following information was obtained during GZA's Site reconnaissance, from a review of municipal records regarding the Site, and from interviews with people knowledgeable about the Site. Photographs depicting Site conditions at the time of GZA's assessment are presented in Appendix B. Additional information on Site use and activities is contained in Section 6.00; information concerning area observations is contained in Section 7.00.



2.10 SITE LOCATION

The Site is located at 933 East Second Street in a residential and industrial area in the South Boston portion of Boston, Massachusetts. The Site is located approximately 1¾ miles northeast of the Route 93/JFK-UMass interchange. Pleasure Bay is located approximately 1,000-feet east of the Site; Boston Inner Harbor is located approximately 3,000-feet northeast of the Site. A Locus Plan is attached as Figure 1.



2.20 SITE DESCRIPTION

According to municipal records reviewed, the study Site consists of approximately 15,300 square feet of land and is identified as Boston Assessor's Parcel ID 0603901000. The Site is improved by a one to two-story masonry building of slab-on-grade construction, which occupies the east portion of the Site. A paved parking and shipping/receiving area is located to the west of the building. A Site Plan is attached as Figure 2.

2.30 SITE USE

At the time of GZA's visit, the Site building contained three tenant units and was used primarily as office space. The first floor was occupied by Alliance Print Group and Valletti Design Communication. The second floor tenant unit was vacant and was most recently occupied by Liteworld, who used the space as office space.

Mr. Arthur Fusco of Alliance Print Group indicated that printing operations are not and have never been conducted within the Alliance Print Group tenant space or within the Site building. Mr. Fusco has been associated with Alliance Print Group since their occupancy of the Site building in 2000.

2.40 ADJOINING PROPERTIES USE

The properties that adjoin the Site are occupied as follows:

- to the north: East Second Street, beyond which is a vacant grass area (902 East Second Street) and a garage-style building (935 East First Street), currently undergoing renovation. This property was most recently used for fueling trucks and as a truck repair facility by Fleet. Truck repair activities ceased and the property was vacated in 2004;
- to the east: professional offices (29 Farragut Road) and a wholesale and retail fish business (Ocean Star, 33 to 35 Farragut Road); and
- to the south and west: residential property.

2.50 AREA USE

The general area surrounding the Site consists primarily of residential properties to the west and south. The former CONE Oil Terminal (900 East First Street), currently unoccupied

land owned by the Massachusetts Port Authority (MassPort), is located approximately 350 feet north of the Site, and the Paul W. Connelly MassPort Terminal (20 Farragut Road) is located approximately 400 feet northeast of the Site. The Marine Park, a public recreational area, is located approximately 200 feet east of the Site. No gasoline stations are located within 500 feet of the Site. Other industrial properties are located at the intersection of "P" Street and East Second Street and along East First Street approximately 1,000 feet northwest of the Site.



2.60 SITE UTILITIES

The Site building is served by municipal water and municipal sewer, and is heated by natural gas. The Site building's electrical service is provided by underground lines connected to an off Site source.

3.00 ENVIRONMENTAL SETTING

The following sections provide information regarding the general physiographic, hydrologic conditions in the area of the Site.

3.10 REGIONAL PHYSIOGRAPHY

Based on a review of the U.S. Geological Survey (USGS) topographic map for the Boston South Quadrangle, dated 1987, the Site is located at an elevation of approximately 6 meters (approximately 20 feet) above sea level (National Geodetic Vertical Datum, NGVD). Based on GZA's field observations, the Site's topography decreases to the northeast. No water bodies are located at the Site.

The Reserved Channel is located approximately 1,500-feet north of the Site; Pleasure Bay is located approximately 1,000 feet east of the Site; and Old Harbor is located approximately 4,500 feet southwest of the Site. Boston Inner Harbor is located approximately 3,000 feet northeast of the Site.

3.20 GROUNDWATER CONDITIONS

Based on groundwater data collected in the area of the Site by others (refer to Section 8.20.3), depth to groundwater at the study Site is anticipated to range from approximately 10 feet to 15 feet below the ground surface (bgs).

Based on the distribution of oil originating at the former CONE Terminal, and now present at the south adjoining garage property, some component of groundwater flow is anticipated to be southerly in the general area of the study Site. However, localized flow direction in the area of the Site may vary as a result of underground utilities, tidal conditions or heterogeneous subsurface conditions. Subsequent references to upgradient and downgradient properties are based on the anticipated southerly groundwater flow direction.

URS conducted several rounds of water level readings in 2006 and 2007. The data presented in a Phase V study indicates "the groundwater gradient is relatively flat." Groundwater contour maps from the Phase V report are attached in Appendix E.



4.00 HISTORICAL USE INFORMATION

The Site history was developed from ASTM Standard Historical Sources and available files at the Boston Assessor's Office, Building Department and Public Library. GZA also obtained historical information through a review of prior studies (refer to Section 8.20.3) and through an interview with Mr. Arthur Fusco of Alliance Print Group.

A list of sources interviewed is included in Section 9.00. ASTM indicates that "all obvious uses of the property shall be identified from the present, back to the property's first developed use, or back to 1940, whichever is earlier." ASTM further indicates that "data failure is not uncommon" when trying to establish the historical use of a property. A historical summary is provided in Section 4.10. Specific details obtained from ASTM historical sources are contained in subsequent sections.

4.10 SITE AND AREA HISTORY SUMMARY

Information reviewed as part of this study indicates that the Site was undeveloped land until the mid-1920s when two freestanding buildings were constructed to be used as automobile storage units. In the mid-1950s, these two buildings were connected by an addition and the Site was used for office and warehouse space. In the late-1970s, the Site was renovated into office space to be occupied by Alliance Print Group and Valletti Design Communication.

Adjoining properties to the east, south and west of the Site were historically occupied by residential property, a parking area for fuel oil delivery trucks, a parking garage and a filling station located at the east adjoining 33 to 35 Farragut Road property currently occupied by a fish business. The former filling station is located hydraulically crossgradient of the study Site.

The north adjoining 902 East Second Street property and the 935 East First Street property were previously occupied by a railroad or transit company (West End Street Railway, Boston Elevated Railroad Company and Metropolitan Transit Authority) and used for the storage and maintenance of "electric" cars. White Fuel Company later occupied this property and conducted delivery truck repair. The 902 East Second Street property was later used as a bus terminal.

The former CONE Oil Terminal located at 900 East First Street was vacant land until occupied by an oil terminal (Texaco, White Fuel Corp or Batchelder-Whittmore) and a molasses company (Boston Molasses) in the 1940s. Numerous above ground tanks

containing molasses and fuel oil were located at this property and were dismantled and removed when CONE vacated in 2000.

4.20 CITY DIRECTORIES REVIEW



City Directories dated 1945, 1955, 1965, 1970, 1975 and 1980 were reviewed at the public library. The Site address was not identified by the 1945 City Directory. The 1955 and 1965 City Directories identified the Site address occupant as Jack Fay, Inc. "mfrs agt" and Mac Rae Lighting Sales. The 1970 and 1975 City Directories identified the Site address occupant as Eskin DH Co, Inc., lock manufacturer. The 1980 City Directory identified the Site as vacant. During this time period, adjoining properties to the east, south and west were occupied by residences. The north adjoining 935 East First Street property was not identified by the City Directories reviewed.

The City Directories reviewed identified Texaco, White Fuel Corp or Batchelder-Whittmore Fuel as the occupant of the former CONE 900 East First Street oil terminal property, located approximately 350-feet north and generally up gradient of the Site.

4.30 HISTORICAL TOPOGRAPHIC MAP REVIEW

Historical topographic maps dated 1946 and 1987 were reviewed online at the University of New Hampshire Historic USGS Maps of New England website (http://docs.unh.edu/nhtopos/nhtopos.htm) and were obtained from GZA's in-house files, respectively. Both maps show the Site located in a densely developed area. Due to the dense urban area, no buildings are shown in the area of the Site or adjoining properties.

The former CONE Oil Terminal 900 East First Street property is shown by the 1946 map as vacant land and is shown by the 1987 map as occupied by numerous aboveground storage tanks .

4.40 AERIAL PHOTOGRAPH REVIEW

No aerial photographs were available for review at the municipal offices visited or the public library. GZA reviewed aerial photographs dated 1955, 1969, 1971, 1978, 1995, 2001 and 2005 from the Historic Aerials website (www.historicaerials.com). Each of the photographs reviewed show conditions at the Site similar to existing conditions. During this time period, adjoining properties to the east, south and west were occupied by residences or a paved parking area.

The north-adjoining 935 East First Street property was shown by the 1955 photograph as primarily vacant land. The remaining photographs dated 1969 to 2001 show conditions at the north adjoining property similar to existing conditions.

The photographs reviewed all show numerous aboveground storage tanks (ASTs) at the former CONE Oil Terminal located north of the adjoining 935 East First Street property.

4.50 HISTORIC ATLAS REVIEW

GZA was provided by FirstSearch Technology Corporation with historic maps dated 1889, 1899, 1923, 1951, 1964 and 1990. The maps are summarized in the following sections and are attached in Appendix C.

4.50.1 Site



The maps dated 1889, 1899 and 1923 show the Site as vacant land. The 1951 map shows the Site improved by two freestanding buildings occupied by a total of twenty-seven residential automobile garages. The 1964 map shows the existing Site building with a slightly smaller footprint. The building is identified as an electric warehouse, which according to a notation on the map, was constructed in 1955. The west portion of the Site, currently a paved parking area, is shown as part of the west adjoining property used at that time as a White Fuel Company truck parking area. The former White Fuel parking area is currently residential property. The 1990 map shows conditions at the Site similar to existing conditions. The Site's occupant or use was not identified by the 1990 map.

4.50.2 Adjoining Properties

Maps dated 1889 and 1899 showed the east, south and west-adjoining properties as vacant land. The 1923 maps shows conditions at the east, south and west-adjoining properties similar to conditions shown by the late-1800 maps, however, the east-adjoining 29 Farragut Road property is improved by a building identified as "auto stalls". The 1951 map shows these adjoining properties occupied by vacant land, residences, a "garage" and a store located at the east-adjoining 29 Farragut Road property and a filling station located at the east-adjoining 33 to 35 Farragut Road property currently occupied by a fish business. The 1964 map shows conditions at these adjoining properties similar to those shown by the 1951 map, however the west adjoining property is shown as a parking area for White Fuel Co. oil trucks. The 1990 map shows conditions at the east-, south- and west-adjoining properties similar to existing conditions.

Maps dated 1889 to 1951 show the north adjoining 902 East Second Street property and the 935 East First Street property occupied by a railroad or transit company (West End Street Railway, Boston Elevated Railroad Company and Metropolitan Transit Authority) and used for the storage and maintenance of "electric" cars. The 1964 and 1990 maps show conditions at the 935 East First Street property similar to existing conditions and occupied by White Fuel Company for delivery truck repair. The 902 East Second Street property was later used as a bus terminal as shown by maps dated 1964 and 1990.

4.50.3 Former CONE Oil Terminal Property

The former CONE OIL Terminal 900 East First Street property is shown as vacant land and part of Boston Harbor by the maps dated 1889 and 1899, and is shown as vacant land by a map dated 1923. Maps dated 1951, 1964 and 1990 show the 900 East First Street

property occupied by White Fuel Corp and Boston Molasses. Numerous above ground tanks containing molasses and fuel oil were shown.

4.60 TITLE SEARCH



No title information was provided by the Client as part of "User's Responsibilities". The completion of a title search was not included in the scope of this assessment. ASTM identifies a title search for environmental liens and Activity and Use Limitations (AULs) as a "User Responsibility." A limited database search for AULs recorded for the Site was conducted by FirstSearch. No recorded AULs were identified (see Section 8.00).

4.70 BUILDING DEPARTMENT RECORDS

Building Department records made available indicated that:

- a 1926 permit was issued for the construction of a "garage" heated by "steam" at the Site. GZA assumes that this garage was for the storage of automobiles.
- In 1954, a change of occupancy permit was issued to change Site use from "garages
 to office and warehouse for the storage of manufactured articles for distribution".
 Building Department documentation indicated that an addition was constructed to
 connect the existing garage buildings.
- In 1979, a change of occupancy permit was issued to change Site use from "office and warehouse to office and warehouse for distribution and storage of electrical supplies"
- Permits dated 2000 and 2001 were issued for the renovation of tenant space to be occupied by Alliance Print Group and Valletti Design Communication.

4.80 PROPERTY TAX FILES

Records made available at the Assessor's Office identified the current Site owner as Esquire Realty Trust, Stephen H. Markarian and Donald D. Smith Trustess. No other information pertaining to prior Site owners and dates of purchase was available at the time of GZA's visit.

4.90 OTHER HISTORICAL SOURCES

Mr. Arthur Fusco of Alliance Print Group, identified as the Key Site Manager, indicated that Alliance Print Group and Valletti Design Communication have occupied the Site since the early 2000s and have used the Site as office space. Mr. Fusco indicated that the prior tenant was an electrical supplier. Mr. Fusco indicated that to the best of his knowledge no printing operations have been conducted within the Alliance tenant space or within any of the tenant spaces.

5.00 PREVIOUS SITE INVESTIGATIONS

GZA was not provided by the Clients with any prior studies completed at the study Site. The Clients were not aware of any prior studies completed at the study Site according to the User Questionnaires prepared (refer to Section 10.00).



6.00 SITE RECONNAISSANCE

The purpose of GZA's Site reconnaissance was to make surficial observations for evidence of RECs that could result in the presence of hazardous materials in the environment. GZA Assistant Project Manager Dean Giuliano visited the Site on May 17, 2011. Mr. Giuliano was accompanied during the reconnaissance by Mr. Arthur Fisco of Alliance Print Group. Mr. Fusco has been associated with the Site since 2000. Observations were documented and pertinent features or areas of environmental concern were photographed and are referenced in the text. Selected photographs are included in Appendix B; a Site Plan is attached as Figure 2. A summary of each area assessed is presented below.

6.10 EXTERIOR OBSERVATIONS

The periphery of the Site, as well as those portions of the property not occupied by structures, was visually assessed for RECs.

The footprint of the site building covers the east portion of the Site. The west portion consists of paved area for parking and, shipping and receiving.

6.10.1 Underground Storage Tanks (USTs)

No surficial evidence of USTs (i.e., fill ports, vent pipes, pavement repairs, etc.) was observed during the exterior Site reconnaissance. Mr. Fusco was not aware of any past or existing USTs at the Site.

6.10.2 Aboveground Storage Tanks (ASTs)

No ASTs were observed on the exterior of the study Site.

6.10.3 Hazardous Substances or Petroleum Products Use

No significant storage or use of oil or hazardous materials was observed at the Site.

6.10.4 Staining

No staining, other than parking lot staining, was observed at the Site.

6.10.5 Electrical Transformers/Equipment

No pole mounted or pad mounted transformers were observed at the Site. The electrical service is provided by underground lines from an off Site source.

6.10.6 Drywell and Sumps

No surficial evidence of exterior drywells or sumps was observed during GZA's Site reconnaissance.

6.10.7 Pits, Ponds, and Lagoons

No pits, ponds, or lagoons were observed at the Site.

6.10.8 Wells

No evidence of potable drinking water wells or monitoring wells was observed at the Site. Municipal records indicate that the Site is connected to the municipal water system.

6.10.9 Solid Waste

No solid waste receptacles were observed on the exterior of the Site.

6.10.10 Process Wastewater

No surficial evidence of on-Site process wastewater disposal was observed.

6.10.11 Septic System

No evidence of an on Site septic system was observed. Municipal records indicate that the Site is connected to the municipal sewer system. The date of connection could not be determined during the course of this study.

6.10.12 Stressed Vegetation

No stressed vegetation was observed at the Site.

6.10.13 Soil/Water Sampling

No subsurface exploration or chemical analysis has been included as part of GZA's scope of services. Information regarding subsurface conditions may be obtained by subsurface exploration techniques and the collection and chemical analysis of soil and water samples.



6.10.14 Oil/Water Separators

No evidence of exterior oil/water separators was observed. Mr. Fusco was not aware of any oil/water separators on the exterior of the Site.

6.10.15 Surface Water Runoff

GZA anticipates surficial runoff to be accepted by a catch basin in the paved area. Mr. Fusco was unaware of the discharge point of the catch basin, but assumed that it flowed into the municipal sewer system.

6.10.16 Other Observations

No other significant exterior observations were made.

6.20 INTERIOR OBSERVATIONS

The interior of the Site building, including occupied areas and storage areas, was visually assessed for evidence of RECs. The conditions observed are presented below.

Approximately 70% of the Site building (ground floor) is used as office space by Alliance Print Group and Valletti Design Communication. Approximately 50% of the floor surface in the occupied tenant space was covered by office furniture and paper storage. The second floor consists of vacant office space and was observed under nearly "broom clean" conditions.

6.20.1 Construction

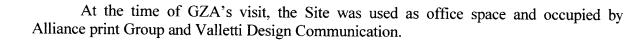
The building is of slab-on-grade construction. The office space within the Alliance Print Group tenant space and vacant tenant space, and the common areas consists of carpeted/tiled flooring, sheet rock walls and suspended tile/stucco like ceilings. The office space within the Valletti Design Communication tenant space consists of a concrete floor and concrete block walls.

The Valletti Design Communication tenant space appeared to be a portion of one of the initial Site buildings used as auto stalls (refer to Section 4.00).

<u>6.20.2</u> Heating

The building is currently heated by natural gas. Mr. Fusco was unaware of any prior heating fuel source.

6.20.3 Current Site Use



6.20.4 Chemical Use and Storage Areas

GZA did not observe the storage or usage of significant quantities of oil or hazardous materials within the buildings. Mr. Fusco was not aware of the significant use or storage of oil or hazardous materials within the Site building.

6.20.5 Hazardous Wastes Generated and Waste Storage Areas

GZA did not observe any evidence to suggest the generation or storage of hazardous waste. Mr. Fusco was not aware of the generation or storage of hazardous waste within the Site building. The Site (current occupant or street address) is not identified as an active generator of hazardous waste by federal regulatory databases (refer to Section 8.10).

6.20.6 Stains

No significant staining or corrosion was observed.

6.20.7 Floor Drains or Sumps

No floor drains were observed in the Site building. Mr. Fusco indicated that a floor drain may be present under the carpet in the Valletti Design Communication tenant space.

6.20.8 Other Interior Observations

A dumpster was observed in the shipping-receiving area of the building. No staining was observed on the concrete floor surrounding the dumpster. Mr. Fusco indicated that solid waste is removed from the Site by an independent contractor.

No other significant interior observations were made.





7.00 VICINITY RECONNAISSANCE

As part of GZA's Site assessment, a reconnaissance of the properties adjoining the Site, as well as the vicinity within a ¼-mile radius of the Site, was conducted from publicly accessible properties. The results of GZA's vicinity reconnaissance are presented below.



7.10 HAZARDOUS MATERIALS AT ADJOINING PROPERTIES

Adjoining properties to the Site consist of residences, a grass area, a vacant garage-style building (935 East First Street), currently undergoing renovations professional offices and a fish wholesale-retail business. The use and storage of significant quantities of oil or hazardous materials is unlikely within the adjoining residences and, retail and professional buildings. Fuel oil may be stored on the developed properties for heating purposes, and fuel oil is being captured and stored during remediation on upgradient properties.

The north-adjoining 935 East First Street property is identified twice as a generator of hazardous waste (refer to Section 8.10) and is identified as a state-listed site and state spill site linked to petroleum releases at the former CONE Oil Terminal property located approximately 350-feet north of the Site. The 935 East First street property is identified by the same MassDEP Release Tracking Number (RTN 3-0257) as the former CONE Oil Terminal. Refer to Section 8.20 for additional information.

7.20 HAZARDOUS MATERIAL USE AT VICINITY PROPERTIES

The area within ¼ mile of the study Site consists of mostly residential properties to the west and south. Unoccupied land (the former CONE Oil Terminal, 900 East First Street) is located approximately 350-feet north of the Site and the Paul W. Connelly MassPort Terminal (20 Farragut Road) is located approximately 400 feet northeast of the Site. The Marine Park, a public recreational area, is located approximately 200 feet east of the Site. Other industrial properties are located along East First Street greater than 1,000 feet northwest of the Site. The use and storage of oil or hazardous materials is likely within the industrial area to the northwest of the Site and the Paul W. Connelly MassPort Terminal property.

The former CONE Oil Terminal property is identified as a state listed site due to petroleum releases and is discussed in Section 8.20.

8.00 REGULATORY DATABASE REVIEW

The following section is based on public information obtained from various federal, state, and local agencies that maintain environmental regulatory databases. These databases provide information about the regulatory status of a property and incidents involving the use, storage, spillage, or transportation of oil or hazardous materials. Information was gathered

by GZA personnel and by a professional data search service, FirstSearch on May 12, 2011. Federal, state, and local regulatory information is presented in Appendix D. A discussion of the reviewed information is presented in the following sections.

8.10 FEDERAL AGENCY DATABASES

Ten federal databases were provided by FirstSearch and reviewed by GZA. These reports and the search distances used to review these databases are presented below.



	Radius	T
Database	Searched	Hits Within Radius Searched
National Priorities List (NPL)	1 Mile	
Federal Deleted NPL Sites List (Delisted NPL)	½ Mile	0 0
The NPL, or Superfund sites list, is EPA's database of	72 IVIIIC	l o
active/deleted confirmed uncontrolled or abandoned hazardous		
waste sites identified for priority remedial actions under the		
Superfund program.		
Comprehensive Environmental Response, Compensation,	½ Mile	0
and Liability Information System (CERCLIS)	, , , , , , , , , , , , , , , , , , , ,	Ů
The CERCLIS database is a compilation by EPA of the sites		
that EPA has investigated or is currently investigating for a		İ
release or threatened release of hazardous substances.		
Federal CERCLIS NFRAP LIST (NFRAP)	½ Mile	2
The CERCLIS No Further remedial Actions Planned (NFRAP)		
database is EPA's sites that an assessment has been completed		
and no further steps will be taken to list the site on EPA's NPL		
Resource Conservation and Recovery Act (RCRA)	Site and adjoining	2
Generator Database	properties	Ì
EPA's RCRA program identifies active hazardous waste		
generators and tracks hazardous waste from the point of		
generation to the point of disposal.		
RCRA Treatment, Storage and Disposal (TSD) Facility Database	½ Mile	1
The RCRA TSD Facilities database is a compilation by EPA of		1
reporting facilities that store, treat or dispose of hazardous		
waste.		
RCRA Corrective Action Database (CORRACTS)	1 Mile	1
The RCRA CORRACTS list is EPA's list of treatment, storage.	1 WHIC	1
or disposal facilities subject to corrective action under RCRA.		
Emergency Response Notification System (ERNS)	Site only	0
The ERNS list is a national database used to collect information	Sitt omj	· ·
on reported releases of oil and hazardous substances. The		
database contains information from spill reports made to		
federal authorities including the EPA, U.S. Coast Guard,		
National Response Center, and Department of Transportation.		
Federal Brownfield Sites	½ mile	0
The federal list identifying Brownfield sites		
Federal Institutional/Engineering Controls Registries	Site Only	0
(FIECR)		
The FIECR is a national database identifying sites where		1
Federal Institutional/Engineering Controls have been		
employed.	····	

The Site is not identified by the ten federal databases reviewed. No NPL, Delisted NPL, CERCLIS, Federal Brownfield or FIECR sites, RCRA CORRACTS facilities were identified within their respective search distances. RCRA generators of hazardous waste, CERCLIS

NFRAP sites and a RCRA TSD and CORRACT facility are identified within their search distance and are discussed in the following sections.

8.10.1 RCRA Generators

The north-adjoining 935 East First Street property is identified twice (Fleet Environmental Services, LLC and Texaco Refining and Marketing) as a small quantity generator of hazardous waste, producing between 100 and 1,000 kilograms per month. No RCRA violations were identified for either facility. At the time of GZA's visit, the 935 East First Street property was undergoing renovations.

8.10.2 CERCLIS NFRAP Sites and RCRA TSD and CORRACTS Facilities

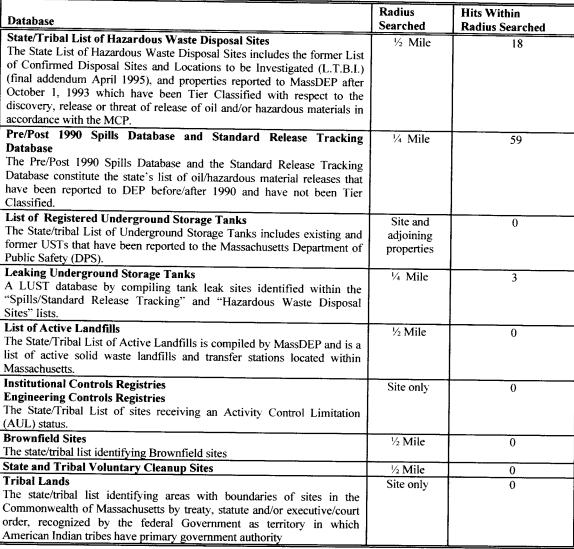
The 776 Summer Street property (Boston Edison L Street Station and Sithe New England) is located approximately ½ mile northwest and cross gradient of the study Site, and is identified as a CERCLIS No Further Remedial Action Planned (NFRAP) site and as a RCRA TSD and CORRACTS facility. Based on the distance, direction from the Site, the regulatory status and anticipated hydraulic gradient, the 776 Summer Street property is unlikely to impact the soil or groundwater at the study Site.

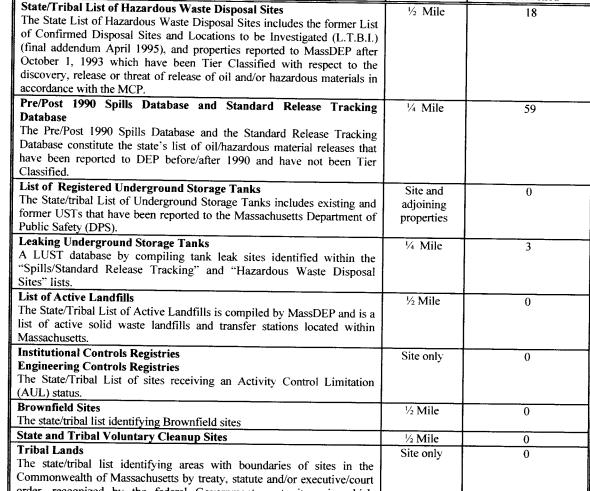
The 900 East First Street property (Texaco, Inc. – South Boston Terminal) is located approximately 350-feet north and generally up gradient of the Site, and is identified as a CERCLIS NFRAP site. The NFRAP designation indicates that the property is not being considered for the Federal Superfund program. A review of Massachusetts Department of Environmental Protection public records pertaining to the 900 East First Street property indicates a historical petroleum release at the former Texaco property. Refer to Section 8.20 for additional information.

8.20 STATE AGENCY DATABASE REVIEW

Ten state databases were provided by FirstSearch and reviewed by GZA. These reports and the search distances used to review these databases are presented below. Due to the dense urban area surrounding the Site, the search radii for state-listed sites and spill/release sites have been reduced to ½ mile and ¼ mile, respectively, and the search radii for LUST sites has been reduces to ¼ mile. It should be noted that the Massachusetts Department of Environmental Protection (MassDEP) does not maintain a "Leaking Underground Storage Tank" (LUST) list. FirstSearch has developed a LUST database by compiling tank leak sites identified within the "Spills/Standard Release Tracking" and "Hazardous Waste Disposal Sites" lists.







The Site is not identified by the ten state databases. No active solid waste landfills, registered USTs, State Brownfield sites, IC/EC, voluntary cleanup sites, or tribal lands were identified within the applicable search distances. Adjoining properties and area properties are identified and discussed in the following sections.

8.20.1 Adjoining Properties

The north-adjoining 935 East First Street property (identified as the former CONE garage property) is identified several times as a state-listed site and as a state spill site due to releases of petroleum. These releases have a regulatory status of Confirmed and Response Outcome Activity Not Required (RAONR), and have been linked to the former CONE Terminal property (900 East First Street; Release Tracking Number (RTN) 3-0257) located approximately 350 feet north of the study Site. Refer to Section 8.20.3 for additional information pertaining to the former Cone Oil Terminal property.



8.20.2 Area Sites

State-listed sites and reported spills, including LUST sites, were identified within their respective search distances. Based on their distance from the Site, direction, anticipated hydraulic gradient, and/or regulatory status, the identified sites are considered unlikely to impact the soil or groundwater at the study Site.

8.20.3 Former Cone Terminal Site, 900 East First Street



On May 10, 2011, GZA visited the Massachusetts Department of Environmental Protection (MassDEP) to review public records pertaining to the former Coastal Oil New England (CONE) Terminal property (RTN) 3-0257). Our understanding of conditions at the generally up gradient CONE site is based on a review of selected documents at MassDEP for RTN 3-0257.

The CONE site located at 900 East First Street has been a MassDEP Confirmed Release site since the early-1990s. The 30-acre oil terminal contained 26 ASTs and was initially operated by Texaco in the early-1960s. The decommissioning of the terminal started in the early-2000s and the terminal site is currently vacant.

Investigations at the CONE Terminal determined that separate phase petroleum products were present at the terminal property, and extended off-site onto the former CONE property at 935 East First Street, which is included within the boundaries of the site for RTN 3-0257. Remedial activity at the CONE Terminal property has included bioremediation and the recovery of separate phase petroleum product. RTN 3-0257 has been separated into two distinct areas. The 900 East First Street terminal property is identified as the "On Terminal" area, and is currently owned by MassPort. The generally downgradient former CONE garage property at 935 East First Street is identified as the "Off Terminal" area and CONE retains responsibility for this portion of the site. RTN 3-0257 is classified as a Tier IB site, has a current regulatory status of Remedy Operation System (ROS) and is currently in Phase V of the Massachusetts Contingency Plan (MCP). Our understanding of the current environmental conditions associated with the "On Terminal" and "Off Terminal" portions of RTN 3-0257 is based on a review of the most recent submittals to the MassDEP for the site.

A review of the "Immediate Response Action Status (IRA) Report and IRA Completion Statement Report" prepared by URS, dated July 2008, indicates that "as indicated in the May 2007 Supplemental Phase V Subsurface Investigation report, migration of LNAPL at the Site and off-terminal areas is not occurring and is not expected to occur...Monitoring since May 2007 has confirmed that migration is not occurring and in fact, the limits of LNAPL appears to be shrinking." A copy of the URS July 2008 IRA Status Report and IRA Completion Statement Report is attached as Appendix E.

A review of "Remedy Operations Status (ROS) Report and IRA Status Report, On Terminal Site Area", dated December 2010 prepared by GEI indicates that efforts to capture separate phase product by multi phase extraction pumps was terminated in 2009. Separate phase petroleum product is now being removed by skimmer pumps and by manual recovery.

The report also indicated that site wide gauging will be reduced from quarterly to semi-annually. A copy of the GEI December 2010 ROS Report and IRA Status Report is attached as Appendix F.

The report "Remedy Operations Status, September 2010 to February 2011", dated March 2011 prepared by URS for the former CONE Terminal property stated that "quarterly LNAPL gauging data from fall to winter months confirms LNAPL at the Site is not migrating and lateral limits continue to diminish with time". The report also indicates that approximately 25 monitoring wells generally up gradient of the study Site do not exhibit petroleum contamination and were being decommissioned. A copy of the URS 2011 ROS is attached as Appendix G.

8.30 LOCAL REGULATORY AGENCIES

To obtain information concerning the possible release of oil or hazardous materials at or near the Site, GZA contacted the Boston Fire Department and the Boston Health Department for any storage tank information or reported spills or releases of oil or hazardous materials which have been identified at the Site by public records.

8.30.1 Fire Department

On May 17, 2011, GZA submitted a written request to Boston Fire Department for a review of their records, if any, pertaining to the study Site. As of the completion of this study, GZA has not received information from the Boston Fire Department. GZA will contact the Client with any pertinent information not already discussed.

8.30.2 Health Department

According to Health Department personnel, no information pertaining to spills or releases of oil or hazardous materials for the study Site have been reported.

9.00 INTERVIEWS

GZA interviewed personnel at the Boston Assessor's Office, Building Department and Public Library. GZA also interviewed Mr. Arthur Fusco of Alliance Print Group. The information provided by each is discussed and referenced in the text.

10.00 USER'S RESPONSIBILITIES

GZA requested information from the Clients regarding title information, environmental liens, Activity and Use Limitations (AULs), and specialized knowledge or commonly known



information regarding the Site and, if applicable, the reason for a significantly discounted purchase price. Both completed questionnaires are attached in Appendix H

11.00 FINDINGS AND CONCLUSIONS



A Phase I Environmental Site Assessment following the general guidance of the Phase I ASTM E 1527-05 Standard Practice has been conducted at the 933 East Second Street property in Boston, Massachusetts. The study included a Site reconnaissance; a review of Site history; a limited review of MassDEP public records pertaining to the former CONE Terminal 900 East First Street property; a review of local, state, and federal regulatory records; a review of information provided by the Clients; and interviews with persons and agencies familiar with the Site. No soil or groundwater sampling or chemical screening/analysis of soil or groundwater was performed as part of this study. Additionally, no testing for the presence of asbestos-containing materials, lead hazards, mold, vapor intrusion or radon gas was completed as part of this study.

11.10 FINDINGS

The findings below are based on the work conducted as part of this assessment.

- The study Site consists of approximately 15,300 square feet of land and is identified as Boston Assessor's Parcel ID 0603901000. The Site is improved by a one to two-story masonry building of slab-on-grade construction, which occupies the east portion of the Site. A paved parking and shipping/receiving area is located to the west of the building. At the time of GZA's visit, the Site building contained three tenant units and was used as office space. The first floor was occupied by Alliance Print Group and Valletti Design Communication. The second floor tenant unit was vacant and was most recently occupied by Liteworld, who used the space as office space. No printing operations are or have reportedly been conducted in the Alliance Print Group tenant space or other tenant space within the building. The Site building is served by municipal water and municipal sewer, and is heated by natural gas.
- Information reviewed as part of this study indicates that the Site was undeveloped land until the mid-1920s when two freestanding buildings were constructed to be used as automobile storage units. In the mid-1950s, these two buildings were connected by an addition and the Site was used for office and warehouse space. In the late-1970s, the Site was renovated into office space to be occupied by Alliance Print Group and Valletti Design Communication.
- Adjoining properties to the east, south and west of the Site were historically occupied
 by residential property, a parking area for fuel oil trucks, a parking garage and a
 filling station located at the east-adjoining 33 to 35 Farragut Road property currently
 occupied by a fish business. The former filling station is located hydraulically
 crossgradient of the study Site.



- The north-adjoining 902 East Second Street property and the 935 East First Street property were occupied by a railroad or transit company (West End Street Railway, Boston Elevated Railroad Company and Metropolitan Transit Authority) and used for the storage and maintenance of "electric" cars. White Fuel Company later occupied this property and conducted fueling trucks and delivery truck repair. All known USTs have been removed from the property. The north-adjoining 935 East First Street property (former CONE garage property) is identified several times as a state-listed site and a state spill site due to releases of petroleum. These identified releases have a regulatory status of Confirmed and Response Outcome Activity Not Required, and have been linked to the MassDEP state listed former CONE Terminal property (900 East First Street) located approximately 350 feet north of the study Site.
- The former CONE Terminal 900 East First Street property was occupied by an oil terminal (Texaco, White Fuel Corp or Batchelder-Whittmore) and a molasses company (Boston Molasses) in the 1940s which included numerous aboveground tanks containing molasses and fuel oil. In 2000, the 900 East First Street property was vacated and the aboveground storage tanks were removed.
- The study Site was not identified by available municipal regulatory agencies, or state and federal regulatory databases reviewed.
- The former CONE site is identified as 900 east First Street and is located approximately 350 feet north and generally upgradient of the study Site. The former CONE site is a confirmed state release site (RTN 3-0257) classified as a Tier IB site, has a current regulatory status of Remedy Operation System and is currently in Phase V of the Massachusetts Contingency Plan. Our understanding of the current environmental conditions associated with the "On Terminal" and "Off Terminal" portions of RTN 3-0257 is based on a review of the most recent submittals to the MassDEP for the site.
- Investigations at the former CONE Terminal property determined that separate phase petroleum products were present at the CONE Terminal property, and extended offsite onto former CONE garage property located at 935 East First Street, which is included within the boundaries of the site for RTN 3-0257. Remedial activity at the CONE Terminal property has included bioremediation and the recovery of separate phase petroleum product. RTN 3-0257 has been separated into two distinct areas. The 900 East First Street terminal property is identified as the "On Terminal" area, and is currently owned by MassPort. The adjoining former CONE garage property at 935 East First Street is identified as the "Off Terminal" area and CONE retains responsibility for this portion of the site.
- URS indicated in a July 2008 IRA Report and IRA Completion Statement for the CONE Terminal property that "migration of LNAPL at the Site and off-terminal areas is not occurring and is not expected to occur...Monitoring since May 2007 has

confirmed that migration is not occurring and in fact, the limits of LNAPL appears to be shrinking."

- URS indicated in a March 2011 ROS Report for the CONE Terminal property that "quarterly LNAPL gauging data from [2010] fall to [2011] winter months confirms LNAPL at the Site is not migrating, and lateral limits continue to diminish with time".
- No surficial evidence of USTs, septic systems or surficial staining was observed at the study Site. No significant use or storage of oil or hazardous materials, or the generation or storage of hazardous waste was observed at the study Site.



Based on the findings presented above, it is GZA's opinion that we have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-05 of the 933 East Second Street property in Boston, Massachusetts. Any exceptions to, or deletions from, this practice are described in Section 1.00 of this report. This assessment did not identify any Recognized Environmental Conditions in connection with the property.

11.30 CONSTRUCTION RELATED CONCERNS

Investigations in the area of the study Site have encountered urban fill materials. Urban fill is likely present at the study Site. The removal of urban fill materials from the study Site may result in premium disposal costs.

Based on the assumed groundwater flow direction, the possibility exists for the existing confirmed groundwater contamination to reach the study Site. If greater certainty is needed regarding environmental conditions at the Site, a Phase II investigation consisting of soil borings, the installation of monitoring wells and the analyses of soil and groundwater samples can be conducted. In addition, soil vapor studies can be completed to evaluate vapor intrusion into the building.

If petroleum-impacted soil or groundwater should be encountered on the 933 East Second Street study Site during future excavation activities, the study Site owner may be eligible to file a Downgradient Property Status Submittal to the MassDEP in accordance with 310 CMR 40.0180. In addition, M.G.L. c. 21E Section 5D provides downgradient property owners with limited relief from liability related to oil or hazardous material releases that have migrated onto their property from an up gradient source.



12.00 LIMITATIONS



GZA's site assessment was performed in accordance with generally accepted practices of other consultants undertaking similar studies at the same time and in the same geographical area, and GZA observed the degree of care and skill generally exercised by other consultants under similar circumstances and conditions. GZA's findings and conclusions must be considered not as scientific certainties, but rather as our professional opinion concerning the significance of the limited data gathered during the course of the environmental site assessment. No other warranty, express or implied, is made. Specifically, GZA does not and cannot represent that the Site contains no hazardous material, oil or other latent condition beyond that observed by GZA during its site assessment. ASTM Standard Practice 1527-05 states that certain inquiries conducted as part of this assessment are considered valid for 180 days from the date they were conducted. These inquiries include the interviews, searches for liens and the environmental database reviews. This report is also subject to the specific limitations contained in Appendix A.

It should be noted that when an assessment is completed without subsurface explorations and chemical screening of soil and groundwater beneath the site, no data can be generated regarding latent subsurface conditions which may be the result of on-site or off-site sources.

This study and report have been prepared on behalf of and for the exclusive use of Esquire Realty Trust and McCourt Construction, solely for use in an environmental assessment of the Site. However, GZA acknowledges and agrees that the Report may be conveyed to the Lender associated with the proximate Financing to the extent set forth in our signed proposal dated May 4, 2011. Such parties' reliance upon the report shall be subject to all the Limitations, Terms and Conditions contained in the report. Any Reliance extended will be only for the duration of time that the report is considered valid by ASTM. GZA's aggregate Liability to all parties who may come to rely upon the report is limited to the amount set forth in the Terms and Conditions agreed to in our proposal, and is not hereby expanded. Client acknowledges and agrees that reliance upon the report and the findings in the report by any other party, or for any other purpose, shall be at that party's sole risk and without any liability to GZA.

13.00 ENVIRONMENTAL PROFESSIONAL STATEMENT

I declare, to the best of my professional knowledge and belief, that I meet the definition of Environmental Professional as defined in §312.10 of 40 CFR 12; that 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; and that I have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR 312.

The signature of the Environmental Professional (Charles D. Crealese) is contained on the cover page of this report. Environmental Professional Qualifications are attached in Appendix I.

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