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21 July 2006

Dr. Arthur Heath
Section Chief, Remediation Division
California Regional Water Quality Control Board,
Los Angeles Region
320 West 4th Street, Suite 200
Los Angeles, CA 90013

Subject: Application for Oversight Agency Selection;
Hollywood Park, 1050 South Prairie Avenue, Inglewood, California
(EKI A50015.01)

Dear Mr. Heath:

On behalf of Hollywood Park Land Company, LLC ("HPLC"), Erler & Kalinowski, Inc. ("EKI") is pleased to present this application for your use in selection of the oversight regulatory agency for soil and groundwater conditions on the approximate 238-acre Hollywood Park racetrack property located at 1050 South Prairie Avenue, Inglewood, California (the "Site"). The Site, current occupied by a commercial horse racetrack operation and casino, was purchased from Churchill Downs by HPLC in September 2005. HPLC, as current Site owner and operator, is seeking regulatory agency oversight and closure of potential environmental issues related to soil and groundwater conditions that were identified during due diligence conducted prior to the property acquisition. HPLC plans to continue current racetrack and casino operations at the Site for the next few years; however, land use changes may occur in the future.

This letter and enclosed information were prepared by EKI in accordance with our understanding of the initial information that is required for selection of an environmental oversight agency under *Memorandum of Agreement Between the Department of Toxic Substances Control and the State Water Resources Control Board and the Regional Water Quality Control Boards and the California Environmental Protection Agency for the Oversight and Investigation and Cleanup Activities at Brownfield Sites*, dated 1 March 2005 (the "MOA"). As background information to aid your consideration of this application, this letter also provides a brief summary of available Site information and its current land uses.

Enclosed with this letter are the following:

- Attachment A: Completed "Request for Oversight of a Brownfield Site" form (i.e., Attachment 2 of the MOA) that provides brief responses to the specific

questions and brief summaries of available information regarding characterization of the Site; and

- Attachment B: Information Needed for Oversight Agency Selection (i.e., Attachment 3 of the MOA), which includes:

  1) Handout entitled *LARWQCB Meeting Presentation, Overview of Phase II Investigations, Hollywood Park Racetrack, 1050 S. Prairie Avenue, Inglewood, California*, prepared by EKI and presented to the LARWQCB at our meeting on 1 June 2006; and
  2) *Phase I Environmental Site Assessment and Limited Compliance Assessment, Hollywood Park, Inglewood, California*, by ENVIRON International Corporation, dated 11 April 2005.

Consistent with the protocols of the MOA and on the basis of information presented herein, HPLC hereby requests that the California Regional Water Quality Control Board, Los Angeles Region ("LARWQCB") be the designated environmental oversight agency for identified soil and groundwater issues at Hollywood Park.

SUMMARY OF PHASE I ESA FINDINGS

In April 2005, on behalf of Churchill Downs, ENVIRON completed a Phase I Environmental Site Assessment ("ESA") for the Site. ENVIRON's Phase I ESA observations and findings, as well as additional areas of potential environmental concerns identified by EKI, are summarized below. Figures showing the approximate locations of these areas of potential concern are presented in Attachment B. The Site has not been used for industrial manufacturing, has bee developed as a horse racing track since 1938, and still consists largely of open space for the racetracks and parking; however, the following areas of the Site related to the noted past land uses were identified for evaluation during the due diligence process:

- Dry cleaning operations formerly occurred in the northern portion of the Grandstand Building. Tetrachloroethylene ("PCE") was identified in soil beneath the Former Dry Cleaning Area.

- A groundwater contaminant plume containing benzene and tert butyl alcohol ("TBA") is migrating onto the Site from the Former Cypress Fee Site, which is a former oil field and gasoline refining site located adjacent to the Site. The plume is currently being monitored by Chevron Texaco under an order issued by the LARWQCB (File No. 87-14, Compliance File 6820, Order No. 88-49, dated 25 April 1998).

- The Current Vehicle Maintenance Area, located southeast of the Main Track, has been in use since approximately 1984. Chemicals used and stored at this facility include fuel in underground tanks, new and used oil storage, and miscellaneous solvent storage. Fuel-related compounds have been detected in shallow soil in this area.

- A Former Track Maintenance Area was formerly located in the southern portion of the current track infield. One or more underground fuel storage tanks may have existed in this area.

- A Former Oil Well and Impoundment Area was identified in the northern east-central portion of the Site near the Training Track.

- A Print Room located in the Grandstand building was used for many decades for printing of materials such as race programs and photoprocessing. Staining of the floor surface of the Print Room was observed by ENVIRON and EKI.

- The northern and eastern portions of the Site were part of a former oil production field (part of the Potrero Oil Field). Six former oil well locations have been mapped on the Site. Methane in the subsurface was identified as a potential environmental concern during the due diligence process.

- Prior to purchase of the Site by HPLC, storm water sediments from Jensen Boxes located in the stable area were being placed in shallow pits adjacent to the Training Track as part of operations and maintenance of the Site's storm water system. Possible impacts to the subsurface from the disposal practice was identified as a potential concern.

- Given the long-term historical use of the Site as a horse racetrack and given the location of the Site in a predominantly commercial area of Inglewood, possible impacts to groundwater from both long-term on-Site uses and off-Site uses (e.g., resulting from the dry cleaners and gas stations in the general vicinity of the Site) were a concern; however, no major industrial activities or related releases were identified on or in proximity to the Site. The Former Cypress Fee Site is the most significant nearby land use and known source of groundwater impact.

The areas of potential concern on the Site as listed above were investigated by EKI in 2005, as part of Phase II investigations conducted on behalf of HPLC during the pre-purchase environmental due diligence process. The results of the Phase II investigations are briefly summarized herein and in Attachment B.

ENVIRON and EKI investigated the following additional areas on the Site as part of the Phase II and environmental due diligence by HPLC:

- Former Triangle Waste Storage Area located northeast of the Main Track;
- Soils in the Stable Area; and
- Soils associated with the Main Track and Training Track.

EKI collected environmental samples in these areas, the results of which are also summarized in Attachment B. No potentially significant environmental concerns were identified.

SUMMARY OF PHASE II SUBSURFACE INVESTIGATION RESULTS

The results of soil and groundwater sampling conducted on the Site by EKI indicate that soil and groundwater at some locations on the Site contain low but measurable residual concentrations of organic compounds, some above California EPA Department of Toxic Substances Control ("DTSC") Human Health Screening Levels ("CHHSLs") for commercial sites (Cal EPA, 2005) or California Maximum Contaminant Levels ("MCLs"), respectively. These compounds include PCE, benzene, total petroleum hydrocarbons ("TPH"), antimony, arsenic, methyl-tertiary butyl ether ("MTBE"), methane, nitrate, perchlorate, and TBA. Maximum detected concentrations of these compounds in soil, soil vapor, and groundwater are shown in Attachment A (Attachment 2 to the 1 March 2005 Memorandum of Agreement). These Phase II ESA data are summarized briefly below for area of potential concern.

Former Dry Cleaning Area

Results of Soil Samples

PCE was detected in soil samples collected in the Former Dry Cleaning Area at concentrations up to 2.1 milligrams per kilogram ("mg/kg"). Two out of 23 soil samples exceeded the commercial CHHSL established at 0.110 micrograms per kilogram ("µg/kg").

Results of Soil Vapor Samples

PCE was detected in five out of eight soil vapor samples collected in and around the Former Dry Cleaning Area at concentrations above the commercial CHHSL established at 603 micrograms per cubic meter ("$\mu g/m^3$").

Results of Grab Groundwater Samples

PCE was detected in a grab groundwater sample collected from a borehole advanced near the Former Dry Cleaning Area at a concentration of 5.8 micrograms per liter ("µg/L"), which exceeds slightly the California MCL of 5 µg/L.

Cypress Fee Groundwater Contaminant Plumes

Benzene was detected in groundwater samples recently collected by others from Chevron's monitoring wells located on the Site. Benzene is currently detected at concentrations above its California MCL, which is 1 µg/L. TBA was detected in groundwater samples collected from monitoring wells located on the Site at concentrations above its California Notification Level, which is 12 µg/L.

Benzene was also detected in three soil vapor samples collected at locations above the Cypress Fee Site benzene/TBA groundwater plume at concentrations ranging from 139 $\mu g/m^3$ to 12,600 $\mu g/m^3$. These concentrations exceed the soil gas CHHSLs for both commercial/industrial and residential land use. Other chemicals detected in soil vapor samples above the Cypress Fee Site groundwater plume include 1,2-dichloroethane ("1,2-DCA"), chloroform, ethylbenzene, toluene, xylenes, and dichlorodifluoromethane ("Freon 12").

These groundwater plumes in the northeastern area of the Site are currently being monitored by Chevron, the responsible party, under Order from the LARWQCB.

Current Vehicle Maintenance Area

Results of Soil Vapor Samples

One of eight samples of soil vapor collected from the Current Vehicle Maintenance Area contained PCE at a concentration of 2,100 $\mu g/m^3$ which exceeds the commercial CHHSL of 603 $\mu g/m^3$. Two out of eight soil vapor samples contained benzene at concentrations above the commercial CHHSL of 122 $\mu g/m^3$.

Former Track Maintenance Area

Results of Soil Vapor Samples

Two out of eight soil vapor samples collected from the Former Track Maintenance Area contained PCE at concentrations above the commercial CHHSL of 603 $\mu g/m^3$.

Former Oil Wells and Impoundment Area

Results of Soil Samples

TPH was detected at concentrations up to 1,700 mg/kg in soil samples collected in and around the Former Oil Wells and Impoundment Area. However, only three of 79 soil samples collected in this area exceeded LARWQCB screening levels. Arsenic was the only metal detected above one or more of the selected regulatory screening levels in soil

samples collected from this area. The maximum detected concentration of arsenic was 18.7 mg/kg.

Results of Soil Vapor Samples

Benzene was detected in one of two samples of soil vapor from the Former Oil Wells and Impoundment Area at a concentration of 537 $\mu g/m^3$ which exceeds the DTSC CHHSL of 122 $\mu g/m^3$.

Results of Groundwater Samples

A groundwater sample collected from a borehole drilled in the Former Oil Wells and Impoundment Area contained antimony at a concentration slightly above the MCL of 6 µg/L. Low levels of petroleum hydrocarbons (i.e., 67 µg/L) were also detected in the groundwater sample from this location.

Print Room

EKI collected a sample of shallow soil beneath an area of floor surface staining within the Print Room. The soil sample contained arsenic at a concentration of 21.6 mg/kg. Two additional soil samples collected in the Print Room contained arsenic at a concentration of approximately 2.4 mg/kg. No volatile organic compound ("VOCs") or non-methane hydrocarbons were detected in any of the four soil vapor samples collected by EKI in the Print Room.

Former Oil Field – Potential Methane Issues

Eight of approximately 60 soil gas samples collected from the former Potrero Oil Field area on the Site contained methane at concentrations above 1,000 parts per million by volume ("ppmv"). Seven of those sample locations were located near buried natural gas lines; thus, ENVIRON and EKI suspected natural gas leakage from the gas lines to be the source for the methane. Repairs of the natural gas lines have reportedly been conducted by Hollywood Park.

Storm Water Sediment Area

Prior to acquisition of the Site by HPLC, storm water sediments collected in Jensen Boxes in near the Stable Area were deposited in pits located near the Training Track. This practice was performed as part of operation and maintenance of the Site's storm water system under the Site's National Pollutant Discharge Elimination System ("NPDES") permit. EKI noted strong biological waste decomposition odors at the pits. Samples of soil beneath the pits contained detectable concentrations of nitrates, ammonia, total organic nitrogen, and petroleum hydrocarbons. The analytical data from the waste pit sampling were provided to the LARWQCB staff. EKI understands that the results of

the sampling are being reviewed by Mr. Mazhar Ali in the Storm Water Permitting Unit and Mr. Rod Nelson in the Land Disposal Section of the LARWQCB. EKI also understands that the Site's NPDES permit renewal has just been approved by the LARWQCB.

Groundwater

Samples of grab groundwater were collected from six boreholes placed in various areas of the Site, including those mentioned above. On the western portion of the Site, nitrate (as N) was detected in groundwater at concentrations up to 17,000 µg/L in 4 of 4 sampling locations. Perchlorate was detected in grab groundwater samples collected from 2 of 3 locations on the western portion of the Site, at a maximum concentration of 11 µg/L. Other than the detectable results for individual chemicals of concern noted for each area above, the grab groundwater sampling at the Site did not indicate significant concentrations of chemicals of concern; see Attachment A for additional information on the groundwater analyses performed and the results.

OVERSIGHT AGENCY SELECTION FACTORS

This section contains Site information pertinent to the agency selection criteria listed in Attachment 1 of the MOA.

Potential Long-Term Involvement By Regulatory Agency

The Site area is approximately 238 acres in size and is currently occupied by the Hollywood Park Racetrack and Casino, which is an active and operating commercial facility. The Site will continue its operations as a racetrack and casino. The LARWQCB currently regulates storm water at the Site under a NPDES permit and conducts associated site inspections. The LARWQCB is also the lead regulatory agency of the adjacent Cypress Fee groundwater contamination plume, which is migrating onto the Site in the northeastern area of the Site. Regulatory agency oversight and assistance are needed to obtain closure of subsurface environmental conditions identified during limited Phase II investigations and to continue to provide assistance with permitting and compliance of the existing commercial operations. The LARWQCB has oversight experience with both short-term soil remediation and longer-term groundwater investigation and remediation programs at comparable properties in the greater Los Angeles area, including the nearby Los Angeles International Airport.

Technical Expertise of Regulatory Agency

One of the oversight agency selection factors listed in Attachment 1 of the MOA includes the technical capability of the oversight agency to oversee the remediation and future site

development. Site information pertinent to the MOA selection criteria is discussed below.

Potential Risks Posed by the Discharge

The risks posed by the presence of chemicals of concern detected in soil and groundwater in localized areas on the Site, e.g., PCE, benzene, and TPH, include potential exposures to on-site commercial workers, construction workers during earthwork construction, future landscape or other maintenance workers during subsurface repairs, and possibly future residents, should future development of the Site occur.

The DTSC and the LARWQCB are both experienced in the oversight of investigations and remediation, if needed, involving these chemicals in soil and groundwater.

Type of Chemical Compounds Present on-Site

As discussed above and as shown in Attachment B, the primary constituents detected in soil and soil vapor in the Former Dry Cleaning Area at the Site include PCE and its breakdown products, trichloroethene ("TCE") and cis-1,2-dichloroethene ("cis-1,2-DCE"). Chemicals detected in other areas of the Site above screening levels include benzene, TPH, antimony, arsenic, MTBE, methane, nitrate, perchlorate, and TBA.

Level of Community Interest

At this time, the level of community interest that will be created by the environmental activities at the Site is unknown. However, these activities are not anticipated to be controversial, as the residual chemicals occurring in the Former Dry Cleaning Area and other portions of the Site are at relatively low levels and do not appear to be migrating off the Site. Given the large size of the Site, residential areas are not in proximity of these on-Site areas of concern, except in the northeastern area of the Site where residential development recently occurred within the former Cypress Fee site. The DTSC and the LARWQCB are both experienced with public participation processes, if needed.

Probable Soil Management Measures that will be Required

On behalf of HPLC, EKI plans to prepare a Work Plan for remediation of the PCE in soil in the Former Dry Cleaning Area and a submittal to transmit the Phase II analytical data to the oversight agency for review. A Soil Management Plan ("SMP") will be prepared that will provide a decision framework and protocols to manage detected residual chemicals in soil and groundwater on the Site, where needed, in a manner that is consistent with current Site use and future planned development, if any, and that is protective of human health and the environment, including water quality. The SMP will

include 1) risk management protocols to be implemented during Site subsurface construction or earth-moving activities, and 2) risk management protocols for mitigation of long-term risks potentially associated with use, occupancy, repairs or maintenance activities on the Site.

The DTSC and the LARWQCB are both experienced in the oversight of remedial programs involving these soil management plans and procedures.

Agency with More Appropriate Regulatory Mechanism for Achieving Site Cleanup

Both the DTSC and LARWQCB have the appropriate regulatory mechanisms for achieving cleanup at the Site consistent with current and future land uses.

Agency with Previous Involvement with Site or other Sites in Area

As discussed above, the LARWQCB has previous and ongoing regulatory agency involvement with the Site, whereas the DTSC does not. Due to this existing familiarity with the site, the LARWQCB reviewed HPLC's overview of Phase II ESA results for the Site during a meeting on 1 June 2006. LARWQCB has indicated that it is prepared to assist HPLC with reviewing the environmental conditions and planned remedial actions in the Former Dry Cleaning Area of the Site. The LARWQCB has been involved in numerous dry cleaner PCE-release sites in the greater Los Angeles area for many years. Additionally, the LARWQCB, under an existing Order, is currently providing oversight for the TPH constituent and benzene contaminant plumes migrating onto the Site from the adjacent Cypress Fee site.

Current Land Use at the Site

The Site is currently occupied by the Hollywood Park Racetrack and Casino. Site facilities include a main horse racetrack, Grandstand Building and clubhouse, the Pavilion/Casino Building, horse training or practice track, horse stable area, equine hospital, track and vehicle maintenance facilities, and associated large paved parking and landscaped areas. HPLC plans to continue operations of the Site as a horse racetrack and casino at this time.

Potentially Sensitive Water Resources or Habitats

The Site is located within the West Coast Groundwater Basin. Groundwater beneath the Site is considered to be a drinking water resource.

ADDITIONAL CONSIDERATIONS

Available Agency Staff Resources to Oversee the Site Activities

During the 1 June 2006 meeting, LARWQCB staff stated that the LARWQCB currently has sufficient resources available to provide oversight services for Hollywood Park, in addition to the LARWQCB staff already involved in the Site's NPDES permit program.

Applicant's History with and Preference for Oversight Regulatory Agency

As stated above, HPLC has expressed a preference to work with the LARWQCB to review the environmental conditions and potential for groundwater impact in the Former Dry Cleaning Area and other portions of the Site, based on the LARWQCB's prior assistance with permitting and storm water system review, and its overall familiarity with the Site and its current operations.

If you have any questions regarding the information presented above or in the attachments, please do not hesitate to contact us.

Very truly yours,

ERLER & KALINOWSKI, INC.

Jami Striegel Orloff

Jami Striegel Orloff, P.E.
Project Manager

Thomas W. Kalinowski

Thomas W. Kalinowski, Sc.D.
Vice President

Attachments:

Attachment A: *Request for Oversight of a Brownfield Site* (Attachment 2 to the 1 March 2005 Memorandum of Agreement)

Attachment B: Site Information Needed for Oversight Agency Selection (Attachment 3 to the 1 March 2005 Memorandum of Agreement), including:

LARWQCB Meeting Presentation, Overview of Phase II Investigations, Hollywood Park Racetrack, 1050 S. Prairie Avenue, Inglewood, California, presented by EKI to LARWQCB on 1 June 2006; and

Phase I Environmental Site Assessment and Limited Compliance Assessment, Hollywood Park, Inglewood, California by ENVIRON International Corporation, dated 11 April 2005.

cc: Darren Drake (Stockbridge Capital Partners)
Janice Thacher (Wilson Meany Sullivan)
Douglas Moreland (Wilson Meany Sullivan)
Lisa Setterfield (Wilson Meany Sullivan)
Alan Bick (Gibson, Dunn & Crutcher, LLP)

For Office Use Only
Form Received by:
☐ Regional Board #___
☐ DTSC
☐ State Board
☐ Cal/EPA

Attachment A
Request for Oversight of a Brownfield Site
(Attachment 2 to the 1 March 2005 Memorandum of Agreement)

The purpose of this form is to provide the Department of Toxic Substances Control and the Regional Water Quality Control Board sufficient information to determine which agency should provide oversight for the assessment or remediation of the project. This form is to be accompanied by site information described in Attachment 3 (see EKI Attachment B).

A request for Oversight of a Brownfield Site may be submitted by any person, regardless of their relationship to the site. However, the person requesting oversight must possess all necessary rights and access to the site so that they may carry out any and all activities that the oversight agency may require in making its regulatory decision.

Site Name and other names by which the site is known: Hollywood Park Racetrack

Submitted by: Erler & Kalinowski, Inc. on behalf of
Hollywood Park Land Company, LLC

Contact Information:

Mailing address: Mr. Douglas M. Moreland
Hollywood Park Land Company, LLC
12100 Wilshire Boulevard, 8th Floor
Los Angeles, CA 90025

Phone Number: (310) 806-9592 Fax: (310) 806-9304
Email: dmoreland@wmspartners.com

Relationship to Property: (check one)
_X_current owner or operator ____ local agency ____ prospective purchaser
____ developer ____ other (please describe) _____

Site Address: 1050 South Prairie Avenue, Inglewood, California

APN Number: 4025-011-029 Lat/Long (if known): 33° 57' 02''N / 118° 20' 16''W (approximate)

Attachment A, Continued
Request for Oversight of a Brownfield Site
(Attachment 2 to the 1 March 2005 Memorandum of Agreement)

Summary Information:

I. Evidence that a hazardous material release or discharge occurred:

During property transaction-related due diligence investigations, Erler & Kalinowski, Inc. ("EKI") investigated possible areas of concern identified in the ENVIRON 2005 Phase I Environmental Site Assessment report, as well as additional areas of potential environmental concern identified by EKI based on review of available information and site reconnaissance. No potentially significant environmental concerns were identified in the Former Triangle Waste Storage Area, soils in the Stable Area, or soils associated with the Main Track and Training Track. The maximum concentrations of detected chemicals are listed below for each localized area of concern identified on the Site, based on available site investigations results.

Former Dry Cleaning Area

Results of Soil Samples

- Tetrachloroethene ("PCE") 2.1 mg/kg

Results of Soil Vapor Samples

- PCE 34,000 µg/m^3
- Toluene 45 µg/m^3

Results of Grab Groundwater Samples from Temporary Boreholes

- PCE 5.8 µg/L
- Tert Butyl Alcohol ("TBA") 11 µg/L
- Total Petroleum Hydrocarbons ("TPH") 290 µg/L
- Nitrate (as Nitrogen, "N") 11,000 µg/L
- Perchlorate 11 µg/L

Unit Abbreviations:

mg/kg: milligrams per kilogram

µg/L: micrograms per liter

µg/m^3: micrograms per cubic meter

ppmv: parts per million by volume

Chevron's Cypress Fee Groundwater Plumes (currently under oversight of LARWQCB)

Results of Groundwater Samples

- Benzene and TBA were both detected in Chevron's groundwater monitoring wells on Hollywood Park property at maximum concentrations of 110 µg/L. The leading edges of the plumes may not be delineated below the Hollywood Park property.

Current Vehicle Maintenance Area

Results of Soil Samples

• Acetone	0.11 mg/kg
• Pyrene	0.057 mg/kg
• TPH	23 mg/kg

Results of Soil Vapor Samples

• PCE	2,100 µg/m^3
• Benzene	1,920 µg/m^3
• Methyl Tert Butyl Ether ("MTBE")	5,300 µg/m^3
• Toluene	7,720 µg/m^3
• Xylenes	4,200 µg/m^3
• 1,1-Dichloroethene	24.3 µg/m^3
• trans-1,2-Dichloroethene	66.5 µg/m^3
• cis-1,2-Dichloroethene	236 µg/m^3
• Trichloroethene	248 µg/m^3
• Tetrachloroethene	275 µg/m^3
• Ethylbenzene	655 µg/m^3
• Xylenes	2,630 µg/m^3
• 1,2,4-Trimethylbenzene	27.8 µg/m^3

Former Track Maintenance Area

Results of Soil Samples

• PCE	0.0021 mg/kg
• Benzene	0.017 mg/kg

Results of Soil Vapor Samples

• PCE	2,330 µg/m^3
• Benzene	77.5 µg/m^3
• Methylene chloride	12.3 µg/m^3
• Chloroform	16.5 µg/m^3
• Toluene	335 µg/m^3
• Ethylbenzene	35.3 µg/m^3
• Xylenes	136.7 µg/m^3

Results of Grab Groundwater Samples

• PCE	1 µg/L
• TPH	230 µg/L
• Nitrate (as N)	1,600 µg/L

Former Oil Wells and Impoundment Area

Results of Soil Samples

• TPH	1,700 mg/kg
• n-Butylbenzene	0.017 mg/kg
• sec-Butylbenzene	0.19 mg/kg
• Isopropylbenzene	0.003 mg/kg
• Xylenes	0.0032 mg/kg
• Fluoranthene	0.074 mg/kg
• Phenanthrene	0.07 mg/kg
• Arsenic	18.7 mg/kg
• Barium	2,320 mg/kg

Results of Soil Vapor Samples

• Benzene	537 $\mu g/m^3$
• Toluene	372 $\mu g/m^3$
• Ethylbenzene	3,030 $\mu g/m^3$
• Xylenes	1,710 $\mu g/m^3$

Results of Grab Groundwater Samples

• TPH	67 µg/L
• Antimony	7.39 µg/L

Print Room

Results of Soil Samples

• TPH	13 mg/kg
• Arsenic	21.6 mg/kg
• Chromium	17.8 mg/kg
• Hexavalent chromium	0.32 mg/kg

Results of Soil Vapor Samples

- No detections

Former Triangle Waste Area

Results of Soil Samples

• TPH	41 mg/kg
• Arsenic	6.22 mg/kg

Results of Soil Vapor Samples

- Toluene 1,800 µg/m^3

Stable Area and Track

Results of Soil Samples

- Nitrate (as N) 37 mg/kg
- Nitrite (as N) 1.3 mg/kg
- Ammonia 20 mg/kg
- Arsenic 1.89 mg/kg
- Chromium 5.7 mg/kg
- Selenium 0.641 mg/kg
- TPH 22 mg/kg
- Nitrate 3.8 mg/kg

Methane Sampling

Results of Soil Vapor Samples

- Methane detections of concentrations greater than 1,000 parts per million by volume ("ppmv") were detected in eight sampling locations, largely within the stable area near natural gas lines.

Storm Water Sediment Area

Results of Sludge Samples Collected from Pits

- Nitrate 1.3 mg/kg
- Ammonia 34 mg/kg
- Nitrogen 190 mg/kg
- TPH-gas 1.3 mg/kg
- TPH (full carbon chain) 94 mg/kg
- Acetone 0.430 mg/kg
- Toluene 0.110 mg/kg
- 1,4-dichlorobenzene 0.036 mg/kg

Results of Soil Vapor Samples

- Methane 25% by Mobile Laboratory
- Methane 460,000 ppmv (46%) by Summa sample
- Toluene 94,000 µg/m^3
- Non-methane hydrocarbons 63.4 ppmv

Results of Surface Water Samples

• Ammonia	51 mg/L
• Nitrogen (as N)	43 mg/L
• Fluoride	230 mg/L
• TPH-gas	230 µg/L
• TPH (full carbon chain)	13,000 µg/L
• Acetone	410 µg/L
• 2-Butanone	170 µg/L
• Carbon Disulfide	38 µg/L
• p-Isopropyltoluene	8.9 µg/L
• Toluene	30 µg/L
• 1,2,4-Trimethylbenzene	3.8 µg/
• Benzoic Acid	210 µg/L
• bis(2-ethylhexyl)phthalate	12 µg/L

Grab Groundwater Sampling

Results of Grab Groundwater Samples

• PCE	5.8 µg/L
• Antimony	7.39 µg/L
• Nitrate as N	17,000 µg/L
• Perchlorate	11 µg/L

Description of known or possible human health impact:

Low but measurable, chemical impacts to soil have been identified in several areas of the Site, as listed above; however, there are no known impacts to the Site's commercial occupants. On behalf of HPLC, EKI plans to submit a Work Plan to remediate soils impacted by PCE in the Former Dry Cleaner Area. Other areas of identified impacts to soil will be addressed through the implementation of a Soil Management Plan ("SMP"). The SMP will provide a decision framework and protocols to manage residual chemicals in soil and groundwater on the Site in a manner that is consistent with current Site use and future planned development, if any, and that is protective of human health and the environment. The SMP will include 1) risk management protocols to be implemented during Site subsurface construction or earth-moving activities, and 2) risk management protocols for mitigation of long-term risks potentially associated with use, occupancy, repairs or maintenance activities on the Site.

Description of known or possible water quality impact:

PCE, antimony, perchlorate, and nitrate have been detected in grab groundwater samples on the Site at concentrations slightly above their respective California maximum contaminant levels ("MCLs"). As indicated above, Hollywood Park Land Company, LLC ("HPLC") plans to address the PCE in the subsurface at the Former Dry Cleaner Area through active remediation. Additional investigation or research may be needed to assess validity of the detected antimony in a grab groundwater sample in the Former Oil Wells and Impoundment Area. The sources for the perchlorate and nitrate in the groundwater on the Site are unknown, but may be from off-Site.

Attachment B
Site Information Needed for Oversight Agency Selection
(Attachment 3 to the 1 March 2005 Memorandum of Agreement)

Contents:

RWQCB Meeting Presentation, Overview of Phase II Investigations, Hollywood Park Racetrack, 1050 S. Prairie Avenue, Inglewood, California
by Erler & Kalinowski, Inc., dated 1 June 2006

and

Phase I Environmental Site Assessment and Limited Compliance Assessment, Hollywood Park, Inglewood, California,
by ENVIRON International Corporation, dated 11 April 2005

RWQCB Meeting Presentation

Overview of Phase II Investigations
Hollywood Park Racetrack

1050 S. Prairie Avenue
Inglewood, California

Presented by

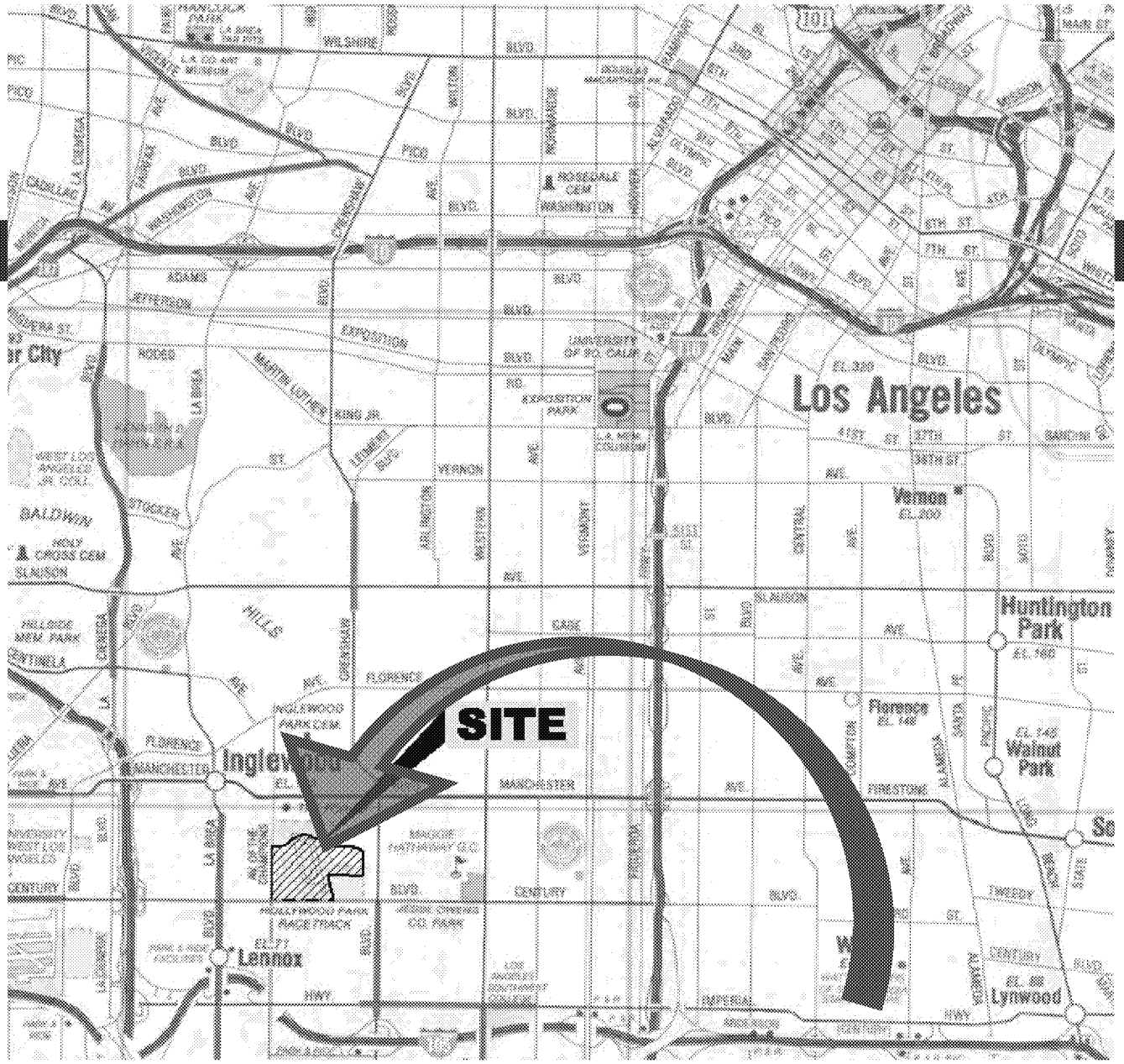
Erler & Kalinowski, Inc.

1 June 2006

Purpose of RWQCB Meeting

- Provide introduction to the Hollywood Park Racetrack property recently purchased by Hollywood Park Land Company
- Describe Phase II investigations
- Discuss Phase II investigation findings with RWQCB
  - Former Dry Cleaning Area
  - Cypress Fee Site Groundwater Plumes
  - Other Investigated Areas of Hollywood Park
- Define steps necessary to obtain any needed closure letters from RWQCB
- Begin initial steps to obtain RWQCB oversight (e.g., preparation of oversight agreement, identification of RWQCB project manager)

Location of Hollywood Park Racetrack



Location of Hollywood Park

- Inglewood, California, Los Angeles County
- 1050 South Prairie Avenue
- Bounded by:
  - Prairie Avenue on the west
  - Century Boulevard on the south
  - Commercial development to the west and south
  - Parking lot to the north
  - Former Texaco Cypress Fee site (now residential development and an RWQCB-lead site) to the north
  - Darby Memorial Park to the northeast
  - Residential property to the east

Hollywood Park Overview

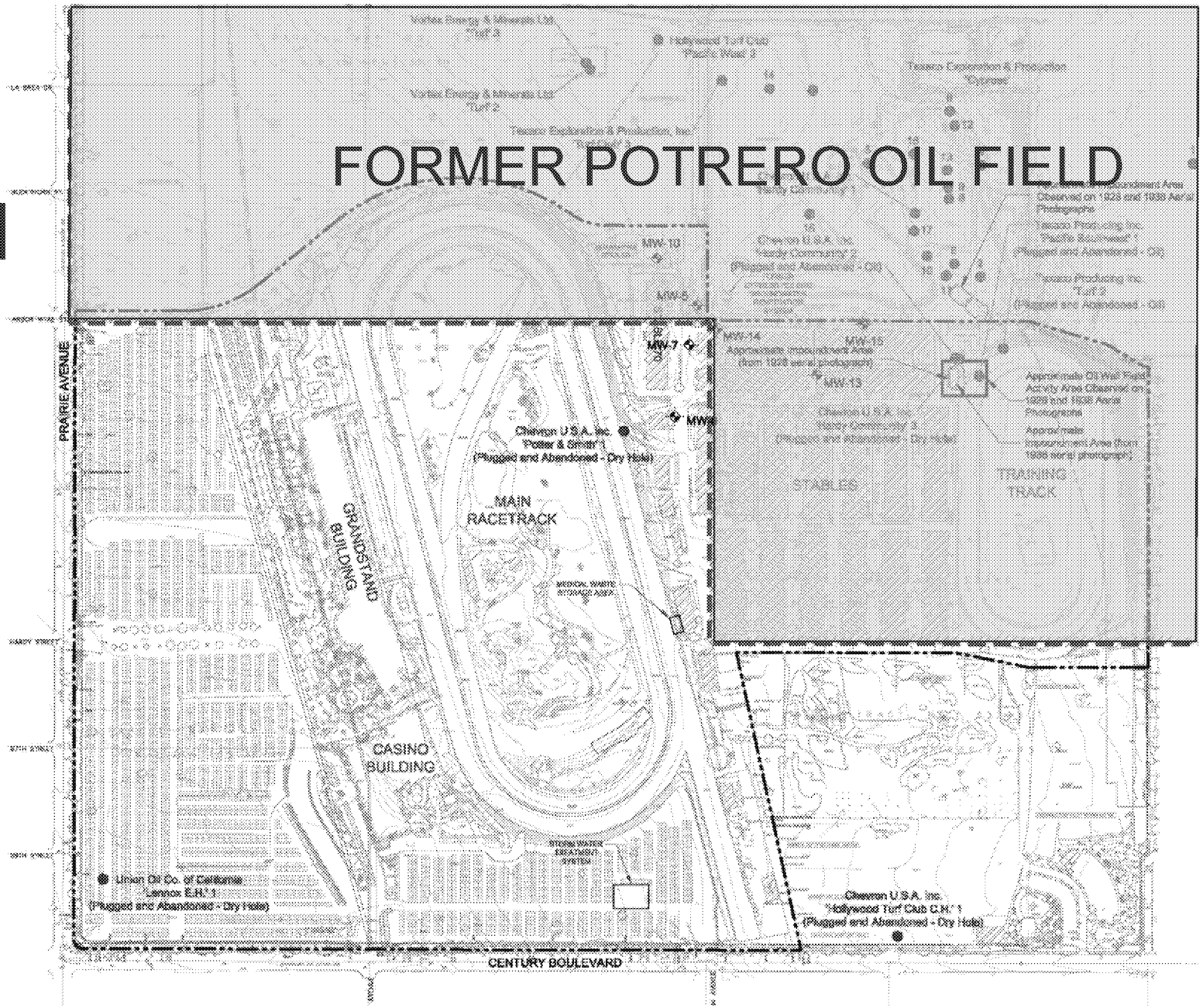
Photo Date:
29 March 2004

Hollywood Park Overview

- Property area is approximately 238 acres
- Developed as a racetrack facility in 1938
- Portions of HP Property are within the former Potrero Oil Field
- Adjacent to former Texaco-Chevron Cypress Fee site:
  - Cypress Fee site is under RWQCB Order
  - Seven Texaco-Chevron monitoring wells located on HP property
- Current facilities on HP property include main racetrack, grandstand building, pavilion/casino building, training track, stable area, equine hospital, track and vehicle maintenance facilities, paved parking and landscaped areas

Current Facilities

Former Oil Field Operations



Phase II Investigations

- Hollywood Park Land Company purchased Hollywood Park from Churchill Downs in 2005
- Environmental due diligence was conducted during the transaction
- Phase II investigations were performed by consultants for buyer and seller
- Phase II investigations included soil, soil vapor, and groundwater sampling
- Soil data screened against PRGs, CHHSLs, and Los Angeles RWQCB soil screening levels
- Soil vapor data screened against CHHSLs
- Groundwater data screened against MCLs and DHS Notification Levels

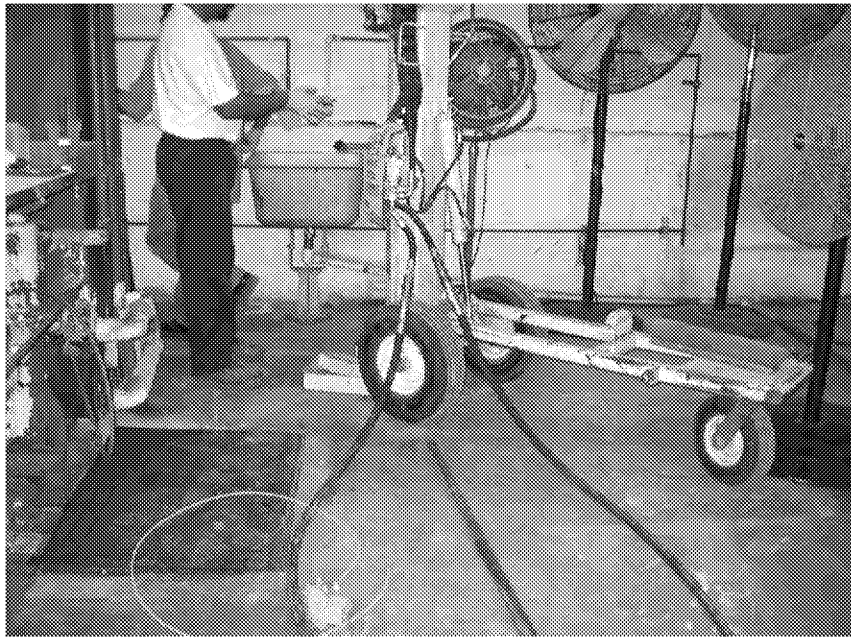
Phase II Investigations

- Former Dry Cleaning Area
- Cypress Fee Site Groundwater Plumes
- Other Investigated Areas of Hollywood Park:
  - Current Vehicle Maintenance Area
  - Former Track Maintenance Area
  - Former Oil Wells and Impoundment Area
  - Print Room
  - Former Triangle Waste Area
  - Stable Area and Track Soil
  - Methane Sampling
  - Storm Water Sediment Area
  - Groundwater Conditions

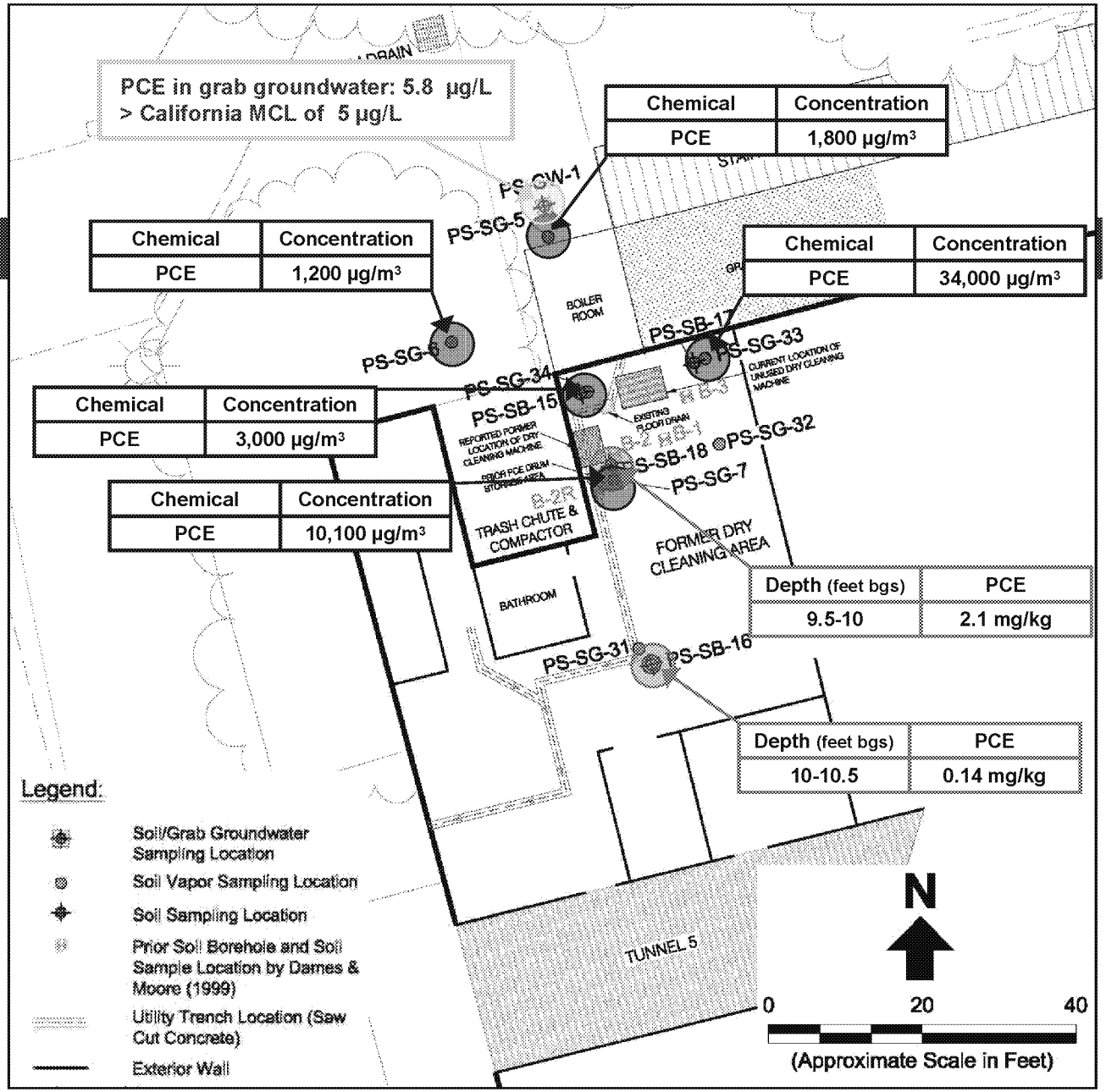
Phase II Investigation Areas

Former Dry Cleaning Area

Former Dry Cleaning Area



Former Dry Cleaning Area Sampling Locations



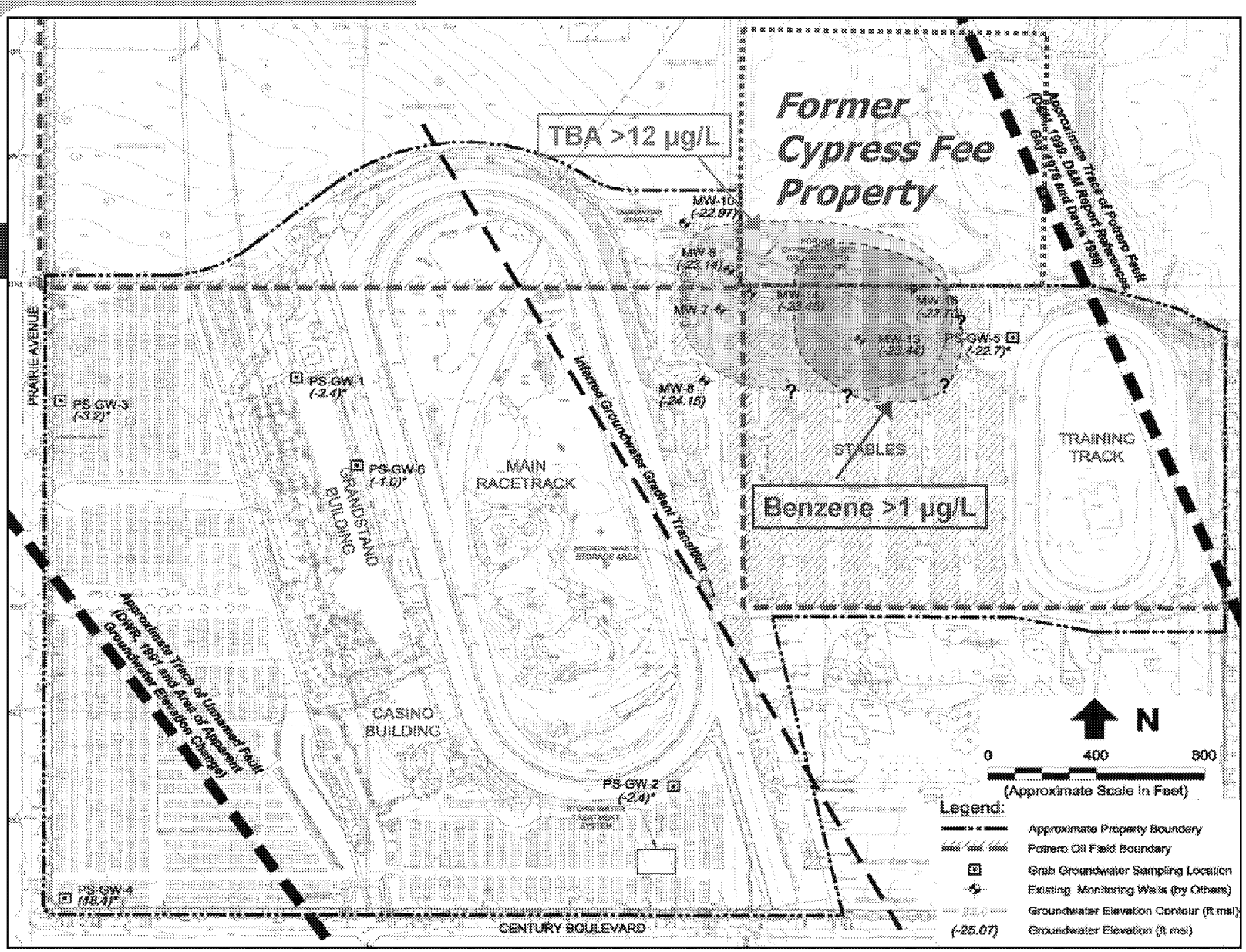
Detections in Soil Samples above LARWQCB Soil Screening Levels:

- PCE: > 0.110 mg/kg (2 of 23 samples)

Detections in Soil Vapor Samples above Commercial CHHSLs:

- PCE: > 603 µg/m³ (5 of 8 samples)

Cypress Fee Site Groundwater Plumes

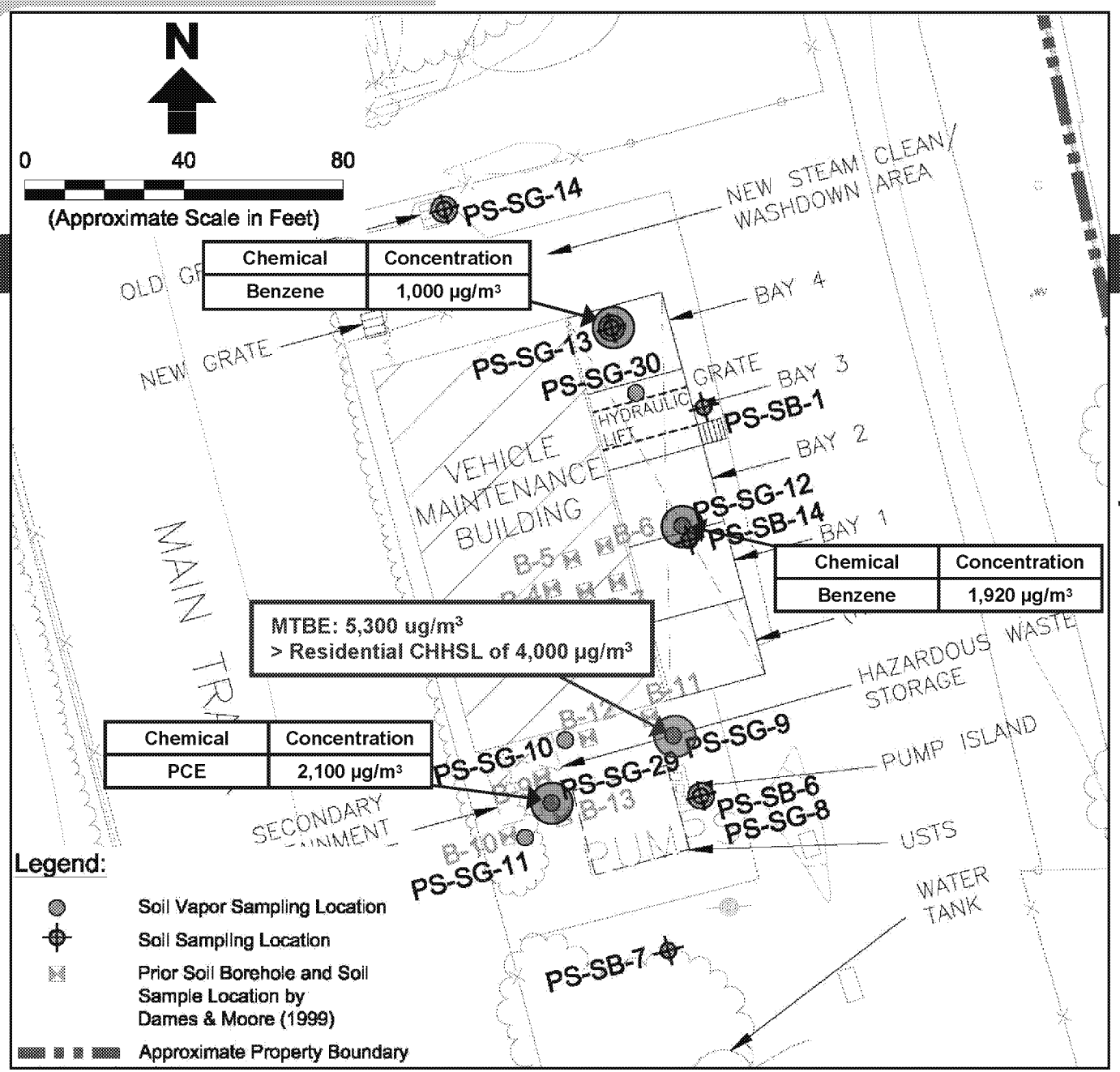


Groundwater Plumes Originating on Former Cypress Fee Property

Current Vehicle Maintenance Area

Current Vehicle Maintenance Area

Current Vehicle Maintenance Area Sampling Locations

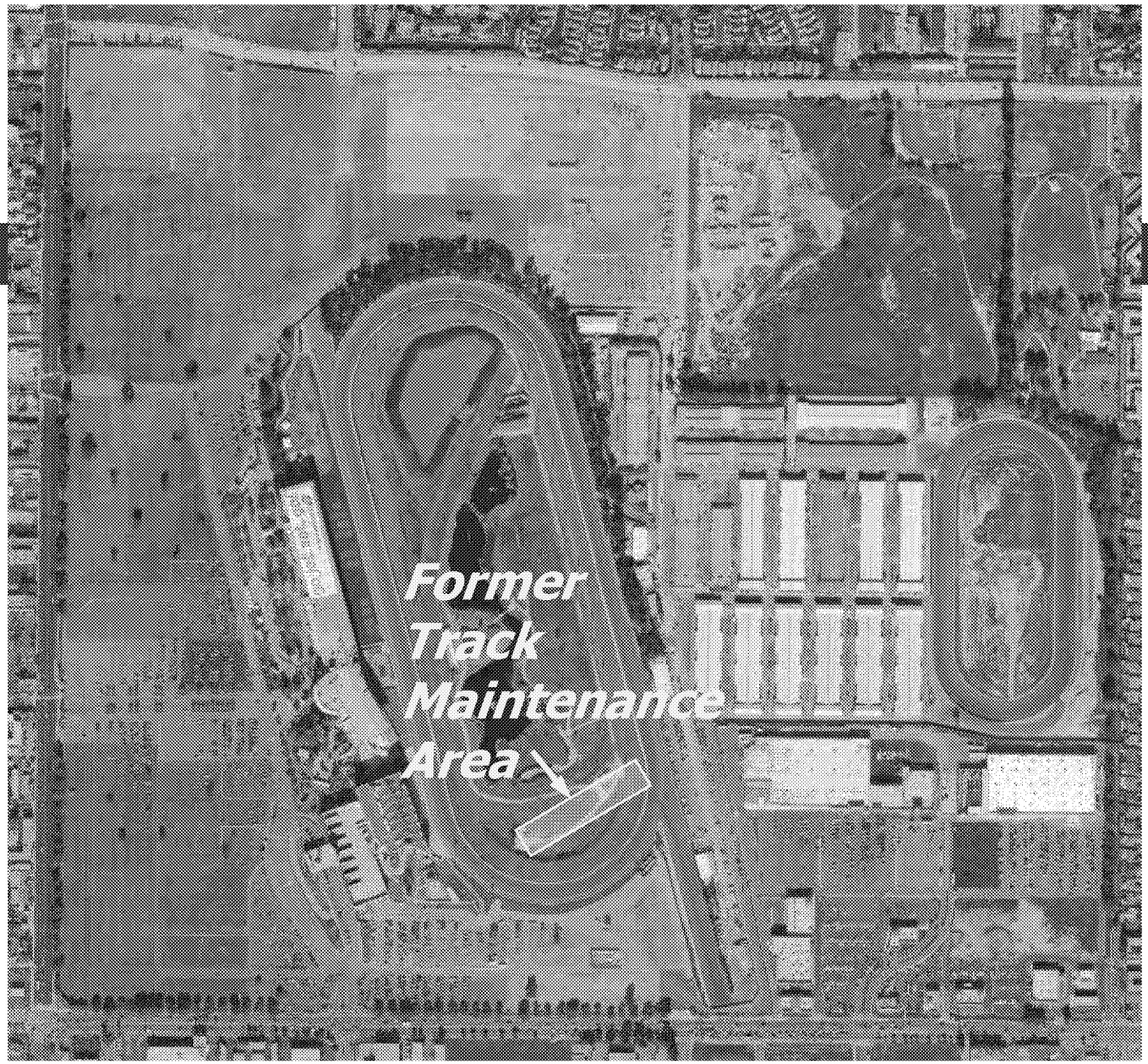


No Detections in Soil Samples above Commercial/ Industrial or Residential Screening Criteria (15 samples)

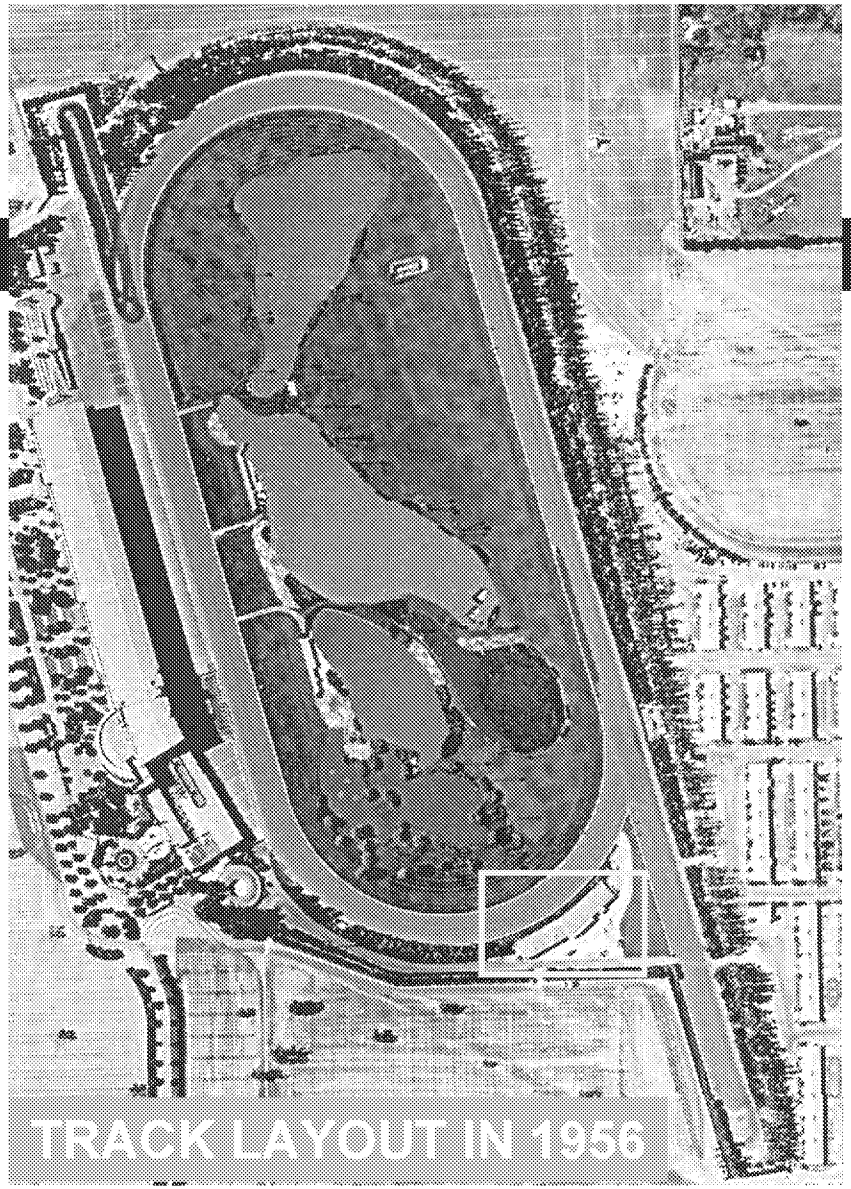
Detections in Soil Vapor Samples above Commercial CHHSLs:

- PCE: > 603 µg/m³ (1 of 8 samples)
- Benzene: > 122 µg/m³ (2 of 8 samples)

Former Track Maintenance Area



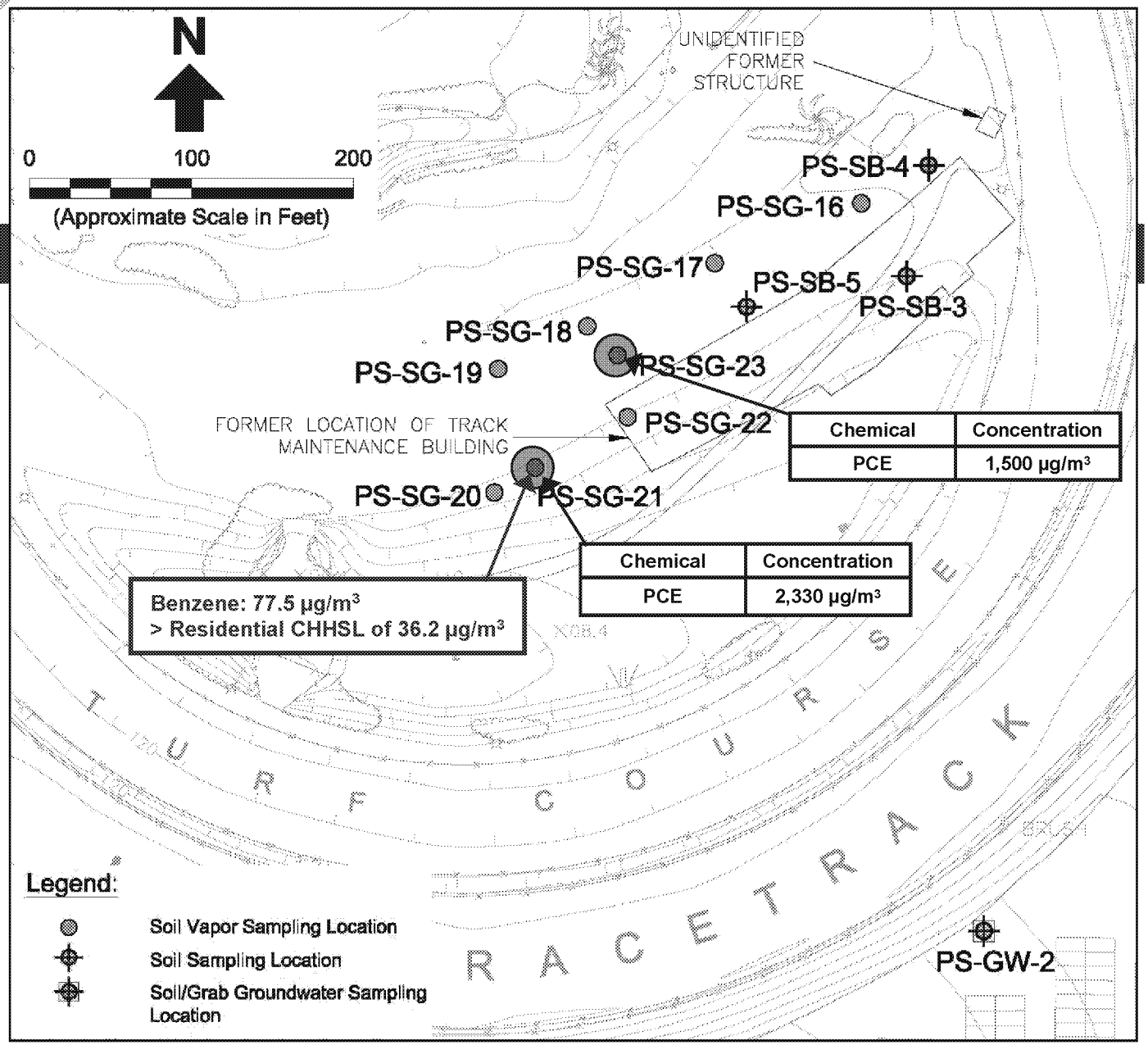
Former Track Maintenance Area



TRACK LAYOUT IN 1956

Photo Dates: July 2005

Former Track Maintenance Area Sampling Locations



No Detections in Soil Samples Above Commercial/ Industrial or Residential Screening Criteria (18 samples)

Detections in Soil Vapor Samples above Commercial CHHSLs:

- PCE: > 603 µg/m³ (2 of 8 samples)

Former Oil Wells and Impoundment Area

Former Oil Wells and Impoundment Area

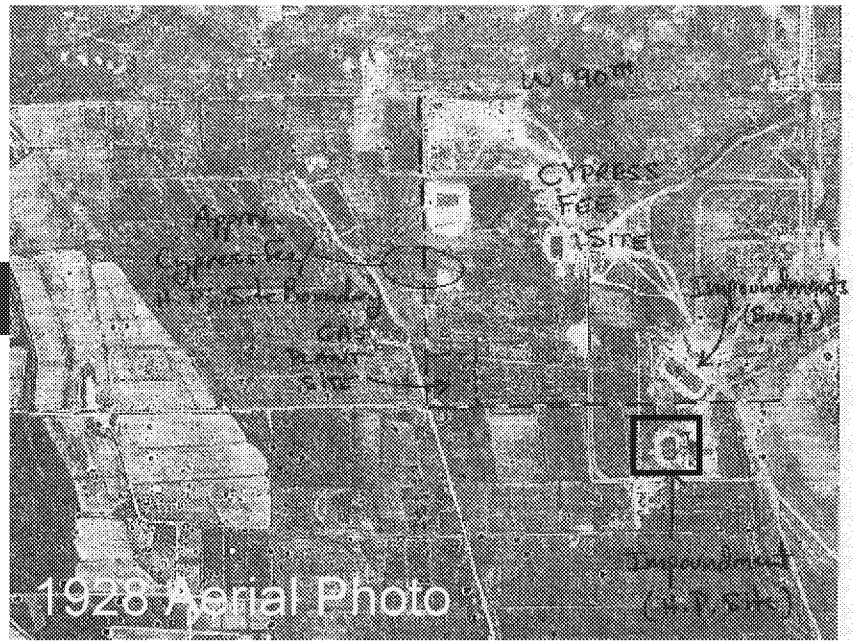
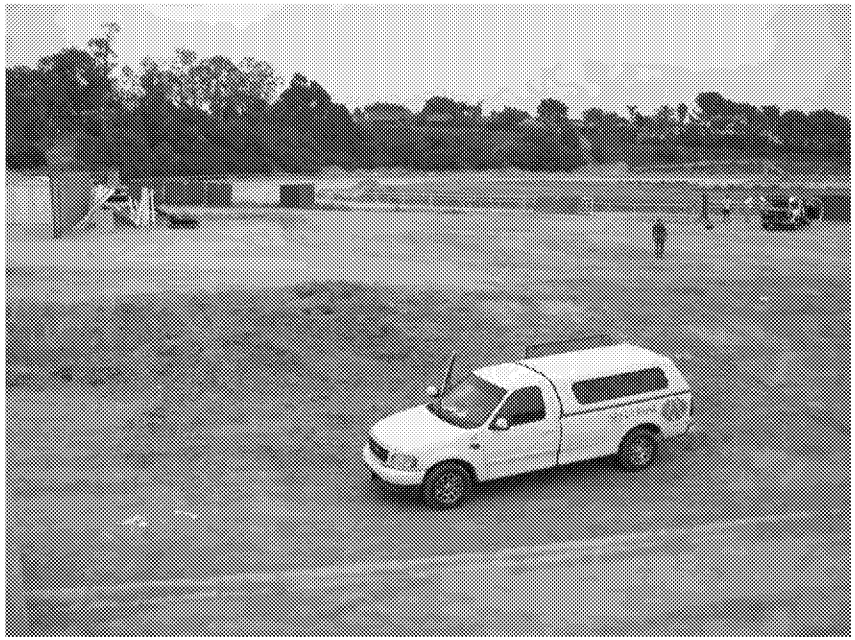
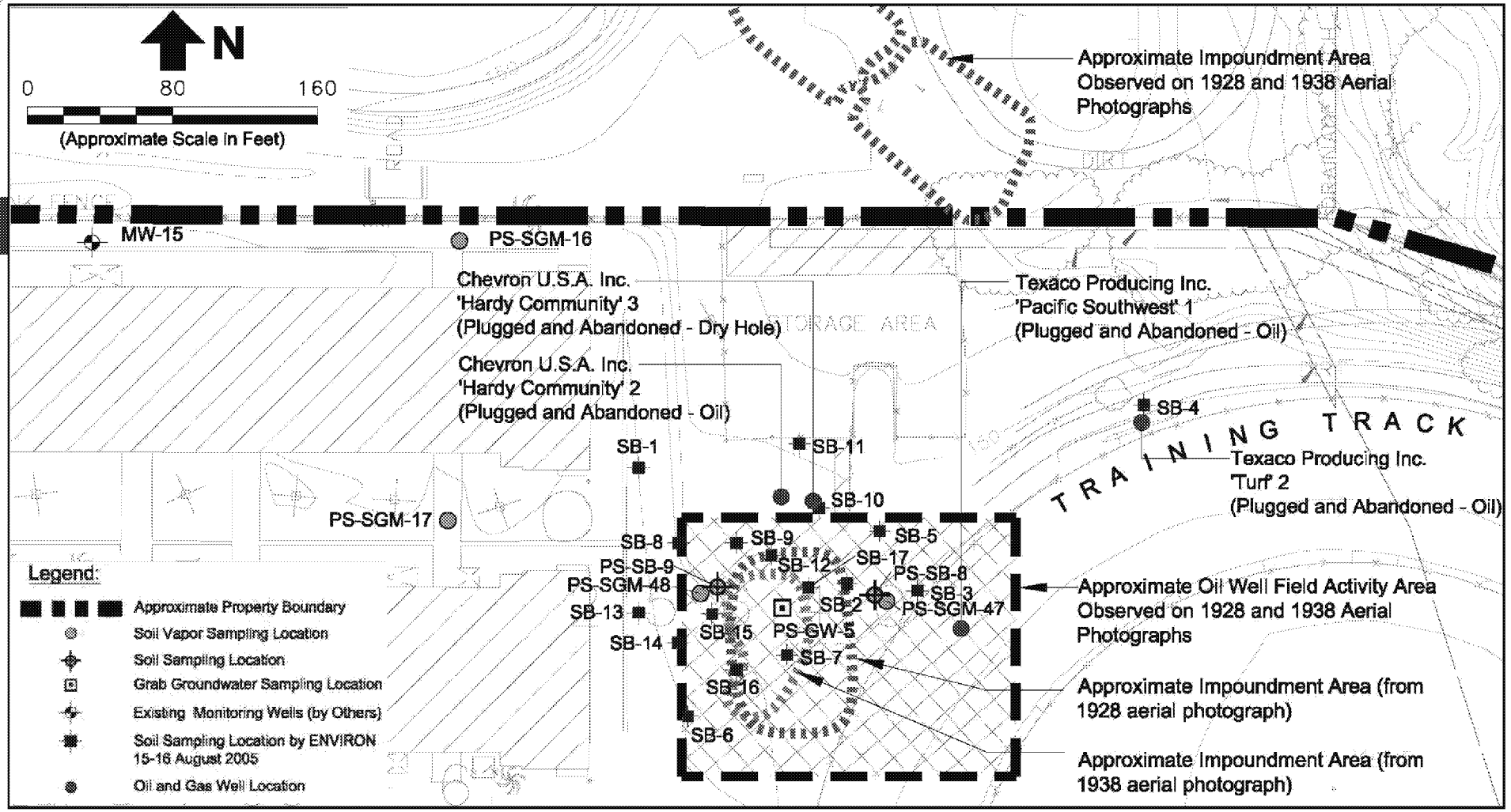

1928 Aerial Photo

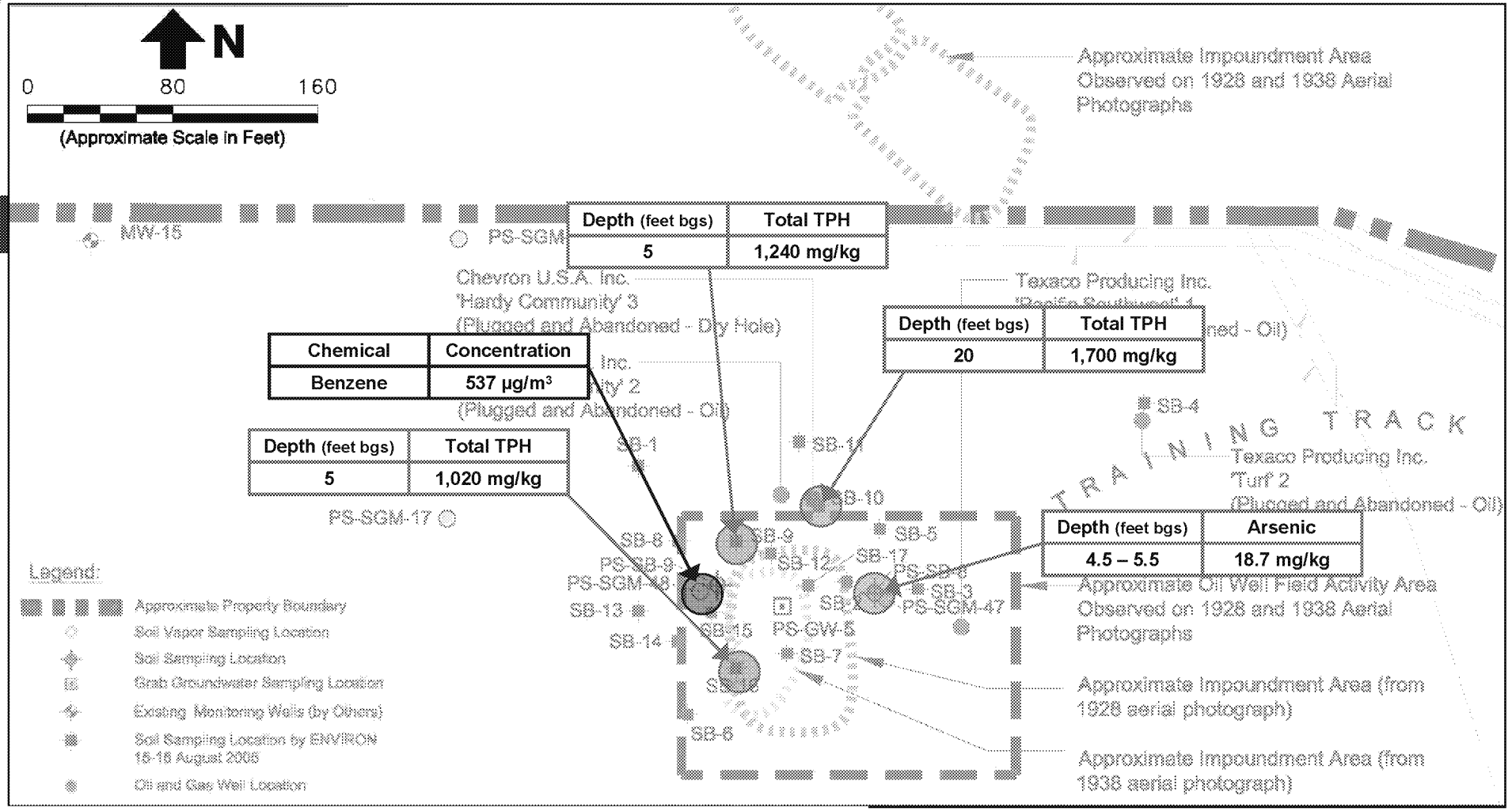

Photo Dates: June - July 2005



Former Oil Wells and Impoundment Area Sampling Locations



Former Oil Wells and Impoundment Area Sampling Locations



Detections in Soil Samples above LARWQCB Soil Screening Levels (3 of 79 samples):

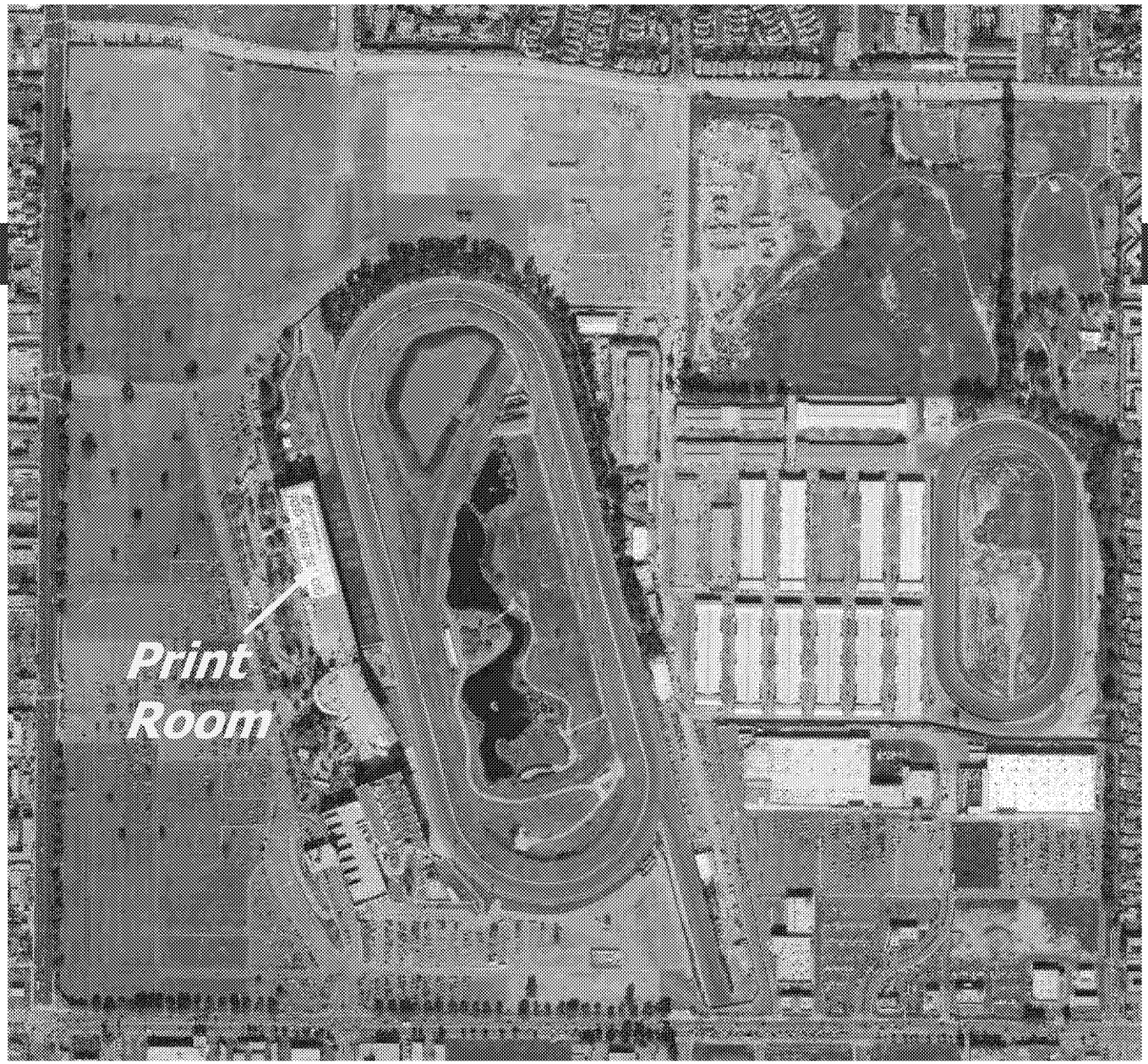
- TPH: > 1,000 mg/kg for non-gasoline range residual TPH

Arsenic Detection in Soil Potentially Above Background (1 of 12 samples)

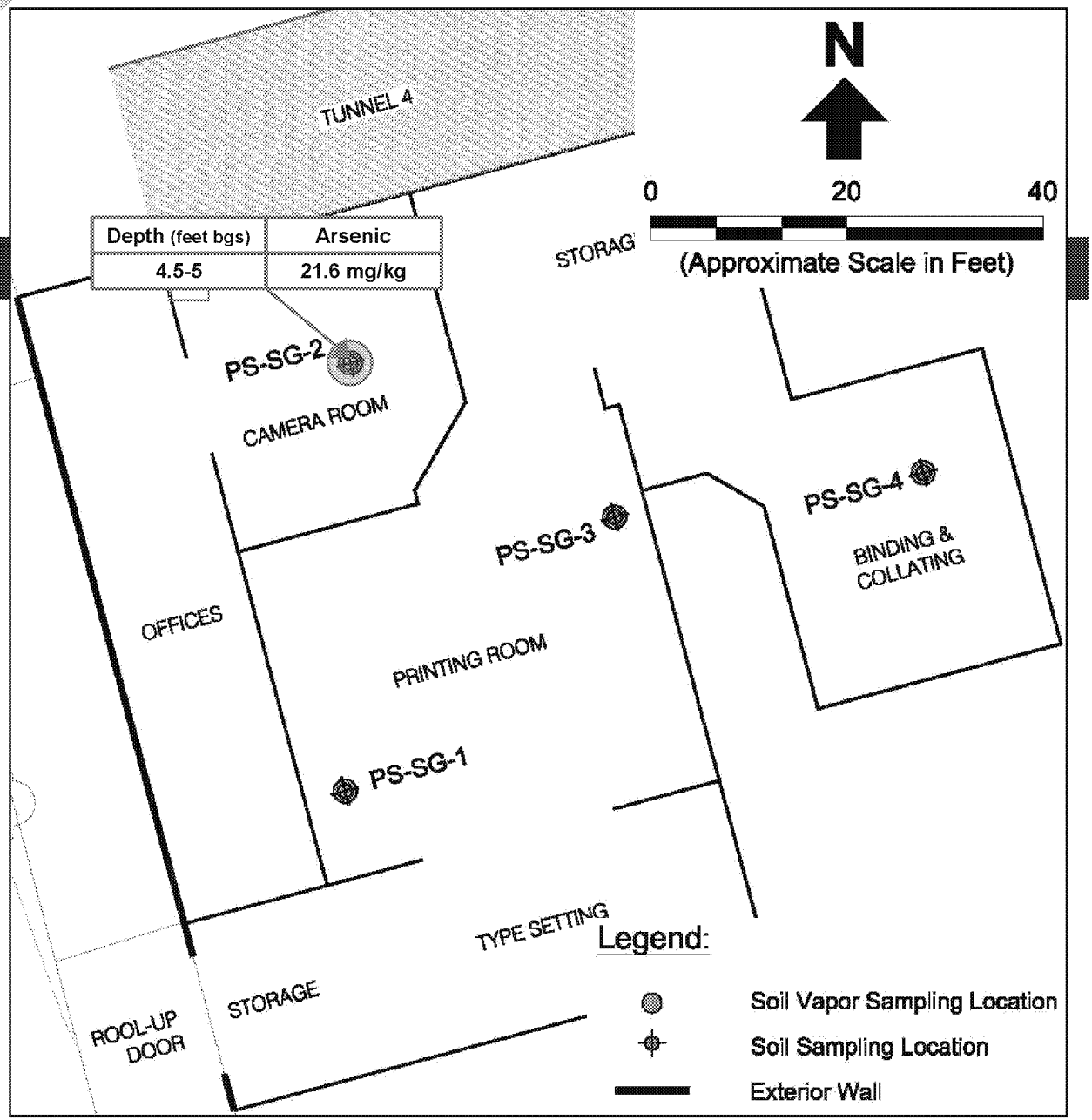
Detections in Soil Vapor Samples above Commercial CHHSLs:

- Benzene: > 122 µg/m³ (1 of 2 samples)

Print Room



Print Room Sampling Locations



No Detections in Soil Samples above Commercial/Industrial or Residential Screening Criteria (4 samples)

Arsenic Detection in Soil Potentially Above Background (1 of 4 samples)

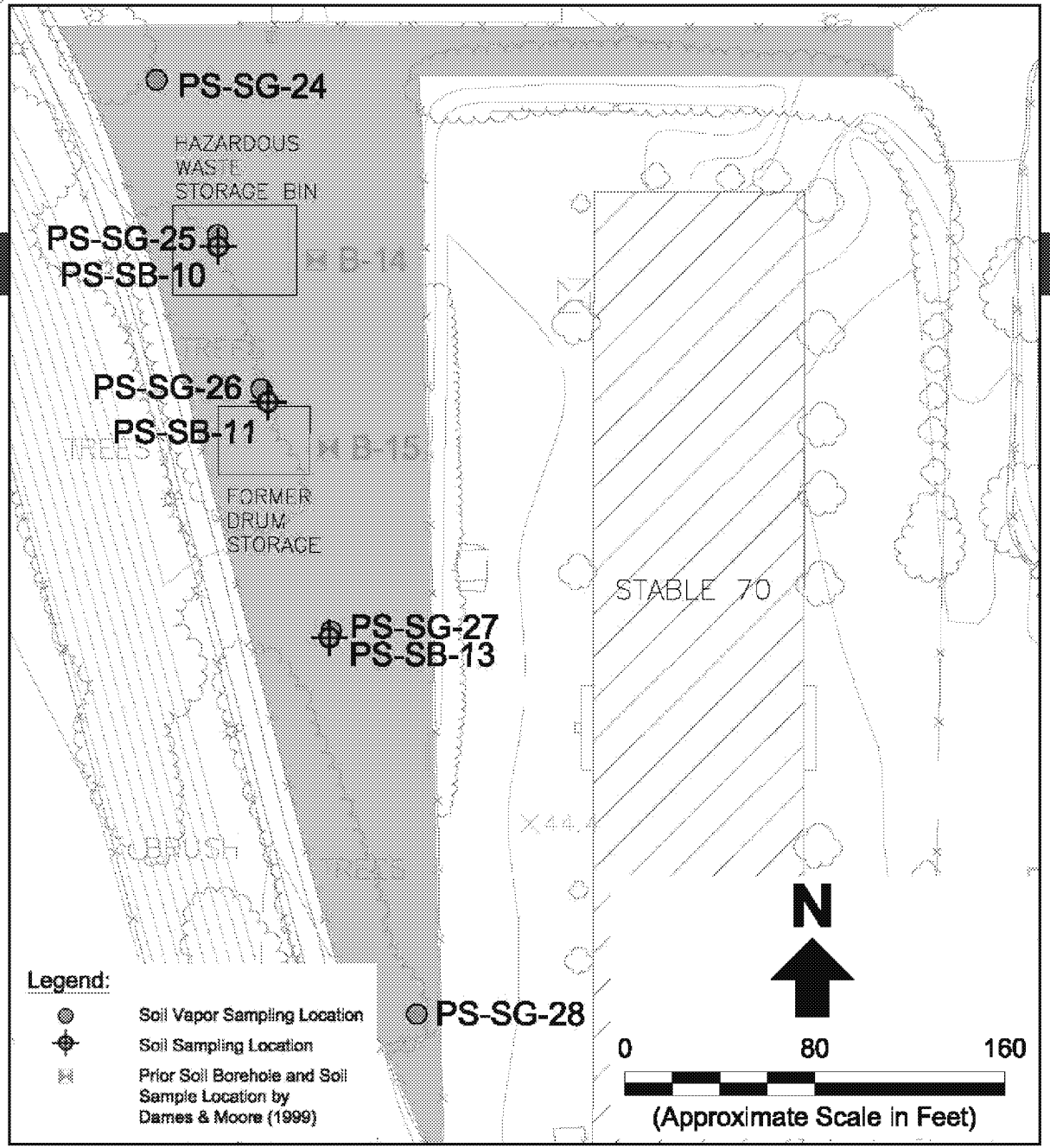
No Detections in Soil Vapor Samples above Commercial/Industrial or Residential Screening Criteria (4 samples)

Former Triangle Waste Area

Former Triangle Waste Area

Photo Dates: June - July 2005

Former Triangle Waste Area Sampling Locations

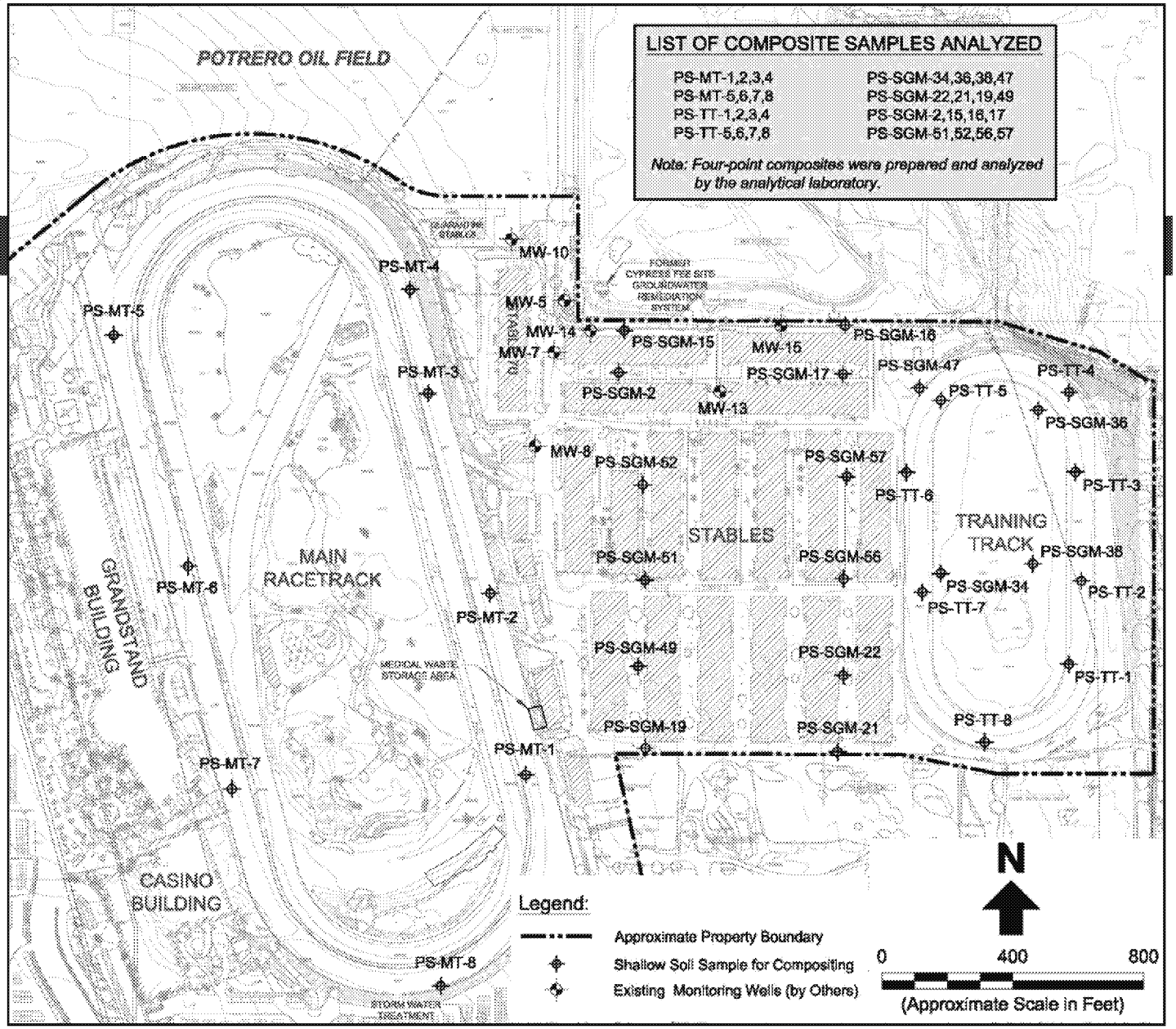


No Detections in Soil Samples above Commercial/Industrial or Residential Screening Criteria (15 samples)

No Detections in Soil Vapor Samples above Commercial/Industrial or Residential Screening Criteria (5 samples)

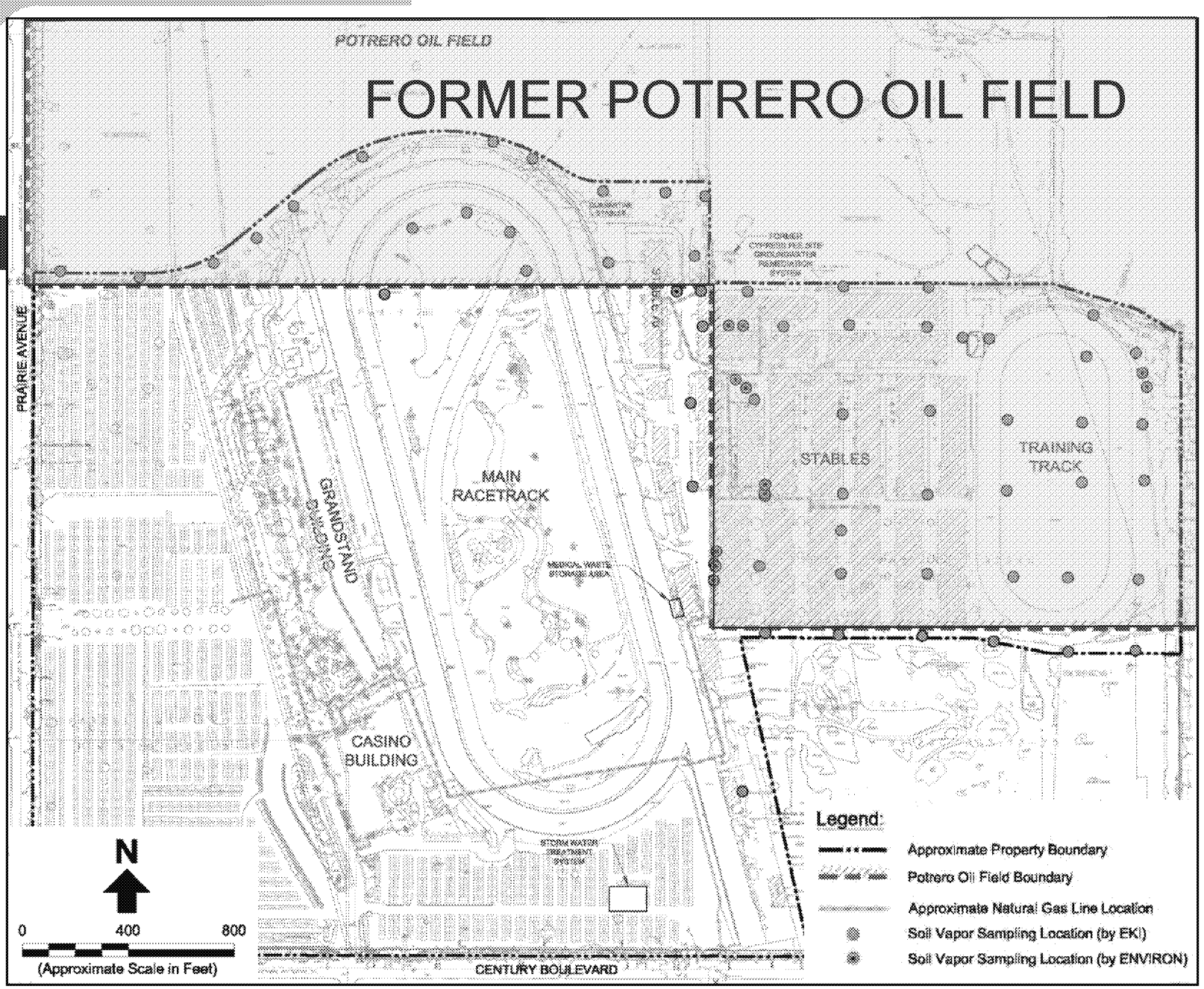
Stable Area and Track Soil Samples

Stable Area and Track Soil Sampling Locations



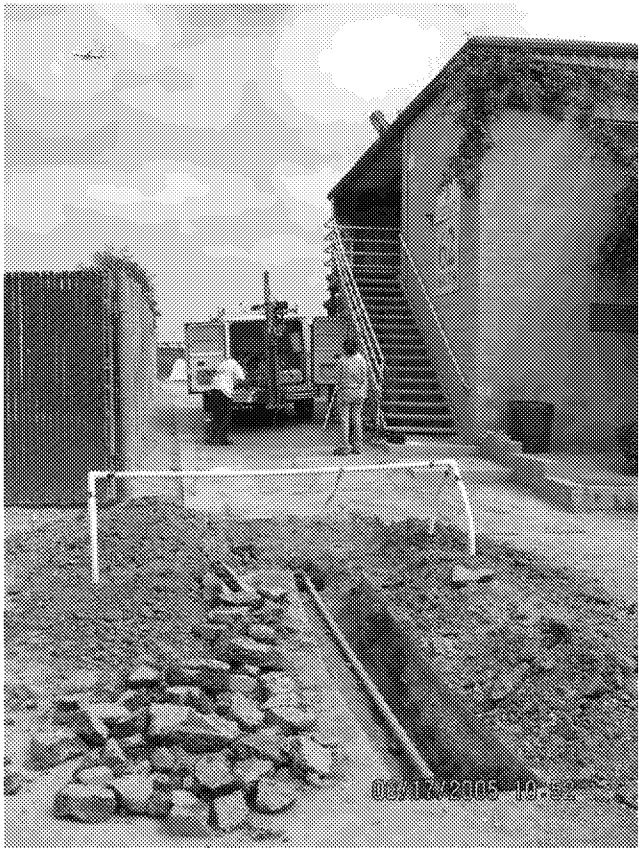
No Detections in Soil Samples above Commercial/ Industrial or Residential Screening Criteria

Methane Sampling

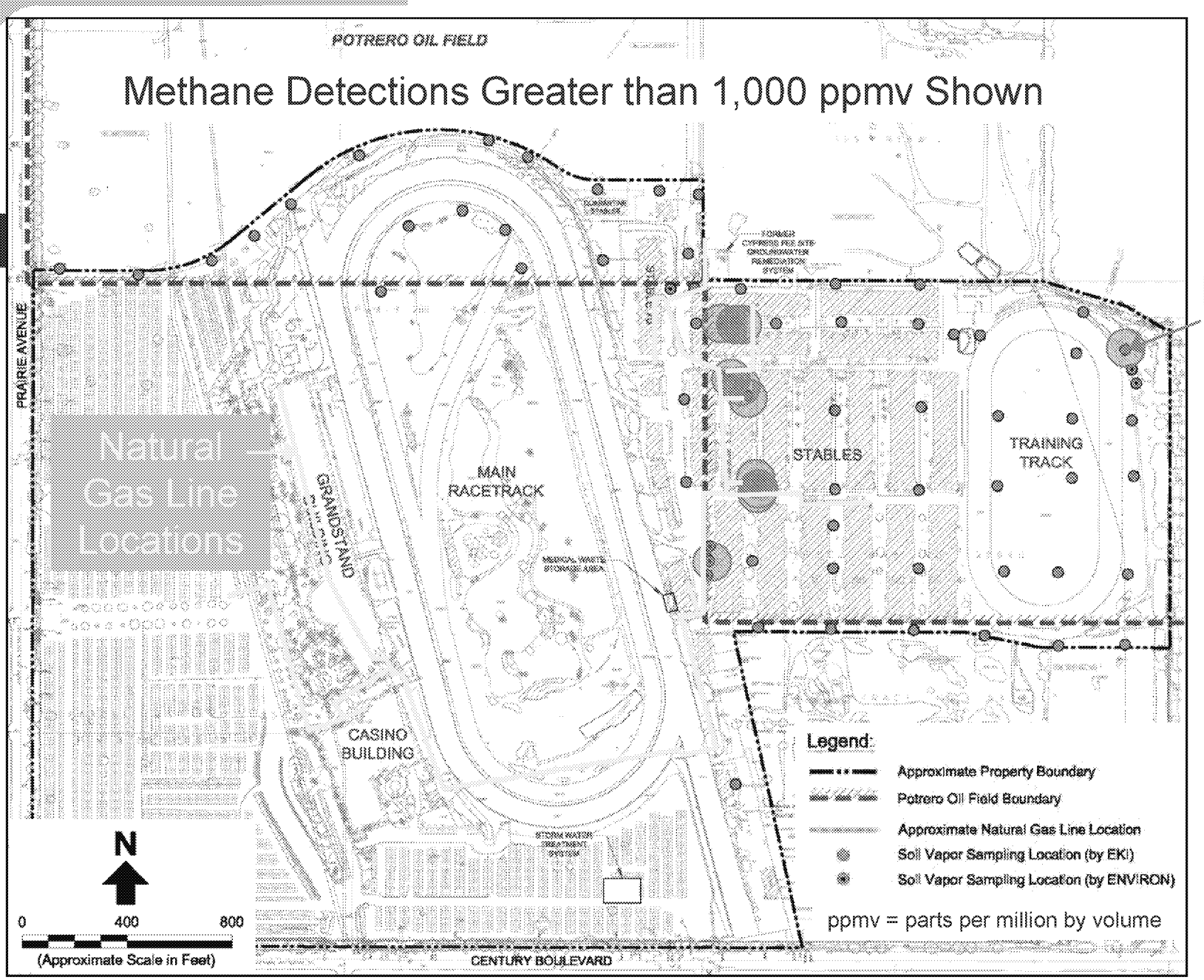


Methane Sampling

Photo Dates: June - July 2005



Methane Sampling Locations



Methane Detection in Storm Water Sediment Area

Storm Water Sediment Area

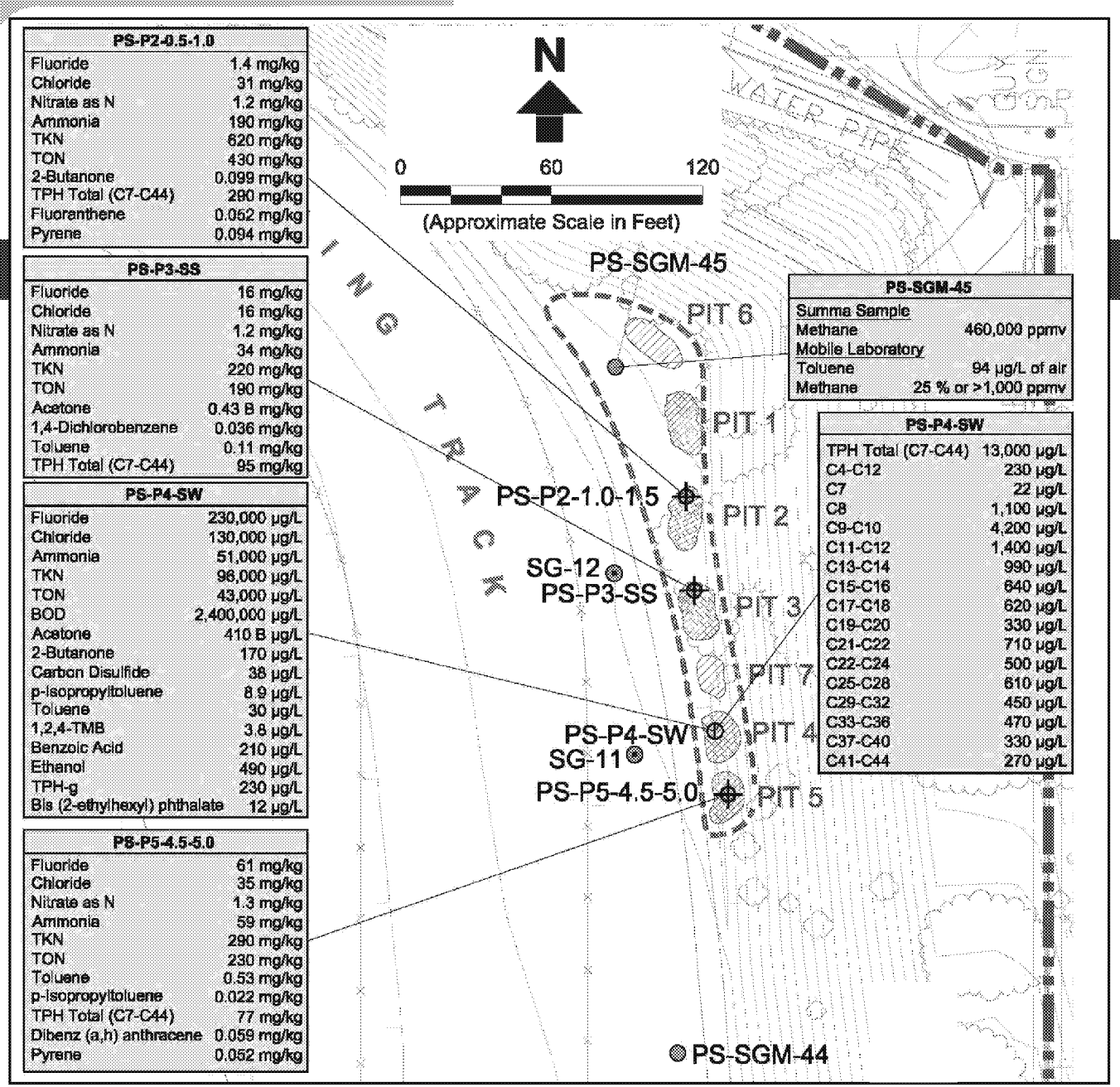
Storm Water Sediment Area

Photo Dates: June - July 2005

Storm Water Sediment Area

- Storm Water Sediment Area is part of the HP storm water system O&M
- "Jensen box" sediments disposed adjacent to training track prior to purchase
- RWQCB staff reviewing HP storm water system and new NPDES Permit expected:
  - **Hugh Marley**, Enforcement Program Manager, Compliance and Enforcement Section: (213) 620-6375
  - **Mazhar Ali**, Storm Water Permitting Staff, currently drafting new NPDES Permit for HP: (213) 576-6652
  - **Rod Nelson**, Land Disposal Program Manager, Groundwater Permits/Cleanup Section: (213) 620-6119

Storm Water Sediment Area Sampling Locations



PS-P2-0.5-1.0	
Fluoride	1.4 mg/kg
Chloride	31 mg/kg
Nitrate as N	1.2 mg/kg
Ammonia	190 mg/kg
TKN	620 mg/kg
TON	430 mg/kg
2-Butanone	0.099 mg/kg
TPH Total (C7-C44)	290 mg/kg
Fluoranthene	0.052 mg/kg
Pyrene	0.094 mg/kg

PS-P3-SS	
Fluoride	16 mg/kg
Chloride	16 mg/kg
Nitrate as N	1.2 mg/kg
Ammonia	34 mg/kg
TKN	220 mg/kg
TON	190 mg/kg
Acetone	0.43 B mg/kg
1,4-Dichlorobenzene	0.036 mg/kg
Toluene	0.11 mg/kg
TPH Total (C7-C44)	95 mg/kg

PS-P4-SW	
Fluoride	230,000 µg/L
Chloride	130,000 µg/L
Ammonia	51,000 µg/L
TKN	98,000 µg/L
TON	43,000 µg/L
BOD	2,400,000 µg/L
Acetone	410 B µg/L
2-Butanone	170 µg/L
Carbon Disulfide	38 µg/L
p-Isopropyltoluene	8.9 µg/L
Toluene	30 µg/L
1,2,4-TMB	3.8 µg/L
Benzoic Acid	210 µg/L
Ethanol	490 µg/L
TPH-g	230 µg/L
Bis (2-ethylhexyl) phthalate	12 µg/L

PS-P5-4.5-5.0	
Fluoride	61 mg/kg
Chloride	35 mg/kg
Nitrate as N	1.3 mg/kg
Ammonia	59 mg/kg
TKN	290 mg/kg
TON	230 mg/kg
Toluene	0.53 mg/kg
p-Isopropyltoluene	0.022 mg/kg
TPH Total (C7-C44)	77 mg/kg
Dibenz (a,h) anthracene	0.059 mg/kg
Pyrene	0.052 mg/kg

PS-SGM-45	
Summa Sample	
Methane	460,000 ppmv
Mobile Laboratory	
Toluene	94 µg/L of air
Methane	25 % or >1,000 ppmv

PS-P4-SW	
TPH Total (C7-C44)	13,000 µg/L
C4-C12	230 µg/L
C7	22 µg/L
C8	1,100 µg/L
C9-C10	4,200 µg/L
C11-C12	1,400 µg/L
C13-C14	990 µg/L
C15-C16	640 µg/L
C17-C18	620 µg/L
C19-C20	330 µg/L
C21-C22	710 µg/L
C22-C24	500 µg/L
C25-C28	610 µg/L
C29-C32	450 µg/L
C33-C36	470 µg/L
C37-C40	330 µg/L
C41-C44	270 µg/L

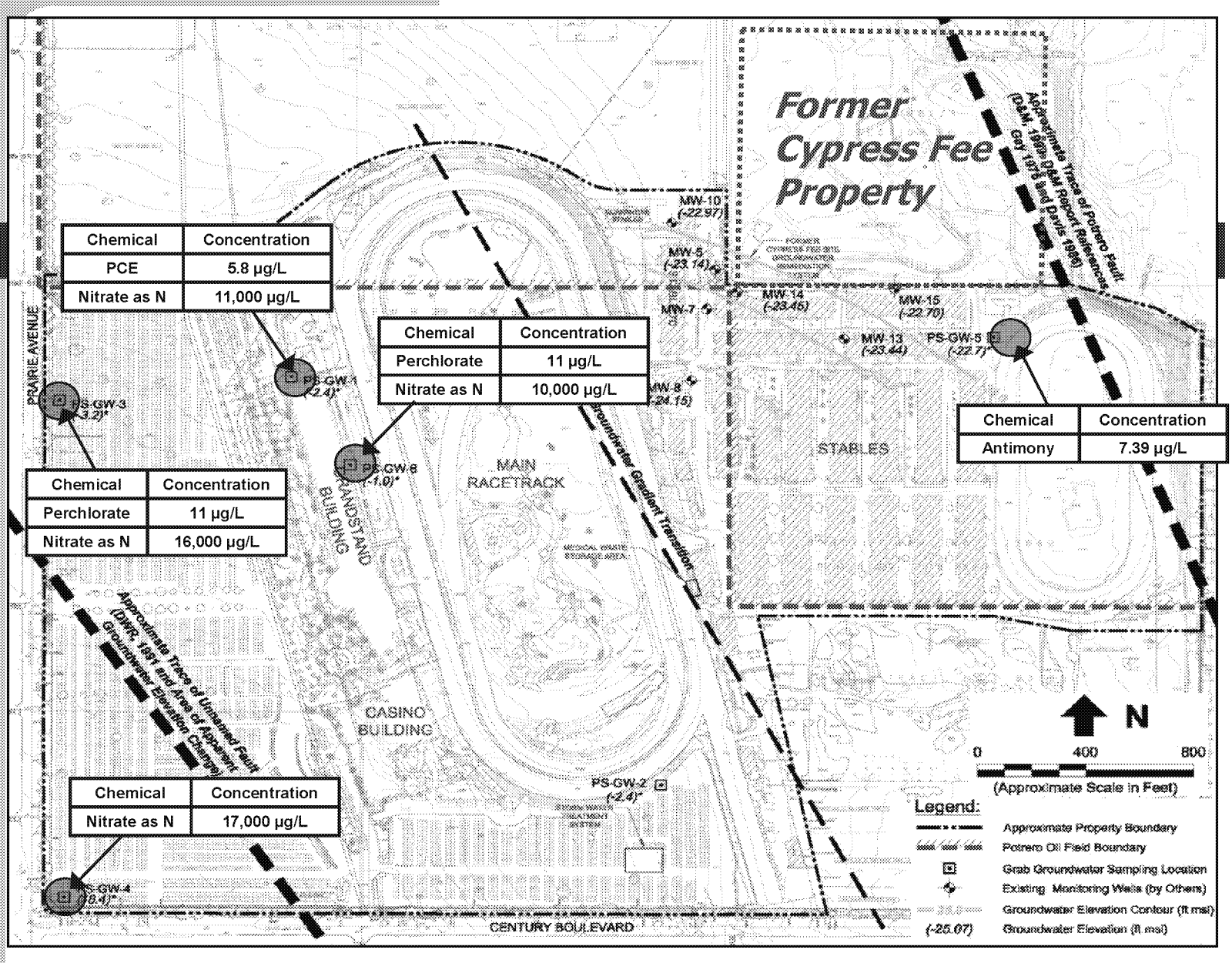
All Chemical Detections in Soil, Sludge, Water, and Soil Vapor Samples Collected by EKI are Shown

Storm Water System Residuals to be Addressed in NPDES Permit Renewal

Legend:

- Soil Vapor Sampling Location
- Surface Water Sampling Location
- Soil or Sludge Sampling Location
- Soil Vapor Sampling Location (by ENVIRON)
- Pits Observed on 19 July 2005
- New Pits Observed on 17 August 2005
- Suspected Extent of Current and Former Storm Water System Residual Disposal Area
- Approximate Property Boundary

Grab Groundwater Sampling Locations



Detections in Grab Groundwater Samples above MCLs or DHS Notification Levels:

- Antimony: > 6 µg/L
- Nitrate as Nitrogen (N): > 10,000 µg/L
- PCE: > 5 µg/L
- Perchlorate: > 6 µg/L (DHS Notification Level)

Summary of Chemicals Detected during Phase II Investigations above Commercial/Industrial Screening Criteria

- Former Dry Cleaning Area:
  - Soil: PCE (detection in 2 of 23 samples)
  - Soil Vapor: PCE (detection in 5 of 8 samples)
  - Grab Groundwater: PCE (one detection above MCL)

- Cypress Fee Site Groundwater Plumes:
  - TBA plume in groundwater above DHS Notification Level
  - Benzene plume in groundwater above MCL
  - Already under RWQCB Order with Responsible Parties

Summary of Chemicals Detected during Phase II Investigations above Commercial/Industrial Screening Criteria

- Other Investigated Areas of Hollywood Park:
  - Current Vehicle Maintenance Area:
    - Soil: None (no detections in 15 samples)
    - Soil Vapor: PCE (detection in 1 of 8 samples), benzene (detection in 2 of 8 samples)
  - Former Track Maintenance Area:
    - Soil: None (no detections in 18 samples)
    - Soil Vapor: PCE (detection in 2 of 8 samples)
  - Former Oil Wells and Impoundment Area:
    - Soil: TPH (detection in 3 of 79 samples at concentrations above LARWQCB screening levels)
    - Soil Vapor: benzene (detection in 1 of 2 samples)
    - Grab Groundwater: antimony (one detection above MCL)

Summary of Chemicals Detected during Phase II Investigations above Commercial/Industrial Screening Criteria

- Other Investigated Areas of Hollywood Park, Continued:
  - Print Room:
    - Soil: arsenic (one detection potentially above background in 4 samples)
    - Soil Vapor: None (no detections in 4 samples)
  - Former Triangle Waste Area:
    - Soil: None (no detections in 15 samples)
    - Soil Vapor: None (no detections in 5 samples)
  - Stable Area Soil:
    - Soil: None (no detections in 8 samples)

Next Steps

- Define necessary steps to obtain closure letter from RWQCB for Former Dry Cleaning Area
- Is RWQCB oversight agreement needed?
- Assign RWQCB project manager?
- Continue to work with RWQCB staff as future land uses are evaluated during entitlement process?