PHASE I ENVIRONMENTAL SITE ASSESSMENT
And
LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
"Shirey Road" Property
4.08-Acre Property
APN 128-290-74
32236 Shirey Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 2, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71235.1

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT
With Limited Agricultural Chemical Sampling

Prepared for:

Ms. Cassandra Costa
Assistant Project Manager
Accretive Investments, Inc.
12275 El Camino Real
Suite 110
San Diego, California 92130

Site location:

"Shirey Road" Property
4.08-Acre Property
APN 128-290-74
32236 Shirey Road
Escondido, California 92026
EEI Project Number ACR-71235.1

Prepared and Edited by:

Polly Ivers
Staff Scientist

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71235.1

TABLE OF CONTENTS

GENERAL SITE INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
- **1.1** Purpose 1
- **1.2** Scope of Services 1
- **1.3** Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
- **2.1** Site Description 2
- **2.2** Topography 3
- **2.3** Regional and Local Geology 3
- **2.4** Regional and Local Hydrogeology 3
- **2.5** Hydrologic Flood Plain Information 4

3.0 SITE BACKGROUND **4**
- **3.1** Site Ownership 4
- **3.2** Site History 4
  - **3.2.1** Aerial Photograph and Historical Map Review 4
  - TABLE 1 - Summary of Historical Use Review 5
  - **3.2.2** City/County Directories 6
  - TABLE 2 Summary of City Directory Search 7
  - **3.2.3** Sanborn Fire Insurance Maps 7
  - **3.2.4** County of San Diego Land Use Environmental Group 7
- **3.3** Regulatory Database Search 8
  - **3.3.1** Federal Databases 8
  - **3.3.2** State and Regional Sources 8
- **3.4** Regulatory Agency Review 9
  - **3.4.1** Deer Springs Fire Protection District 9
  - **3.4.2** County of San Diego Department of Environmental Health 9
  - **3.4.3** State Water Resources Control Board 9
  - **3.4.4** Department of Toxic Substances Control 9
  - **3.4.5** Review of Division of Oil, Gas, and Geothermal Resources Files 10
- **3.5** Interview with Current Property Owner 10
  - **3.5.1** Past or Present Uses Indicating Environmental Concern 10
  - **3.5.2** Environmental Liens or Governmental Notification 10
  - **3.5.3** Presence of Hazardous Substances or Environmental Violations 10
  - **3.5.4** Previous Assessments 10
  - **3.5.5** Legal Proceedings 10
- **3.6** User Provided Information 10
  - **3.6.1** Environmental Liens or Activity and Use Limitations 11
  - **3.6.2** Specialized Knowledge 11
  - **3.6.3** Valuation Reduction for Environmental Issues 11
  - **3.6.4** Presence or Likely Presence of Contamination 11
  - **3.6.5** Other 11

TABLE OF CONTENTS (Continued)

3.7 Previous Assessments 11
3.8 Other Environmental Issues 11
3.8.1 Asbestos-Containing Materials 11
3.8.2 Lead-Based Paint 12
3.8.3 Radon 12
3.8.4 Polychlorinated Biphenyls 13

4.0 SITE RECONNAISSANCE 13
4.1 Purpose 13
4.2 Subject Site 13
TABLE 3 – Summary of Site Reconnaissance 14
4.3 Adjacent Properties 15

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Purpose and Objective 14
5.2 Field Investigation 15
5.3 Laboratory Analytical Program 15
TABLE 4 - Soil Sample Results 16
5.4 Discussion of Testing Results 16

6.0 FINDINGS AND OPINIONS 17

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 17
7.1 Historical Data Gaps 17
7.2 Regulatory Data Gaps 17
7.3 Onsite Data Gaps 17
7.4 Deviations from ASTM Practices 17

8.0 CONCLUSIONS 18

9.0 REFERENCES 19

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Sample Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Maps
Appendix C – Historical Aerial Photographs/Topographic Maps/City Directory Report
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Sampling Laboratory Report and Chain of Custody

GENERAL SITE INFORMATION

Project Information: "Shirey Road" Property

EEI Project Number: ACR-71235.1

Site Information:
4.08-Acre Property
APN: 128-290-74
32236 Shirey Road
County of San Diego, California 92026

Site Access Contact: Cassandra Costa

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: tlester@eeitiger.com

Inspection Date: January 29, 2011 / **Report Date:** March 2, 2011 (March 26, 2012 revisions)

Client Information:
Ms. Cassandra Costa
Assistant Project Manager
Accretive Investments, Inc.
12275 El Camino Real
Suite 110
San Diego, California 92130

Site Assessor:
Timothy Lester – Managing Principal

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Polly Ivers – Project Scientist

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Polly Ivers – Project Scientist

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 32236 Shirey Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregularly shaped subject property consists of privately owned land located at the intersection of Shirey Road and the extension of Palos Verdes Drive, Escondido, California. According to the County of San Diego Assessor's office, the property address is 32236 Shirey Road. The subject property encompasses a total of 4.08-acres on a single parcel identified as Assessor's Parcel Number (APN) is 128-290-74.

The overall property is divided by Shirey Road and a small stream. The western half contains a single story residence, a garage/workshop, and an avocado and citrus orchard. The eastern half is rectangular and oriented east-west, and is developed with an avocado orchard.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture and S92 – General Rural.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped property from at least 1939 through the 1960s. By 1975, a small residence and outbuilding structure was present on the western portion of subject property and the adjacent property to the north and west appeared occupied with orchards. In 1980, an additional structure appeared on the western portion of the subject property. In 2003, orchards appeared on the eastern portion of the subject property surrounding the structures. In 2005, orchards also appeared on the eastern portion of the subject property.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On January 29, 2011, EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

Based on historical agricultural use, EEI conducted Limited Agricultural Chemical Sampling at the subject property on February 16, 2011. A total of four (4) locations throughout the property were chosen to provide representative coverage. Samples were collected approximately six-inches below ground surface. Based on the results of EEI's soil sampling, no evidence of agricultural chemicals (e.g., organochlorine pesticides, arsenic or lead) was encountered at the subject property. Therefore, no additional investigation appears to be warranted.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the property located at 32236 Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property. However, EEI does have the following comments.

- Portions on the subject property have been historically utilized for agricultural development (i.e., orchards). Based on the results of EEI's soil sampling conducted on February 16, 2011, no evidence of agricultural chemicals (e.g., organochlorine pesticides, arsenic or lead) was encountered at the subject property. Therefore, no additional investigation appears to be warranted.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within the onsite structure will likely be required.

- According to information provided by the property owner representative, an inactive water supply well and active sewage disposal system is located on the subject property. Unless planned for future use, the inactive water supply well and sewage system should be properly abandoned following State and County Health Department guidelines.

- Owing to the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural-by products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the property owner should properly characterize prior to disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 32336 Shirey Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject site.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject site usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic site conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A site reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject site, but rather is intended to provide a preliminary indication of onsite impacts from previous site usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Site Description

The irregularly shaped subject property consists of privately owned land located at the intersection of Shirey Road and the extension of Palos Verdes Drive, Escondido, California (**Figure 2**). According to the County of San Diego Assessor's office, the property address is 32236 Shirey Road. The subject property encompasses a total of 4.08-acres on a single parcel identified as Assessor's Parcel Number (APN) is 128-290-74 (**Appendix B**).

The overall property is divided by Shirey Road and a small stream. The western half is a roughly triangular and oriented north-south. It contains a single-story residence, a garage/workshop, and an avocado and citrus orchard. The eastern half is rectangular and oriented east-west, and is developed with an avocado orchard. According to the property owner representative, a water supply well is located near the onsite residence; however, the well is inactive and the residence is connected to the county water system. The property owner representative also noted that a septic system is in use at the property. EEI accessed the western and eastern halves of the property, which are accessed from an unimproved road on the north. At the extreme northwestern portion of the property, a small stream and/or drainage are present that flow onto the property.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture and S92 – General Rural.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped property from at least 1939 through the 1960s. By 1974, a small structure appeared on the western portion of subject property and the adjacent property to the north and west appeared occupied with orchards. According to the property owner representative, the residence located on site was constructed in 1975. In 1980, an additional structure appeared on the western portion of the subject property. In 2003, orchards appeared on the eastern portion of the subject property surrounding the structures. In 2005, orchards also appeared on the eastern portion of the subject property.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief. The approximate site elevation ranges from approximately 735 feet above mean sea level (amsl) (southwestern portion) to approximately 765 feet amsl (northwestern portion). Elevation along the central portion of the property at Shirey Road and a drainage which bisects the parcel is approximately 730 feet amsl.

Surface drainage from the site flows to the south-southwest; from the higher elevations on the northern portion to the lower elevations on the southern portion.

2.3 Regional and Local Geology

The subject site and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the site is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the site is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the sandy loam of the Fallbrook Soil Series (FaE2) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the site is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural and industrial supply processes.

According to the property owner representative, there is a water supply well located on the western portion of the subject property. EEI contacted the County of San Diego Land and Water Quality Division to research the well permit and depth to groundwater information. According to office personnel, the division began tracking records for well permits in 1977. Since the subject property residence was constructed in 1975, prior to county permit tracking, no records regarding a well permit associated with the subject property was on file with the division.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for more information. According to the website, there are five water supply wells located within the immediate vicinity of the subject property (Township 10S, Range 2 West, Section 19). According to the website, the wells were last measured in 1967, and indicated that the depth-to-groundwater in the wells ranged from 3.0 feet below ground surface (bgs) to 11 feet bgs.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database and the SanGIS online database to determine if the subject property was in a flood zone. According to FEMA, the property is located on map number 06073C0492F; however, no digital FIRM map was available for review on the website. According to the SanGIS online database, the subject property is not located within a flood zone.

3.0 SITE BACKGROUND

3.1 Site Ownership

According to the County of San Diego Assessor the current owner of APN 128-290-74 is identified as Haehong Joo and Mi Sun, with a mailing address of 32236 Shirey Road, Escondido, California 92026.

3.2 Site History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject site. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1947, 1948, 1951, 1953, 1963, 1968, 1974, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2003 and 2005 aerial photograph was obtained and reviewed from Google EarthÒ. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. Based on the data reviewed, the subject property was undeveloped property from at least 1939 through the 1960s. By 1974, a small structure appeared on the western portion of subject property and the adjacent property to the north and west appeared occupied with orchards. In 1980, an additional structure appeared on the western portion of the subject property. In 2003, orchards appeared on the eastern portion of the subject property surrounding the structures. In 2005, orchards also appeared on the eastern portion of the property.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375 ft.	Subject property appeared as mainly undeveloped native land. The eastern portion appeared possibly utilized for agriculture and accessed by an unimproved from the north. A drainage with mature vegetation appeared running north to south through the central portion of the subject property. Adjacent and surrounding property appeared as undeveloped land. No other pertinent information or environmental concerns were noted.
1942	Topographic Map 1:62,500	Subject property and adjacent and surrounding property appeared as undeveloped land.
1947	Aerial Photograph 1:373 ft.	Subject property appeared to be undeveloped and covered with native vegetation. A drainage remained through the central portion of the property. An unimproved road remained accessing the eastern portion of the property; however, this area did not appear to be utilized for agriculture.
1948	Topographic Map 1:24,000	Subject property and adjacent and surrounding property appeared as undeveloped land. Interstate 15 (I-15) and West Lilac Road appeared to the west and north, respectively.
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property or adjacent and surrounding property since the 1948 map.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1947 photograph. Additional unimproved roads/trails appeared in the surrounding area.
1963	Aerial Photograph 1:375	Subject parcel boundary now apparent, with Shirey Road, a widened unimproved road bisecting the central portion. Mature vegetation and drainage was noted along the central portion of the property. A smaller drainage was also noted on the far eastern portion of the property. Adjacent property to the southeast appeared with structures. Adjacent property to the north appeared as agricultural land. Orchards and agricultural land appeared in the surrounding area.
1968	Topographic Map 1: 24,000	No structural development was noted on the subject property. Shirey Road, Palos Verde Drive, and other unimproved roads were noted in the immediately surrounding area. A water tank and small structures were noted in the surrounding area.
1974	Aerial Photograph 1:375	A small structure appeared on the western portion of the subject property. Adjacent and surrounding property to the north and west appeared with row crop agriculture and orchards.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1980	Aerial Photograph 1:375	An additional structure appeared on the western portion of the subject property. Increased agricultural land and orchards were noted in the adjacent and surrounding area.
1990/91	Aerial Photograph 1:375	The eastern portion of the subject property now appeared cleared of vegetation and possibly used for agriculture. Structures remained on the western portion of the subject the subject property. No other changes were noted.
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property or adjacent and surrounding property since the 1990/91 photograph.
December 2003	Aerial Photograph GoogleEarth®	The subject property now appeared with orchards surrounding the structures on the western portion. The eastern portion appeared covered with vegetation. No other apparent changes were noted.
October 2005	Aerial Photograph GoogleEarth®	The subject property appeared with two structures on the western portion with orchards surrounding the structures. The eastern portion of the subject property was also occupied with orchards. Adjacent property to the west appeared with structures and orchards. Adjacent property to the north also appeared with orchards. Adjacent property to the south and east appeared as undeveloped land. No other pertinent information or environmental issues were noted.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of two structures and surrounding orchards on the western portion and orchards occupying the eastern portion. Shirey Road bisected the central portion of the property from north to south. A drainage and mature vegetation appeared along Shirey Road. Adjacent and surrounding property appeared as a mix of orchards, agricultural land, and undeveloped land. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

Directory listings associated with the subject property (32236 Shirey Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed as residential from 1992 to 2007. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target addresses (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of County Directory Search
32236 Shirey Road, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
2007		
32148- Nagy Imre	**32236- Joe Haehong**	32252-Michael Serafin
2004		
No lower listings this side of street	**32236- Joe Haehong**	32250-Roe Vargas
2000		
32148-Franke and Associates	**32236- Occupant Unknown**	Highest listing on street is 32236
1995		
32148-Occupant Unknown	**32236- Jerry Horstman**	32250-Occupant Unknown
1992		
32148-Attila Melkuti	**32236- Jerry Horstman**	32250-S. Kamura
1984		
Street not listed	**Street not listed**	Street not listed
End of search due to A) earlier directory or street listing not found; B) listing out of range, listings renumbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800's and early 1900's for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), no records were available for APNs: 128-290-74. EEI also contacted LUEG by phone to confirm the absence of records. According to LUEG personnel, the county began keeping digital records in 1987; therefore, no digital records for the subject property were available. Personnel noted that the county did not begin archiving building records until 1972. Therefore, records from 1972 through 1986 are available for review on microfiche at their office for a fee. Given that other historical sources and the property owner representative indicate that the subject property was undeveloped land until a residence was constructed in 1975, this resource was not searched as it was not deemed sufficiently useful.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject site, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-quarter mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property at 32236 Shirey Road (APN: 128-290-74). According to the office personnel, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health for the subject property 32236 Shirey Road, County of San Diego, California (APN: 128-290-74). According to Ms. Joyce Ellman, Office Support Specialist, no permits/documents were on file for the address or APN searched.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our site reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within T10S, R02W Section 19).

3.5 Interview with Current Property Owner

EEI contacted the property owner representative, Mr. Andrew Behneman, the property listing Broker with Cabrillo Team Realty. Information provided by Mr. Behneman is summarized below. No indications of environmental concern were noted by Mr. Behneman.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Behneman stated that the current and past uses of the subject property is and has been as a second residence and a small orchard.

3.5.2 Environmental Liens or Governmental Notification

Mr. Behneman stated that he is not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Behneman stated that he has not been informed of the past or current existence of hazardous substances or petroleum products or environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mr. Behneman stated that he is not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

~~Mr. Manners~~ Mr. Behneman stated that he is not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has specialized knowledge related to the subject property as his group currently farms the adjacent property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner representative, Mr. Behneman, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, “thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials” applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as “floor or ceiling tiles, siding, roofing, transite panels” (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on the age of the onsite structure (circa-1975), it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing at the subject property; therefore, if subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age of the onsite structure (circa-1975), there is a potential that lead-based paint exists in the building. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent site reconnaissance. If site improvements or demolition activities are conducted on the subject property structure, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999). Based on the age of the onsite structures (circa-1975), there is a potential that electrical equipment located on the subject property may be PCB-containing.

4.0 SITE RECONNAISSANCE

4.1 Purpose

The purpose of our site reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Site

On January 29, 2011, EEI personnel mobilized to the subject property and conducted a walking inspection around the perimeter of the subject property, and then traversed the subject property. Visual conditions observed during the site reconnaissance of the subject property, are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property consists of a single 4.08 acre parcel, Assessor's Parcel Number (APN) 128-290-074, located at the intersection of Shirey Road and the extension of Palos Verdes Drive, Escondido, California. The subject property address is 32236 Shirey Road (**Figure 2**).

The overall property is divided by Shirey Road and a small stream. The western half is a roughly triangular and oriented north-south. It contains a single story residence, a garage/workshop, and an avocado and citrus orchard. The eastern half is rectangular and oriented east-west, and is developed with an avocado orchard.

EEI walked the western half of the site along the exterior property line, and traversed the interior. Both the home and workshop/garage are single story wooden structures with asphalt tile roofing and wood siding. Both structures were locked and inaccessible. A small covered area at the northeast corner of the garage/workshop contained a plastic 1-gallon gasoline container, a pesticide sprayer, and several petroleum product bottles. The ground is concrete-covered and clean. No evidence of spillage was noted. North of the residence is an open, uncovered well with a concrete pad. Water was observed at a depth of approximately 8-10 feet. A pump, plastic water tank(s), pvc piping, and assorted valves is present. A small (approximately 80-gallon) rectangular plastic water tank, which appears to be used for nutrient addition for the orchard, is located north of the residence. An empty 55-gallon drum is present at the extreme northwest corner of the western area; no odors or spillage was noted. The drum has a small open bung. No labels are present. The balance of the western half is avocado orchard with some citrus. PVC piping is present throughout. No chemicals, spillage, or trash was noted in our reconnaissance.

A small metal-plate footbridge is present southeast of the garage which provides access to the eastern half of the overall property. Organic debris (cuttings) has been stockpiled on this portion of the property and appears to intrude into the stream area. No trash or non-organic material was noted in this material.

The eastern half of the overall site is developed with avocado orchards. A power pole with a single transformer is present along the southern property line. No evidence of spillage or leaking was noted at the power pole. A second power pole, equipped with three transformers, is present near (potentially offsite) of the northeast corner of the orchard. The power supplies a second well, which has steel riser and a cap. No identification information was present on the well, which appears to be used for irrigation purposes.

At the extreme northwestern portion of the property, a small stream and/or drainage are present that flow onto the property. Running water was present during our reconnaissance.

The subject property contains no obvious signs of dumping, spills and/or stockpiled debris. No evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling was noted during the site reconnaissance.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	No Concerns noted.
Surface Spills	No	No Concerns noted.
Stained Surfaces	No	No Concerns noted.
Fill Materials	No	No Concerns noted.
Pits/Ponds/Lagoons	No	No Concerns noted.
Surface Impoundments	No	No Concerns noted.
ASTs/USTs	Yes	No Concerns noted.
Distressed Vegetation	No	No Concerns noted.
Wetlands	Yes	No Concerns noted.
Electrical Substations	No	No Concerns noted.
Areas of Dumping	No	No Concerns noted.
Transformers	Yes	No Concerns noted.
Waste/Scrap Storage	No	No Concerns noted.
Chemical Use/Storage	No	No Concerns noted.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

Immediately east of the site is another, offsite well and two larger poly water storage tanks. The area is clean, appears to be newly constructed, and no evidence of spillage or chemical use was noted.

In general, the subject property is surrounded by native, vacant/undeveloped land or agricultural properties (avocado orchards). Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SAMPLING

5.1 Purpose and Objective

The subject property has been utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 *"Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties. The DTSC document does not specifically address disturbed (i.e., graded) residential sites. Therefore, EEI has modified the application of the document to the specific site, while maintaining the general conformance with the document's suggested sampling frequencies, methodology, and analytical parameters.

Based on the size of the property, and EEI's experience at similar sites, a total of four (4) soil samples, or approximately one per acre, were collected at near-surface (six-inches below grade) locations on the subject property. The following sections discuss our field investigation.

5.2 Field Investigation

On February 16, 2011, EEI personnel mobilized to the project site to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of four (4) locations (identified as ACR-1 through ACR-4, **Figure 2**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.3 Laboratory Analytical Testing

All soil samples (ACR-1 through ACR-4) collected during this investigation was analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B, and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic, lead or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect).

The following **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	2/16/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-2	6	2/16/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-3	6	2/16/2011	<5	<3	<5	<5	<5	<5	<5-200
AC$-4	6	2/16/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-5	6	2/16/2011	<5	<3	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.4 Discussion of Analytical Results

No evidence of arsenic, lead, organochlorine pesticides was reported in samples (ACR-1 through ACR-4) collected from the subject property. Although, arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential California Human Health Screening Level (CHHSL) value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected REC's – No known or suspected REC's have been revealed during the preparation of this ESA.

  Portions on the subject property have been historically utilized for agricultural development (i.e., orchards). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

  Based on the results of EEI's soil sampling (see Section 5.0 –Limited Agricultural Chemical Survey), no evidence of agricultural chemicals (e.g., organochlorine pesticides, arsenic or lead) was encountered at the subject property. Therefore, no additional investigation appears to be warranted.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions were noted during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 Onsite Data Gaps

No onsite data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the undeveloped subject property located at 32236 Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property. However, EEI does have the following comments.

- Portions on the subject property have been historically utilized for agricultural development (i.e., orchards). Based on the results of EEI's soil sampling (see Section 5.0 –Limited Agricultural Chemical Survey), no evidence of agricultural chemicals (e.g., organochlorine pesticides, arsenic or lead) was encountered at the subject property. Therefore, no additional investigation appears to be warranted.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within the onsite structure will likely be required.

- According to information provided by the property owner representative, an inactive water supply well and active sewage disposal system is located on the subject property. Unless planned for future use, the inactive water supply well and sewage system should be properly abandoned following State and County Health Department guidelines.

- Owing to the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural-by products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the property owner should properly characterize prior to disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed February 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed February 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed February 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed February 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed February 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed February 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed February 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed February 2011.

United States Geological Survey (USGS), 2000, "Geologic Map of the Bonsall 7.5' Quadrangle, San Diego County, California," A Digital Database, Version 1.0, by Siang S. Tan.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAPS

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/ CITY DIRECTORY REPORT

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
"Sun Flower Farms Investors" Property
102.76-Acre Agricultural Property
APNs 129-011-15, 129-300-09, 129-300-10
Southwest of Rodriguez Road and Jay Jay Way
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 25, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-70663.1

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site location:

"Sun Flower Farms Investors" Property
102.76-Acre Agricultural Property
APNs 129-011-15, 129-300-09, 129-300-10
Southwest of Rodriguez Road and Jay Jay Way
Escondido, California 92026

Prepared and Edited by:

Brian R. Brennan, REA-II
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-70663.1

TABLE OF CONTENTS

GENERAL SITE INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Site Description 2
2.2 Topography 3
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 4
2.5 Hydrologic Flood Plain Information 4

3.0 SITE BACKGROUND **4**
3.1 Site Ownership 4
3.2 Site History 4
3.2.1 Aerial Photograph and Historical Map Review 5
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 7
TABLE 2 Summary of City Directory Search 7
3.2.3 Sanborn Fire Insurance Maps 8
3.2.4 County of San Diego Land Use Environmental Group 8
3.3 Regulatory Database Search 9
3.3.1 Federal Databases 9
3.3.2 State and Regional Sources 9
3.4 Regulatory Agency Review 10
3.4.1 Deer Springs Fire Protection District 10
3.4.2 County of San Diego Department of Environmental Health 10
3.4.3 State Water Resources Control Board 11
3.4.4 Department of Toxic Substances Control 11
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 11
3.5 Interview with Current Property Owner 11
3.5.1 Past or Present Uses Indicating Environmental Concern 12
3.5.2 Environmental Liens or Governmental Notification 12
3.5.3 Presence of Hazardous Substances or Environmental Violations 12
3.5.4 Previous Assessments 12
3.5.5 Legal Proceedings 12
3.6 User Provided Information 12
3.6.1 Environmental Liens or Activity and Use Limitations 12
3.6.2 Specialized Knowledge 12
3.6.3 Valuation Reduction for Environmental Issues 13
3.6.4 Presence or Likely Presence of Contamination 13
3.6.5 Other 13
3.7 Previous Assessments 13

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 13
3.8.1 Asbestos Containing Materials 13
3.8.2 Lead-Based Paint 14
3.8.3 Radon 14
3.8.4 Polychlorinated Biphenyls 14

4.0 SITE RECONNAISSANCE **15**
4.1 Purpose 15
4.2 Subject Site 15
TABLE 3 – Summary of Site Reconnaissance 17
4.3 Adjacent Properties 18

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY **18**
5.1 Purpose and Objective 18
5.2 Field Investigation 18
5.3 Laboratory Analytical Program 19
TABLE 4 - Soil Sample Results 19
5.4 Discussion of Testing Results 25

6.0 FINDINGS AND OPINIONS **26**

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES **26**
7.1 Historical Data Gaps 26
7.2 Regulatory Data Gaps 27
7.3 Onsite Data Gaps 27
7.4 Deviations from ASTM Practices 27

8.0 CONCLUSIONS 27

9.0 REFERENCES **29**

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Maps/FIRM
Appendix C – County of San Diego Records
Appendix D – Historical Aerial Photographs/Topographic Maps/City Directory Report
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SITE INFORMATION

Project Information: "Sun Flower Farms Investors" Property

EEI Project Number: ACR-70663.1

Site Information:
102.76-Acre Agricultural Property
APNs 129-011-15, 129-300-09, 129-300-10
Southwest of Rodriguez Road and Jay Jay Way
Escondido, California 92026

Site Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and
Mr. Joe Rodriguez, Property Lessee (760-594-2974)

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: March 15, 2011 / **Report Date:** March 25, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located southwest of Rodriguez Road and Jay Jay Way, in Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregularly shaped subject property encompasses a total of 102.76-acres on three parcels identified as Assessor's Parcel Numbers (APNs) is 129-011-15 (20.72-acres), 129-300-09 (62.04-acres), and 129-300-10 (20-acres). Addresses associated with the subject property include 31030 Rodriguez Road (APN 129-011-15), and 31130 Rodriguez Road (APN 129-300-10). There is no address associated with APN 129-300-09. Access to the subject property is from Rodriguez Road (currently unimproved), which divides the northern parcel (129-011-15) and southern parcels (129-300-09 and 129-300-10).

Overall the subject property is utilized for agricultural purposes. The majority of the site is comprised of flower, fruit, and vegetable growing fields. Residential structures, maintenance buildings, and agricultural-related structures are located in the central portion of the site immediately north and south of Rodriguez Road. An unnamed creek is situated along the southern portion f the site. A review of the County of San Diego Land Use and Environmental Group website data indicated that the subject property is currently zoned as A70 – Limited Agriculture and S92 – General Rural.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern portion of the site (south of Rodriguez Road) appeared to be cleared in preparation for agricultural use. By 1963, five (5) structures were noted along the south-central and southwest portions of the site. In 1976, the northern portion of the subject property appeared to be utilized for agricultural purposes. In 1980, two (2) structures were noted immediately north of Rodriguez Road. From 1980, the subject property continued to be utilized for agricultural purposes.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On March 15, 2011, EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Evidence of *recognized environmental conditions*, consisting of stained soil/concrete; improper storage of hazardous materials/waste; and pesticide storage/usage was noted on the subject property during our site reconnaissance efforts.

Based on historical agricultural use, EEI performed limited agricultural chemical soil sampling within the growing fields at the subject property. Sampling activities were conducted on March 15 and 16, 2011. A total of 103 discrete samples (ACR-1 through ACR-103), collected at 6-inches below ground surface and 26 composite samples (Composite #1 through Composite #26) (prepared by a California-State certified laboratory) were analyzed for agricultural chemicals of concern. Based on laboratory analytical results, concentrations of lead and select organochlorine pesticides were detected in site soils. The chemicals of concern detected were compared to the California Human Health Screening Levels (CHHSLs) for a residential land use scenario. All reported values of organochlorine pesticides DDE, DDD, DDT and Methoxychlor were less than the CHHSL

residential screening level of 1,600 microgram per kilogram (µg/kg), 2,300 µg/kg, 1,600 µg/kg, and 340,000 µg/kg, respectively. The concentration of lead reported in sample ACR-7 (380 milligrams per kilogram, mg/kg) and ACR-95 (200 mg/kg), exceed the CHHSL residential screening level of 150 mg/kg.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the agricultural property located southwest of the intersection of Rodriguez Road and Jay Jay Way, in Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Concentrations of lead reported in two (2) soil samples collected from the subject property were reported above CHHSLs residential land use values. Based on the proposed future residential development of the site, EEI recommends additional investigation at these two (2) locations to further evaluate the extent of the lead contamination.

- Initial agricultural chemical soil sampling performed at the subject property was limited to the growing fields of the site, and did not include pesticide storage and/or usage areas. Therefore, EEI recommends evaluating soils in these areas for the presence of agricultural chemicals, prior to any future proposed site improvement.

- Petroleum hydrocarbon stained soils and surfaces were observed at various locations throughout the subject property, which included: beneath the containers located adjacent to the tractor staged north of Rodriguez Road; stained surfaces located within and along the exterior of the maintenance building located south of Rodriguez Road; and beneath discarded containers adjacent to the two (2) tractor trailers located along south-central portion of the site. EEI recommends additional investigation efforts be performed in these areas, prior to any future proposed site improvements.

- Numerous drums/containers of new and used motor oil; hydraulic fluid; diesel fuel; and pesticides were observed throughout the subject property. The contents of the drums/containers should be properly characterized and disposed of prior to any future site improvements.

In addition to the above bulleted items, EEI has the following comments.

- There is a potential for Asbestos Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within the onsite structure will likely be required.

- A water supply well and multiple septic systems are located on the subject property. Unless planned for future use, these features should be properly abandoned following State and County Health Department guidelines.

- Numerous new and used vehicles and farming equipment (tractors, trailers, spraying equipment, motors, etc.) were observed throughout the site. These items should be removed from the subject property prior to any future site improvements.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located southwest of Rodriguez Road and Jay Jay Way, in Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject site.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject site usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic site conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A site reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject site, but rather is intended to provide a preliminary indication of onsite impacts from previous site usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Site Description

The irregularly shaped subject property consists of privately owned land located southwest of the intersection of Rodriguez Road and Jay Jay Way, in Escondido, California (**Figure 2**). The subject property encompasses a total of 102.76-acres on three parcels identified as Assessor's Parcel Numbers (APNs) is 129-011-15 (20.72-acres), 129-300-09 (62.04-acres), and 129-300-10 (20-acres) (**Appendix B**). According to the County of San Diego, the addresses associated with the subject property include 31030 Rodriguez Road (APN 129-011-15), and 31130 Rodriguez Road (APN 129-300-10). There is no address associated with APN 129-300-09. Access to the subject property is from Rodriguez Road (currently unimproved), which divides the northern parcel (129-011-15) and southern parcels 129-300-09 and -10.

The northern portion of the subject property is bound by agricultural land to the north; Rodriguez Road and the southern portion of the subject property to the south; residential development to the east; and agricultural land to the west. The northern portion of the site has two wood-framed structures used for agricultural production, a travel trailer, and farming equipment all staged immediately north of Rodriguez Road. The remainder of the site is comprised of growing fields for various fruits and vegetables. A water well and related equipment was observed along the northwest portion of the subject property (additional details are provided in the following sections).

The southern portion of the subject property is bound by Rodriguez Road to the north and the northern portion of the subject property and agricultural land beyond; a creek, residential development and agricultural land to the south; and segments of Rodriguez Road and agricultural land to the east and west. The majority of the southern portion of the subject property is comprised of fruit and vegetable growing fields. Four (4) residential structures, a maintenance building, a produce storage/staging building, and various farming equipment are located immediately south of Rodriguez Road along the north central portion of the site. A former building site (i.e., remnants of concrete pads) was observed along the southwest corner of the subject property. Numerous greenhouses are located along the southern portion of the subject property.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern portion of the site (south of Rodriguez Road) appeared to be cleared in preparation for agricultural use. By 1963, five (5) structures were noted along the south-central and southwest portions of the south. In 1976, the northern portion of the subject property appeared to be utilized for agricultural purposes. In 1980, two (2) structures were noted immediately north of Rodriguez Road.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, photograph inspected 1975) and Pala, 7.5-Minute Quadrangle (USGS, 1997). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief. The approximate site elevation ranges from approximately 900 feet above mean sea level (amsl) (central portion) to approximately 800 feet amsl (northern and southern portions). Surface drainage from the site is multi-directional; from the central portion of the site (Rodriguez Road being the dividing point); flow is predominately to the south and north. While lower elevations along the northern and southern property boundary allow for flow to the west. An unidentified creek is located along the southern property boundary.

2.3 Regional and Local Geology

The subject site and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the site is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the site is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Bonsall Sandy Loam (BID2); Cieneba Coarse Sandy Loam (CIE2); Cieneba Rocky Coarse Sandy Loam (CmE2); Cieneba-Fallbrook (CnG2); Fallbrook (FaE2); and steep gullied land (StG) (USDA, 2011). Soils in these series are reportedly well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 9 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the site is located within the groundwater designation of the Bonsall Hydrologic Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural and industrial supply processes.

EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining to a potential water supply well located on the northwest portion of the subject property. According to Ms. Sandy Johnson, Senior Office Assistant with the County, on April 4, 2008, a well permit application (Permit No. LWEL19650) was approved by the County of San Diego Department of Environmental Health for the installation of an 8-inch diameter steel well at the subject property identified as APN 129-011-15, located on Rodriguez Road, Escondido, 92026. The well depth was listed as 600 feet and the proposed use was for agricultural. The well was completed on May 31, 2008. **Appendix C** contains copies of the well permit.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for more information pertaining to the County listed well and/or any other well(s) on or adjacent to the subject property. According to the website no information was listed for the subject property well. Two (2) water supply wells, one located to the northeast (well 10S02W29E001S) and the other to the east (well 10S02W29M001S), are located in close proximity to the subject property. According to the website, the wells were last measured in 1967, and indicated that the depth-to-groundwater in the wells were recorded at 36 feet below ground surface (bgs) and 58 feet bgs, respectively.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, the property is identified by map number 06073C0525F and is situated within Zone X, which is an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level. Zone X A copy of the map is included in **Appendix B.**

3.0 SITE BACKGROUND

3.1 Site Ownership

According to the County of San Diego Assessor the current owner of the subject parcels is identified as Geigert Ranch, LLC, with a mailing address of 3533 Corte Esperanza, Carlsbad, California 92009.

3.2 Site History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject site. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1947, 1949, 1950, 1953, 1963, 1968, 1976, 1980, 1982, 1988, 1990-91, 1997, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was obtained from Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**). It should be noted that topographical map coverage for the years 1982, 1988 and 1997 was limited to the eastern half of the subject property.

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix D**. Based on the data reviewed, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern portion of the site (south of Rodriguez Road) appeared to be cleared in preparation for agricultural use. By 1963, five (5) structures were noted along the south-central and southwest portions of the south. In 1976, the northern portion of the subject property appeared to be utilized for agricultural purposes. In 1980, two (2) structures were noted immediately north of Rodriguez Road. The subject property continues to be utilized for agricultural purposes.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	Subject property appeared to be undeveloped. West Lilac Road was present to the north and east of the subject property. Rodriguez Road was not present. The surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:750	The southern portion (south of Rodriguez Road) of the subject property appeared to be cleared in preparation for agricultural use; no structures were noted. The northern portion of the site (north of Rodriguez Road) remained undisturbed land. West Lilac Road was present to the north and east. Rodriguez Road was present, which bisected the central portion of the site. A drainage covered with natural vegetation was noted along the southern portion of the subject property. The surrounding area appeared to be undeveloped land.
1949	Topographic Map 1:24,000	Subject property appeared to be undeveloped. Rodriguez Road was present. No other pertinent changes were noted since the 1942 topographic map.
1950	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1950 topographic map.
1953	Aerial Photograph 1:750	No apparent changes were noted to the subject property since the 1947 photograph. Additional unimproved roads/trails appeared in the surrounding area.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1963	Aerial Photograph 1:750	The southern portion (south of Rodriguez Road) of the subject property appeared to be utilized for agricultural purposes. Numerous roads/trails bisected the site. Three (3) structures were noted along the central portion of the subject property (south of Rodriguez Road). Two (2) additional structures were noted along the southwest corner of the subject property. The northern portion of the subject property (north of Rodriguez Road) remained undisturbed property. Increased agricultural use and unimproved roads were noted in the surrounding area.
1968	Topographic Map 1: 24,000	Five (5) structures were noted on the southern portion of the subject property. Rodriguez Road was present, along with an unimproved road that bisected the southern portion of the site from north to south. A water well was noted offsite and to the northeast of the subject property.
1976	Aerial Photograph 1:750	The entire subject property appeared to be utilized for agricultural purposes. A single structure was noted on the subject property, immediately north of Rodriguez Road. Various unimproved roads/trails were noted through out the site, which appeared to be associated with the agricultural use. Additional structures were noted along the central portion (south of Rodriguez Road) and southwest corner of the subject property. The surrounding area was predominately agricultural use and/or orchards.
1980	Aerial Photograph 1:750	No apparent changes were noted to the subject property since the 1976 photograph.
1982	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map, except for the presence of a structure on the northern parcel.
1988	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1982 topographic map.
1990-1991	Aerial Photograph 1:750	Subject property remained developed as agricultural use. All previously identified structures were visible, except for the southwest corner of the site. Only one (1) structure was noted along the southwest corner of the site, and what appeared to be three (3) former building pads. No other pertinent changes ere noted.
1997	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1988 topographic map.
2002	Aerial Photograph 1:750	No apparent changes were noted to the subject property or adjacent and surrounding property since the 1990-1991 photographs, except no structures were noted along the southwest corner of the site.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of agricultural land, bisected by numerous unimproved roads. Numerous structures were noted along the central portion of the subject property (south of Rodriguez Road). A drainage was noted along the southern portion of the subject property. Rodriguez Road was present and remained unimproved. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

Directory listings associated with the subject property (31030 and 31130 Rodriguez Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed as residential from 1992 to 2007. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target addresses (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix D**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of County Directory Search
31030 and 31130 Rodriguez Road, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
2010		
30818 Rodriguez Road Blair Ronald D	**31030 Rodriguez Road** **Rodriguez Joe; Rodriguez William** **31130 Rodriguez Road** **Address not listed**	31092 Rodriguez Road Wilson Beverly
2005		
30818 Rodriguez Road Blair Ronald D	**31030 Rodriguez Road** **Rodriguez Joe; Rodriguez William** **31130 Rodriguez Road** **Address not listed**	31092 Rodriguez Road No Response
2000		
30818 Rodriguez Road No Response	**31030 Rodriguez Road** **Apartments** **31130 Rodriguez Road** **Address not listed**	31092 Rodriguez Road No Response
1995		
30818 Rodriguez Road Phillips Ronald E	**31030 Rodriguez Road** **Apartments** **31130 Rodriguez Road** **Address not listed**	31092 Rodriguez Road Hailey Penny
1990		
30818 Rodriguez Road Phillips Ronald E	**31030 Rodriguez Road** **Apartments** **31130 Rodriguez Road** **Address not listed**	Rodriguez Road Highest listing this street is 31030

TABLE 2
Summary of County Directory Search
31030 and 31130 Rodriguez Road, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
1985		
Rodriguez Road Only listing this street is 31030	**31030 Rodriguez Road** **Rodriguez Raymond** **31130 Rodriguez Road** **Address not listed**	Rodriguez Road Only listing this street is 31030
End of search due to A) earlier directory or street listing not found; B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), records were on file for all three subject property parcels APNs: 129-011-15, 129-300-09 and 129-300-10. The following bulleted items summarize the information reviewed. **Appendix C** contains excerpts of the information reviewed.

- Proposed master planned community, identified as project "I-15/395 Master Planned Community MPA 10-025". Information reviewed identified various parcels being considered for the master planned community by Accretive Investments, Inc.; meeting minutes for discussions between the County of San Diego and Accretive representatives; proposed general plan amendments; and County of San Diego review and comment notes.

- General Hazardous Materials Permit (Permit No. HK07 199266) for agricultural use at 31030 Rodriguez Road (APN 129-011-15). The permit was a requirement for general farming and establishments that produce agricultural products. A hazardous material business plan, and site inspections conducted at the site from 1995 to 2008 were also listed. Based on the information reviewed, no violations were noted.

- Installation of a water well for 31030 Rodriguez Road (APN 129-011-15). The applicant was listed as John Geigert of Geigert Ranch, LLC. The drilling company was listed as AAA Drilling of Ramona, California. Well installation was approved by the County on May 13, 2008. The last record input into the system indicated "Well log received is the current activity. This activity is available for work as of 04-May-2008 and should be completed by 03-Jul-2008." No well logs or additional information was available. Additional well information is included in Section 2.4.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject site, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-quarter mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported; the subject property identified as: **Rodriguez Ranch** (31030 Rodriguez Road). No additional details were provided. State permits are not generally rationale for environmental concern, unless a facility has a dual listing, such as a reported release. The subject property does not have a dual listing or reported release; therefore, the listing is not considered to be an environmental concern at this time.

State Other – No listings were reported within one-quarter mile of the subject property.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property located at 31030 and 31130 Rodriguez Road (APNs: 129-011-15, 129-300-09 and 129-300-10). According to Ms. Liz Lozano, Administrative Assistant/Board Clerk, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property addresses: 31030 and 31130 Rodriguez Road and APNs: 129-011-15, 129-300-09 and 129-300-10. According to Ms. Joyce Ellman, Office Support Specialist, permits for 31030 Rodriguez Road (APN 129-011-15) were available. The following bulleted items summarize the information reviewed. Copies of the files obtained from the County are included in **Appendix C**.

- Establishment Information: Permit No. 199266; Rodriguez Ranch; 31030 Rodriguez Road; Owner – Joe Rodriguez.
- Inventory Detail Information: CAS # - 68334-30-S – Diesel
- Information reviewed included a permit for Hazardous Materials Business Activities; and Hazardous Materials Business Plan Certification and Statement.
- No other pertinent information was listed

EEI also contacted the DEH Land and Water Quality Division for records pertaining to the subject property. According to Ms. Sandy Johnson, Senior Office Assistant, files pertaining to a water well (discussed in Section 2.4) and septic system were on file for 31030 Rodriguez Road. The following bulleted items summarize the septic system information. Copies of the files obtained from the County are included in **Appendix C**.

- Application and permit for septic tank dated October 16, 1984. The permit was submitted by Mr. Joe Rodriguez for the property located at 31030 Rodriguez Road (APN 129-011-15).

- The septic system is located along the southern parcel boundary and extends north from the existing structures.

- Existing septic system is comprised of a 1,000 gallon capacity tank and 280 feet of leach line. The permit was for an upgrade to the existing system, which included the addition of 100 feet of leach line (380 feet total), to accommodate the addition of a three (3) bedroom mobile home.

- No other pertinent information was listed

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

One nearby property identified as Residential House (10115 Lilac Road), reported a heating oil release in September 1997, which reportedly impacted the soil only. The case was closed by the on May 29, 1998. No other information was provided.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our site reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within T10S, R2W Section 30).

3.5 Interview with Current Property Owner

EEI interviewed the property lessee and former property owner, Mr. Joe Rodriguez. Information provided by Mr. Rodriguez is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Rodriguez stated that the current and past uses of the subject property is and has been as agricultural use, which included flowers, fruits, and vegetables.

3.5.2 Environmental Liens or Governmental Notification

Mr. Rodriguez stated that he is not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Rodriguez stated that historically pesticides and herbicides were applied to the agricultural portions of the property. Mr. Rodriguez also stated that diesel fuel is stored onsite in 55-gallon containers, which is used to fuel farming related equipment. When asked, Mr. Rodriguez stated that no above or below ground fuel storage tanks have been used at the subject property. Mr. Rodriguez was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mr. Rodriguez stated that he is not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mr. Rodriguez stated that he is not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner representative, Mr. Rodriguez, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on the age of the onsite structures (circa-1975), it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing at the subject property; therefore, if subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age of the onsite structures (circa-1975), there is a potential that lead-based paint exists in the building. If site improvements or demolition activities are conducted on the subject property structure, EEI recommends LBP testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level at 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999). Based on the age of the onsite structures (circa-1975), there is a potential that electrical equipment located on the subject property may be PCB-containing.

4.0 SITE RECONNAISSANCE

4.1 Purpose

The purpose of our site reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Site

On March 15, 2011, EEI personnel mobilized to the subject property and conducted a walking and driving inspection around the perimeter of the subject property, and then traversed the subject property. Visual conditions observed during the site reconnaissance of the subject property, are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The irregularly shaped subject property consists of privately owned land located southwest of the intersection of Rodriguez Road and Jay Jay Way, in Escondido, California (**Figure 2**). The subject property encompasses a total of 102.76-acres on three parcels identified as Assessor's Parcel Numbers (APNs) is 129-011-15 (20.72-acres), 129-300-09 (62.04-acres), and 129-300-10 (20-acres). According to the County of San Diego, the addresses associated with the subject property include 31030 Rodriguez Road (APN 129-011-15), and 31130 Rodriguez Road (APN 129-300-10). There is no address associated with APN 129-300-09. Access to the subject property is from Rodriguez Road (currently unimproved), which divides the northern parcel (129-011-15) and southern parcels 129-300-09 and -10. Numerous unimproved roads/trails bisect the subject property, which are used to access the growing fields.

The northern portion of the subject property (north of Rodriguez Road) is comprised of growing fields for fruits and vegetables. This portion of the site is comprised of sloping terrain from south to north. Immediately north of Rodriguez Road are: two wood-framed structures that are used to store hand tools, stage flowers/fruits/vegetables; a cooler room; and a small maintenance area; a travel trailer used for temporary housing; and miscellaneous farming equipment. Two portable outhouses were also observed in this area, along with an approximately 250-gallon propane tank. A large tractor was staged to the east of the structures. Small quantities of used motor oil and transmission fluid (stored in 5-gallon capacity containers) were observed adjacent to the tractor. Minor staining was observed beneath the containers.

The remainder of the northern portion of the site is comprised of steep terrain occupied by growing fields. A dirt road, located along the eastern border provides access to the growing fields. Numerous trails bisect the fields, which are used by the workers to maintain crops. An expansive irrigation system, consisting of above and below ground piping is used to service the growing fields. A water well system; comprised of an 8-inch diameter steel well; 250-gallon pressurized tank; and 1,000-gallon capacity plastic water holding tank, was observed along the northwest portion of the site. Two (2) wooden storage sheds were also observed along the northern property boundary. One shed was used to store hand tools, while the other was used to store small quantities of pesticides and herbicides. Trailer mounted sprayers and/or fertilizer containers, connected to the water supply system were also noted throughout the northern growing fields.

The southern portion of the subject property (south of Rodriguez Road) is comprised of growing fields for fruits and vegetables. It should be noted that the west and southwest portion of the southern parcels appeared to be feral. In general, the southern portion of the site is comprised of gently sloping terrain from north to south. Numerous dirt roads bisect the fields, which provide access for farming equipment and workers. An expansive irrigation system, consisting of above and below ground piping is used to service the growing fields.

Two (2) sets of large green houses were observed along the southern portion of the site. A trailer mounted sprayer or fertilizer container was observed within the eastern greenhouse. Adjacent to the greenhouses was a portable outhouse; a metal container used to store plastic sheeting; a wooden shed used to store hand tools and various fertilizer products; and debris piles (wood and plastic). Adjacent to the western greenhouses were five (5) plastic 55-gallon drums (contents unknown) and a stone storage building with a wooden roof (possibly a former outhouse or irrigation shed). Southwest of the greenhouses was an area used to stage tractor trailers (presumably for fruit and vegetable transport), discarded wood and debris piles, metal fencing, and miscellaneous irrigation parts were also observed in this area.

Two wind mills; one electric powered and the other fuel powered (inactive) are situated in the south-central portion of the site. Two (2) tractor trailers, containing discarded farming equipment and two (2) 55-gallon storage drums were also observed along the south-central portion of the site. Immediately adjacent to the trailers were five (5) 5-gallon containers of what appeared to be motor oil and/or transmission fluid; minor staining was noted beneath the containers. Numerous shade canopies, plastic piping and sheeting used to service and/or cover the growing areas were observed throughout the southern portion of the site. Discarded tires were also noted throughout the subject property. Several outhouses were observed throughout the growing fields of the southern property margins.

EEI observed a former building site (i.e., remnants of concrete pads), which are situated along the southwest corner of the subject property. The area has since been overgrown by native vegetation and doesn't appear to have been farmed in some time.

Five (5) residential structures, a maintenance building, a produce storage/staging building, transport vehicles (filled with miscellaneous household items), and various farming equipment (old and new) are located along the north-central portion of the site (immediately south of Rodriguez Road). The maintenance shed located is this area contained various quantities of new and used motor oil; hydraulic fluid; 55-gallon storage drums of diesel fuel; a pesticide storage area; farming equipment; vehicles; and miscellaneous household items. In general, stained surfaces (soil and concrete) and improper storage of hazardous materials/wastes were observed along the exterior and within the maintenance building. Large amounts of miscellaneous household items, debris, tires, and farming equipment were also observed along the exterior of the maintenance building. A single 250-gallon, steel above ground storage tank was observed immediately south of the maintenance building. The tank appeared to be empty and out of commission.

Overhead power lines were observed along Rodriguez Road, which continued south along the central portion of the subject property. Pole-mounted transformers were observed at various locations. No evidence of spillage or leaking was noted beneath the pole-mounted transformers, which generally appeared to be in good operating condition.

According to the subject property lessee, Mr. Joe Rodriguez, a large diameter water supply line bisects the central portion of the property along Rodriguez Road. EEI observed various manhole/access points to the water line during our site reconnaissance. A pump house associated with the water line is located offsite, and immediately southeast of the intersection of Jay Jay Way and Rodriguez Road. At the extreme southern portion of the property, a small stream and/or drainage is present that flows from east to west. Running water was observed during our reconnaissance.

Based on our site observations, general housekeeping in the developed areas of the subject property would be considered fair to poor condition. EEI observed improper storage of new and used motor oil containers; transmission/hydraulic fluid containers; diesel fuel containers; and pesticides stored in a maintenance building and wooden storage shed. Stained soils/surfaces were observed near a tractor staged north of Rodriguez Road; and around the maintenance building and tractor trailers south of Rodriguez Road. Large quantities of trash and debris; discarded household items; farming equipment and vehicles; building materials associated with farming operations; and farming equipment were observed throughout the subject property.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Fair to poor. Large quantities of trash and debris; discarded household items; vehicles; and building materials were observed.
Surface Spills	Yes	Surface spills were observed at various locations throughout the subject property.
Stained Surfaces	Yes	Stained surfaces were observed at various locations throughout the subject property.
Fill Materials	No	No concerns noted.
Pits/Ponds/Lagoons	No	No concerns noted.
Surface Impoundments	No	No concerns noted.
ASTs/USTs	No	A 250-gallon steel AST was located immediately south of the maintenance building on the south side of Rodriguez Road.
Distressed Vegetation	No	No concerns noted.
Wetlands	No	A creek, with flowing water, was observed along the southern portion of the subject property.
Electrical Substations	No	No concerns noted.
Areas of Dumping	No	No concerns noted
Transformers	No	Pole-mounted transformers were observed on the subject property.
Waste/Scrap Storage	No	Various quantities of waste/scrap storage associated with farming activities were observed.
Chemical Use/Storage	Yes	Various quantities of used and new motor oil; hydraulic fluid; diesel fuel; and pesticides were observed on the subject property. In some instances, these materials did not appear to be properly containerized and/or stored.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by vacant/undeveloped land or agricultural properties (orchards or additional fruit and vegetable farms). Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

5.1 Purpose and Objective

The subject property has been utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agriculture specifically address disturbed (i.e., graded) residential sites. Therefore, EEI has modified the application of the document to the specific site, while maintaining the general conformance with the document's suggested sampling frequencies, methodology, and analytical parameters.

Based on the size of the property, and EEI's experience at similar sites, a total of 103 discrete soil samples, or approximately one per acre, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.2 Field Investigation

On March 16 and 17, 2011, EEI personnel mobilized to the project site to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of 103 discrete locations (identified as ACR-1 through ACR-103, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.3 Laboratory Analytical Testing

All 103 discrete soil samples (ACR-1 through ACR-103) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of 26 composite samples (identified as Composite #1 through Composite #26) from the discrete samples at a ratio of 4:1. All 26 composite samples (Composite #1 through Composite #26) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect).
- Concentrations of lead were detected in sample ACR-7 and ACR-95 at 380 milligrams per kilogram (mg/kg) and 200 mg/kg. No other samples detected lead above the laboratory reporting limit (i.e., "non-detect").
- DDE was detected in all composite samples, except for Composite #22 through Composite #26. Concentrations of DDE ranged from 5.3 micrograms per kilogram (µg/kg) (Composite #20) to 380 µg/kg (Composite #3).
- DDD was detected in samples Composite #1 through Composite #7, Composite #10, Composite #11, and Composite #14 through Composite #16. Concentrations of DDD ranged from 5 µg/kg (Composite #5) to 42 µg/kg (Composite #10). No other composite samples detected DDD above the laboratory reporting limit (i.e., "non-detect").
- DDT was detected in samples Composite #1 through Composite #3, Composite #6, Composite #7, and Composite #10. Concentrations of DDT ranged from 9.5 µg/kg (Composite #1) to 130 µg/kg (Composite #10). No other composite samples detected DDT above the laboratory reporting limit (i.e., "non-detect").
- Methoxychlor was reported at 15 µg/kg in sample Composite #10. No other composite samples detected Methoxychlor above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-3	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	3/15/2011	<5	**380**	NA	NA	NA	NA	NA
ACR-8	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-11	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-16	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-18	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-19	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-22	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-23	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-24	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-25	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-26	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-27	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-28	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-29	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-30	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-31	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-32	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-33	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-34	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-35	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-36	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-37	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-38	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-39	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-40	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-41	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-42	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-43	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-44	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-45	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-46	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-47	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-48	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-49	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-50	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-51	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-52	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-53	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-54	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-55	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-56	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-57	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-58	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-59	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-60	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-61	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-62	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-63	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-64	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-65	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-66	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-67	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-68	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-69	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-70	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-71	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-72	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-73	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-74	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-75	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-76	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-77	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-78	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-79	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-80	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-81	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-82	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-83	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-84	6	3/15/2011	<5	<3	NA	NA	NA	NA	NA
ACR-85	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-86	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-87	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-88	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-89	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-90	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-91	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-92	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-93	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-94	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-95	6	3/16/2011	<5	**200**	NA	NA	NA	NA	NA
ACR-96	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-97	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-98	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-99	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-100	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-101	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-102	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
ACR-103	6	3/16/2011	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	3/15/2011	NA	NA	<5	**97**	**5.7**	**9.5**	<5-200
Composite #2	6	3/15/2011	NA	NA	<5	**100**	**11**	**13**	<5-200
Composite #3	6	3/15/2011	NA	NA	<5	**380**	**18**	**39**	<5-200
Composite #4	6	3/15/2011	NA	NA	<5	**86**	**5.7**	<5	<5-200
Composite #5	6	3/15/2011	NA	NA	<5	**71**	**5**	<5	<5-200
Composite #6	6	3/15/2011	NA	NA	<5	**220**	**8**	**15**	<5-200
Composite #7	6	3/15/2011	NA	NA	<5	**170**	**14**	**9.8**	<5-200
Composite #8	6	3/15/2011	NA	NA	<5	**16**	<5	<5	<5-200
Composite #9	6	3/15/2011	NA	NA	<5	**43**	<5	<5	<5-200
Composite #10	6	3/15/2011	NA	NA	<5	**110**	**42**	**130**	**Methoxychlor - 15;** all others <5-200
Composite #11	6	3/15/2011	NA	NA	<5	**140**	**6.2**	<5	<5-200
Composite #12	6	3/15/2011	NA	NA	<5	**82**	<5	<5	<5-200
Composite #13	6	3/15/2011	NA	NA	<5	**100**	<5	<5	<5-200
Composite #14	6	3/15/2011	NA	NA	<5	**160**	**6.9**	<5	<5-200
Composite #15	6	3/15/2011	NA	NA	<5	**51**	**8.6**	<5	<5-200

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Composite #16	6	3/16/2011	NA	NA	<5	**94**	**8.3**	<5	<5-200
Composite #17	6	3/16/2011	NA	NA	<5	**11**	<5	<5	<5-200
Composite #18	6	3/16/2011	NA	NA	<5	**48**	<5	<5	<5-200
Composite #19	6	3/16/2011	NA	NA	<5	**12**	<5	<5	<5-200
Composite #20	6	3/16/2011	NA	NA	<5	**5.3**	<5	<5	<5-200
Composite #21	6	3/16/2011	NA	NA	<5	**22**	<5	<5	<5-200
Composite #22	6	3/16/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #23	6	3/16/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #24	6	3/16/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #25	6	3/16/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #26	6	3/16/2011	NA	NA	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Methoxychlor – 340,000**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.4 Discussion of Testing Results

Concentrations of lead were detected in discrete samples ACR-7 and ACR-95 and select organochlorine pesticides (DDE, DDD, DDT and Methoxychlor) were detected in samples Composite #1 through Composite #26 during this investigation. EEI compared the reported values to the California Human Health Screening Levels (CHHSL) residential land use scenario values. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. Based on DTSC guidelines (2008), the concentration of chemicals of concern detected in a composite sample can be used directly in the risk assessment without adjusting the toxicity screening numbers, such as the CHHSLs. The following bulleted items summarize the reported values:

- All reported values of DDE, DDD, DDT and Methoxychlor were less than the CHHSL residential screening level of 1,600 µg/kg, 2,300 µg/kg, 1,600 µg/kg, and 340,000 µg/kg, respectively.

- The concentration of lead reported in sample ACR-7 (380 mg/kg) and ACR-95 (200 mg/kg) exceed the CHHSL residential screening level of 150 mg/kg.

Although arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential CHHSL value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 PHASE I FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  The subject property has been utilized for agricultural purposes. Based on the future planned site use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate site soils for agricultural chemicals. Note: our sampling was focused on the growing fields of the site, where it is assumed that agricultural chemicals were uniformly applied. Agricultural sampling was not conducted in areas observed to have chemical storage/spillage/usage.

  Based on the results of our agricultural chemical survey (see section 5.0 – Results of Limited Agricultural Survey), low levels of chemicals of concern were detected in site soils. The concentrations were less than applicable residential screening levels, except for lead. Concentrations of lead were reported in two (2) samples above residential screening values; therefore, further investigation appears to be warranted at these two locations.

  EEI observed improper storage of hazardous materials/wastes on the subject property. Additionally, stained soils and surfaces were also observed on the subject property. Therefore, additional environmental investigation appears to be warranted at these locations.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions were noted during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

It should be noted that topographical map coverage for the years 1982, 1988 and 1997 was limited to the eastern half of the subject property. Based on other database information researched, it is the opinion of the environmental professional that this data gap does not impact the findings stated within this report.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 Onsite Data Gaps

No onsite data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the agricultural property located southwest of the intersection of Rodriguez Road and Jay Jay Way, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Concentrations of lead reported in two (2) soil samples collected from the subject property were reported above CHHSLs residential land use values. Based on the proposed future residential development of the site, EEI recommends additional investigation at these two (2) locations to further evaluate the extent of the lead contamination.

- Initial agricultural chemical soil sampling performed at the subject property was limited to the growing fields of the site, and did not include pesticide storage and/or usage areas. Therefore, EEI recommends evaluating soils in these areas for the presence of agricultural chemicals, prior to any future proposed site improvement.

- Petroleum hydrocarbon stained soils and surfaces were observed at various locations throughout the subject property, which included: beneath the containers located adjacent to the tractor staged north of Rodriguez Road; stained surfaces located within and along the exterior of the maintenance building located south of Rodriguez Road; and beneath discarded containers adjacent to the two (2) tractor trailers located along south-central portion of the site. EEI recommends additional investigation efforts be performed in these areas, prior to any future proposed site improvements.

- Numerous drums/containers of new and used motor oil; hydraulic fluid; diesel fuel; and pesticides were observed throughout the subject property. The contents of the drums/containers should be properly characterized and disposed of prior to any future site improvements.

In addition to the above bulleted items, EEI has the following comments.

- There is a potential for Asbestos Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within the onsite structure will likely be required.

- A water supply well and multiple septic systems are located on the subject property. Unless planned for future use, these features should be properly abandoned following State and County Health Department guidelines.

- Numerous new and used vehicles and farming equipment (tractors, trailers, spraying equipment, motors, etc.) were observed throughout the site. These items should be removed from the subject property prior to any future site improvements.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed March 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed March 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed March 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed March 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed March 2011.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed March 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed March 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed March 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

United States Geological Survey (USGS), 1997, Pala, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP/FIRM

APPENDIX C
COUNTY OF SAN DIEGO FILES

APPENDIX D
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY REPORT

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

EEI
Geotechnical & Environmental Solutions

June 2, 2011
(March 26, 2012 revisions)

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

Mr. Jon Rilling, Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject: Limited Phase II Environmental Site Assessment
102.76-Acre Agricultural Property – "Sun Flower"
Southwest of Rodriguez Road and Jay Jay Way
APNs: 129-011-15, 129-300-09, 129-300-010
Escondido, California
EEI Project Number ACR-70663.2

Dear Mr. Rilling:

The following letter report documents the *Limited Phase II Environmental Site Assessment (ESA)* conducted at the above-referenced subject property (**Figure 1**). The report provides background information, and discusses field activities, laboratory analytical data, discussion of findings, and conclusions and recommendations.

BACKGROUND INFORMATION

The irregularly shaped subject property encompasses a total of 102.76-acres on three parcels identified as Assessor's Parcel Numbers (APNs) is 129-011-15 (20.72-acres), 129-300-09 (62.04-acres), and 129-300-10 (20-acres). Addresses associated with the subject property include 31030 Rodriguez Road (APN 129-011-15), and 31130 Rodriguez Road (APN 129-300-10). There is no address associated with APN 129-300-09. Access to the subject property is from Rodriguez Road (currently unimproved), which divides the northern parcel (129-011-15) and southern parcels (129-300-09 and 129-300-10).

Overall the subject property is utilized for agricultural purposes. The majority of the site is comprised of flower, fruit, and vegetable growing fields. Residential structures, maintenance buildings, and agricultural-related structures are located in the central portion of the site immediately north and south of Rodriguez Road. An unnamed creek is situated along the southern portion of the site.

EEI conducted a Phase I ESA and Limited Agricultural Chemical Survey for the subject property in March 2011 (currently in draft form). The report revealed no evidence of *recognized environmental conditions* (REC's*)* in connection with the property, **except the following**:

- Concentrations of lead reported in two (2) soil samples (ACR-7 and ACR-95) collected from the subject property were reported above California Human Health Screening Levels (CHHSLs) residential land use values. Based on the proposed future residential development of the site, EEI recommended additional investigation at these two (2) locations to further evaluate the extent of the lead contamination.

- Initial agricultural chemical soil sampling performed at the subject property was limited to the growing fields of the site, and did not include pesticide storage and/or usage areas. Therefore, EEI recommended evaluating soils beneath pesticide use/storage areas for the presence of agricultural chemicals, prior to any future proposed site improvement.

- Petroleum hydrocarbon storage and stained soils/surfaces were observed at various locations throughout the subject property, which included: beneath the containers located adjacent to the tractor staged north of Rodriguez Road; stained surfaces located within and along the exterior of the maintenance building located south of Rodriguez Road; and beneath discarded containers adjacent to the two (2) tractor trailers located along south-central portion of the site. EEI recommended additional investigation efforts be performed in these areas, prior to any future proposed site improvements.

- Numerous drums/containers of new and used motor oil; transmission/hydraulic fluid; diesel fuel; and pesticides were observed throughout the subject property. EEI recommended the contents of the drums/containers be properly characterized and disposed of prior to any future site improvements.

Based on the findings of our Phase I ESA and Limited Agricultural Chemical Survey, EEI recommended that additional investigation activities be conducted to further evaluate site soils. This report documents the additional investigation performed at the site.

RESULTS OF SOLUBLE LEAD ANALYSIS

Soil samples ACR-7 and ACR-95 were initially collected at the site on March 15 and 16, 2011, respectfully. The samples at these two (2) locations were collected at six (6) inches below ground surface (bgs). Lead was detected at 380 milligrams per kilogram (mg/kg) in sample ACR-7 and 200 mg/kg in sample ACR-95, which exceeds the CHHSL residential land use scenario value of 150 mg/kg.

Based on the initial laboratory results, samples ACR-7 and ACR-95 were further analyzed for soluble lead by the Waste Extraction Test (WET) by EPA Series 6000/7000 to determine the Soluble Threshold Limit Concentration (STLC). The WET analysis was performed to determine if the reported lead concentrations have a STLC value that would characterize it as a hazardous waste under California law, which would require special handling and disposal. It should be noted that California Hazardous Waste laws for land disposal of contaminated soil utilize the Total Threshold Limit Concentration (TTLC) and STLC values to determine if impacted soil is characteristic of a hazardous waste. For lead, concentrations greater than the TTLC value of 1,000 mg/kg are considered a hazardous waste. No samples analyzed during our investigation efforts reported lead above the TTLC value. The maximum lead level detected was 380 mg/kg. Furthermore, concentrations of soluble lead greater than the STLC value of 5 milligrams per liter (mg/l) are characterized as a hazardous waste. The STLC is based on a chemicals ability to leach into the environment.

The following bulleted items summarize the WET analysis performed on sample ACR-7 and ACR-95. **Table 1** summarizes the results. Complete laboratory analytical reports and Chain-of-Custody (COC) documentation are provided in **Appendix A.**

- Soluble lead in sample ACR-7 was reported at 0.24 milligrams per liter (mg/l), which is less than the STLC value of 5 mg/l.

- No soluble lead was reported above the laboratory reporting limit of 0.1 mg/l in sample ACR-95.

- No other samples were analyzed by WET for lead STLC values.

FIELD ACTIVITIES

Prior to mobilization, EEI coordinated site access with a representative of Accretive Investments, Inc. (Client) and the site tenant, Mr. Joe Rodriguez. Sample locations were pre-determined based on the location of the two (2) previous lead hot spots (initial sample locations ACR-7 and ACR-95) and the pesticide storage/use areas and petroleum hydrocarbon storage/stained areas observed during our Phase I ESA.

Field activities were conducted on May 5, 2011. Soil sampling was performed by EEI field staff using a shovel and/or hand auger sampling equipment. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper COC documentation. **Figure 2** through **4** illustrate the soil sample locations.

Lead Delineation Sampling

Based on the lead concentrations reported at six (6) inches bgs in initial samples ACR-7 (380 mg/kg) and ACR-95 (200 mg/kg) additional delineation sampling was conducted to further evaluate the two "hot spots". At each initial location, a boring was advanced to approximately 18 inches bgs and a sample was collected (ACR-7-18" and ACR-95-18"). An additional four (4) delineation samples, (approximately 5 feet from the center of initial samples ACR-7 and ACR-95) were collected to the north, south, east, and west, and at a depth of six (6) inches bgs. The delineation samples are identified as ACR-7-N5, ACR-7-S5, ACR-7-E5, ACR-7-W5, ACR-95-N5, ACR-95-S5, ACR-95-E5, and ACR-95-W5. **Figure 2** illustrates the location of initial sample ACR-7 and ACR-95, while **Figure 3** is a sample detail map that illustrates the additional lead delineation sample configuration.

Pesticide Storage/Use Areas Sampling

During our Phase I ESA subject property site walk, EEI observed three (3) locations where pesticides were either stored and/or used. The following paragraphs discuss the sampling conducted at these locations.

The first location is a wooden shed located along the northern portion of the subject property (assessors parcel number, APN 129-011-15). The floor of the shed was constructed of dirt and contained various sized containers of pesticides and fertilizers. No obvious signs of staining or spilling were observed. A single boring (identified as B-P-1) was advanced along the entrance of the storage shed. Soil samples were collected at 6 inches and 18 inches bgs. **Figure 2** illustrates the location of the shed and the boring.

A second wooden pesticide storage shed was observed along the southern portion of the subject property and adjacent to the greenhouses (APN 129-300-09). The floor of the shed was constructed of concrete and contained various sized containers of pesticides and fertilizers. Minor staining and odors were noted within the shed. A single boring was advanced along the entrance of the storage shed. Soil samples were collected at 6 inches and 18 inches bgs. **Figure 2** illustrates the location of the shed and the boring.

A third pesticide storage area was observed within the maintenance building located along the central portion of the site. The storage area is located on the north side of the maintenance building and within a small room adjacent to one of the buildings service doors. The floor of the shed was constructed of concrete and contained various sized containers of pesticides and fertilizers, which were stored on wooden palettes and shelves. No obvious signs of staining or spilling were observed. The exterior of the storage area was situated on a concrete floor; therefore, EEI was unable to obtain soil samples from this location.

Petroleum Hydrocarbon Storage/Stained Areas Sampling

During our Phase I ESA subject property site walk, EEI observed three (3) locations where diesel fuel, used motor oil, and/or transmission/hydraulic fluids were stored and/or petroleum hydrocarbon staining was noted. The following paragraphs discuss the sampling conducted at these locations.

The first location consisted of petroleum hydrocarbon stained soil in the area of a 10-gallon diesel container and 5-gallon transmission/hydraulic fluid container. The stained soil was located along the southeast portion of APN 290-011-15, and in the vicinity of a tractor storage area. The stained soil area measured approximately 3 feet by 3 feet and appeared to be surficial only. A single boring, identified as B-PH-1 was advanced in the area of the stained soil and samples were collected at 6 inches and 24 inches bgs. **Figure 2** illustrates the location of the stained soil and boring location.

A second area, located along the northwest portion of APN 129-300-10 and south of Rodriguez Road contained approximately five (5) 5-gallon buckets of transmission/hydraulic fluid. Stained soil was visible beneath the buckets, along with a petroleum odor. The stained soil area measured approximately 5 feet by 5 feet and appeared to be surficial only. A single boring, identified as B-PH-2 was advanced in the area of the stained soil and samples were collected at 6 inches and 24 inches bgs. **Figure 2** illustrates the location of the stained soil and boring location.

A third area, comprised of a maintenance building, located along the north-central portion of APN 129-300-09 and south of Rodriguez Road contained numerous containers of waste oil, transmission/hydraulic fluid, and two (2) 55-gallon drums that contained diesel fuel. Stained soil was visible along the northeast portion (exterior) of the maintenance building, along with a petroleum odor. The stained soil area measured approximately 5 feet by 42 feet, and appeared to extend approximately six (6) inches bgs. Located within the northeast portion of the maintenance building were numerous containers (approximately 5-gallon in capacity) that contained used motor oil and transmission/hydraulic fluid. The concrete surface in the area of the containers was heavily stained. In addition, used vehicles, batteries, tools, farming equipment, and miscellaneous household items were observed within the maintenance building. As noted in the **Pesticide Storage/Use Areas Sampling** section, a pesticide storage area was also observed within the maintenance building.

Two borings, identified as B-PH-3 and B-PH-4 were advanced in the area of the stained soil along the northeast portion of the maintenance building. Soil samples were collected at each location at a depth of 6 inches and 24 inches bgs. **Figure 4** is a sample detail map that illustrates the maintenance building layout and boring locations.

EEI was unable to collect soil samples from beneath the two (2) 55-gallon diesel fuel drums, due to the presence of concrete. It should be noted that the two (2) drums were not situated within or on top of secondary spill containment. The dirt, which overlay the concrete flooring, was stained and a strong petroleum odor was noted.

In addition to the three (3) areas identified above, EEI observed nine (9) 5-gallon buckets of soil that appeared to be impacted with used motor oil and/or transmission/hydraulic fluid. The buckets are located south of the main residence located on APN 129-300-10 and along a dirt access road used to store old farming equipment. The soil beneath the buckets did not appear to be stained.

LABORATORY ANALYTICAL PROGRAM

The following section summarizes the laboratory analytical program for the samples collected and analyzed during this phase of investigation.

Soluble Lead

Soil samples ACR-7-6" and ACR-95-6" were further analyzed for soluble lead by WET test EPA Test Method 6000/7000 series. Complete laboratory analytical reports with COC documentation are included in **Appendix A**.

Lead Delineation

Soil samples ACR-7-18", ACR-7-N5, ACR-7-S5, ACR-7-E5, ACR-7-W5, ACR-95-18", ACR-95-N5, ACR-95-S5, ACR-95-E5, and ACR-95-W5 were analyzed for Lead only by EPA Test Method 6010B. Complete laboratory analytical reports with COC documentation are included in **Appendix A**.

Pesticide Storage/Use Areas

Soil samples B-P-1-6", B-P-1-18", B-P-2-6", and B-P-2-18" were analyzed for Arsenic and Lead by EPA Test Method 6010B, and Organochlorine Pesticides by EPA Test Method 8081A. Complete laboratory analytical reports with COC documentation are included in **Appendix A**.

Petroleum Hydrocarbon Storage/Stained Areas

Soil samples B-PH-1-6", B-PH-1-24", B-PH-2-6", B-PH-2-24", B-PH-3-6", B-PH-3-24", B-PH-4-6", and B-PH-4-24" were analyzed for Total Petroleum Hydrocarbons Carbon Chain Identification (TPH-CCID) by EPA Test Method 8015M; heavy metals by EPA Test Method 6010B/7470/7471; and Volatile Organic Compounds (VOCs) by EPA Test Method 8260B. Complete laboratory analytical reports with COC documentation are included in **Appendix A**.

LABORATORY ANALYTICAL RESULTS

The following section discusses laboratory analytical results for soil samples collected during this assessment. The attached **Table 2** through **4** summarizes the sample results, while complete laboratory analytical results and COC documentation are included as **Appendix A.**

Lead Delineation Results (Table 2)

The following bulleted items summarize the results for lead delineation samples ACR-7-18", ACR-7-N5, ACR-7-S5, ACR-7-E5, ACR-7-W5, ACR-95-18", ACR-95-N5, ACR-95-S5, ACR-95-E5, and ACR-95-W5.

- Lead was detected in samples ACR-7-18", ACR-7-S5, and ACR-7-E5 at concentrations ranging from 8 mg/kg (ACR-7-S5) to 18 mg/kg (ACR-7-18"). No other samples analyzed detected lead above the laboratory reporting limit.

Pesticide Storage/Use Areas Results (Table 3)

The following bulleted items summarize the results for pesticide storage/use areas samples B-P-1-6", B-P-1-18", B-P-2-6", and B-P-2-18".

- No concentrations of arsenic or lead, or dieldrin (an organochlorine pesticide) were detected above the laboratory limit in any of the samples analyzed.

- DDE was detected in sample B-P-2-6" at 71 micrograms per kilogram (µg/kg) and B-P-2-18" at 380 µg/kg. No other samples detected DDE above the laboratory reporting limit.

- DDD was detected in sample B-P-1-6" at 6.9 µg/kg. No other samples detected DDD above the laboratory reporting limit.

- DDT was detected in sample B-P-2-6" at 11 µg/kg and B-P-2-18" at 88 µg/kg. No other samples detected DDT above the laboratory reporting limit.

- Endosulfan was detected in sample B-P-2-18" at 36 µg/kg. No other samples detected endosulfan above the laboratory reporting limit.

Petroleum Hydrocarbon Storage/Stained Areas Results (Table 4)

The following bulleted items summarize the results for petroleum hydrocarbon storage/stained areas samples B-PH-1-6", B-PH-1-24", B-PH-2-6", B-PH-2-24", B-PH-3-6", B-PH-3-24", B-PH-4-6", and B-PH-4-18".

- No concentrations of VOCs were detected above the laboratory reporting limit in any of the samples analyzed.

- No concentrations of TPH-CCID Gasoline Range Organics (GRO) (C6-C12) were detected above the laboratory reporting in any of the samples analyzed.

- TPH-CCID Diesel Range Organics (DRO) (C13-C28) were detected in sample B-PH-4-6" at 59 mg/kg. No other samples detected DRO above the laboratory reporting limit.

- TPH-CCID Motor Oil Range Organics (MORO) (C29-C40) were detected in sample B-PH-2-6" at 23 mg/kg, B-PH-2-24" at 22 mg/kg, and B-PH-4-6" at 270 mg/kg. No other samples detected MORO above the laboratory reporting limit.

- The following metals were detected in all the samples analyzed: Antimony, Barium, Chromium, Cobalt, Copper, Nickel, Vanadium, and Zinc. Antimony was reported at 3 mg/kg (B-PH-1-24"); barium ranged from 78 mg/kg (B-PH-2-24") to 150 mg/kg (B-PH-3-6" and B-PH-3-24"); chromium ranged from 8 mg/kg (B-PH-3-24") to 23 mg/kg (B-PH-2-6"); cobalt ranged from 7.1 mg/kg (B-PH-2-24") to 17 mg/kg (B-PH-3-24"); copper ranged from 13 mg/kg (B-PH-2-24" and B-PH-3-6") to 22 mg/kg (B-PH-2-6"); nickel ranged from 3.3 mg/kg (B-PH-3-24") to 8.8 mg/kg (B-PH-3-6"); vanadium ranged from 30 mg/kg (B-PH-2-24") to 86 mg/kg (B-PH-3-6"); and zinc ranged from 37 mg/kg (B-PH-4-6") to 110 mg/kg (B-PH-2-6").

DISCUSSION OF FINDINGS

Sampling conducted during this Limited Phase II ESA included an evaluation of soluble lead in initial samples ACR-7 and ACR-95; delineation (vertical and lateral) sampling at locations ACR-7 and ACR-95; pesticide storage/use areas sampling; and petroleum hydrocarbon storage/stained areas sampling. A total of 24 samples were analyzed for various chemical suites, which included WET or soluble lead, TPH-CCID, Metals, Organochlorine Pesticides, and VOCs.

Soil sample results were compared to California Human Health Screening Levels (CHHSLs) for Soils and Comparison to Other Potential Environmental Concerns, Table 1 – Residential Land Use Only values (Cal-EPA, 2005). The CHHSLs are concentrations of 18 hazardous chemicals that are used to estimate and compare reported concentrations in soil to risk to human health. Where CHHSL values were not available, California Regional Water Quality Control Board (CRWQCB) – San Francisco Bay Region, Environmental Screening Levels (ESLs) for Shallow Soil Screening Levels, Table 1-A – Residential Land Use values were used (CRWQCB, 2008). The ESLs are concentrations of chemicals of concern commonly found during soil and groundwater investigations, which can be used to estimate and compare reported concentrations to risk to human health and the environment.

Soluble Lead and Lead Delineation Sampling

Initial samples ACR-7 and ACR-95 were further analyzed for soluble lead by WET. Soluble lead was detected at 0.24 mg/l in sample ACR-7. No soluble lead was reported in sample ACR-95. Based on the WET results, the lead impacted soil located beneath ACR-7 and ACR-95 does not appear to be characteristic of a California Regulated Hazardous Waste (i.e., less than the TTLC value of 1,000 mg/kg and STLC value of 5 mg/l). It should be noted that if this material is to be removed from the subject property prior to future proposed development, additional characterization may be required for acceptance into a land disposal facility.

Lead delineation soil sampling conducted at ACR-7 and ACR-95 indicates that the lead-impacted soil detected above the residential CHHSLs (380 mg/kg, ACR-7 and 200 mg/kg, ACR-200) appears to be confined to the upper 18 inches and laterally 5 feet to the north, south, east, and west.

Pesticide Storage/Use Areas Sampling

Two (2) pesticide storage/use areas were sampled during this investigation. The results of the sampling indicated that low levels of DDE, DDD, and DDT are present is shallow soils. The maximum concentration of DDE detected was 380 µg/kg (B-P-2-18"); 6.9 µg/kg (B-P-1-6") for DDD; and 88 µg/kg (B-P-2-18") for DDT. The concentrations of DDE, DDD, and DDT were less than the CHHSL residential land use values of 1,600 µg/kg, 2,300 µg/kg, and 1,600 µg/kg.

Endosulfan, an organochlorine pesticide was detected in sample B-P-2-18" at 36 µg/kg, which exceeds the residential ESL value of 4.6 µg/kg. No other samples detected endosulfan or any other organochlorine pesticides above the laboratory reporting limit.

Petroleum Hydrocarbon Storage/Stained Areas Sampling

Low levels of DRO and MORO were reported in samples B-PH-4-6", B-PH-2-6", and B-PH-2-24". The maximum concentrations reported were 59 mg/kg DRO (B-PH-4-6") and 270 mg/kg MORO (B-PH-4-6"). None of the detected concentrations exceeded the residential ESL values for DRO (83 mg/kg) or MORO (370 mg/kg).

CONCLUSIONS AND RECOMMENDATIONS

Based on the information in this report, EEI provides the following conclusions and recommendations:

- Lead-impacted soil above CHHSL residential screening levels is present at two locations on the subject property: ACR-7 (located along the southwest portion of the site) and ACR-95 (located along the northern portion of the site). Based on the results of WET analysis, soluble lead does not appear to exist at concentrations above the STLC for classification as a California Hazardous Waste. EEI recommends the soil beneath ACR-7 and ACR-95 be excavated and disposed of at an offsite waste recycling facility prior to future planned site development.

- Soils beneath two (2) out of the three (3) areas that contained pesticide storage/use on the subject property were further investigated during this assessment. Soil samples collected from the two (2) locations detected low levels of organochlorine pesticides; however, the concentrations are less than the residential CHHSLs. At sample location B-P-2 (wooden storage shed located along the southern portion of the project site), endosulfan was detected above the ESL residential screening level. EEI recommends that the soil beneath B-P-2 be excavated and disposed of at an offsite waste recycling facility, and confirmation samples be collected prior to future planned site development. Additionally, the contents of all three (3) storage shed should be disposed of in accordance with local and state regulations prior to future planned site development.

- Soils beneath three (3) areas that contained petroleum hydrocarbon storage/stained areas on the subject property were further investigated during this assessment. Low levels of DRO and MORO were detected in shallow soils; however, the concentrations were less than ESL residential screening levels. At this time additional investigation and mitigation at these locations does not appear to be warranted. Additionally, EEI observed nine (9) 5-gallon buckets filled with used motor oil or transmission/hydraulic fluid-impacted soil. The buckets are located immediately south of the main residence located on the central portion of the site. EEI recommends the buckets be disposed of in accordance with local and state regulations prior to future planned site development.

- Numerous five (5) gallon buckets of new and used motor oil and transmission/hydraulic fluid were observed within the maintenance building located along the central portion of the site. EEI recommends the contents of the buckets be characterized and disposed of in accordance with local and state regulations prior to future planned site development.

- Numerous vehicles, farming equipment, and farming-related trash/debris were observed throughout the subject property. These items should be removed from the site and properly disposed of per local and state regulations. Although not a typical environmental concern, evidence of buried septic systems associated with the onsite structures were observed. EEI recommends these systems be properly abandoned following local health department protocol.

- Owing to the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural-by products, trash/debris, stained soils, piping, and/or additional environmental conditions not previously identified both below and above ground may have existed or exists on the subject property. EEI recommends that a soils management plan (SMP) be prepared that will provide direction for addressing such items if encountered during future planned grading activities. Furthermore, EEI recommends that a properly trained environmental technician be onsite during future proposed grading activities to observe and document site soils for potential environmental concerns.

LIMITATIONS

Findings provided herein have been derived in accordance with current standards of practice, and no warranty is expressed or implied. Standards of practice are subject to change with time. This report has been prepared for the sole use of Accretive Investments, Inc. (Client), dated May 25, 2011, within a reasonable time from its authorization. Site conditions, land use (both onsite and offsite), or other factors may change as a result of manmade influences, and additional work may be required with the passage of time.

This evaluation should not be relied upon by other parties without the express written consent of EEI or the Client; therefore, any use or reliance upon this environmental evaluation by a party other than the Client, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statue, or otherwise. The Client has the responsibility to see that all parties to the project, including the designer, contractor, subcontractor, and building official, etc. are aware of this report in its complete form. This report contains information which may be used in the preparation of contract specifications; however, the report is not designed as a specification document, and may not contain sufficient information for use without additional assessment. EEI assumes no responsibility or liability for work or testing performed by others. In addition, this report may be subject to review by the controlling authorities.

EEI appreciates the opportunity to provide services associated with this project site. If you have any questions or comments, please contact the undersigned at (760) 431-3747.

Sincerely,

EEI

Prepared and Edited by:

Brian R. Brennan, M.Sc., REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, RG 5530
Principal Geologist

Attachments:

Figure 1 – Site Location Map
Figure 2 – Boring Location Map
Figure 3 – Sample Detail Map
Figure 4 – Sample Detail Map
Table 1 – Results of Lead WET Analysis
Table 2 – Results of Lead Delineation Sampling
Table 3 – Results of Pesticide Storage Sampling
Table 4 – Results of Petroleum Hydrocarbon Sampling
Appendix A –Laboratory Analytical Results and Chain-of-Custody (COC) Documentation

Distribution:
(2) Addressee

REFERENCES

California Environmental Protection Agency (Cal-EPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties. Table 2 California Human Health Screening Levels for Indoor Air and Soil Gas." Dated January.

California Regional Water Quality Control Board (CRWQCB), San Francisco Bay Region, "Screening For Environmental Concerns at Sites with Contaminated Soil and Groundwater," Interim Final – November 2007 (Revised May 2008).

FIGURES

TABLES

APPENDIX A
LABORATORY ANALYTICAL RESULTS
AND
CHAIN-OF-CUSTODY (COC) DOCUMENTATION

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
"Akita Nursery" (Kawamura) Property
12.22-Acre Agricultural Property
APN 127-072-47 and 128-440-01
32250 Shirey Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

April 14, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71269.1

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site location:

"Akita Nursery" (Kawamura) Property
12.22-Acre Agricultural Property
APN 127-072-47 and 128-440-01
32250 Shirey Road
Escondido, California 92026

Prepared and Edited by:

Brian R. Brennan, REA-II
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71269.1

TABLE OF CONTENTS

GENERAL SITE INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Site Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SITE BACKGROUND **4**
3.1 Site Ownership 4
3.2 Site History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 4
3.2.2 City/County Directories 6
TABLE 2 Summary of City Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use Environmental Group 7
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 9
3.5.2 Environmental Liens or Governmental Notification 9
3.5.3 Presence of Hazardous Substances or Environmental Violations 9
3.5.4 Previous Assessments 9
3.5.5 Legal Proceedings 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 11
3.8.1 Asbestos Containing Materials 11
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 12

4.0 SITE RECONNAISSANCE **12**
4.1 Purpose 12
4.2 Subject Site 13
TABLE 3 – Summary of Site Reconnaissance 14
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY **15**
5.1 Purpose and Objective 15
5.2 Field Investigation 15
5.3 Laboratory Analytical Program 16
TABLE 4 - Soil Sample Results 16
5.4 Discussion of Testing Results 17

6.0 FINDINGS AND OPINIONS **18**

7.0 DATA GAPS and DEVIATIONS FROM ASTM PRACTICES **18**
7.1 Historical Data Gaps 18
7.2 Regulatory Data Gaps 19
7.3 Onsite Data Gaps 19
7.4 Deviations from ASTM Practices 19

8.0 CONCLUSIONS 19

9.0 REFERENCES **21**

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps
Appendix D – County of San Diego Records Historical
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SITE INFORMATION

Project Information: 12.22-Acre Agricultural Property

EEI Project Number: ACR-71269.1

Site Information:
"Akita Nursery" (Kawamura) Property
12.22-Acre Agricultural Property
APN 127-072-47 and 128-440-01
32250 Shirey Road
Escondido, California 92026

Site Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and
Mr. Jerry Arceo, Property Owner Representative

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: March 31, 2011 / **Report Date:** April 14, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 32250 Shirey Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregular-shaped subject property consists of privately owned land located northwest of the intersection of Shirey Road and Rocking Horse Road, Escondido, California. The subject property encompasses a total of 12.22-acres on two (2) parcels identified as Assessor's Parcel Number (APN) 127-072-47 and 128-440-01.

Access to the subject property is obtained from the southern end of the site, via Shirey Road. The subject property is bound by a single-residential development to the north and agricultural land beyond; Shirey Road to the south and agricultural land beyond; agricultural land to the east; and Shirey Road to the west and agricultural land beyond. The subject property is currently occupied by Akita Bonzai Nursery. A variety of potted plants and greenhouses are located throughout the site. An unnamed creek bisects the eastern and south-central portion of the site, which eventually exits the subject property along the southeast corner. A pond, controlled by a concrete dam is located along the south-central portion of the site. Water from the pond is used for nursery irrigation, which is transferred throughout the site via above and below ground piping, and pumps. A single-family residence, comprised of a mobile home and car port are located on the southeast corner of the site. A maintenance shed, plant staging area, mobile home, and various storage sheds are located along the central and north-central portion of the site.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared to be utilized for agricultural purposes; two (2) structures were noted along the southeast portion of the site. Since 1974 the subject property has continued to be used for agricultural purposes.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), San Diego Regional Water Quality Control Board (SDRWQCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On March 31, 2011, EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Small quantities of hydraulic oil and motor oil (new and used), fuel containers, batteries, and pesticides were observed within the maintenance shed along the central portion of the site. Minor surface/soil staining was observed beneath and in the vicinity of a used-oil container located in the maintenance shed in the central portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate site soils. Sampling activities were conducted on March 31, 2011. A total of 12 discrete soil samples (ACR-1 through ACR-12), collected at 6-inches below ground surface and six (6) composite samples (Composite #1 through Composite #6) (prepared by a California-State certified laboratory) were analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic or organochlorine pesticides, except for chlordane were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected at 8.6 mg/kg in sample ACR-8. No other samples reported lead above the laboratory reporting limit (i.e., "non-detect"). Chlordane was detected at 21.3 µg/kg in sample Composite #5. No other composite samples detected chlordane above the laboratory reporting limit (i.e., "non-detect"). All detectable concentrations of lead and chlordane were less than the CHHSL residential screening level of 150 mg/kg and 430 µg/kg, respectively. Therefore, further investigation does not appear to be warranted at this time.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 32250 Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, low levels of lead and chlordane were detected in site soils. All detectable concentrations of lead and chlordane were less than the CHHSL residential screening level of 150 mg/kg and 430 µg/kg, respectively. Therefore, no further investigation appears to be warranted at this time.

- Small quantities of hydraulic oil and motor oil (new and used), fuel containers, batteries, and pesticides were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface/soil staining was observed beneath and in the vicinity of a used-oil container located in the maintenance shed in the central portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

In addition to the above statement, EEI has the following comments:

- According to the United States Fish and Wildlife, National Wetland Inventory website, the fresh water pond located along the southern portion of the subject property is designated as a wetland. Prior to future site improvements, consultation with appropriate County, State, and Federal agencies regarding the use and/or any modification to the pond should be considered.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within such site structures will likely be required.

- Non-operational and/or abandoned vehicles and farming equipment were observed on the subject property. The vehicles/equipment should be removed from the subject property prior to any future site improvements.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located 32250 Shirey Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject site.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject site usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic site conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A site reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject site, but rather is intended to provide a preliminary indication of onsite impacts from previous site usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Site Description

The irregular-shaped subject property consists of privately owned land located northwest of the intersection of Shirey Road and Rocking Horse Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 12.22.6-acres on two (2) parcels identified as Assessor's Parcel Number (APN) 127-072-47 and 128-440-01 (**Appendix B**), and the address of 32250 Shirey Road, Escondido, California.

Access to the subject property is obtained from the southern end of the site, via Shirey Road. The subject property is bound by a single-residential development to the north and agricultural land beyond; Shirey Road to the south and agricultural land beyond; agricultural land to the east; and Shirey Road to the west and agricultural land beyond. The subject property is currently occupied by Akita Bonzai Nursery. A variety of potted plants and greenhouses are located throughout the site. An unnamed creek bisects the eastern and south-central portion of the site, which eventually exits the subject property along the southeast corner. A pond, controlled by a concrete dam is located along the south-central portion of the site. Water from the pond is used for nursery irrigation, which is transferred throughout the site via above and below ground piping, and pumps. A single-family residence, comprised of a mobile home and car port are located on the southeast corner of the site. A maintenance shed, plant staging area, mobile home, and various storage sheds are located along the central and north-central portion of the site.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared to be utilized for agricultural purposes; two (2) structures were noted along the southeast portion of the site. Since 1974 the subject property has continued to be used for agricultural purposes.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief. The approximate site elevation ranges from approximately 735 feet above mean sea level (amsl) (southwestern portion) to approximately 765 feet amsl (northeast portion).

2.3 Regional and Local Geology

The subject site and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the site is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the site is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaE2), Cieneba coarse sandy loam series (CIG2), and the Steep Gullied Land series (StG) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 65 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the site is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for more information. According to the website, no water wells exist on the subject property. However, there are three (3) water supply wells located within the immediate vicinity of the subject property (Township 10S, Range 2 West, Section 19; and Township 10S, Range 3 West, Section 24). According to the website, the wells were last measured in 1967, and indicated that the depth-to-groundwater in the wells ranged from 3.0 feet to 11 feet below ground surface.

A fresh water pond is located on the southern portion of the subject property. EEI reviewed the United States Fish and Wildlife Service (USFWS), National Wetlands Inventory (NWI, 2011) website for information associated with the pond. According to the website, the pond status is identified as "Fresh Water Emergent" and consists of 0.22-acres of wetlands.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SITE BACKGROUND

3.1 Site Ownership

According to the County of San Diego Assessor the current owner of the subject property is identified as Shigemasa Kawamura, 5952 East Appian Way, Long Beach, California 90803.

3.2 Site History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject site. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1947, 1948, 1951, 1953, 1963, 1968, 1974, 1975, 1980, 1990-91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. Based on the data reviewed, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared to be utilized for agricultural purposes; two (2) structures were noted along the southeast portion of the site. Since 1974 the subject property has continued to be used for agricultural purposes.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375	Subject property appeared to be undeveloped and covered with native vegetation. A drainage bisected the site from the northwest corner to the southeast corner of the property. The surrounding area appeared to be undeveloped and covered with native vegetation.
1942	Topographic Map 1:62,500	Subject property appeared to be undeveloped. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1947	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1939 photograph.
1948	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1942 topographic map.
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1948 topographic map.
1953	Aerial Photograph 1:750	Subject property appeared to be undeveloped. An unimproved road, presumably Shirey Road, was present along the eastern property boundary. Numerous unimproved roads were visible in the surrounding area.
1963	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1953 aerial photograph, except for increased agricultural development in the surrounding area.
1968	Topographic Map 1: 24,000	No apparent changes were noted to the subject property since the 1950 topographic map, except for the site and surrounding area was shaded green, which signified agricultural-related land use. Additionally, an unimproved road was visible along the eastern property boundary.
1974	Aerial Photograph 1:375	The majority of the subject property appeared to be cleared and utilized for agricultural purposes. Two structures were noted along the southern portion of the site. Unimproved roads bisected the property. Shirey Road was present to the east of the property. Increased agricultural use was observed in the surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph.
1990-1991	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except for what appeared to be a pond was visible along the southern portion of the site. Increased agricultural land use was noted in the surrounding area.
2002	Aerial Photograph 1:375	Increased agricultural use was observed on the subject property. What appeared to be greenhouses were noted along the east-central and central portions of the site. Additional structures appeared to be located within the central portion of the site.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of agricultural land use. Six (6) structures were noted along the central and southern portions of the site. Numerous greenhouses were noted throughout the site. A drainage bisected the site from the northwest corner to the southeast corner of the property. Shirey Road was present along the eastern property boundary. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

Directory listings associated with the subject property (32250 Shirey Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed in 1990 and 2000. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target addresses (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of County Directory Search
32250 Shirey Road, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
2010		
32236 Shirey Road Joo Haehong	**32250 Shirey Road** **No Response**	32252 Shirey Road No Response
2005		
32236 Shirey Road Joo Haehong	**32250 Shirey Road** **Address not listed**	32252 Shirey Road Michil Israel
2000		
32236 Shirey Road No Response	**32250 Shirey Road** **Kawamura Shigemasa**	32252 Shirey Road Michel Serafin
1995		
32236 Shirey Road Horstman Jerry; Horstman Sandy	**32250 Shirey Road** **No Response**	32252 Shirey Road Smith Elmer C
1990		
32236 Shirey Road Horstman Jerry; Horstman Sandy	**32250 Shirey Road** **Dawson Kenneth**	32252 Shirey Road Smith Elmer C
End of search due to A) earlier directory or street listing not found; B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), one record for a permit for "Boundary Adjustment" was on file for the subject property (32250 Shirey Road / APN 127-072-47 and 128-440-01). The permit was issued on October 20, 1998 with a status of "Done". No additional permit information was provided. **Appendix D** contains a copy of the permit.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject site, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-quarter mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to Ms. Liz Lozano, Administrative Assistant/Board Clerk, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: 32250 Shirey Road / APN 127-072-47 and 128-440-01. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our site reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within T10S, R2W Section 19).

3.5 Interview with Current Property Owner

EEI interviewed the property owner, Mr. Shigemasa Kawamura and owner representative Mr. Jerry Arceo. Information provided by Mr. Kawamura and Mr. Arceo is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Kawamura and Mr. Arceo stated that the property has been utilized as a nursery.

3.5.2 Environmental Liens or Governmental Notification

Mr. Kawamura and Mr. Arceo were not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Kawamura and Mr. Arceo were not aware of any past or present environmental violations with respect to the property or any facility located on the property. Mr. Kawamura noted that small quantities of fuel and oil are stored onsite for nursery-related equipment.

3.5.4 Previous Assessments

Mr. Kawamura and Mr. Arceo were not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mr. Kawamura and Mr. Arceo were not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner and representative, Mr. Kawamura and Mr. Arceo, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the southern portion of the site appeared to have been constructed circa-1975. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1975) of the structures located along the southern portion of the site, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent site reconnaissance. If site improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999). Overhead power lines were observed along the southern portion of the site. However, due to dense vegetation surrounding the site, EEI was unable to verify if pole-mounted transformers were present. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SITE RECONNAISSANCE

4.1 Purpose

The purpose of our site reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Site

On March 31, 2011, EEI personnel mobilized to the subject property and conducted a walking inspection around the perimeter of the subject property, and then traversed the subject property from east to west and north to south. Visual conditions observed during the site reconnaissance of the subject property, are documented in a Photographic Log (**Appendix G**), and summarized in **Table 3**.

The irregular-shaped subject property consists of privately owned land located northwest of the intersection of Shirey Road and Rocking Horse Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 12.22-acres on two (2) parcels identified as Assessor's Parcel Number (APN) 127-072-47 and 128-440-01. The subject property is identified by the address 32250 Shirey Road.

Access to the subject property is obtained from the southern end of the property, via Shirey Road. The subject property is delineated by a chain-link fence on the north, south and east boundaries and is comprised of dense vegetation and a nursery. The west boundary is delineated by a combination of chain-link and barbed-wire fencing. The subject property is bound by a single residential development to the north and agricultural land beyond; Shirey Road to the south and agricultural land beyond; agricultural land to the east; and Shirey Road and west and agricultural land beyond.

The subject property is currently occupied by Akita Bonzai Nursery, which utilizes the site to grow a variety of potted plants. Five (5) covered greenhouses were observed throughout the site, which are used for nursery operations. An unnamed creek bisects the property from the northwest to the southeast. A pond, controlled by a concrete dam is located along the south-central portion of the site. Irrigation piping, pump equipment, and storage containers (plastic and presumably for irrigation water) were observed on the northeast portion of the pond. Water from the pond appeared to be utilized for nursery irrigation, which is transferred throughout the site via a series of above and below ground piping, and pumps.

A single-family residence, comprised of a mobile home and car port are located on the southeast corner of the site. Various quantities of plastic and metal irrigation piping and fittings; discarded pots (plastic and ceramic); plastic sheeting; rock and gravel; and household items were observed around the mobile home residence and the central portion of the site.

A wood-framed maintenance shed with corrugated metal siding and roofing was observed along the central portion of the site. Small quantities of hydraulic oil and motor oil; batteries; paints; and a 5-gallon container of what appeared to be used motor oil were observed within the maintenance shed along the central portion of the site. Minor staining was observed beneath and in the vicinity of the containers; however, appeared to be *de minimis* in nature. Two (2) abandoned vehicles were located in the area of the maintenance shed. Other smaller storage sheds (comprised of wood and metal construction), plant staging areas, a travel trailer, two (2) tractors; and various nursery equipment were observed along the central and north-central portion of the site. Two (2) 5-gallon and one (1) 2.5-gallon fuel containers were noted in one of the staging areas along the north-central portion of the site. Staining and/or spillage were not observed beneath the containers.

Overhead power lines were observed along the southeast portion of the site, which appeared to service the mobile home located on the property. Due to the vegetation and overgrowth throughout the site, EEI was unable to determine if pole-mounted transformers were present. The power lines did not appear to continue through the property.

EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Fair. Various debris, associated with nursery operations; discarded household items; vehicles; and building materials were observed.
Surface Spills	No	Minor staining was observed in the maintenance shed located along the central portion of the site; however, appeared to represent *de minimis* conditions.
Stained Surfaces	No	Minor staining was observed in the maintenance shed located along the central portion of the site; however, appeared to represent *de minimis* conditions.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	A large pond, used for nursery irrigation, was observed along the southern portion of the site. Standing water was observed on the north end of the greenhouse located on the eastern property boundary.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed. Two (2) approximately 100-gallon propane tanks were observed adjacent to the mobile home located on the southeast portion of the site.
Distressed Vegetation	No	None observed.
Wetlands	No	A creek, with flowing water, was observed along the east and central portions of the site.
Electrical Substations	No	None observed.
Areas of Dumping	No	Various debris, associated with nursery operations; discarded household items; vehicles; and building materials were observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	Various quantities of waste/scrap storage associated with farming activities were observed.
Chemical Use/Storage	No	Small quantities of hydraulic fluid and lubricating oil were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by vacant/undeveloped land or agricultural properties (orchards or additional fruit and vegetable farms). Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

5.1 Purpose and Objective

The subject property has been utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties. The DTSC document does not specifically address disturbed (i.e., graded) residential sites. Therefore, EEI has modified the application of the document to the specific site, while maintaining the general conformance with the document's suggested sampling frequencies, methodology, and analytical parameters.

Based on the size of the property, and EEI's experience at similar sites, a total of 12 discrete soil samples, or approximately one per acre, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities. It should be noted that the western one-third of the subject property is comprised of open space and based on historical records (i.e., aerial photographs) was not utilized for agricultural purposes. Therefore, soil samples were not collected from this area of the subject property.

5.2 Field Investigation

On March 31, 2011, EEI personnel mobilized to the project site to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of 12 discrete locations (identified as ACR-1 through ACR-12, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.3 Laboratory Analytical Testing

All 12 discrete soil samples (ACR-1 through ACR-12) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of six (6) composite samples (identified as Composite #1 through Composite #6) from the discrete samples at a ratio of 2:1. All six (6) composite samples (Composite #1 through Composite #6) were analyzed for Organochlorine Pesticides by USEPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect).
- Lead was reported at 8.6 milligrams per kilogram (mg/kg) in sample ACR-8. No other samples detected lead above the laboratory reporting limit (i.e., "non-detect").
- No concentrations of organochlorine pesticides, other than chlordane were detected above the laboratory reporting limit (i.e., non-detect). Chlordane was detected in sample Composite #5 at 21.3 micrograms per kilogram (µg/kg). No other composite samples detected chlordane above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-3	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	3/30/2011	<5	**8.6**	NA	NA	NA	NA	NA
ACR-9	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-11	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	3/30/2011	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	3/30/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #2	6	3/30/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #3	6	3/30/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #4	6	3/30/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #5	6	3/30/2011	NA	NA	<5	<5	<5	<5	**Chlordane - 21.3**; all other constituents <5 - 200
Composite #6	6	3/30/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Chlordane - 430**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.4 Discussion of Testing Results

No concentrations of arsenic or organochlorine pesticides, except for chlordane were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected at 8.6 mg/kg in sample ACR-8. No other samples reported lead above the laboratory reporting limit (i.e., "non-detect"). Chlordane was detected at 21.3 µg/kg in sample Composite #5. No other composite samples detected chlordane above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead and chlordane values to the California Human Health Screening Levels (CHHSL) residential land use scenario values. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. Based on DTSC guidelines (2008), the concentration of chemicals of concern detected in a composite sample can be used directly in the risk assessment without adjusting the toxicity screening numbers, such as the CHHSLs. The following bulleted items summarize the reported values:

- The detected chlordane concentration of 21.3 µg/kg is less than the CHHSL residential screening level of 430 µg/kg, respectively.

- The detected lead concentration of 8.6 mg/kg is less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentration appears to represent background levels inherent to site soils (Kearney Foundation Special Report, 1996).

Although arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential CHHSL value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 PHASE I FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  The subject property has been and continues to be utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to site soils, which is a potential REC. Based on the future planned site use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate site soils for agricultural chemicals. Note: our sampling was focused on the plant staging areas/cleared areas, where it is assumed that agricultural chemicals were uniformly applied.

  Based on the results of our agricultural chemical survey (see Section 8.0 – Results of Limited Agricultural Survey), no concentrations of arsenic or organochlorine pesticides (except for chlordane) was detected above the laboratory reporting limit (i.e., non-detect). Low levels of lead and chlordane were detected in site soils. The concentrations were less than applicable residential screening levels; therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – The following *de minimis* conditions have been identified during the preparation of this ESA:

  - Small quantities of hydraulic oil and motor oil (new and used), fuel containers, batteries, and pesticides were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface/soil staining was observed beneath and in the vicinity of a used-oil container located in the maintenance shed in the central portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 32250 Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 6.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, low levels of lead and chlordane were detected in site soils. All detectable concentrations of lead and chlordane were less than the CHHSL residential screening level of 150 mg/kg and 430 µg/kg, respectively. Therefore, no further investigation appears to be warranted at this time.

- Small quantities of hydraulic oil and motor oil (new and used), fuel containers, batteries, and pesticides were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface/soil staining was observed beneath and in the vicinity of a used-oil container located in the maintenance shed in the central portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

In addition to the above statement, EEI has the following comments:

- According to the United States Fish and Wildlife, National Wetland Inventory website, the fresh water pond located along the southern portion of the subject property is designated as a wetland. Prior to future site improvements, consultation with appropriate County, State, and Federal agencies regarding the use and/or any modification to the pond should be considered.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within such site structures will likely be required.

- Non-operational and/or abandoned vehicles and farming equipment were observed on the subject property. The vehicles/equipment should be removed from the subject property prior to any future site improvements.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed March 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed March 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed March 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed March 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed March 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed March 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed March 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed March 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed March 2011.

United States Fish and Wildlife Service (USFWS), National Wetland Inventory (NWI), Website, (http://137.227.242.85/wetland/wetland.html), accessed April 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

United States Geological Survey (USGS), 1997, Pala, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
COUNTY OF SAN DIEGO FILES

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
"Zosa Ranch" Property
35.13-Acre Property
APNs: 128-280-37, 128-440-05, -22 and -23
9435 West Lilac Walk
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

April 19, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71268

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site location:

"Zosa Ranch" Property
35.13-Acre Property
APNs: 128-280-37, 128-440-05, -22, and -23
9435 West Lilac Walk
Escondido, California 92026
EEI Project Number ACR-71268

Prepared and Edited by:

Brian R. Brennan, REA-II
Senior Project Manager

Reviewed by:

Bernard A. Sentianin,

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71268

TABLE OF CONTENTS

GENERAL SITE INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Site Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SITE BACKGROUND **4**
3.1 Site Ownership 4
3.2 Site History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 Summary of City Directory Search 7
3.2.3 Sanborn Fire Insurance Maps 7
3.2.4 County of San Diego Land Use Environmental Group 7
3.3 Regulatory Database Search 8
3.3.1 Federal Databases 8
3.3.2 State and Regional Sources 9
3.4 Regulatory Agency Review 10
3.4.1 Deer Springs Fire Protection District 10
3.4.2 County of San Diego Department of Environmental Health 10
3.4.3 State Water Resources Control Board 10
3.4.4 Department of Toxic Substances Control 10
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 10
3.5 Interview with Current Property Owner 10
3.5.1 Past or Present Uses Indicating Environmental Concern 11
3.5.2 Environmental Liens or Governmental Notification 11
3.5.3 Presence of Hazardous Substances or Environmental Violations 11
3.5.4 Previous Assessments 11
3.5.5 Legal Proceedings 11
3.6 User Provided Information 11
3.6.1 Environmental Liens or Activity and Use Limitations 11
3.6.2 Specialized Knowledge 11
3.6.3 Valuation Reduction for Environmental Issues 12
3.6.4 Presence or Likely Presence of Contamination 12
3.6.5 Other 12
3.7 Previous Assessments 12

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues....12
3.8.1 Asbestos Containing Materials....12
3.8.2 Lead-Based Paint....13
3.8.3 Radon....13
3.8.4 Polychlorinated Biphenyls....13

4.0 SITE RECONNAISSANCE....14
4.1 Purpose....14
4.2 Subject Site....14
TABLE 3 – Summary of Site Reconnaissance....16
4.3 Adjacent Properties....16

5.0 PHASE I ESA FINDINGS AND OPINIONS....16

6.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES....17
6.1 Historical Data Gaps....17
6.2 Regulatory Data Gaps....17
6.3 On-site Data Gaps....17
6.4 Deviations from ASTM Practices....**17**

7.0 LIMITED AGRICULTURAL CHEMICAL SURVEY....18
7.1 Sampling Objective....18
7.2 Field Investigation....18
7.3 Laboratory Analytical Program....18
TABLE 4- Soil Sample Results....19

8.0 LIMITED AGRICULTURAL CHEMICAL SURVEY FINDINGS AND OPINIONS....22

9.0 PHASE I ESA AND LIMITED AGRICULTURAL CHEMICAL SURVEY CONCLUSIONS..23

10.0 REFERENCES....24

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – County of San Diego Records
Appendix D – Historical Aerial Photographs/Topographic Maps/City Directory
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SITE INFORMATION

Project Information: 35.13-Acre Property

EEI Project Number: ACR-71268

Site Information:
"Zosa Ranch" Property
35.13-Acre Property
APNs: 128-280-37, 128-440-05, -22, and -23
9435 West Lilac Walk
Escondido, California 92026

Site Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and Mrs. Nena Zosa, Property Owner (562-572-2481)

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: April 7, 2011 / **Report Date:** April 19, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9435 West Lilac Walk, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregular-shaped subject property consists of privately owned land generally located southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California. The subject property encompasses a total of 35.13-acres on four (4) parcels identified as Assessor's Parcel Number (APN) 128-280-37, 128-440-05, -22, and -23. The main address associated with the subject property is 9435 West Lilac Walk (APN 128-440-23); however, includes: 9307 West Lilac Walk (APN 128-280-37); and 9381 West Lilac Walk (APN 128-440-05). According to County of San Diego records, no address has been assigned to APN 128-440-23.

Overall the subject property is comprised of gently sloping terrain, the majority of which is covered by orchards. Access to the subject property is obtained from the eastern portion of the site, via West Lilac Walk. The subject property is bound by West Lilac Road and rural residential development to the north; rural residential development and agricultural land to the south; an unnamed private drive and rural residential development to the east; and agricultural development to the west.

The subject property is occupied by "Zosa Ranch", a bed and breakfast establishment that operates during the summer months. The subject property also includes agricultural land comprised of orchards that contain guava, avocado, and almond trees. The site is developed with four (4) mobile homes located along the north and south central portions of the site, along with a greenhouse, and various small storage sheds used for hand tools, orchard equipment, and produce related-items. The mobile homes are temporary housing for the agricultural and ranch workers. A metal framed horse barn (unoccupied) is located along the northwest corner of the site. Three (3) wooden framed and stucco constructed guest homes are located along the southwestern portion of the site, which are a part of the "Zosa Ranch" bed and breakfast operation. The main ranch house, located along the central portion of the site, is wooden framed and stucco construction. Also included in the central portion of the site are a tennis court and swimming pool, and asphalt covered parking lot. A wood framed maintenance shed and produce storage area is located immediately east of the main ranch house. West Lilac Walk bisects the central and southern portion of the site.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern half of the property appeared to be cleared in preparation for agricultural use. In 1963, three (3) structures were noted in the southern half of the property along with orchards. In 1974, additional orchards were noted along the northern and western portions of the site. In 1990-1991, an additional four (4) structures were noted on the northwest and southwest portion of the site. Since 1990-1991, the subject property appeared to be utilized primarily for agricultural use (i.e., orchards).

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On April 7, 2011, EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Small quantities of fuel and oil were observed within the maintenance shed located along the eastern portion of the site. Minor surface staining was observed beneath and in the vicinity of the fuel containers located in the maintenance shed along the eastern portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate site soils. Sampling activities were conducted on April 7, 2011. A total of 36 discrete soil samples (ACR-1 through ACR-36), collected at 6-inches below ground surface and six (6) composite samples (Composite #1 through Composite #6) (prepared by a California-State certified laboratory) were analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected in 15 samples at concentrations ranging from 3 mg/kg (ACR-9) to 78 mg/kg (ACR-10). No other samples reported lead above the laboratory reporting limit (i.e., "non-detect"). All detectable concentrations of lead were less than the CHHSL residential screening level of 150 mg/kg. Therefore, further investigation does not appear to be warranted at this time.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9435 West Lilac Walk, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, concentrations of lead were detected in site soils. All detectable concentrations of lead were less than the CHHSL residential screening level of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

- Small quantities of fuel and oil were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface staining was observed beneath and in the vicinity of the fuel containers located in the maintenance shed along the eastern portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within such site structures will likely be required.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located 9435 West Lilac Walk, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject site.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject site usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic site conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A site reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- March 26, 2012 revisions include: changes to aerial photography descriptions and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject site, but rather is intended to provide a preliminary indication of onsite impacts from previous site usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Site Description

The irregular-shaped subject property consists of privately owned land generally located southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California (**Figure 2**). The subject property encompasses a total of 35.13-acres on four (4) parcels identified as Assessor's Parcel Number (APN) 128-280-37, 128-440-05, -22, and -23 (**Appendix B**). The main address associated with the subject property is 9435 West Lilac Walk (APN 128-440-23); however, includes: 9307 West Lilac Walk (APN 128-280-37); and 9381 West Lilac Walk (APN 128-440-05). According to County of San Diego records, no address has been assigned to APN 128-440-23.

Overall the subject property is comprised of gently sloping terrain, the majority of which is covered by orchards. Access to the subject property is obtained from the eastern portion of the site, via West Lilac Walk. The subject property is bound by West Lilac Road and rural residential development to the north; rural residential development and agricultural land to the south; an unnamed private drive and rural residential development to the east; and agricultural development to the west.

The subject property is occupied by "Zosa Ranch", a bed and breakfast establishment that operates during the summer months. The subject property also includes agricultural land comprised of orchards that contain guava, avocado, and almond trees. The site is developed with four (4) mobile homes located along the north and south central portions of the site, along with a greenhouse, and various small storage sheds used for hand tools, orchard equipment, and produce related-items. The mobile homes are temporary housing for the agricultural and ranch workers. A metal framed horse barn (unoccupied) is located along the northwest corner of the site. Three (3) wooden framed and stucco constructed guest homes are located along the southwestern portion of the site, which are a part of the "Zosa Ranch" bed and breakfast operation. The main ranch house, located along the central portion of the site, is wooden framed and stucco construction. Also included in the central portion of the site are a tennis court and swimming pool, and asphalt covered parking lot. A wood framed maintenance shed and produce storage area is located immediately east of the main ranch house. West Lilac Walk bisects the central and southern portion of the site.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern half of the property appeared to be cleared in preparation for agricultural use. In 1963, three (3) structures were noted in the southern half of the property along with orchards. In 1974, additional orchards were noted along the northern and western portions of the site. In 1990-1991, an additional four (4) structures were noted on the northwest and southwest portion of the site. Since 1990-1991, the subject property appeared to be utilized primarily for agricultural use (i.e., orchards).

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief. The approximate site elevation ranges from approximately 800 feet above mean sea level (amsl) (southwestern portion) to approximately 900 feet amsl (northeast portion).

2.3 Regional and Local Geology

The subject site and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the site is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the site is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaC2/FaE2/FaE3), Cieneba coarse sandy loam series (CIG2), Placentia sandy loam (PeC), and the Steep Gullied Land series (StG) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 2 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the site is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural and industrial supply processes.

EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining two (2) water supply wells located along the west-central and southwest portions of the subject property. The following bulleted items summarize the information reviewed. **Appendix C** contains copies of the County provided information.

- August 2, 2004 – Well Permit No. LWEL 16130 – 9307 West Lilac Road. The well is located along the southwest corner of APN 128-280-37 (west-central portion of the overall site). The permit was for the installation of an 8-inch diameter steel well extending to a depth of 1,000 feet below ground surface (bgs). The intended use of the well was for agricultural. The permit was listed as "Expired".

- May 11, 1994 – Well Permit No. LWEL 384 – 9435 Lilac Walk. The well is located along the southern portion of APN 128-440-22. The permit was for the installation of a 7-inch diameter steel well extending to a depth of approximately 1,000 feet bgs. The intended use of the well was for agricultural. The permit was listed as "Open".

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for more information. According to the website, no water wells exist on the subject property or in the immediate vicinity.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SITE BACKGROUND

3.1 Site Ownership

According to the County of San Diego Assessor the current owner of the subject parcel 128-280-37 and 128-440-22 is identified as Timothy and Zita Mar Revocable Trust, 4426 Clubhouse Drive, El Macero, California 95618. The owner of parcels 128-440-05 and -23 is identified as ZNN Limited Partnership, 850 Ocean Boulevard, #901, Long Beach, California 90802.

3.2 Site History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject site. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1947, 1948, 1951, 1953, 1963, 1968, 1974, 1975, 1980, 1990-91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was obtained from Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix D**. Based on the data reviewed, the subject property was undeveloped from at least 1942 to 1947. In 1947, the southern half of the property appeared to be cleared in preparation for agricultural use. In 1963, three (3) structures were noted in the southern half of the property along with orchards. In 1974, additional orchards were noted along the northern and western portions of the site. In 1990-1991, an additional four (4) structures were noted on the northwest and southwest portion of the site. Since 1990-1991, the subject property appeared to be utilized primarily for agricultural use (i.e., orchards).

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	Subject property appeared to be undeveloped. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:375	The north portion of the subject property appeared to be undeveloped and comprised of native vegetation. An unimproved dirt road bisected the north-central portion of the site. The southern portion of the subject property appeared to be cleared in preparation for agricultural land use. A drainage was visible that started in the southern portion of the site and that was oriented southwesterly. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1948	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1942 topographic map.
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1948 topographic map.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1947 aerial photograph.
1963	Aerial Photograph 1:375	The southeast portion of the subject property appeared to be developed with three (3) structures and orchards. The southwest portion of the subject property remained undeveloped; however, two unimproved dirt roads bisected the subject property from north to south and east to west. The northern portion of the subject property remained undeveloped. Increased agricultural development and unimproved dirt roads were noted in the surrounding area.
1968	Topographic Map 1: 24,000	The subject property was shaded green, which indicated agricultural use. A single structure was present along the east-central portion of the site. An unimproved road system was visible along the east and southern portions of the site. The surrounding area was comprised of agricultural land with various unimproved roads.
1974	Aerial Photograph 1:375	The central portion of the site appeared to be developed with orchards and unimproved access roads. The northwest corner of the subject property remained undeveloped. The three (3) structures noted in the 1963 photograph were present. West Lilac Road appeared to be improved. Increased agricultural development was noted in the

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
		surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph, except for additional orchards were visible along the west-central portion of the site.
1990-1991	Aerial Photograph 1:375	The northwest portion of the subject property appeared to be cleared of vegetation, and what appeared to be a single structure was visible. The north central portion of the site appeared to be developed with orchards and a single structure. The southwest portion of the site remained developed with orchards; two (2) additional structures or building pads were visible along the west-central and southwest portions of the site. The eastern portion of the site appeared to be cleared of vegetation and contained 2-3 structures (photo quality was too poor to determine the exact number of structures). The surrounding area remained developed with rural residences and agricultural land.
2002	Aerial Photograph 1:375	The northwest portion of the subject property remained cleared and/or portions utilized for agricultural. Additional structures were noted in the central portion of the site. The southern half of the subject property appeared to be comprised of orchards and various structures.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of a mix of orchards and agricultural land use. A total of nine (9) structures are situated throughout the subject property. A drainage bisected the southwestern portion of the site. West Lilac Walk provides access to the subject property from the eastern property boundary and bisects the southern property boundary. West Lilac Road is visible to the north of the subject property. The surrounding area is comprised of mixed rural residential and agricultural land. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

Directory listings associated with the subject property (9435 West Lilac Walk) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed in 1995, 2000, and 2005. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target addresses (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix D**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of County Directory Search
9435 West Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
2010		
Lilac Walk First listing this street is 9467	**9435 Lilac Walk** **Address not listed**	9467 Lilac Walk Sheffer Barry
2005		
Lilac Walk First listing this street is 9435	**9435 Lilac Walk** **Zosa Noli**	9467 Lilac Walk Sheffer Barry
2000		
Lilac Walk First listing this street is 9435	**9435 Lilac Walk** **Zosa Noli; Zosa Nina; Mar Zita**	9467 Lilac Walk Sheffer Barry
1995		
Lilac Walk First listing this street is 9435	**9435 Lilac Walk** **Zosa Noli; Zosa Nina**	9467 Lilac Walk No Response
1990		
Lilac Walk First listing this street is 9467	**9435 Lilac Walk** **Address not listed**	9467 Lilac Walk Wolk Chas J
End of search due to A) earlier directory or street listing not found; B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), records were on file for all four (4) subject property parcels APNs: 128-280-37; 128-440-05; 128-440-22; and 128-440-23. The following bulleted items summarize the information reviewed. **Appendix C** contains excerpts of the information reviewed.

- APN 128-280-37 (9307 West Lilac Road) – Permit information pertaining to a water well (additional well information is included in Section 2.4), building combination (e.g., additions or modifications), electrical, and septic tank systems were on file. The permits were issued between November 1988 and January 2005, and have the status of either done or expired.

- APN 128-440-05 (9381 West Lilac Road) – Permit information pertaining to building and plan check; minor use permit; environmental review; limited food preparation; electrical; a major use permit; and septic tank systems were on file. The permits were issued between April 1990 and February 2011, and have the status of either done, open, inactive, or expired.
- APN 128-440-22 (9435 Lilac Walk) – Permit information pertaining to a water well (additional well information is included in Section 2.4); a boundary adjustment with certificate of compliance; electrical; a major use permit; and septic tanks systems were on file. The permits were issued between May 1994 and February 2011, and have the status of either open, inactive, or done.

- APN 128-440-23 (No Address) – Permit information pertaining to a boundary adjustment with certificate of compliance; a minor use permit; a major use permit; and septic tanks systems were on file. The permits were issued between July 2009 and February 2011, and have the status of inactive.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject site, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – One site was listed as being located on the subject property. **Miller Fire Station, CDF** was identified as having a UST and being located on the subject property. However, the listing is located at 9127 West Lilac Road, approximately 550 feet to the northwest of the subject property. Operating permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listed site does not have a dual listing or documented release; therefore, is not considered an environmental concern at this time.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-quarter mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One site was listed as being located on the subject property; Miller **Fire Station, CDF**. However, the listing is located at 9127 West Lilac Road, approximately 550 feet to the northwest of the subject property. State permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listed site does not have a dual listing or documented release; therefore, is not considered an environmental concern at this time.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to Ms. Liz Lozano, Administrative Assistant/Board Clerk, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: 9307 West Lilac Walk (APN 128-280-37); 9381 West Lilac Walk (APN 128-440-05); 9435 West Lilac Walk (APN 128-440-22); and APN 128-440-23 (no address). According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our site reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within T10S, R2W Section 19).

3.5 Interview with Current Property Owner

EEI interviewed the property owner, Mrs. Nena Zosa for past and present use and information pertaining to the subject property. Information provided by Mrs. Zosa is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mrs. Zosa stated that she and her husband have owned the property for approximately 20 years and utilized it for a bed and breakfast and orchard.

3.5.2 Environmental Liens or Governmental Notification

Mrs. Zosa stated that she was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mrs. Zosa stated that she was not aware of any past or present environmental violations with respect to the property or any facility located on the property. Mrs. Zosa stated that small quantities of fuel and oil are stored onsite for orchard-related equipment.

3.5.4 Previous Assessments

Mrs. Zosa stated that she was not aware of any previous assessments conducted at the subject property, except for engineering activities related to water well installations; septic system installation; and building expansions conducted on the property.

3.5.5 Legal Proceedings

Mrs. Zosa stated that she was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mrs. Nena Zosa, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the southern and central portion of the site appeared to have been constructed circa-1975. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If site improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1975) of the structures located along the southern central portion of the site, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent site reconnaissance. If site improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999). Overhead power lines were observed along the central and southern portion of the site, along with pole-mounted transformers. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SITE RECONNAISSANCE

4.1 Purpose

The purpose of our site reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Site

On April 7, 2011, EEI personnel mobilized to the subject property and conducted a walking inspection around the perimeter of the subject property, and then traversed the subject property from east to west and north to south. Visual conditions observed during the site reconnaissance of the subject property, are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

Overall the subject property is comprised of gently sloping terrain, the majority of which is covered by orchards that support a variety of fruit trees. Access to the subject property is obtained from the eastern portion, via West Lilac Walk. The subject property is bound by West Lilac Road and rural residential development to the north; rural residential development and agricultural land to the south, and West Lilac Walk; an unnamed private drive and rural residential development to the east; and agricultural development to the west.

The main feature on the subject property is the "Zosa Ranch", a bed and breakfast establishment that operates during the summer months. During the bed and breakfast off-season, the subject property produces a variety of fruits, primary guava and avocado from the orchards situated throughout the site.

The site is developed with four (4) mobile homes located along the north and south central portions of the site, along with a greenhouse, and various small storage sheds used to store hand tools, orchard equipment, and produce related-items. The mobile homes observed on the subject property appeared to be used for temporary housing site and/or agricultural/ranch workers.

A metal framed horse barn (unoccupied) was observed along the northwest corner of the site. Three (3) wooden framed and stucco constructed guest homes were observed along the southwestern portion of the site, which appeared to be guest houses associated with the "Zosa Ranch" bed and breakfast operation. The main ranch house, located along the central portion of the site, is wooden framed and stucco construction. It contains a main-stay area; kitchen and laundry room; pool and deck; and a detached room utilized for weddings and parties. Also included in the central portion of the site are grass areas; gazebos; a tennis court and asphalt covered parking lot. A wood framed maintenance shed and produce storage area is located immediately east of the main ranch house. West Lilac Walk bisects the central and southern portion of the site.

Two water supply wells were observed along the west-central and southwest portion of the site. The wells appeared to be 7-8 inches in diameter and comprised of steel casing. According to the property owner, Mrs. Nena Zosa, the wells are active, extend beyond 1,000 feet below ground surface, and are utilized for the sites agricultural operations. Two "control" panels were observed in close proximity to each of the wells. The control panels provide power to the well pumping equipment and piping system. Numerous above and evidence of below ground piping was observed throughout the site, which appeared to be utilized for irrigation.

According to County of San Diego records and the property owner, Mrs. Nena Zosa, multiple septic tanks systems are installed throughout the subject property that services the onsite structures. EEI observed signs of such systems (i.e., vent piping, etc.) during our site walk efforts.

Small quantities of fuel, oil, and paint were observed within a maintenance shed located along the east-central portion of the site. Minor staining was noted beneath the fuel and oil containers; however, appeared to represent *de minimis* conditions that would not warrant further investigation. Small quantities of household cleaners were also observed within the main ranch house. Three (3), empty, 55-gallon storage drums were observed along the east-central portion of the site. The drums appeared to be used for agricultural purposes. No petroleum odor or staining was noted beneath or surrounding the drums. Overhead power lines were observed along the southeast and central portion of the site. Pole-mounted transformers were observed; however, appeared to be in good operating condition.

EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good condition.
Surface Spills	No	None observed.
Stained Surfaces	No	Minor staining was observed in the maintenance shed located along the eastern portion of the site; however, appeared to represent *de minimis* conditions.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	Various debris, associated with orchard operations; discarded household items; and building materials were observed by the mobile homes and maintenance areas.
Transformers	No	Pole-mounted transformers were observed on the power lines located along the central and southern portions of the site.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	Small quantities of fuel and oil were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by vacant/undeveloped land or agricultural properties (orchards or additional fruit and vegetable farms). Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 PHASE I FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to site soils, which is a potential REC. Based on the future planned site use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate site soils for agricultural chemicals. Note: our sampling was focused on the existing orchard/growing areas, where it is assumed that agricultural chemicals were uniformly applied.

Based on the results of our agricultural chemical survey (see section 8.0 – Results of Limited Agricultural Survey), no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., non-detect). Concentrations of lead was detected in site soils; however, at levels less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – The following *de minimis* conditions have been identified during the preparation of this ESA:

    - Small quantities of fuel and oil were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface staining was observed beneath and in the vicinity of the fuel containers located in the maintenance shed along the eastern portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

6.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

6.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

6.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

6.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

6.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

7.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

7.1 Sampling Objectives

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties. The DTSC document does not specifically address disturbed (i.e., graded) residential sites. Therefore, EEI has modified the application of the document to the specific site, while maintaining the general conformance with the document's suggested sampling frequencies, methodology, and analytical parameters.

Based on the size of the property, and EEI's experience at similar sites, a total of 36 discrete soil samples, or approximately one per acre, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

7.2 Field Investigation

On April 7, 2011, EEI personnel mobilized to the project site to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of 36 discrete locations (identified as ACR-1 through ACR-36, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

7.3 Laboratory Analytical Testing

All 36 discrete soil samples (ACR-1 through ACR-36) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of six (6) composite samples (identified as Composite #1 through Composite #6) from the discrete samples at a ratio of 6:1. All six (6) composite samples (Composite #1 through Composite #6) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect).

- Lead was detected in samples ACR-6 through ACR-11, ACR-15, ACR-17, ACR-23, AC$-24, ACR-26 through ACR-29, and ACR-32. Concentrations of lead ranged from 3 milligrams per kilogram (mg/kg) (ACR-9) to 78 mg/kg (ACR-10). No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-3	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	4/7/2011	<5	**3.8**	NA	NA	NA	NA	NA
ACR-7	6	4/7/2011	<5	**4.1**	NA	NA	NA	NA	NA
ACR-8	6	4/7/2011	<5	**3.6**	NA	NA	NA	NA	NA
ACR-9	6	4/7/2011	<5	**3**	NA	NA	NA	NA	NA
ACR-10	6	4/7/2011	<5	**78**	NA	NA	NA	NA	NA
ACR-11	6	4/7/2011	<5	**3.3**	NA	NA	NA	NA	NA
ACR-12	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-13	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	4/7/2011	<5	**3.9**	NA	NA	NA	NA	NA
ACR-16	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	4/7/2011	<5	**3.8**	NA	NA	NA	NA	NA
ACR-18	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-19	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-22	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-23	6	4/7/2011	<5	**3.2**	NA	NA	NA	NA	NA
ACR-24	6	4/7/2011	<5	**4.3**	NA	NA	NA	NA	NA
ACR-25	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-26	6	4/7/2011	<5	**3.7**	NA	NA	NA	NA	NA
ACR-27	6	4/7/2011	<5	**3.4**	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-28	6	4/7/2011	<5	**4.5**	NA	NA	NA	NA	NA
ACR-29	6	4/7/2011	<5	**5.2**	NA	NA	NA	NA	NA
ACR-30	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-31	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-32	6	4/7/2011	<5	**6.1**	NA	NA	NA	NA	NA
ACR-33	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-34	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-35	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-36	6	4/7/2011	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #2	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #3	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #4	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #5	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #6	6	4/7/2011	NA	NA	<5	<5	<5	<5	<5 - 200

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

8.0 LIMITED AGRICULTURAL CHEMICAL FINDINGS AND OPINIONS

No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected in 15 samples at concentrations ranging from 3 mg/kg (ACR-9) to 78 mg/kg (ACR-10). No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the detected lead values to the California Human Health Screening Levels (CHHSL) residential land use scenario values. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- Concentrations of lead ranging from 3 mg/kg (ACR-9) to 78 mg/kg (ACR-10) were reported in site soils; however, are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentration appears to represent background levels inherent to site soils (Kearney Foundation Special Report, 1996).

Although arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential CHHSL value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

9.0 PHASE I ESA AND LIMITED AGRICULTURAL CHEMICAL SURVEY CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9435 West Lilac Walk, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, concentrations of lead were detected in site soils. All detectable concentrations of lead were less than the CHHSL residential screening level of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

- Small quantities of fuel and oil were observed on the subject property. These materials should be properly disposed of prior to any future site improvements. Minor surface staining was observed beneath and in the vicinity of the fuel containers located in the maintenance shed along the eastern portion of the site. The staining appeared to be limited to a small area and surficial; therefore, is considered to be *de minimis* in nature and does not require further investigation at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any site improvements or demolition activities, ACM and LBP testing of materials within such site structures will likely be required.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

10.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed April 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed April 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed April 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed April 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed April 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed April 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed April 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed April 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed April 2011.

United States Fish and Wildlife Service (USFWS), National Wetland Inventory (NWI), Website, (http://137.227.242.85/wetland/wetland.html), accessed April 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
COUNTY OF SAN DIEGO FILES

APPENDIX D
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
"Denova" Property
16.71-Acre Property
APN 128-280-46
SEC of Shirey Road and West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

May 3, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71271.1

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site location:

"Denova" Property
16.71-Acre Property
APN 128-280-46
SEC of Shirey Road and West Lilac Road
Escondido, California 92026

Prepared and Edited by:

Brian R. Brennan, REA-II
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71271

TABLE OF CONTENTS

GENERAL SITE INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
- **1.1** Purpose 1
- **1.2** Scope of Services 1
- **1.3** Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
- **2.1** Site Description 2
- **2.2** Topography 2
- **2.3** Regional and Local Geology 3
- **2.4** Regional and Local Hydrogeology 3
- **2.5** Hydrologic Flood Plain Information 4

3.0 SITE BACKGROUND **4**
- **3.1** Site Ownership 4
- **3.2** Site History 4
  - **3.2.1** Aerial Photograph and Historical Map Review 4
  - TABLE 1 - Summary of Historical Use Review 5
  - **3.2.2** City/County Directories 6
  - **3.2.3** Sanborn Fire Insurance Maps 6
  - **3.2.4** County of San Diego Land Use Environmental Group 6
- **3.3** Regulatory Database Search 6
  - **3.3.1** Federal Databases 7
  - **3.3.2** State and Regional Sources 7
- **3.4** Regulatory Agency Review 8
  - **3.4.1** Deer Springs Fire Protection District 8
  - **3.4.2** County of San Diego Department of Environmental Health 8
  - **3.4.3** State Water Resources Control Board 8
  - **3.4.4** Department of Toxic Substances Control 8
  - **3.4.5** Review of Division of Oil, Gas, and Geothermal Resources Files 9
- **3.5** Interview with Current Property Owner 9
  - **3.5.1** Past or Present Uses Indicating Environmental Concern 9
  - **3.5.2** Environmental Liens or Governmental Notification 9
  - **3.5.3** Presence of Hazardous Substances or Environmental Violations 9
  - **3.5.4** Previous Assessments 9
  - **3.5.5** Legal Proceedings 9
- **3.6** User Provided Information 9
  - **3.6.1** Environmental Liens or Activity and Use Limitations 10
  - **3.6.2** Specialized Knowledge 10
  - **3.6.3** Valuation Reduction for Environmental Issues 10
  - **3.6.4** Presence or Likely Presence of Contamination 10
  - **3.6.5** Other 10
- **3.7** Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 10
3.8.1 Asbestos-Containing Materials 10
3.8.2 Lead-Based Paint 11
3.8.3 Radon 12
3.8.4 Polychlorinated Biphenyls 12

4.0 SITE RECONNAISSANCE **12**
4.1 Purpose 12
4.2 Subject Site 12
TABLE 2 – Summary of Site Reconnaissance 13
4.3 Adjacent Properties 13

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY **14**
5.1 Purpose and Objective 14
5.2 Field Investigation 14
5.3 Laboratory Analytical Program 14
TABLE 3 - Soil Sample Results 15
5.4 Discussion of Testing Results 15

6.0 FINDINGS AND OPINIONS **16**

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES **16**
7.1 Historical Data Gaps 17
7.2 Regulatory Data Gaps 17
7.3 Onsite Data Gaps 17
7.4 Deviations from ASTM Practices 17

8.0 CONCLUSIONS **17**

9.0 REFERENCES **18**

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SITE INFORMATION

Project Information: 16.71-Acre Property

EEI Project Number: ACR-71271

Site Information:
"Denova" Property
16.71-Acre Property
APN 128-280-46
SEC of Shirey Road and West Lilac Road
Escondido, County of San Diego, California 92026

Site Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644)
and Mrs. Flora Denova, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: April 7, 2011 / **Report Date:** May 3, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at the southeast corner of Shirey Road and West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregular-shaped subject property consists of privately owned land located southeast of the intersection of Shirey Road and West Lilac Road, Escondido, Unincorporated Community of San Diego County, California. The subject property encompasses a total of 16.71-acres on one parcel identified as Assessor's Parcel Number (APN) 128-280-46. There is no physical address associated with the subject property.

Access to the subject property can be obtained from immediately south of West Lilac Road, east of Shirey Road, and along a segment of Putnam Road located on the eastern property boundary. The subject property is currently undeveloped and comprised of gently sloping terrain, and native vegetation. The subject property is bound by West Lilac Road to the north and a rural residence beyond; agricultural land to the south; a fire station and rural residence to the east; and Shirey Road to the west and agricultural land beyond. A drainage was observed on the subject property, which bisected the site from the north-central to the southwest. Standing water was observed along the southwest portion of the drainage and along Shirey Road.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has remained undeveloped since 1939.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On April 7, 2011, EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Due to the dense vegetation covering the subject property, vantage points were utilized to evaluate the physical condition of the subject property. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

Based on the proposed future planned residential site use, the County of San Diego required the user of this Phase I ESA (i.e., Accretive Investments, Inc.) to conduct an evaluation of site soils for the presence of restricted agricultural chemicals, prior to redevelopment. Therefore, EEI performed a limited agricultural chemical survey at the subject property. Sampling activities were conducted on April 12, 2011. A total of six (6) discrete soil samples (ACR-1 through ACR-6), collected at 6-inches below ground surface were analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected in three samples and ranged from 3.9 mg/kg (ACR-1) to 8.2 mg/kg (ACR-5). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect"). DDE and DDT (organochlorine pesticides) were detected in sample ACR-4 at 9.4 micrograms per kilogram (µg/kg) and 6.5 µg/kg, respectively. No other samples analyzed detected DDE, DDT, or any other organochlorine pesticide included in EPA Test Method 8081A above the laboratory reporting limit (i.e., "non-detect").

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located southeast of the intersection of Shirey Road and West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, low levels of lead and DDE and DDT (organochlorine pesticides) were detected in site soils. All detectable concentrations of lead, DDE, and DDT were less than the CHHSL residential screening level of 150 mg/kg (lead) and 1,600 µg/kg (DDE and DDT). Therefore, no further investigation appears to be warranted at this time.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located southeast of the intersection of West Lilac Road and Shirey Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject site.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject site usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic site conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A site reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject site, but rather is intended to provide a preliminary indication of onsite impacts from previous site usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Site Description

The irregular-shaped subject property consists of privately owned land located southeast of the intersection of Shirey Road and West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 16.71-acres on one parcel identified as Assessor's Parcel Number (APN) 128-280-46 (**Appendix B**). There is no physical address associated with the subject property.

Access to the subject property can be obtained from immediately south of West Lilac Road, east of Shirey Road, and along a segment of Putnam Road located on the eastern property boundary. The subject property is currently undeveloped and comprised of gently sloping terrain, and native vegetation. The subject property is bound by West Lilac Road to the north and a rural residence beyond; agricultural land to the south; a fire station and rural residence to the east; and Shirey Road to the west and agricultural land beyond. A drainage was observed on the subject property, which bisected the site from the north-central to the southwest. Standing water was observed along the southwest portion of the drainage and along Shirey Road. Due to the dense vegetation covering the subject property, vantage points were utilized to evaluate the physical condition of the subject property.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has remained undeveloped since 1939.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief. The approximate site elevation ranges from approximately 800 feet above mean sea level (amsl) (southwestern portion) to approximately 900 feet amsl (northeast portion).

2.3 Regional and Local Geology

The subject site and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the site is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the site is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaE2), Greenfield sandy loam series (CIG2), and the Steep Gullied Land series (StG) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the site is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for more information. According to the website, a water well exists along the eastern-central portion of the site. Well "10S02W19D001S" was reportedly last measured in 1967 with a depth of groundwater approximately 108 feet below grade. It should be noted that the well was not observed during our site reconnaissance; therefore, may be associated with the fire station located immediately north of the plotted well location, or the rural residence located immediately south of the plotted well location. Furthermore, the County of San Diego Land and Water Quality Division have no records of a well being located on the subject property.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SITE BACKGROUND

3.1 Site Ownership

According to the County of San Diego Assessor the current owner of the subject parcel is identified as Laura Denova Trust with a mailing address of 5650 Genoa Drive, San Diego, California 92120.

3.2 Site History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject site. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1946, 1948, 1949, 1951, 1953, 1963, 1968, 1974, 1975, 1980, 1990-91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. Based on the data reviewed, the subject property has remained undeveloped since 1939.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375	Subject property appeared to be undeveloped and covered with native vegetation. A small portion of the northwest corner of the site appeared to be cleared as part of a rural residence. A drainage bisected the site from the north-central portion of the site to the southwest corner of the property. An unimproved road was visible immediately north of the subject property. The surrounding area appeared to be undeveloped and covered with native vegetation.
1942	Topographic Map 1:62,500	Subject property appeared to be undeveloped. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1939 photograph, except for an unimproved dirt road bisected the north-central portion of the site.
1948	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1942 topographic map.
1949	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1948 topographic map.
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1949 topographic map, except for the subject property and surrounding area were shaded green, which signified agricultural-related land use.
1953	Aerial Photograph 1:375	Subject property appeared to be undeveloped. An unimproved road, presumably Shirey Road, was present along the western property boundary. Additional unimproved dirt roads were visible along the northwest corner of the site.
1963	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1953 aerial photograph. A clearing was noted offsite and east of the northeast corner of the site. Rural residences and agricultural-related land use were visible in the surrounding area. Shirey Road was visible along the western property boundary, while West Lilac Road, located north of the site appeared to be improved.
1968	Topographic Map 1: 24,000	No apparent changes were noted to the subject property since the 1951 topographic map.
1974	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1963 aerial photograph. Increased agricultural-related land use and rural residences were noted in the surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph.
1990-1991	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph. Increased agricultural-related land use was noted in the surrounding area.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1990/1991 aerial photograph. Increased agricultural-related land use was noted in the surrounding area.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of undeveloped land covered with native vegetation. A drainage bisected the site from the north-central portion of the site to the southwest corner of the property. West Lilac Road was present along the north property boundary and Shirey Road was present along the western property boundary. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

The subject property does not have a physical address; therefore, a city/county directory search was not performed as part of this investigation.

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), no records were on file for the subject property (APN 128-280-46).

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject site, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – One listing was reported within one-quarter mile of the subject property: **Miller Fire Station, CDF** (9127 West Lilac Road; 0.16 miles northeast). Operating permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-quarter mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported within one-quarter mile of the subject property: **Miller Fire Station, CDF** (9127 West Lilac Road; 0.16 miles northeast). State permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to Ms. Liz Lozano, Administrative Assistant/Board Clerk, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APN 128-280-46. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our site reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within T10, R03WS, Section 19).

3.5 Interview with Current Property Owner

EEI contacted the owner; Mrs. Flora Denova regarding the past and present use of the subject property. Mrs. Denova indicated that she had owned the property for approximately 25-30 years and to her knowledge it has never been cultivated or developed. Mrs. Denova referred EEI to her real estate broker, Mr. Randy Engel for additional information regarding the subject property. Information provided by Mr. Engel is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Engel was not aware of any past or present uses of the subject property indicating environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mr. Engel was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Engel was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mr. Engel was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mr. Engel was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner and representative, Mrs. Denova and Mr. Engel, respectively, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

No structures were observed on the subject property during our site reconnaissance. Therefore, the presence of ACM is unlikely.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

No structures were observed on the subject property during our site reconnaissance. Therefore, the presence of LBP is unlikely.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999). No structures, pole-mounted transformers, or pad-mounted transformers were observed on the subject property during our site reconnaissance. Therefore, the presence of PCB-containing equipment is unlikely.

4.0 SITE RECONNAISSANCE

4.1 Purpose

The purpose of our site reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, above ground storage tanks (ASTs), USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Site

On April 7, 2011, EEI personnel mobilized to the subject property and conducted a site reconnaissance of the subject property. Due to the dense vegetation on the subject property, our reconnaissance was limited to vantage point views of the site. Visual conditions observed during the site reconnaissance of the subject property, are documented in a Photographic Log (**Appendix F**), and summarized in **Table 2**.

The irregular-shaped subject property consists of privately owned land located southeast of the intersection of Shirey Road and West Lilac Road, Escondido, Unincorporated Community of San Diego County, California (**Figure 2**). The subject property encompasses a total of 16.71-acres on one parcel identified as Assessor's Parcel Number (APN) 128-280-46. There is no physical address associated with the subject property.

Access to the subject property was obtained from immediately south of West Lilac Road, east of Shirey Road, and along a segment of Putnam Road located on the eastern property boundary. The subject property is currently undeveloped and comprised of gently sloping terrain, and native vegetation. The subject property is bound by West Lilac Road to the north and a rural residence beyond; agricultural land to the south; a fire station and rural residence to the east; and Shirey Road to the west and agricultural land beyond. A drainage was observed on the subject property, which bisected the site from the north-central to the southwest. Standing water was observed along the southwest portion of the drainage and along Shirey Road.

EEI personnel conducted a reconnaissance of the property to physically observe the site and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our site reconnaissance efforts.

TABLE 2
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good. No concerns observed.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	A drainage was observed on the subject property, which bisected the site from the north-central to the southwest. Standing water was observed along the southwest portion of the drainage and along Shirey Road.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	None observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by vacant/undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

5.1 Purpose and Objective

Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 *"Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property, and EEI's experience at similar sites, a total of 6 discrete soil samples, or approximately one per acre, were collected at near-surface (6-inches below grade) locations on the subject property. Note: due to the dense vegetation covering the subject property, our sampling was limited to reasonably accessible areas. The following sections discuss our investigation activities.

5.2 Field Investigation

On April 12, 2011, EEI personnel mobilized to the project site to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of six (6) discrete locations (identified as ACR-1 through ACR-6, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.3 Laboratory Analytical Testing

All six (6) discrete soil samples (ACR-1 through ACR-6) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (USEPA) Test Method 6010B, and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect).

- Lead was detected above the laboratory detection limit in samples ACR-1, ACR-4, and ACR-5. Concentrations of lead ranged from 3.9 milligrams per kilogram (mg/kg) (ACR-1) to 8.2 mg/kg (ACR-5). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

- DDE and DDT (organochlorine pesticides) were detected in sample ACR-4 at 9.4 micrograms per kilogram (µg/kg) and 6.5 µg/kg, respectively. No other samples analyzed detected DDE, DDT, or any other organochlorine pesticide included in EPA Test Method 8081A above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 3** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 3
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B		EPA 8081A				
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	4/12/2011	<5	**3.9**	<5	<5	<5	<5	<5-200
ACR-2	6	4/12/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-3	6	4/12/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-4	6	4/12/2011	<5	**5.7**	<5	**9.4**	<5	**6.5**	<5-200
ACR-5	6	4/12/2011	<5	**8.2**	<5	<5	<5	<5	<5-200
ACR-6	6	4/12/2011	<5	<3	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	5-200

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.4 Discussion of Testing Results

No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect") in the samples analyzed during this investigation. Lead was detected above the laboratory detection limit in samples ACR-1, ACR-4, and ACR-5. Concentrations of lead ranged from 3.9 mg/kg (ACR-1) to 8.2 mg/kg (ACR-5). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

DDE and DDT (organochlorine pesticides) were detected in sample ACR-4 at 9.4 µg/kg and 6.5 µg/kg, respectively. DDE and DDT (organochlorine pesticides) were detected in sample ACR-4 at 9.4 micrograms per kilogram (µg/kg) and 6.5 µg/kg, respectively. No other samples analyzed detected DDE, DDT, or any other organochlorine pesticide included in EPA Test Method 8081A above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead and DDE and DDT values to the California Human Health Screening Levels (CHHSL) residential land use scenario values. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The detected lead concentrations ranging from 3.9 mg/kg to 8.2 mg/kg is less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentration appears to represent background levels inherent to site soils (Kearney Foundation Special Report, 1996).

- The detected DDE and DDT concentrations of 9.4 µg/kg and 6.5 µg/kg, respectively is less than the CHHSL residential screening level of 1,600 µg/kg for both compounds.

Although arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential CHHSL value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 PHASE I FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – No known or suspected RECs have been revealed during the preparation of this ESA. However, based on the proposed future planned residential site use, the County of San Diego required the user of this Phase I ESA (i.e., Accretive Investments, Inc.) to conduct an evaluation of site soils for the presence of restricted agricultural chemicals. Therefore, EEI performed a limited agricultural chemical survey at the subject property. Note: due to the dense vegetation covering the subject property, our sampling was limited to reasonably accessible areas.

  Based on the results of our agricultural chemical survey (see Section 8.0 – Results of Limited Agricultural Survey), no concentrations of arsenic were detected above the laboratory reporting limit (i.e., non-detect). Low levels of lead, and organochlorine pesticides DDE and DDT were detected in site soils. The concentrations were less than applicable residential screening levels; therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located southeast of the intersection of Shirey Road and West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical survey activities, low levels of lead and DDE and DDT (organochlorine pesticides) were detected in site soils. All detectable concentrations of lead, DDE, and DDT were less than the CHHSL residential screening level of 150 mg/kg (lead) and 1,600 µg/kg (DDE and DDT). Therefore, no further investigation appears to be warranted at this time.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed March 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed March 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed March 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed March 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed March 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed March 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed March 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed March 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed March 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
6.9-Acre "Tomasic" Property
APNs 127-072-14 and 128-280-42
9007 West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

July 8, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71295.1

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

6.9-Acre "Tomasic" Property
APNs 127-072-14 and 128-280-42
9007 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71295.1

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71295.1

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 3

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 4
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 7
3.2.4 County of San Diego Land Use and Environmental Group 7
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 9
3.5.2 Environmental Liens or Governmental Notification 9
3.5.3 Presence of Hazardous Substances or Environmental Violations 9
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 11
3.8.1 Asbestos Containing Materials 11
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 12

4.0 SUBJECT PROPERTY RECONNAISSANCE 12
4.1 Purpose 12
4.2 Subject Property 13
TABLE 3 – Summary of Subject Property Reconnaissance 14
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Purpose and Objective 14
5.2 Field Investigation 15
5.3 Laboratory Analytical Program 15
TABLE 4 - Soil Sample Results 16
5.4 Discussion of Testing Results 16

6.0 FINDINGS AND OPINIONS 17

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 17
7.1 Historical Data Gaps 17
7.2 Regulatory Data Gaps 18
7.3 Onsite Data Gaps 18
7.4 Deviations from ASTM Practices 18

8.0 CONCLUSIONS 18

9.0 REFERENCES 19

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 6.9-Acre "Tomasic" Property

EEI Project Number: ACR-71295.1

Subject Property Information:
6.9-Acre "Tomasic" Property
APNs 128-072-14 and 128-280-42
9007 West Lilac Road
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and Mr. Albert and Mrs. Doris Tomasic, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: June 28, 2011 / **Report Date:** July 8, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9007 West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The irregular-shaped subject property consists of privately owned land located southwest of the intersection of Shirey Road and West Lilac Road, Escondido, California. The subject property encompasses a total of 6.9-acres on two contiguous parcels identified as Assessor's Parcel Numbers (APNs) 127-072-14 and 128-280-42. The subject property is identified by the address: 9007 West Lilac Road.

Access to the subject property can be obtained from a concrete driveway located south of West Lilac Road. The subject property is bound by West Lilac Road to the north; an unnamed drainage and undeveloped land to the south; Shirey Road to the east; and an avocado orchard to the west. The northwest portion of the subject property is currently developed with three (3) structures that consist of a single-story residence, detached garage, and a fiberglass storage unit. The west central portion of the subject property is developed with avocado trees. The balance of the subject property is undeveloped and comprised of gently sloping terrain, and native vegetation. An unnamed drainage, with standing water, is located along the southern property boundary.

According to historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a single and/or multiple structures and utilized for agricultural-related land use since 1939.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On June 28, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on June 28, 2011. A total of eight (8) discrete soil samples (ACR-1 through ACR-8), collected at 6-inches below ground surface, and four (4) composite samples (Composite #1 through Composite #4) (prepared by a California-State certified laboratory) were analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected in discrete samples ACR-1, ACR-2, ACR-5, and ACR-6 at concentrations ranging from 3.5 mg/kg (ACR-5) to 8 mg/kg (ACR-2). No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9007 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical testing, low levels of lead were detected in the soil beneath the subject property. All detectable concentrations of lead were less than the CHHSL residential land use screening value of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of materials within such onsite structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9007 West Lilac Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of onsite impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The irregular-shaped subject property consists of privately owned land located southwest of the intersection of Shirey Road and West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 6.9-acres on two contiguous parcels identified as Assessor's Parcel Numbers (APNs) 127-072-14 and 128-280-42 (**Appendix B**). The subject property is identified by the address: 9007 West Lilac Road.

Access to the subject property can be obtained from a concrete driveway located south of West Lilac Road. The subject property is bound by West Lilac Road to the north; an unnamed drainage and undeveloped land to the south; Shirey Road to the east; and an avocado orchard to the west. The northwest portion of the subject property is currently developed with three (3) structures that consist of a single-story residence, detached garage, and a fiberglass storage unit. The west central portion of the subject property is developed with avocado trees. The balance of the subject property is undeveloped and comprised of gently sloping terrain, and native vegetation. An unnamed drainage, with standing water, is located along the southern property boundary.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a single and/or multiple structures and utilized for agricultural-related land use since 1939.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 850 feet above mean sea level (amsl) (southern portion) to approximately 900 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately north to south.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaC2 and FaE2) and the Steep Gullied Land series (StG) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 5 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for additional information pertaining to groundwater and water supply wells. According to the website, no water supply wells are located on the subject property. One well "10S02W19D003S", located off-site and southwest of the subject property, was reportedly last measured in 1967 with a depth to groundwater of approximately 3 feet below grade.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property parcels (APNs: 127-072-14 and 128-280-42) is identified as Albert and Doris Tomasic with the following mailing addresses: 9007 West Lilac Road, Escondido, California and P.O. Box 360, Bonsall, California.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1946, 1948, 1949, 1951, 1953, 1963, 1968, 1974, 1975, 1980, 1990-91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property has been developed with a single and/or multiple structures and utilized for agricultural-related land use since 1939.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375	Subject property appeared to be developed with two structures along the northwest quadrant. Additionally, a small orchard (possibly citrus or avocado) was visible immediately east and south of the structures. The balance of the property appeared to be cleared of vegetation, except for the southwest corner, which appeared to be covered with native vegetation. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1942	Topographic Map 1:62,500	Subject property appeared to be developed with a single structure, located along the northern property boundary. An unnamed drainage was present along the western property boundary.
1946	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1939 photograph, except for the entire property appeared to be cleared of vegetation and the orchard noted in the 1939 photograph.
1948	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1942 topographic map, except for the drainage located along the western property boundary appeared to have been shifted to the west and off-site.
1949	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1948 topographic map.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1949 topographic map.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1946 photograph.
1963	Aerial Photograph 1:375	Subject property remained developed with two structures, located along the northern property boundary. A small orchard was visible to the east of the structures. An additional orchard was visible along the southern half of the property. An unimproved dirt road bisected the southern portion of the subject property. West Lilac Road was visible to the north and Shirey Road was visible to the east. Additional development and agricultural-related land use was visible in the surrounding area.
1968	Topographic Map 1: 24,000	No apparent changes were noted to the subject property since the 1951 topographic map, except for an unimproved dirt road was visible along the eastern property boundary.
1974	Aerial Photograph 1:375	Photograph quality was poor. The northern portion of the subject property remained developed with two structures and cleared of vegetation. The southern portion of the subject property appeared to be covered with native vegetation. Immediately west of the subject property was a large orchard. Increased agricultural-related land use was visible in the surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph, except the subject property appeared to be cleared of all vegetation.
1990-1991	Aerial Photograph 1:375	Subject property remained developed with two structures located along the northern property boundary. The northern one-third of the subject property appeared to be covered with sparse vegetation. The central portion of the subject property appeared to be utilized as an orchard. The southern portion of the subject property appeared to be cleared of vegetation.
2002	Aerial Photograph 1:375	Photograph quality was poor. Subject property appeared to be developed with three structures located along the northern quadrant. The southern half of the subject property appeared to be utilized as an orchard. Increased agricultural and residential development was visible in the surrounding area.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of a single family residence, detached garage, and detached storage shed located along the northern portion of the property. A small orchard was visible to the south of the residence. The balance of the subject property appeared to be cleared of vegetation. The unnamed drainage was visible along the southern property boundary. West Lilac Road was visible to the north and Shirey Road was visible to the east. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9007 West Lilac Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed from 1974 to 2011. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9007 West Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Addresses	South Adjacent Addresses
2011		
8981 W. Lilac Road No Response	**9007 W. Lilac Road** **No Response**	9127 W. Lilac Road California Miller Fire Station
2007		
8981 W. Lilac Road Cardoso S	**9007 W. Lilac Road** **No Response**	9137 W. Lilac Road Salm Mike
2002		
8993 W. Lilac Road No Response	**9007 W. Lilac Road** **Tomasic Albert**	9137 W. Lilac Road Salm Mike; Salm Donna
1997		
8993 W. Lilac Road No Response	**9007 W. Lilac Road** **No Response**	9137 W. Lilac Road Salm Mike; Salm Donna
1992		
8993 W. Lilac Road No Response	**9007 W. Lilac Road** **Tomasic Albert**	9009 W. Lilac Road No Response
1986		
8993 W. Lilac Road Smith Elmer C	**9007 W. Lilac Road** **Jones G W Jr**	9009 W. Lilac Road Haworth Norman A
1981		
8993 W. Lilac Road Smith Elmer C	**9007 W. Lilac Road** **Jones GW Jr**	9127 W. Lilac Road Ca St Frst Firs Stn
1974		
W. Lilac Road First Listing this street 9867	**9007 W. Lilac Road** **Address Not Listed**	9867 W. Lilac Road Walker Noel
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), no records were on file for the subject property APNs: 127-072-14 and 128-280-42.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – No listings were reported within one mile of the subject property.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APNs 127-072-14 and 128-280-42. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10, Range 02W, Section 19 and Township 10, Range 03W, Section 19).

In addition, EEI reviewed the National Pipeline Mapping System (NPMS, 2011) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or in close proximity to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

EEI contacted the property owner, Mr. Albert Tomasic regarding the past and present use of the subject property. Mr. Tomasic indicated that he and his wife had owned the property for approximately 20 years. Mr. Tomasic noted that the subject property has been utilized as an avocado orchard. Information provided by Mr. Tomasic is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Tomasic was not aware of any past or present uses of the subject property indicating environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mr. Tomasic was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Tomasic was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mr. Tomasic was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mr. Tomasic was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mr. Albert Tomasic, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) Asbestos-Containing Material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the northern portion of the subject property appeared to have been constructed circa-1975. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1975) of the structures located along the northern portion of the subject property, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent subject property reconnaissance. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

No pole-mounted transformers or pad-mounted transformers were observed on the subject property during our subject property reconnaissance. Therefore, the presence of PCB-containing equipment is unlikely.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On June 28, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Mr. Albert Tomasic, the property owner, provided access to the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The irregular-shaped subject property consists of privately owned land located southwest of the intersection of Shirey Road and West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 6.9-acres on two contiguous parcels identified as Assessor's Parcel Numbers (APNs) 127-072-14 and 128-280-42. The subject property is identified by the address: 9007 West Lilac Road.

Access to the subject property can be obtained from a concrete driveway located south of West Lilac Road. The subject property is bound by West Lilac Road to the north; an unnamed drainage and undeveloped land to the south; Shirey Road to the east; and an avocado orchard to the west. Standing water was observed in the drainage located along the southern property boundary.

The northwest portion of the subject property is currently developed with three (3) structures that consist of a single-story residence (stucco and wood-framed), a detached garage (stucco and wood-framed), and a fiberglass storage unit. Overhead power lines were observed along the north-central portion of the subject property, which provides power to the main residence. Pole/pad-mounted transformers were not observed.

An approximately 200-gallon plastic, aboveground container was observed along the northern property boundary. According to the property owner, Mr. Albert Tomasic, the container is filled with a mixture of water and fertilizer, which is pumped through a series of below ground pipes that service the existing and historical avocado trees on the property. Additionally, EEI observed a 250-gallon aboveground propane tank, located along the northern portion of the main residence. Immediately south of the residence is a detached garage that contained miscellaneous household items, shop tools, and a vehicle. Located south of the garage is the wood and fiberglass framed storage shed. The shed contained various construction materials, irrigation piping and fittings, and wood and debris. A small bone-yard, consisting of old farming machinery was located immediately south of the storage shed.

The west central portion of the subject property contains sparse avocado trees. The balance of the subject property is undeveloped and comprised of gently sloping terrain, and native vegetation.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good. No concerns observed.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	A drainage with standing water was observed along the southern property boundary.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	None observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by vacant/undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

5.1 Purpose and Objective

The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties*", combined with our experience gathered over the last two decades.

The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (6.9-acres), and EEI's experience at similar sites, a total of eight (8) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.2 Field Investigation

On June 28, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of eight (8) discrete locations (identified as ACR-1 through ACR-8, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.3 Laboratory Analytical Testing

All eight (8) discrete soil samples (ACR-1 through ACR-8) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (USEPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per the DTSC guidance referenced in Section 7.1 above, to create four (4) composite samples from the eight (8) discrete samples. The composite samples were prepared as follows: Composite #1 – ACR-1 and ACR-2; Composite #2 – ACR-3 and ACR-4; Composite #3 – ACR-5 and ACR-6; Composite #4 – ACR-7 and ACR-8. All four (4) composite samples (Composite #1 through Composite #4) were analyzed for Organochlorine Pesticides by USEPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect).

- Lead was detected above the laboratory detection limit in samples ACR-1, ACR-2, ACR-5, and ACR-6. Concentrations of lead ranged from 3.5 milligrams per kilogram (mg/kg) (ACR-5) to 8.0 mg/kg (ACR-2). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	6/28/2011	<5	**5.4**	NA	NA	NA	NA	NA
ACR-2	6	6/28/2011	<5	**8**	NA	NA	NA	NA	NA
ACR-3	6	6/28/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	6/28/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	6/28/2011	<5	**3.5**	NA	NA	NA	NA	NA
ACR-6	6	6/28/2011	<5	**3.6**	NA	NA	NA	NA	NA
ACR-7	6	6/28/2011	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	6/28/2011	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	6/28/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #2	6	6/28/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #3	6	6/28/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Composite #4	6	6/28/2011	NA	NA	<5	<5	<5	<5	<5 - 200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Chlordane - 430**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.4 Discussion of Testing Results

The results of our agricultural chemical testing revealed no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-1, ACR-2, ACR-5, and ACR-6. Concentrations of lead ranged from 3.5 mg/kg (ACR-5) to 8.0 mg/kg (ACR-2). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The detected lead concentrations ranging from 3.5 mg/kg to 8.0 mg/kg in soil samples collected during this investigation is less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentration appears to represent background levels inherent to subject property soils. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

Although arsenic was not detected above the laboratory reporting limit of 5 milligrams per kilogram (mg/kg) in any of the samples analyzed during this investigation, it should be noted that the residential CHHSL value for arsenic is 0.07 mg/kg, which is less than the laboratory reporting limit. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

    The results of our agricultural chemical survey (see Section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic or organochlorine pesticides in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of lead were detected in the soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 Onsite Data Gaps

No onsite data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9007 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical testing, low levels of lead were detected in the soil beneath the subject property. All detectable concentrations of lead were less than the CHHSL residential land use screening value of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of materials within such on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed July 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed July 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed July 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed July 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed July 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed July 2011.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed July 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed July 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed July 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed July 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SURVEY
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
5.02-Acre "Nutt" Property
APN 128-280-10
9167 West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

August 16, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71336

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

5.02-Acre "Nutt" Property
APN 128-280-10
9167 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71336

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71336

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 3
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 7
3.2.4 County of San Diego Land Use and Environmental Group 7
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 8
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 9
3.4.1 Deer Springs Fire Protection District 9
3.4.2 County of San Diego Department of Environmental Health 9
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 10
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 10
3.5 Interview with Current Property Owner 10
3.5.1 Past or Present Uses Indicating Environmental Concern 10
3.5.2 Environmental Liens or Governmental Notification 10
3.5.3 Presence of Hazardous Substances or Environmental Violations 10
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 11
3.6 User Provided Information 11
3.6.1 Environmental Liens or Activity and Use Limitations 11
3.6.2 Specialized Knowledge 11
3.6.3 Valuation Reduction for Environmental Issues 11
3.6.4 Presence or Likely Presence of Contamination 11
3.6.5 Other 11
3.7 Previous Assessments 11

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues....12
3.8.1 Asbestos-Containing Materials....12
3.8.2 Lead-Based Paint....12
3.8.3 Radon....12
3.8.4 Polychlorinated Biphenyls....13

4.0 SUBJECT PROPERTY RECONNAISSANCE....13
4.1 Purpose....13
4.2 Subject Property....14
TABLE 3 – Summary of Subject Property Reconnaissance....15
4.3 Adjacent Properties....15

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY....15
5.1 Field Investigation....16
5.2 Laboratory Analytical Program....16
TABLE 4 - Soil Sample Results....17
5.3 Discussion of Testing Results....17

6.0 FINDINGS AND OPINIONS....18

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES....18
7.1 Historical Data Gaps....18
7.2 Regulatory Data Gaps....18
7.3 On-site Data Gaps....18
7.4 Deviations from ASTM Practices....18

8.0 CONCLUSIONS....19

9.0 REFERENCES....20

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Historical Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 5.02-Acre "Nutt" Property

EEI Project Number: ACR-71336

Subject Property Information:
5.02-Acre "Nutt" Property
APN 128-280-10
9167 West Lilac Road
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and Mr. And Mrs. Wayne Nutt, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: July 27, 2011 / **Report Date:** August 16, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9167 West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The rectangular-shaped subject property consists of privately owned land located southeast of the intersection of Birdsong Drive and West Lilac Road, Escondido, California. The subject property encompasses a total of 5.02-acres on one contiguous parcel identified as Assessor's Parcel Number (APN) 128-280-10. The subject property is identified by the address: 9167 West Lilac Road.

Access to the subject property can be obtained from a concrete driveway located south of West Lilac Road. The subject property is bound by West Lilac Road to the north and a combination of rural residences, agricultural and undeveloped land to the south, east, and west. The northern portion of the subject property is currently developed with three (3) structures that consist of a single story residence, detached garage, and detached shop. A travel trailer is situated along the western property boundary. The balance of the subject property is comprised of citrus and avocado trees, undeveloped areas, and gently sloping terrain.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1964.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On July 27, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on July 27, 2011. A total of six (6) discrete soil samples (ACR-1 through ACR-6), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect"). Lead was detected in samples ACR-2 and ACR-3 at 6.3 mg/kg and 5.2 mg/kg, respectively. No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9007 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 6.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical testing, low levels of lead were detected in the soil beneath the subject property. All detectable concentrations of lead were less than the CHHSL residential land use screening value of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of materials within such on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9167 West Lilac Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.

- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.

- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.

- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.

- A subject property reconnaissance to ascertain current conditions on the subject property.

- Interviews with person(s) knowledgeable of the subject property.

- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.

- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.

- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The rectangular-shaped subject property consists of privately owned land located southeast of the intersection of Birdsong Drive and West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 5.02-acres on one (1) contiguous parcel identified as Assessor's Parcel Number (APN) 128-280-10 (**Appendix B**). The subject property is identified by the address: 9167 West Lilac Road.

Access to the subject property can be obtained from a concrete driveway located south of West Lilac Road. The subject property is bound by West Lilac Road to the north and a combination of rural residences, agricultural and undeveloped land to the south, east, and west. The northern portion of the subject property is currently developed with three (3) structures that consist of a single story residence, detached garage, and detached shop. A travel trailer is situated along the western property boundary. The balance of the subject property is comprised of citrus and avocado trees, undeveloped areas, and gently sloping terrain.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1964.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 850 feet above mean sea level (amsl) (southern portion) to approximately 900 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the south.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 5 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for additional information pertaining to groundwater and water supply wells on or close to the subject property. According to the website, no water supply wells are located on the subject property. One well "10S02W19D001S", located approximately 0.25 miles southwest of the subject property, was reportedly last measured in 1967 with a depth to groundwater of approximately 108 feet below grade.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APN 128-280-10) is identified as Wayne and Glenda Nutt with the following mailing addresses: 9167 West Lilac Road, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1947, 1948, 1951, 1953, 1964, 1968, 1974, 1975, 1980, 1994, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1964.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:375	Subject property appeared to be undeveloped and covered with native vegetation. A dirt road, oriented northeast to southwest, was visible along the east-central portion of the subject property. West Lilac Road, unimproved at the time, was visible to the north. The surrounding area appeared to be undeveloped and/or cleared for agricultural-related land use.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. An unimproved road was present along the southeast portion of the property. West Lilac Road was present to the north. The surrounding area was sparsely developed and/or utilized for agricultural-related land use.
1951	Topographic Map 1:25,000	No apparent changes were noted to the subject property since the 1948 topographic map, except for the subject property and surrounding area was shaded green, which signified agricultural-related land use.
1953	Aerial Photograph 1:375	Subject property remained undeveloped. A clearing was noted along the central portion of the property. Numerous dirt roads bisected the northern and southern portions of the property. West Lilac Road was present to the north of the subject property. Two (2) structures were noted to the south and off-site from the subject property. The surrounding area remained undeveloped and/or utilized as agricultural-related land use.
1964	Aerial Photograph 1:375	A single residential structure was noted along the northern property boundary. The balance of the subject property appeared to be cleared of vegetation. West Lilac Road was present to the north of the subject property; undeveloped land to the east; cleared land to the west and south. The surrounding area was comprised of a mix of rural residences and agricultural-related land use.
1968	Topographic Map 1: 24,000	Subject property was developed with a single structure along the northern property boundary. An unimproved road delineated the eastern property boundary. West Lilac Road was visible to the north. The subject property and surrounding area were shaded green, which signified agricultural-related land use.
1974	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1964 aerial photograph.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph.
1994	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except for three rows of orchards were present along the central portion of the subject property. The balance of the subject property appeared to be undeveloped.

TABLE 1 Summary of Historical Use Review		
Year	**Source and Scale**	**Comments**
2002	Aerial Photograph 1:375	Subject property appeared to be developed with three (3) structures along the northern portion of the subject property. The central portion of the property appeared to be developed with orchards, while the balance of the property was cleared of vegetation. Increased residential and agricultural land use was visible in the surrounding area.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of three (3) structures along the northern portion of the property, and a small trailer and utility shed along the west-central and central portions of the property, respectively. The central portion of the property consisted of sparse orchards and large overgrown trees, while the balance of the site was cleared of vegetation and/or grasses. West Lilac Road was visible to the north. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9167 West Lilac Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed from 1997 to 2011. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2 Summary of City/County Directory Search 9167 West Lilac Walk, Escondido, California 92026		
North Adjacent Addresses	**Subject Property**	**South Adjacent Addresses**
2011		
9151 W. Lilac Rd Shirey Falls; Vigil Ambrosio	**9167 W. Lilac Rd** **Nutt Wayne**	9381 W. Lilac Rd Zosa Ranch & Gardens Bd & Brkfst
2007		
9151 W. Lilac Road No Response	**9167 W. Lilac Rd** **Nutt Wayne**	9381 W. Lilac Rd Zosa Ranch & Gardens Bd & Brkfst
2002		
9151 W. Lilac Rd No Response	**9167 W. Lilac Rd** **Nutt Wayne**	9381 W. Lilac Road Zosa Gardens & Ranch B&B
1997		
9151 W. Lilac Rd No Response	**9167 W. Lilac Rd** **Nutt Wayne**	9381 W. Lilac Rd Zosa Ranch

TABLE 2
Summary of City/County Directory Search
9167 West Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
1992		
9151 W. Lilac Rd No Response	**9167 W. Lilac Rd** **Address not listed**	9381 W. Lilac Rd Zosa Ranch
1986		
9151 W. Lilac Rd Englehart OH	**9167 W. Lilac Rd** **Address not listed**	9381 W. Lilac Rd Martin Wm; Murphy Roger F
1981		
9137 W. Lilac Rd No Response	**9167 W. Lilac Road** **Address not listed**	9407 W. Lilac Rd Wolk Chas J
1974		
W. Lilac Rd First listing this street 9867	**9167 W. Lilac Rd** **Address not listed**	9867 W. Lilac Rd Walker Noel
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800's and early 1900's for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950's.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2011) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2011), one record was on file for the subject property (APN 128-280-10). The septic system is located along the western portion of the existing residence, with leach lines extended south towards the north-central portion of the property. No other records were available for the subject property.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One (1) listing was reported within one mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – One (1) listing was reported within one-quarter mile of the subject property: **Miller Fire Station, CDF** (9127 W. Lilac Road; 0.11 miles northwest). Operating permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported within one-quarter mile of the subject property: **Miller Fire Station, CDF** (9127 West Lilac Road, 0.11 miles northwest). State permits are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APN128-280-10. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 03W, Section).

In addition, EEI reviewed the National Pipeline Mapping System (NPMS, 2011) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is Mr. Wayne Nutt and Mrs. Glenda Nutt. EEI interviewed Mrs. Glenda Nutt regarding the past and present use of the subject property. Mrs. Nutt indicated that she and her husband had owned the property for approximately 20 years. Mrs. Nutt noted that the subject property has been utilized as an avocado orchard, up until recent years, when a majority of the orchards were removed and no longer harvested. Mrs. Nutt noted that the remaining orchard is for personal use only. Information provided by Mrs. Nutt is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mrs. Nutt was not aware of any past or present uses of the subject property indicating environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mrs. Nutt was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mrs. Nutt was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mrs. Nutt was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mrs. Nutt was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mrs. Glenda Nutt, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the northern portion of the subject property appeared to have been constructed circa-1975. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1975) of the structures located along the northern portion of the subject property, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent subject property reconnaissance. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines and a single pole-mounted transformer were observed along the northwest corner of the subject property. The transformer appeared to be in good operating condition and no signs of leaking were noted. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On July 27, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Mrs. Glenda Nutt, the property owner, provided access to the subject property. Mrs. Nutt noted that she and her husband, Wayne had owned the property for approximately 25 years. The Nutt's grew organic avocados and citrus products on the property. Prior to the Nutt's, the property was utilized for agricultural. Mrs. Nutt noted that no water wells or USTs are located on the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located southeast of the intersection of Birdsong Drive and West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 5.02-acres on one contiguous parcel identified as Assessor's Parcel Number (APN) 128-280-10 (**Appendix B**). The subject property is identified by the address: 9167 West Lilac Road.

Access to the subject property residence can be obtained from a concrete driveway located south of West Lilac Road, while the balance of the property is can be accessed through a chain-link gate on the northeast corner of the property. The subject property is delineated by metal fencing on the north and chain-link fence along the south, east, and west borders. The subject property is bound by West Lilac Road to the north and a combination of rural residences, agricultural and undeveloped land to the south, east, and west.

The northern portion of the subject property is currently developed with three (3) structures that consist of a single story residence, detached garage, and detached shop. The structures are constructed of stucco and wood-framed. A swimming pool is located along the southeast portion of the main residence. A total of five (5) vehicles were observed in the area of the residence. All of the vehicles, except for a truck located along the northeast corner of the subject property appeared to be in good operating condition. Small quantities of trash and debris were noted along the south side of the detached garage and shop buildings. Additionally, EEI observed small quantities of household cleaning products, anti-freeze, paint, tires, and construction debris.

Immediately south of the residence is a terraced area. A small tractor was observed in this area. No signs of fuel or oil leakage were observed beneath the tractor. To the west of the tractor are a fiberglass port-a-potty and a metal storage shed. The storage shed contained two (2) empty metal fuel cans (no stained soils were observed) and various irrigation parts (e.g., piping and valves). Two (2) additional fuel containers were noted to the north of the shed. The containers were empty and no stained soils were observed beneath of them.

A small travel trailer that has been added on to is situated along the western property boundary. The trailer was unoccupied and appeared to be used as a residence for agricultural workers. EEI observed a sewer or gray line that exited the trailer on the east side and connected to an underground pipe.

The balance of the subject property is comprised of citrus and avocado trees, undeveloped areas, and gently sloping terrain. EEI observed signs of above and below ground irrigation piping throughout the orchards. Overhead power lines and a single pole-mounted transformer were observed along the northwest corner of the subject property, which provided electrical service to the main residence. The electrical transformer appeared to be in good operating condition and no signs of leaking were noted.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Fair. Small quantities of trash, debris, irrigation piping, and construction materials were observed.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	One-pole mounted transformer was observed along the northwest corner of the subject property.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	Small quantities of fuel and household cleaning items were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (5.02-acres), and EEI's experience at similar sites, a total of six (6) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On July 27, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of six (6) discrete locations (identified as ACR-1 through ACR-6, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six (6) inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All six (6) discrete soil samples (ACR-1 through ACR-6) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect).

- Lead was detected above the laboratory detection limit in samples ACR-2 and ACR-3 at 6.3 milligrams per kilogram (mg/kg) and 5.2 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	7/27/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-2	6	7/27/2011	<5	**6.3**	<5	<5	<5	<5	<5-200
ACR-3	6	7/27/2011	<5	**5.2**	<5	<5	<5	<5	<5-200
ACR-4	6	7/27/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-5	6	7/27/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-6	6	7/27/2011	<5	<1	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical testing revealed no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-2 and ACR-3 at 6.3 mg/kg and 5.2 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The detected lead concentrations of 6.3 mg/kg and 5.2 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to subject property soils. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

      The results of our agricultural chemical survey (see section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic or organochlorine pesticides in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of lead were detected in the soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9007 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 6.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- Based on laboratory analytical results from agricultural chemical testing, low levels of lead were detected in the soil beneath the subject property. All detectable concentrations of lead were less than the CHHSL residential land use screening value of 150 mg/kg. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of materials within such on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed August 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed August 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed August 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed August 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed August 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed August 2011.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed August 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed August 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed August 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed August 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
3.31-Acre "Sheffer" Property
APN 128-440-11
9467 Lilac Walk
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

January 19, 2012
(March 26, 2012 revisions)

EEI Project Number ACR-71400

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

3.31-Acre "Sheffer" Property
APN 128-440-11
9467 Lilac Walk
Escondido, California 92026

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71400

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 3

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 4
3.2.2 City/County Directories 5
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 6
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 7
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 8
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 9
3.5.2 Environmental Liens or Governmental Notification 9
3.5.3 Presence of Hazardous Substances or Environmental Violations 9
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 11
3.8.1 Asbestos-Containing Materials 11
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 12

4.0 SUBJECT PROPERTY RECONNAISSANCE 12
4.1 Purpose 12
4.2 Subject Property 13
TABLE 3 – Summary of Subject Property Reconnaissance 14
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 15
5.1 Field Investigation 15
5.2 Laboratory Analytical Program 15
TABLE 4 - Soil Sample Results 16
5.3 Discussion of Testing Results 16

6.0 FINDINGS AND OPINIONS 16

7.0 DATA GAPSAND DEVIATIONS FROM ASTM PRACTICES 17
7.1 Historical Data Gaps 17
7.2 Regulatory Data Gaps 17
7.3 On-site Data Gaps 17
7.4 Deviations from ASTM Practices 17

8.0 CONCLUSIONS 17

9.0 REFERENCES 19

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 3.31-Acre "Sheffer" Property

EEI Project Number: ACR-71400

Subject Property Information:
3.31-Acre "Sheffer" Property
APN 128-440-11
9467 Lilac Walk
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644
and Mrs. Beverly Sheffer, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 6, 2011 / **Report Date:** January 19, 2012 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9467 Lilac Walk, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California. The subject property encompasses a total of 3.31-acres on one parcel identified as Assessor's Parcel Number (APN) 128-440-11. The subject property is identified by the address: 9467 Lilac Walk.

Access to the subject property can be obtained from a dirt driveway located west of Lilac Walk. The subject property is delineated by metal and wooden fencing along the north, south, and west borders, while the eastern border is not fenced. The subject property is bound by agricultural land and/or rural residences to the north, south, and west, and Lilac Walk to the east, beyond which lies rural residences and agricultural land.

The subject property consists of agricultural land containing sparse citrus and avocado trees (the majority stumped), on gently sloping terrain. The east-central portion of the subject property is occupied with a residence consisting of a single story residence and a detached garage.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1968.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 6, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on December 6, 2011. A total of four (4) discrete soil samples (ACR-1 through ACR-4), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

No concentrations of arsenic, lead or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect"). Therefore, no further investigation appears to be warranted at this time

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9467 Lilac Walk, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the subject property.

In addition EEI has the following comments:

- Two (2) 55-gallon and one 25-gallon storage drums that appeared to contain fuel and/or used oil are present near the residence located on the subject property. EEI recommends that these drums be removed, and properly disposed of offsite.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9467 Lilac Walk, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California (**Figure 2**). The subject property encompasses a total of 3.31-acres on one contiguous parcel identified as Assessor's Parcel Number (APN) 128-440-11 (**Appendix B**). The subject property is identified by the address: 9467 Lilac Walk.

Access to the subject property can be obtained from a dirt driveway located west of Lilac Walk. The subject property is delineated by metal and wooden fencing along the north, south, and west borders, while the eastern border is not fenced. The subject property is bound by agricultural land and/or rural residences to the north, south, and west, and Lilac Walk to the east, beyond which lies rural residences and agricultural land.

The subject property consists of agricultural land containing sparse citrus and avocado trees (the majority stumped), on gently sloping terrain. The east-central portion of the subject property is occupied with a residence consisting of a single story residence and a detached garage.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1968.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 800 feet above mean sea level (amsl) (southern portion) to approximately 900 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the south.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Placentia sandy loam series (PeC) (USDA, 2012). Soils in this series are reportedly deep, well to moderately well drained soils that formed in alluvium from granite and other rocks of similar composition and texture on slopes ranging from 2 to 9 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or close to the subject property. According to the website, no water supply wells are located on the subject property. Two wells "10S02W19D002S" and "10S02W19E001S," both located approximately 0.35 miles northwest of the subject property, were reportedly last measured in 1967 with depths to groundwater of approximately 40 feet and 14 feet below grade, respectively.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APNs 128-440-11) is identified as Mr. Barry and Mrs. Beverly Sheffer with the following mailing addresses: 9467 Lilac Walk, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1968.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property and adjacent property appeared partially cleared for agricultural use. West Lilac Road, unimproved at the time, was visible to the north. The surrounding area appeared to be undeveloped and/or cleared for agricultural-related land use.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. An unimproved road was present to the north along with West Lilac Road. The surrounding area was sparsely developed and/or utilized for agricultural-related land use.
1953	Aerial Photograph 1:375	No apparent changes were noted on the subject property or adjacent and surrounding property since the 1946 photograph.
1963	Aerial Photograph 1:375	Subject property and adjacent property to the west no longer utilized for agriculture. Orchards appeared on the adjacent property to the east. An unimproved road appeared running along the west property margin.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1968	Topographic Map 1: 24,000	Subject property was developed with a single structure along the northern property boundary. An unimproved road delineated the eastern property boundary. West Lilac Road was visible to the north. The subject property and surrounding area were shaded green, which signified agricultural-related land use.
1975	Aerial Photograph 1:375	Subject property was developed with a single structure near the northern property boundary. Orchards appeared on the subject property north of the structure. An unimproved road delineated the western property boundary. West Lilac Road was visible to the north. Surrounding property appeared with orchards and rural residential property.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph.
1990/91	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except for additional orchards located throughout the property.
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property or adjacent property since the 1990/91 aerial photograph.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of a single structure at the central portion of the property, and a detached garage south of the structure. An unimproved road bordered the western property margin. The northern portion of the property consisted of sparse orchards, while the balance of the site appeared with sparse vegetation and/or grasses. West Lilac Road was visible to the north. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9467 Lilac Walk) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed from 1985 to 2011 with residential listings. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9467 Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2011		
Lilac Walk First Listing this street is 9467	**9467 Lilac Walk** **Danielle Perry; Barry Sheffer**	9547 Lilac Walk No listing
2007		
9435 Lilac Walk Nina Zosa; Noli Zosa	**9467 Lilac Walk** **Barry Sheffer; Beverly Sheffer**	9547 Lilac Walk No listing
2002		
9435 Lilac Walk Nina Zosa; Noli Zosa	**9467 Lilac Walk** **Barry Sheffer; Charles Wolk**	9547 Lilac Walk No listing
1997		
9435 Lilac Walk Nina Zosa; Noli Zosa	**9467 Lilac Walk** **No listing**	9547 Lilac Walk Alejandro Bautista
1992		
9435 Lilac Walk Nina Zosa; Noli Zosa	**9467 Lilac Walk** **No listing**	9547 Lilac Walk Alejandro Bautista
1985		
Lilac Walk First listing this street 9467	**9467 Lilac Walk** **Chas J Wolk**	9547 Lilac Walk Walter Frazier
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2012) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were on file for the subject property (APN 128-440-11).

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.
State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APN 128-440-11. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 03W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is Mr. and Mrs. Barry Sheffer. EEI interviewed Mrs. Sheffer at the time of our site reconnaissance. Mrs. Sheffer noted that she and her husband, Barry had owned the property for approximately 11 years and utilized the majority to grow various types of citrus and avocado trees. According to Mrs. Sheffer, the trees were recently removed due to increased water costs and only a few personal trees remain. Mrs. Sheffer noted that a water well exists on the southwest portion of the property and that no ASTs/USTs are located on the subject property. Additional information pertaining to Mrs. Sheffer's interview is provided below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mrs. Sheffer was not aware of any past or present uses of the subject property indicating environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mrs. Sheffer was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mrs. Sheffer was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mrs. Sheffer was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mrs. Sheffer was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mrs. Sheffer, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the northern portion of the subject property appeared to have been constructed circa-1968. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1968) of the structures located along the northern portion of the subject property, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent subject property reconnaissance. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines and a single pole-mounted transformer were observed along the eastern property boundary, which provided electrical service to the main residence. The electrical transformer appeared to be in good operating condition and no signs of leaking were noted. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 6, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Mrs. Beverly Sheffer, the property owner, provided access to the subject property. Mrs. Sheffer noted that she and her husband, Barry had owned the property for approximately 11 years and utilized the majority to grow various types of citrus and avocado trees. According to Mrs. Sheffer, the trees were recently removed due to increased water costs and only a few personal trees remain. Mrs. Sheffer noted that a water well exists on the southwest portion of the property and that no ASTs/USTs are located on the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California (**Figure 2**). The subject property encompasses a total of 3.31-acres on one (1) contiguous parcel identified as Assessor's Parcel Number (APN) 128-440-11. The subject property is identified by the address: 9467 Lilac Walk.

Access to the subject property can be obtained from a dirt driveway located west of Lilac Walk. The subject property is delineated by metal and wooden fencing along the north, south, and west borders, while the eastern border is not fenced. The subject property is bound by agricultural land and/or rural residences to the north, south, and west, and Lilac Walk to the east, beyond which lies rural residences and agricultural land.

The northern, western, and southern portions of the subject property contain sparse citrus and avocado trees, undeveloped areas, and gently sloping terrain. The majority of the trees have been cut down or removed and only stumps remain. Evidence of below ground irrigation piping was observed throughout the subject property. The east-central portion of the subject property is currently developed with two (2) main structures that consist of a single story residence and detached garage. The detached garage appeared to be used to store various household items, a motorcycle, and tools. West of the detached garage is a metal storage unit that contained various household items. Between the detached garage and metal storage unit were two (2) 55-gallon and one 25-gallon storage drums that appeared to contain fuel and/or used oil. The drums appeared to be in fair condition with only minor signs of leaking observed.

An above-ground inflatable swimming pool (empty) is located southwest of the main residence. Trash and debris piles were observed east of the detached garage and along the south and west portions of the main residence. Additionally, EEI observed small quantities of household cleaning products, anti-freeze, paint, tires, and construction debris along the western side of the main residence.

Five (5) vehicles and two (2) trailers were observed on the subject property. Two vehicles located along the southwest corner of the subject property and a third located along the south side of the detached garage appeared to be in poor operating condition. EEI also observed a potential water well. The well is located along the southwest corner of the subject property; constructed of concrete; is approximately 3 feet in diameter; and extends 10 to 15 feet below grade. No pumping equipment was present and no water was observed in the well. Mrs. Sheffer stated that the property is serviced by municipal water; however, a septic system services the main residence and is located southwest of the structure.

Overhead power lines and a single pole-mounted transformer were observed along the eastern property boundary, which provided electrical service to the main residence. The electrical transformer appeared to be in good operating condition and no signs of leaking were noted.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions*, except for the 55-gallon and 25-gallon storage drums located along the west side of the detached garage was noted on the subject property during our subject property reconnaissance efforts.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Fair to poor. Trash and debris, irrigation piping, non-operating vehicles, waste drums, and construction materials were observed.
Surface Spills	No	None observed.
Stained Surfaces	No	Minor petroleum staining was observed in the area of three (3) storage drums and beneath the vehicles located on the subject property.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	A dry creek channel is located along the southern property boundary.
Electrical Substations	No	None observed.
Areas of Dumping	No	Trash and debris were observed on the subject property.
Transformers	No	One-pole mounted transformer was observed along the eastern portion of the subject property.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	Small quantities of fuel, oil, paint, and household cleaning items were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes (i.e., citrus and avocado orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 *"Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices.

The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (3.31-acres), and EEI's experience at similar sites, a total of four (4) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On December 6, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of four (4) discrete locations (identified as ACR-1 through ACR-4, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All four (4) discrete soil samples (ACR-1 through ACR-4) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic, lead or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect).

The attached Table 4 summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G**.

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	12/7/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-2	6	12/7/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-3	6	12/7/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-4	6	12/7/2011	<5	<3	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our limited agricultural survey revealed no concentrations of arsenic, lead or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property.

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

      The results of our agricultural chemical survey (see Section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic, lead or organochlorine pesticides above the laboratory reporting limit (i.e., non-detect) in the soil samples collected from the subject property. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – The following de minimis conditions have been revealed during the preparation of this ESA.

    - Two (2) 55-gallon and one 25-gallon storage drums that appeared to contain fuel and/or used oil are present near the residence located on the subject property. EEI recommends that these drums be removed, and properly disposed of offsite.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including Client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9467 Lilac Walk, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property:

In addition EEI has the following comments:

- Two (2) 55-gallon and one 25-gallon storage drums that appeared to contain fuel and/or used oil are present near the residence located on the subject property. EEI recommends that these drums be removed, and properly disposed of offsite.

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed January 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed January 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed January 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed January 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed January 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed January 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed January 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed January 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed January 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed January 2012.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SURVEY
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
5.0-Acre "Carlson" Property
APN 128-440-06
9383 West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

December 13, 2011
(March 26, 2012 revisions)

EEI Project Number ACR-71377

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

5.0-Acre "Carlson" Property
APN 128-440-06
9383 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71377

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71377

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 3

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 4
3.2.2 City/County Directories 5
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 7
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 9
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 10
3.5.2 Environmental Liens or Governmental Notification 10
3.5.3 Presence of Hazardous Substances or Environmental Violations 10
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 11
3.6.5 Other 11
3.7 Previous Assessments 11

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 11
3.8.1 Asbestos Containing Materials 11
3.8.2 Lead-Based Paint 11
3.8.3 Radon 12
3.8.4 Polychlorinated Biphenyls 12

4.0 SUBJECT PROPERTY RECONNAISSANCE 13
4.1 Purpose 13
4.2 Subject Property 13
TABLE 3 – Summary of Subject Property Reconnaissance 14
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Field Investigation 15
5.2 Laboratory Analytical Program 15
TABLE 4 - Soil Sample Results 16
5.3 Discussion of Testing Results 16

6.0 FINDINGS AND OPINIONS 16

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 17
7.1 Historical Data Gaps 17
7.2 Regulatory Data Gaps 17
7.3 On-site Data Gaps 17
7.4 Deviations from ASTM Practices 17

8.0 CONCLUSIONS 17

9.0 REFERENCES 18

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 5.0-Acre "Carlson" Property

EEI Project Number: ACR-71377

Subject Property Information:
5.0-Acre "Carlson" Property
APN 128-440-06
9383 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71377

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858-345-3644) and Mrs. Linda Carlson, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 1, 2011 / **Report Date:** December 13, 2011 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Client (Accretive Investments, Inc.), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9383 West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The rectangular-shaped subject property is located along a private drive, south of West Lilac Road, Escondido, California. The subject property encompasses a total of 5.0-acres on one contiguous parcel identified as Assessor's Parcel Number (APN) 128-440-06. The subject property is identified by the address: 9383 West Lilac Road.

The subject property is bound by a citrus orchard and privately owned land to the north, and a combination of rural residences, agricultural and undeveloped land to the south, east, and west. The subject property contains four (4) residential structures that consist of two (2) manufactured homes and two (2) wood and stucco constructed detached garages, which are located along the east-central and north-central portions of the property, respectively. The balance of the subject property is undisturbed (southern portion) or cleared of native vegetation or contains ground cover, palms, and shrubs.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from approximately 1942 to 1991. In 2002, the northern portion of the subject property appeared to be developed with a residential structure, while the balance of the site remained undeveloped. From 2005 to 2007, additional structures were developed along the east-central portion of the site. No historical agricultural use was noted on the subject property.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 1, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts.

Based on the proposed future residential use of the subject property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the site. Sampling activities were conducted on December 1, 2011. A total of six (6) discrete soil samples (ACR-1 through ACR-6), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-1, ACR-2 and ACR-3 at 4.2 milligrams per kilogram (mg/kg), 4.6 mg/kg and 4.7 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

The reported lead concentrations of 4.2 mg/kg, 4.6 mg/kg and 4.7 mg/kg in soil samples collected during this investigation are less than the residential California Human Health Screening Level (CHHSL) value of 150 mg/kg; therefore, further investigation does not appear to be warranted. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9383 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9383 West Lilac Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The rectangular-shaped subject property is located along private drive, south of West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 5.0-acres on one (1) contiguous parcel identified as Assessor's Parcel Number (APN) 128-440-06 (**Appendix B**). The subject property is identified by the address: 9383 West Lilac Road.

The subject property is bound by a citrus orchard and privately owned land to the north, and a combination of rural residences, agricultural and undeveloped land to the south, east, and west. The subject property contains four (4) residential structures that consist of two (2) manufactured homes and two (2) wood and stucco constructed detached garages, which are located along the east-central and north-central portions of the property, respectively. The balance of the subject property is undisturbed (southern portion) or cleared of native vegetation or contains ground cover, palms, and shrubs.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from approximately 1942 to 1991. In 2002, the northern portion of the subject property appeared to be developed with a residential structure, while the balance of the site remained undeveloped. From 2005 to 2007, additional structures were developed along the east-central portion of the site. No historical agricultural use was noted on the subject property.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 850 feet above mean sea level (amsl) (southern portion) to approximately 900 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the

north.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Cieneba Coarse Sandy Loam (CiE2), Fallbrook sandy loam series (FaE2), and Placentia sandy loam (PeC) (USDA, 2011). Soils in these series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 2 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2011) for additional information pertaining to groundwater and water supply wells on or close to the subject property. No water wells are located on or in close proximity to the subject property.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2011) Flood Insurance Rate Map (FIRM) online database to determine if the subject property is located within a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2011) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA (and SanGIS) defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APN 128-440-06) is identified as The Linda C. Carlson Trust with the following mailing addresses: 9383 West Lilac Road, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1976, 1980, 1991, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from approximately 1942 to 1991. In 2002, the northern portion of the subject property appeared to be developed with a residential structure, while the balance of the site remained undeveloped. From 2005 to 2007, additional structures were developed along the east-central portion of the site. No historical agricultural use was noted on the subject property.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property appeared to be undeveloped and cleared of vegetation. No developed structures were noted. West Lilac Road, unimproved at the time, was visible to the north. The surrounding area appeared to be undeveloped and/or cleared for agricultural-related land use.
1948	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1942 map.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1946 photograph.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1963	Aerial Photograph 1:375	The subject property remained undeveloped and appeared to be covered with native vegetation. A dirt road was present along the eastern property boundary. The subject property was surrounded by agricultural related land use and/or rural residences. Increased agricultural use and rural residences were noted in the surrounding area.
1968	Topographic Map 1: 24,000	No developed structures were noted on the subject property. The subject property and surrounding area were shaded green, which signified agricultural-related land use. An unimproved road delineated the eastern property boundary. West Lilac Road was visible to the north.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 map.
1976	Aerial Photograph 1:750	No apparent changes were noted to the subject property since the 1963 photograph, except for a dirt road that bisected the property from the northeast corner to the west-central. Increased agricultural-related land use was noted in the surrounding area.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1976 aerial photograph.
1991	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except for a dirt clearing along the east-central portion of the property. The balance of the subject property appeared to be undeveloped. North and west of the subject property appeared to be cleared for agricultural use.
2002	Aerial Photograph 1:375	Subject property appeared to be developed with two (2) structures along the northern portion of the subject property. An unimproved dirt road bisected the central portion of the site from the northeast to the southwest. Increased residential and agricultural land use was visible in the surrounding area.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of one (1) residential structure along the northern portion of the property, along with a small trailer, metal storage container, utility shed, and vehicles. The east-central portion of the property was developed with a single story manufactured home and two (2) single story detached garages. The southern portion of the subject property remained undisturbed. West Lilac Road was visible to the north. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9383 West Lilac Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was only listed in 2011. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9383 West Lilac Road, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2011		
9381 West Lilac Rd Zosa Ranch & Gardens Bed and Breakfast	**9383 West Lilac Road** **Carlson Linda**	9417 West Lilac Road Murphy David
2007		
9381 West Lilac Road Zosa Ranch & Gardens Bead and Breakfast	**9383 West Lilac Road** **Address not listed**	9417 West Lilac Road Kelly David Murphy
2002		
9381 West Lilac Road Zosa Gardens & Ranch Bead and Breakfast	**9383 West Lilac Road** **Address not listed**	9417 West Lilac Road Murphy David
1997		
9381 West Lilac Road Zosa Ranch	**9383 West Lilac Road** **Address not listed**	9417 West Lilac Road Murphy David
1992		
9381 West Lilac Road Zosa Ranch	**9383 West Lilac Road** **Address not listed**	9417 West Lilac Road Murphy David
1986		
9381 West Lilac Road Martin Wm; Murphy Roger F	**9383 West Lilac Road** **Address not listed**	9407 West Lilac Road Wolk Chas J
1981		
9137 West Lilac Rd No Response	**9383 West Lilac Road** **Address not listed**	9407 West Lilac Rd Wolk Chas J
1974		
West Lilac Rd First listing this street 9867	**9383 West Lilac Rd** **Address not listed**	9867 West Lilac Rd Walker Noel
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2011). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2011) website to review any available records related to development of the subject property. According to the online database KIVA maintained by the County (LUEG, 2011), various permits were on file for the subject property (APN 128-440-06). The permits included two septic systems, building and planning documents for an accessory building, and a grading permit. No other records were available for the subject property.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One (1) listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within a one-quarter mile radius of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within a one-eighth mile radius of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

Hazardous Waste (HW) Manifest – No listings were reported within a one-eighth mile radius of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below).

3.4.2 County of San Diego Department of Environmental Health

EEI submitted a request to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APN 128-440-06 (9383 West Lilac Road). According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

EEI also submitted a request to review public records to the County of San Diego DEH, Land and Water Quality Division for the subject property: APN 128-440-06 (9383 West Lilac Road). According to Ms. Sandy Johnson, Senior Office Assistant, two (2) files were on record for the subject property. The records were for a 1,000-gallon and 1,500-gallon septic tank system associated with the on-site structures. No other records were on file.

3.4.3 State Water Quality Control Board

EEI reviewed the online database GeoTracker (2011), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Quality Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2011), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2011) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2011) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

EEI provided an owner questionnaire to Mrs. Laurel Carlson (subject property owner) regarding the past and present use of the subject property. According to the questionnaire, Mrs. Carlson and her husband have owned the subject property since 1986 (approximately 25 years). Mrs. Carlson noted that the subject property has been utilized to grow a few palms and other plants, and for residency. Information provided by Mrs. Carlson is summarized below. A copy of the owner questionnaire Mrs. Carlson's associated responses is included in **Appendix E**.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mrs. Carlson was not aware of any past or present uses of the subject property indicating environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mrs. Carlson was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mrs. Carlson was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Mrs. Carlson was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mrs. Carlson was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc. completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mrs. Linda Carlson, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located on the subject property appeared to have been constructed between 1991 and 2007. It is unlikely that ACM is present within building materials; therefore, further investigation does not appear to be warranted.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

A LBP survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located on the subject property appeared to have been constructed between 1991 and 2007. It is unlikely that LBP is present within building materials; therefore, further investigation does not appear to be warranted.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

One (1) pad-mounted transformer was observed along the east-central portion of the subject property. The transformer appeared to be in good operating condition and no signs of leaking were noted. Based on our experience with similar sites surrounding the subject property and San Diego County, the presence of PCB-containing transformers is unlikely; and is therefore not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 1, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Access to the subject property was provided by Mrs. Linda Carlson, the current property owner. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located along a private drive, south of West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 5.0-acres on one contiguous parcel identified as Assessor's Parcel Number (APN) 128-440-06 (**Appendix B**). The subject property is identified by the address: 9383 West Lilac Road.

The subject property is bound by a citrus orchard and privately owned land to the north, and a combination of rural residences, agricultural and undeveloped land to the south, east, and west. The subject property contains four (4) residential structures that consist of two (2) manufactured homes and two (2) wood and stucco constructed detached garages, which are located along the east-central and north-central portions of the property, respectively. The balance of the subject property is undisturbed (southern portion) or cleared of native vegetation or contains ground cover, palms, and shrubs.

A small wooden storage shed and metal storage container were observed along the northern portion of the property. The shed and container contained various household items, gardening tools, small quantities of fuel and household cleaning products, and landscape materials. EEI observed below ground irrigation piping throughout the property and a pad-mounted transformer along the east-central portion of the property. The transformer appeared to be in good working condition and no signs of leakage or staining were observed. A above ground propane tank was observed along the southeast portion of the site. The tank appeared to be in good operating condition. The southern half of the subject property appeared to be undisturbed and covered with native vegetation.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *environmental concerns was* noted on the subject property during our site reconnaissance.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	One pad-mounted transformer was observed along the east-central portion.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	Small quantities of fuel and household cleaning items were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited; however, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been be utilized for agricultural purposes (i.e., orchards) in the past. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties*", combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (5.0-acres), and EEI's experience at similar sites, a total of six (6) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On December 1, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of six (6) discrete locations (identified as ACR-1 through ACR-6, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All six (6) discrete soil samples (ACR-1 through ACR-6) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the samples analyzed.

- Lead was reported above the laboratory detection limit in sample ACR-1 at 4.2 milligrams per kilogram (mg/kg), ACR-2 at 4.6 mg/kg, and ACR-3 at 4.7 mg/kg. Lead was not reported in any of the other samples analyzed.

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	12/1/2011	<5	**4.2**	<5	<5	<5	<5	<5-200
ACR-2	6	12/1/2011	<5	**4.6**	<5	<5	<5	<5	<5-200
ACR-3	6	12/1/2011	<5	**4.7**	<5	<5	<5	<5	<5-200
ACR-4	6	12/1/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-5	6	12/1/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-6	6	12/1/2011	<5	<3	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-1, ACR-2 and ACR-3 at 4.2 mg/kg, 4.6 mg/kg and 4.7 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The reported lead concentrations of 4.2 mg/kg, 4.6 mg/kg and 4.7 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

- Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

  The results of our agricultural chemical survey (see Section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic or organochlorine pesticides in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of lead were detected in three of the six soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9007 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed December 2011.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed December 2011.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed December 2011.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed December 2011.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed December 2011.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed December 2011.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed August 2011.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed December 2011.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed August 2011.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed December 2011.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
21.34-Acre "Jones" Property
APNs 128-290-09 and 128-290-10
9431 West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

January 18, 2012
(March 26, 2012 revisions)

EEI Project Number ACR-71398

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

21.34-Acre "Jones" Property
APN 128-290-09 and 128-290-10
9431 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71398

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71398

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 3

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 4
3.2.2 City/County Directories 5
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 6
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 7
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 8
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 9
3.5.2 Environmental Liens or Governmental Notification 10
3.5.3 Presence of Hazardous Substances or Environmental Violations 10
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 10
3.5.6 Other 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 11
3.6.4 Presence or Likely Presence of Contamination 11
3.6.5 Other 11
3.7 Previous Assessments 11

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 11
3.8.1 Asbestos-Containing Materials 11
3.8.2 Lead-Based Paint 12
3.8.3 Radon 12
3.8.4 Polychlorinated Biphenyls 12

4.0 SUBJECT PROPERTY RECONNAISSANCE 13
4.1 Purpose 13
4.2 Subject Property 13
TABLE 3 – Summary of Subject Property Reconnaissance 14
4.3 Adjacent Properties 15

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 15
5.1 Field Investigation 16
5.2 Laboratory Analytical Program 16
TABLE 4 - Soil Sample Results 17
5.3 Discussion of Testing Results 18

6.0 FINDINGS AND OPINIONS 19

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 19
7.1 Historical Data Gaps 19
7.2 Regulatory Data Gaps 19
7.3 On-site Data Gaps 20
7.4 Deviations from ASTM Practices 20

8.0 CONCLUSIONS 20

9.0 REFERENCES 21

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 21.34-Acre "Jones" Property

EEI Project Number: ACR-71398

Subject Property Information:
21.34-Acre "Jones" Property
APN 128-290-09 and 128-290-10
9431 West Lilac Road
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644 and Ms. Geraldine Jones, Property Owner

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 6, 2011 / **Report Date:** January 18, 2012 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9431 West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located along a private drive southwest of West Lilac Road, Escondido, California. The subject property encompasses a total of 21.34-acres on two (2) contiguous parcels identified as Assessor's Parcel Numbers (APNs) 128-290-09 and 128-290-10. The subject property is identified by the address: 9431 West Lilac Road.

Access to the subject property can be obtained from an asphalt driveway located along the northeast corner of the property. The driveway bisects the subject property from the northeast corner to the west-central portion of the property. The subject property is gated, delineated by metal fencing on all sides, and used for agricultural purposes. The subject property is bound by a combination of rural residences, agricultural, and undeveloped land in all directions.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture. Intended property use includes: limited crop or animal agricultural (A70).

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1975.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 6, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our subject property reconnaissance efforts, except for an aboveground storage tank (AST), three (3) metal storage drums, and hazardous materials/substances materials stored within a maintenance building.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on December 6, 2011. A total of 24 discrete soil samples (ACR-1 through ACR-24), were collected at 6-inches below ground surface and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, six (6) composite samples (Composite #1 through Composite #6) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

Based on laboratory analytical results, no concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect"). Concentrations of lead and organochlorine pesticides (gamma-Chlordane and alpha-Chlordane) were detected in the soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9431 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- An aboveground storage tank (AST), approximately 250 to 500 gallons in capacity, of unknown contents is located within a concrete secondary containment area on the subject property. EEI recommends that any residual fuel within the AST be removed and the tank disposed of according to local and state guidelines, prior to any future site activities. Furthermore, confirmation soil sampling should be conducted beneath the AST to evaluate soils for potential hydrocarbon contamination.

  Additionally, one 55-gallon diesel fuel storage drum, one 55-gallon oil drum and one 25-gallon storage drum (contents unknown), are located on the subject property. EEI recommends that these drums be removed, and properly disposed of offsite.

- All known or suspected hazardous materials/substances stored onsite should be inventoried and properly disposed of off-site prior to any future site improvements.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9431 West Lilac Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process,* Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located along a private drive southwest of West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 21.34-acres on two (2) contiguous parcels identified as Assessor's Parcel Numbers (APNs) 128-290-09 and 128-290-10 (**Appendix B**). The subject property is identified by the address: 9431 West Lilac Road.

Access to the subject property can be obtained from an asphalt driveway located along the northeast corner of the property. The driveway bisects the property from the northeast corner to the west-central portion of the property. The subject property is gated, delineated by metal fencing on all sides, and used for agricultural purposes. The subject property is bound by a combination of rural residences, agricultural, and undeveloped land in all directions.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property has been developed with a residence and utilized for agricultural-related land use since 1975.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 800 feet above mean sea level (amsl) (southern portion) to approximately 910 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the southwest.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Cieneba course sandy loam series (CIE2) and Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

According to the property owner, Ms. Geraldine Jones, there are no water supply wells located on the subject property. EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or in close proximity to the subject property. According to the website, no water supply wells are located on the subject property. Two wells "10S02W19D002S" and "10S02W19E001S," both located approximately 0.35 miles northwest of the subject property, were reportedly last measured in 1967 with depths to groundwater of approximately 40 feet and 14 feet below grade, respectively.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APN 128-290-09 and 128-290-10) is identified as Frank and Geraldine Jones with the following mailing address: 9431West Lilac Road, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in Appendix **C**. According to the information reviewed, the subject property has been developed with a residential structure and utilized for agricultural-related land use since 1975.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property appeared to be undeveloped and covered with native vegetation. A dirt road, oriented northeast to southwest, was visible to the west of the subject property. West Lilac Road, unimproved at the time, was visible to the north. The surrounding area appeared to be undeveloped and/or cleared for agricultural-related land use.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. An unimproved road was present to the south in the site vicinity. The surrounding area was sparsely developed.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1946 photograph.
1963	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1946 photograph. Additional cleared agriculture land in the site vicinity.

TABLE 1 Summary of Historical Use Review		
Year	Source and Scale	Comments
1968	Topographic Map 1: 24,000	Subject property remained undeveloped. Unimproved road s (Lilac Walk and Lilac Place) delineated the western property boundary. West Lilac Road was visible to the north. The subject property and surrounding area were shaded green, which signified agricultural-related land use.
1975	Aerial Photograph 1:375	Subject property appeared with a building located on the west-central portion of the property, and an access road from the north. Smaller outbuildings/features appeared to the north of the main building. The northern portion also appeared cleared for agriculture and orchards. The southern portion remained undeveloped. Orchards also appeared on the adjacent property to the east.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 aerial photograph; with the exception of the orchards being more apparent. Adjacent orchards appeared in the adjacent and surrounding area.
1990/91	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except that the orchards appeared more mature.
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property or adjacent property since the 1990/91 aerial photograph.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of a structure on the central portion of the property and smaller outbuildings/features north of the structure. The northern portion of the property and an area south of the structure consisted of thick orchards and large overgrown trees, while the balance of the site was undeveloped land. West Lilac Road was visible to the north. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9431 West Lilac Road) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was not listed from 1974 to 2011. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9431 West Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2011		
9425 W. Lilac Rd Martino, Gary	**9431W. Lilac Road** **Address not listed**	9437 W. Lilac Rd Wollman, Mark
2007		
9425 W. Lilac Rd No response	**9431 W. Lilac Road** **Address not listed**	9437 W. Lilac Rd Wollman, Mark
2002		
9425 W. Lilac Rd Martino, Gary	**9431 W. Lilac Road** **Address not listed**	9437 W. Lilac Rd Wollman, Mark
1997		
9425 W. Lilac Rd Dillon, James	**9431W. Lilac Road** **Address not listed**	9437 W. Lilac Rd Engle David and Suzanne
1992		
9425 W. Lilac Rd Arleo M; Young Butch	**9431 W. Lilac Road** **Address not listed**	9437 W. Lilac Rd No listing
1986		
9425 W. Lilac Rd No listing	**9431 W. Lilac Road** **Address not listed**	9437 W. Lilac Rd No listing
1981		
9425 W. Lilac Rd Gilmore, Harold N.	**9431 W. Lilac Road** **Address not listed**	9437 W. Lilac Rd No listing
1974		
W. Lilac Rd First listing this street 9867	**9431 W. Lilac Rd** **Address not listed**	9867 W. Lilac Rd Walker Noel
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2012) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were on file for the subject property (APNs 128-290-09 and 128-290-10).

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one-mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property: APNs 128-290-09 and 128-290-10. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is Ms. Geraldine Jones. EEI provided Ms. Jones with a property owner questionnaire which inquires to the past and present use of the subject property and the presence of any environmental concerns. Information provided by Ms. Jones is summarized below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Ms. Jones stated that the current and past uses of the subject property are as an avocado grove and residence. According to Mrs. Jones, fertilizer is spread in the avocado grove up to four times per year by a contract grove service. In addition, Ms. Jones stated that there is also occasional spraying for thrips in the avocado grove by the contract grove service.

Ms. Jones indicated that there is an Aboveground Storage Tank (AST) located on the subject property which was installed prior to 2006 for the purpose of petrol storage, and has not been used since 2006. Ms. Jones noted that the presence of residue in the AST area is unknown.

Ms. Jones stated that a maintenance building located north of the main residence has an exterior sign indicating that hazardous materials/substances are stored inside. The hazardous materials include fertilizer, poison for the abatement of rats on the premises, external spray for the abatement of thrips used by Hummingbird, Inc. and the contract grove service, Harvest Time. Additionally, Ms. Jones noted that Roundup Pro is stored inside, which she uses for the abatement of weeds around her home.

Ms. Jones stated that there are two 55-gallon drums on the premises. Ms. Jones added that the contents of these drums is unknown, but have been empty since prior to 2006.

3.5.2 Environmental Liens or Governmental Notification

Ms. Jones was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Ms. Jones was not aware of any past or present environmental violations with respect to the property or any facility located on the property.

3.5.4 Previous Assessments

Ms. Jones was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Ms. Jones was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.5.6 Other

Ms. Jones stated there is a pool on the property, and a dam which was created by the Army Corps of Engineers. In addition, Ms. Jones noted that there are no water supply wells located on the subject property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Ms. Jones, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on aerial photograph data, the structures located along the west-central portion of the subject property appeared to have been constructed circa-1975. Therefore, it is likely that ACM is present within materials such as floor tiles, wallboard, and roofing. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials prior to improvements.

3.8.2 Lead-Based Paint

Lead-Based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age (circa-1975) of the structures located along the west-central portion of the subject property, the potential presence of lead-based paint may exist. Painted surfaces, however, appeared to be intact and in good condition at the time of our most recent subject property reconnaissance. If future improvements or demolition activities are conducted on the subject property structures, EEI recommends lead-based paint testing of building materials prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The USEPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the US with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines were observed along the western boundary of the subject property. No pole-mounted transformers were observed in the immediate vicinity of the subject property; however, dense vegetation obstructed the view of the power line. Based on our experience with similar sites surrounding the subject property and San Diego County, the presence of PCB containing pole-mounted transformers is unlikely; therefore, the potential presence of a transformer is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 6, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Ms. Caron Allison Woodward, Attorney representing the property owner, Ms. Geraldine Jones provided access to the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located along a private drive southwest of West Lilac Road, Escondido, California (**Figure 2**). The subject property encompasses a total of 21.34-acres on two (2) contiguous parcels identified as Assessor's Parcel Numbers (APNs) 128-290-09 and 128-290-10 (**Appendix B**). The subject property is identified by the address: 9431 West Lilac Road.

Access to the subject property can be obtained from an asphalt driveway located along the northeast corner of the property. The driveway bisects the property from the northeast corner to the west-central portion of the property. The subject property is gated, delineated by metal fencing on all sides, and used for agricultural purposes. The subject property is bound by a combination of rural residences, agricultural, and undeveloped land in all directions.

The northern half and portions of the southern half of the subject property is currently developed with avocado trees. The trees are irrigated through a series of underground piping. EEI observed a water supply feature along the northwest corner of the subject property. The east-central portion of the subject property is undeveloped and gullied hillside that is covered with sparse vegetation. Evidence of above and below ground piping (i.e., irrigation lines) was observed throughout the subject property. The west-central portion of the subject property is developed with multiple structures consisting of a two-story main residence, swimming pool, pool equipment, and small metal maintenance shed; maintenance building; barn/worker dwelling; and detached storage units. The structures appeared to be constructed of wood and stucco or a combination of both. EEI was unable to inspect the interior of the maintenance building; however, noted a sign that indicated "poison storage" area. EEI was able to look through a window on the east side of the maintenance building and observed small quantities of fuel, maintenance equipment, and irrigation supplies.

South of the maintenance building is a barn/worker dwelling. EEI was unable to inspect the interior of the barn/worker dwelling. Immediately east of the dwelling was a small wooden enclosure that contained a single 55-gallon storage drum. The drum was labeled "Diesel" and was not situated on secondary containment. Minor staining was noted on and beneath the drum.

Southeast of the barn/worker dwelling and northeast of the main residence is a wooden enclosure that contains one 55-gallon oil drum and one 25-gallon storage drum (contents unknown), and bags (opened and unopened) of various fertilizer. The enclosure also contains an aboveground storage tank (AST) that is approximately 250 to 500 gallons in capacity. The AST is situated within concrete secondary containment. EEI was unable to determine the contents of the AST. Adjacent to the AST enclosure and south of the asphalt driveway is a 250-gallon capacity propane tank. The tank appeared to be in good operating condition.

The main residence is located along the west-central portion of the property. The residence is two stories; contains a detached garage; and an outdoor pool. East of the pool, piping was observed which appeared to supply water and filtration to the pool system. A small metal storage shed is located west of the residence, which contained various gardening tools, fertilizers, and household items. An electrical generator is located east of the storage shed. The generator appeared to be in good operating condition. Evidence of below ground conduit was observed next to the generator.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions*, except for the aforementioned AST and storage drums, was noted on the subject property during our subject property reconnaissance efforts.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good.
Surface Spills	No	None observed.
Stained Surfaces	No	Minor staining was observed beneath a 55-gallon storage drum that contained diesel fuel.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	An AST (contents unknown) was observed along the west-central portion of the subject property.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	Small quantities of fuel, fertilizers, oil, and household cleaning items were observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for off-site impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited; however, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties*", combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices.

The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (21.34-acres), and EEI's experience at similar sites, a total of twenty four (24) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On December 6, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of twenty-four discrete locations (identified as ACR-1 through ACR-24, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately 6- inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 24 discrete soil samples (ACR-1 through ACR-24) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of six (6) composite samples (identified as Composite #1 through Composite #6) from the discrete samples at a ratio of 4:1. All six (6) composite samples (Composite #1 through Composite #6) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect).
- Lead was detected above the laboratory detection limit in samples ACR-2, ACR-15, ACR-18, ACR-21 and ACR-22 at 3.4 milligrams per kilogram (mg/kg), 5.6 mg/kg, 11 mg/kg, 3.1 mg/kg and 4.2 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").
- Gamma-Chlordane was reported at 5.6 µg/kg in sample Composite #2. No other composite samples detected gamma-Chlordane above the laboratory reporting limit (i.e., "non-detect").
- Alpha-Chlordane was reported at 28 µg/kg in sample Composite #2. No other composite samples detected alpha-Chlordane above the laboratory reporting limit (i.e., "non-detect").
- No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix G**.

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	12/7/2011	<5	**3.4**	NA	NA	NA	NA	NA
ACR-3	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-11	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	12/7/2011	<5	**5.6**	NA	NA	NA	NA	NA
ACR-16	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-18	6	12/7/2011	<5	**11**	NA	NA	NA	NA	NA
ACR-19	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	12/7/2011	<5	**3.1**	NA	NA	NA	NA	NA
ACR-22	6	12/7/2011	<5	**4.2**	NA	NA	NA	NA	NA
ACR-23	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-24	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #2	6	12/7/2011	NA	NA	<5	<5	<5	<5	gamma-Chlordane:5.6; alpha-Chlordane:28

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Composite #3	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #4	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #5	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #6	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Chlordane - 430**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our limited agricultural chemical survey revealed no concentrations of arsenic was detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Concentrations of lead were detected in discrete samples ACR-2, ACR-15, ACR-18, ACR-21 and ACR-22 and select organochlorine pesticides (gamma-Chlordane and alpha-Chlordane) were detected in sample Composite #2.

EEI compared the reported lead and Chlordane concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The detected lead concentrations of in samples ACR-2, ACR-15, ACR-18, ACR-21 and ACR-22 at 3.4 mg/kg, 5.6 mg/kg, 11 mg/kg, 3.1 mg/kg and 4.2 mg/kg, respectively, collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to soil in the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

- The reported values of gamma-Chlordane and alpha-Chlordane (5.6 ug/kg and 28 ug/kg, respectively) were less than the CHHSL residential screening level of 430 ug/kg.

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

      The results of our limited agricultural chemical survey (see Section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of lead and organochlorine pesticides (gamma-Chlordane and alpha-Chlordane) were detected in the soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.
    - An above groundstorage tank (AST), approximately 250 to 500 gallons in capacity, of unknown contents is located within a concrete secondary containment area on the subject property. Additionally, one 55-gallon diesel fuel storage drum, one 55-gallon oil drum and one 25-gallon storage drum (contents unknown), are located on the subject property and will require further action prior to any future site development.

    - Small quantities of hazardous materials were observed and noted by the property owner to exist on the subject property.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9431 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- An above ground storage tank (AST), approximately 250 to 500 gallons in capacity, of unknown contents is located within a concrete secondary containment area on the subject property. EEI recommends that any residual fuel within the AST be removed and the tank disposed of according to local and state guidelines, prior to any future site activities. Furthermore, confirmation soil sampling should be conducted beneath the AST to evaluate soils for potential hydrocarbon contamination.

  Additionally, one 55-gallon diesel fuel storage drum, one 55-gallon oil drum and one 25-gallon storage drum (contents unknown), are located on the subject property. EEI recommends that these drums be removed, and properly disposed of offsite.

- All known or suspected hazardous materials/substances stored on-site should be inventoried and properly disposed of off-site prior to any future site improvements.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed January 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed January 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed January 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed January 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed January 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed January 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed January 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed January 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed January 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed January 2012.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SURVEY
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED PHASE II SAMPLING

Accretive Investments, Inc.
21.76-Acre "Davitt" Property
APNs: 128-290-69, -70, -71 and -72, 128-440-14 and -15
9553 Lilac Walk
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 8, 2012
(March 26, 2012 revisions)

EEI Project Number ACR-71272

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED PHASE II SAMPLING

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

21.76-Acre "Davitt" Property
APNs 128-290-69, -70, -71 and -72, 128-440-14 and -15
9553 Lilac Walk
Escondido, California 92026
EEI Project Number ACR-71272

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 3
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 6
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 9
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 10
3.5.2 Environmental Liens or Governmental Notification 10
3.5.3 Presence of Hazardous Substances or Environmental Violations 10
3.5.4 Previous Assessments 10
3.5.5 Legal Proceedings 10
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 11
3.6.3 Valuation Reduction for Environmental Issues 11
3.6.4 Presence or Likely Presence of Contamination 11
3.6.5 Other 11
3.7 Previous Assessments 11

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues....11
3.8.1 Asbestos-Containing Materials....11
3.8.2 Lead-Based Paint....12
3.8.3 Radon....12
3.8.4 Polychlorinated Biphenyls....12

4.0 SUBJECT PROPERTY RECONNAISSANCE....13
4.1 Purpose....13
4.2 Subject Property....13
TABLE 3 – Summary of Subject Property Reconnaissance....15
4.3 Adjacent Properties....15

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY....15
5.1 Field Investigation....16
5.2 Laboratory Analytical Program....16
TABLE 4 - Soil Sample Results....17
5.3 Discussion of Testing Results....18

6.0 LIMITED UNDERGROUND STORAGE TANK (UST) SUBSURFACE SAMPLING....19

7.0 FINDINGS AND OPINIONS....19

8.0 DATA GAPSAND DEVIATIONS FROM ASTM PRACTICES....19
8.1 Historical Data Gaps....20
8.2 Regulatory Data Gaps....20
8.3 On-site Data Gaps....20
8.4 Deviations from ASTM Practices....20

98.0 CONCLUSIONS....20

10.0 REFERENCES....22

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – County of San Diego Records
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody
Appendix I – Limited UST Subsurface Sampling Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 21.76-Acre "Davitt" Property

EEI Project Number: ACR-71272

Subject Property Information:
21.76-Acre "Davitt" Property
APNs 128-290-69, -70, -71 and -72, 128-440-14 and -15
9553 Lilac Walk
Escondido, California 92026
EEI Project Number ACR-71272

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: January 13, 2012 / **Report Date:** March 8, 2012 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9553 Lilac Walk, in Escondido, California 92026. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located approximately 1,000 feet southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California 92026. The subject property encompasses a total of 21.76-acres on six (6) parcels identified as Assessor's Parcel Numbers (APNs) 128-290-69, -70, -71 and -72, 128-440-14 and -15. The subject property contains a single physical address of: 9553 Lilac Walk. Adjacent property includes mixed residential/agricultural land to the north, and undeveloped and/or agricultural property to the south, east and west. The northern portion of the property is divided by Lilac Walk, which ends at the main residence.

The subject property is primarily utilized for agricultural purposes (i.e., citrus and avocado orchards), with some areas no longer under active cultivation. Four (4) structures, including a main residence, occupy the subject property. The main residence is located in the center of the property atop a small rise. The remaining three (3) permanent structures are grouped on the northeast portion of the property, and include a secondary dwelling surrounded by two (2) detached sheds.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County Directory records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2011, the subject property appeared occupied with several structures and utilized for agriculture.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On January 13, 2012, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. According to the property owner, Mrs. Karla Davitt, a UST containing fuel, is present along the northeast portion of the subject property. A small shed with a fuel pump is situated on top of the UST. No additional details were provided (e.g., size, construction, or depth). Additionally, numerous various sized storage containers were observed on the subject property. Visible staining or leakage was not noted; therefore, the presence of these storage containers is considered as a *de minimus* condition. No other evidence of environmental concerns was noted on the subject property during our subject property reconnaissance.

EEI conducted limited soil sampling to evaluate the former UST location in March, 2012. A soil boring was advanced to a depth of 25 feet below grade (bg), and soil samples were collected at 5, 10, 15, 20 and 25 feet bg. No odors, or other evidence of fuel was noted in soil samples, which were submitted for laboratory testing by EPA 8015, carbon chain identification (TPH/CCID). No results above the laboratory detection limit were found for either gasoline or diesel, and only minor motor-oil range TPH was noted in one sample. Samples were futher analyzed for fuel volatile organics by EPA 8021.

Based on the proposed future residential use of the subject property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the site. Sampling activities were conducted on January 13, 2012. A total of 24 discrete soil samples (ACR-1 through ACR-24), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, six (6) composite samples (Composite #1 through Composite #6) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed concentrations of arsenic at 7.2 milligrams per kilogram (mg/kg) in a single sample, ACR-11. No other samples reported arsenic above the laboratory reporting limit (i.e., "non-detect"). Concentrations of lead were detected above laboratory the reporting limit in all samples, except for ACR-8, ACR-9, ACR-12, ACR-16, ACR-17, and ACR-19 through -24. Concentrations of lead ranged from 3.2 mg/kg (ACR-15) to 10 mg/kg (ACR-4).

Concentrations of DDE were detected in samples Composite # 1 and #3 at 12 micrograms per kilogram (µg/kg) and 220 µg/kg, respectively. No other samples reported DDE above the laboratory reporting limit (i.e., "non-detect"). Concentrations of DDT were reported in sample Composite # 3 at 40 µg/kg. No other samples reported DDT above the laboratory reporting limit (i.e., "non-detect"). Gamma and alpha-Chlordane (Chlordane) was reported in sample Composite # 2 at 32.6 µg/kg. No other samples reported chlordane above the laboratory reporting limit. No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

The reported lead, DDE, DDT, and chlordane concentrations did not exceed the California Human Health Screening Levels (CHHSL) residential land use scenario values of 150 mg/kg (lead), 1,600 µg/kg (DDE and DDT), and 430 µg/kg (chlordane). The reported arsenic concentration in sample ACR-11 (7.2 mg/kg) is greater than the CHHSL residential screening level of 0.07 mg/kg. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9553 Lilac Walk, in Escondido, California 92026. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- A UST, reportedly containing fuel, was formerly present along the northeast portion of the subject property. A small shed with a fuel pump was associated with the UST. Soil samples collected to a depth of 25-feet bg indicate that further investigation is not warranted.

- Based on laboratory analytical results from EEI's agricultural chemical testing, low levels of organochlorine pesticides (e.g., DDE, DDT and chlordane), arsenic and lead were detected in the soil beneath the subject property. All detectable concentrations of organochlorine pesticides, arsenic and lead were less than the CHHSL residential screening values or were within acceptable background levels. Therefore, no further investigation appears to be warranted at this time.

In addition to the above-bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of onsite structures will likely be required.

- County records indicate septic disposal systems are located on the subject property. Unless planned for future use, the septic systems should be properly abandoned following County Health Department guidelines.

- Various sized storage containers, both metal and plastic, were observed on the subject property. The contents of the containers are unknown at this time. No apparent releases, spills, or stained surfaces surrounding the containers were observed during our most recent site visit.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9553 Lilac Walk, Escondido, California 92026 **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.

- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.

- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.

- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.

- A subject property reconnaissance to ascertain current conditions on the subject property.

- Interviews with person(s) knowledgeable of the subject property.

- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.

- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.

- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located approximately 1,000 feet southwest of the intersection of West Lilac Road and Lilac Walk, Escondido, California 92026 (**Figure 2**). The subject property encompasses a total of 21.76-acres on six (6) parcels identified as Assessor's Parcel Numbers (APNs) 128-290-69, -70, -71 and -72, 128-440-14 and -15 (**Appendix B**). The subject property contains a single physical address of: 9553 Lilac Walk. Adjacent property includes mixed residential/agricultural land to the north, and undeveloped and/or agricultural property to the south, east and west. The northern portion of the property is divided by Lilac Walk, which ends at the main residence.

The subject property is primarily utilized for agricultural purposes (i.e., citrus and avocado orchards), with some areas no longer under active cultivation. Four (4) structures, including a main residence, occupy the subject property. The main residence is located in the center of the property atop a small rise. The remaining three (3) permanent structures are grouped on the northeast portion of the property, and include a secondary dwelling surrounded by two (2) detached sheds.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County Directory records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2011, the subject property appeared occupied with several structures and utilized for agriculture.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 775 feet above mean sea level (amsl) (southwestern portion) to approximately 880 feet amsl (eastern portion). Based on topographic relief, surface water drainage appears to be predominately to the southwest.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30 to 100 miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Placentia sandy loam (PeC) and the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or close to the subject property. According to the website, no water supply wells are located on the subject property. Two wells "10S02W19D002S" and "10S02W19E001S" both located approximately 0.25 miles northwest of the subject property along Panama Road, were reportedly last measured in 1967 and recorded depths to groundwater of approximately 40 feet below grade and 14 feet bgs, respectively.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (128-290-69, -70, -71 and -72, 128-440-14 and -15) is identified as Joseph J. Davitt and Karla V. Davitt, with the following mailing addresses: 9553 Lilac Walk, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2011, the subject property appeared occupied with several structures and utilized for agriculture.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property and adjacent and surrounding property appeared to be undeveloped and covered with native vegetation. Unimproved roads were visible in the surrounding area.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. Unimproved roads were present to the south of the property. West Lilac Road was present to the north and Highway 395 was present to the west. The surrounding area was sparsely developed.
1953	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1946 photograph.
1963	Aerial Photograph 1:375	A structure appeared on the central portion of the subject property, which was accessed from Lilac Walk to the east. An area of orchards appeared to the north and northeast of the structure. A small structure also appeared on the northeast portion of the property. Additional property surrounding the structures appeared utilized for agriculture. The southern portion of the subject property remained undeveloped.
1968	Topographic Map 1: 24,000	Subject property appeared with structures on the northern and central portions. Unimproved roads, including Lilac Walk appeared in the site vicinity. Other unimproved roads were present in the surrounding area. A portion of the subject property and surrounding area were shaded green, which signified agriculture.
1975	Aerial Photograph 1:375	An additional structure appeared on the northeastern portion of the site. Orchards remained on the northeastern portion. The west-central and southern portions of the subject property now appeared with orchards; the remaining portions were undeveloped. Increased orchards and rural residential development now appeared in the adjacent and surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1975 photograph, except that the orchards appeared more mature.
1990/91	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 photograph, except that the orchards appeared more mature.
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1990/91 photograph.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of sparse orchards throughout the property, with a main structure located on the central portion and smaller structures located on the northeast portion. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9553 Lilac Walk) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was listed in directories from 1985 to 2011 with Joe J. Davitt. A summary of the listings associated with the subject property address is summarized in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9553 Lilac Walk, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2011		
9547 Lilac Walk No listing	**9553 Lilac Walk** **Joe J. Davitt**	Lilac Walk-Highest listing odd side of the street is 9553
2002 and 2007		
9547 Lilac Walk No listing	**9553 Lilac Walk** **Joe J. Davitt**	Lilac Walk-Highest listing odd side of the street is 9553
1992 and 1997		
9547 Lilac Walk No listing	**9553 Lilac Walk** **Joe J. Davitt**	Lilac Walk-Highest listing odd side of the street is 9553
1985		
9547 Lilac Walk Walter Fraizier	**9553 Lilac Walk** **Joe J. Davitt**	Lilac Walk-Highest listing odd side of the street is 9553
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2012) website to review any existing records related to development of the subject property. According to the online database maintained by the County, no records were available for the subject property.

In addition, EEI requested a search for environmental records with the County Land and Water Quality Division. Records were on file for four (4) subject property parcels APNs: 129-010-73 through -76. The following bulleted items summarize the information reviewed. **Appendix D** contains excerpts of the information reviewed.

- APN 128-290-70: August 24, 1983, Permit for Septic Tank Installation and percolation test for a proposed single-family dwelling. There was no indication that the permit was ever finalized or any inspections completed.

- APNs 128-290-71 and -72: May 16, 1983, Permits for Septic Tank Installation and percolation test for proposed single-family dwellings (one located on each parcel). There was no indication that these permits were ever finalized or any inspections completed.

- APN 128-440-14: May 11, 1987, Permit for Septic Tank repair at an existing single-family dwelling.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APNs: 128-290-69, -70, 71 and -72, 128-440-14 and -15; or the subject address of 9553 Lilac Walk. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

EEI interviewed the current property owner, Mrs. Karla Davitt. According to Mrs. Davitt, she and her husband have owned the subject property since 1983. Prior to their purchase, the site was an avocado farm. They continued the farming, but added organic citrus as well. The Davitt's stopped farming last year due to increased water costs and began "stumping" a majority of the trees.

Mrs. Davitt stated that in addition to their main residences, there are various barns and sheds also located on the property that were used for farming purposes. The site has two (2) septic systems, one at the main residence and one at the small house on the north end of the property.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mrs. Davitt stated that the past and present use of the subject property have been as residential and agricultural. According to Mrs. Davitt, the farm was managed by an offsite company, Lilac Growers, who stored most of the fertilizers and related chemicals offsite. Mrs. Davitt stated that there is a fertilizer mixing tank, which may still have product in it, located on the subject property. Mrs. Davitt added that they did not store or use, on a regular basis, pesticides and herbicides on the subject property. In regards to fuel storage, Mrs. Davitt stated that a small shed with a fuel pump is located northeast of the residence on the northern portion of the subject property, and that the shed is situated on top of an underground storage tank (UST) which contains fuel. No additional details regarding the UST were provided to EEI.

3.5.2 Environmental Liens or Governmental Notification

Mrs. Davitt was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the subject property or any facility located on the subject property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mrs. Davitt was not aware of any past or present environmental violations with respect to the subject property or any facility located on the subject property.

3.5.4 Previous Assessments

Mrs. Davitt was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mrs. Davitt was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that his specialized knowledge related to the subject property included the information that the property has been utilized for farming.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to county requirements related to a permit application associated with the subject property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mrs. Karla Davitt, no previous assessments have been conducted at the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) Asbestos-Containing Material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered Presumed Asbestos Containing Materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on the age of the onsite structures (circa-1963), there is a likely hood of ACM present within materials such as floor tiles, wallboard, and roofing at the subject property; therefore, if subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials is conducted prior to improvements.

3.8.2 Lead-Based Paint

Lead-Based Paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of Lead-Based Paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age of at least one of the onsite structures (circa-1963), there is a potential that lead-based paint exists in the building. If site improvements or demolition activities are conducted on the subject property structure, EEI recommends lead-based paint testing of building materials is conducted prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines are present near the residence located on the central portion of the subject property. Based on the age of the onsite structures (circa-1963), there is a potential that electrical equipment located on or near the subject property may be PCB-containing.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On January 13, 2011, EEI personnel conducted a site reconnaissance to visually observe the subject property and adjoining properties for conditions indicating a potential environmental concern. Environmental concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Visual conditions present during the site reconnaissance are documented in the Photographic Log (**Appendix G**), and summarized in **Table 3**.

The subject property is located at 9553 Lilac Walk, in a mixed residential/agricultural area of Escondido, California 92026. The subject property is situated on six (6) parcels of land (APN 128-290-69 through 128-290-72, 128-440-14, and 128-440-15), which is comprised of 21.76 acres. The subject property is bound by mixed residential/agricultural land to the north, and undeveloped and/or agricultural property to the south, east and west. The northern portion of the property is divided by Lilac Walk, which ends at the main residence.

The subject property is primarily utilized for agricultural purposes (i.e., citrus and avocado orchards). Some areas of the orchards have been chopped down and are no longer under active cultivation. Irrigation lines are present throughout the cultivated portions of the property.

The subject property is developed with four (4) structures, including a main residence. The main residence is located in the center of the site atop a small rise. It is constructed of brick and wood. A cement driveway and parking area is located along the southwest side of the residence. There is an in-ground pool located along the northeast side of the house.

The remaining three (3) permanent structures are grouped on the northeast portion of the property. The largest structure in this area appears to be a residence. It is constructed of wood. There are laundry machines and an outdoor sink located on the southwest side of the structure. Trash bags filled with aluminum cans, as well as some other trash and debris, were observed in this area. Two (2) vehicles were parked in front of the structure. An RV was observed parked to the southwest of the house on a concrete pad as well as a wood chipper. There are cinderblock and concrete retaining walls. To the southwest of the RV is a collapsed structure with a metal frame. Overhead power lines are present on this portion of the property.

The remaining structures include two (2) sheds that are located in the northeast portion of the subject property. The larger shed is located northwest of the residence and appears to be used for general storage. The storage shed is constructed of wood with a cement floor and corrugated steel sliding doors. The second smaller shed is located northeast of the residence and is constructed of wood. This shed houses a fuel pump.

Inside the storage shed located northwest of the residence are signs of cracking and degradation of the floor, and minor oil staining. The shed houses tow-behind farming equipment, construction materials and debris, furniture, animal cages, bicycles, a motorcycle, tires, scrap metal and junk, and several small fuel storage containers for gasoline and propane. There is a cinderblock vault located in the center of the building that contains ladders and debris.

Note: During EEI's ESA job walk an Underground Storage Tank (UST) and a fuel pump was located at a small shed northeast of the residence. Subsequently, both were removed.

Located near the fuel shed are four (4) storage containers. These containers consist of one metal storage tank, one 55-gallon plastic drum, one large plastic storage tank, and one small metal propane tank. There are hoses and piping in this area as well.

A separate collapsed corrugated steel structure is located north of the two (2) sheds discussed above. There are three (3) unlabeled 55-gallon steel drums and a steel storage tank visible in this area. West of this area along the northern edge of the property is a low, overgrown drainage area. Some scrap metal and pipe were observed in this area.

Based on EEI's site reconnaissance, with the exceptions noted previously, no other evidence of contamination, distressed vegetation, surface spills, chemical containers, additional USTs, ASTs, illegal dumping, or improper waste storage/handling was noted during on the subject property.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	The subject property appeared to be in fair condition.
Surface Spills	No	No concerns observed.
Stained Surfaces	No	Minor petroleum staining was observed on the concrete floor within the large storage shed.
Fill Materials	No	No concerns observed.
Pits/Ponds/Lagoons	No	No concerns observed.
Surface Impoundments	No	No concerns observed.
ASTs/USTs	Yes	One (1) unlabeled UST was observed in the northeast portion of the property, which reportedly was used to store gasoline.
Distressed Vegetation	No	No concerns observed.
Wetlands	No	No concerns observed.
Electrical Substations	No	No concerns observed.
Areas of Dumping	No	No concerns observed.
Transformers	No	No concerns observed.
Waste/Scrap Storage	No	Small quantities of metal and scrap were observed in several locations in the northern portion of the property. Several unmarked storage drums were identified on the northeast portion of the property.
Chemical Use/Storage	No	Small quantities of fuel, pesticides, and herbicides were observed along the northern portion of the property.

4.3 Adjacent Properties

EEI conducted a visual reconnaissance of the adjoining properties (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. Property on all sides of the subject property are for the most part open, undeveloped land to the west and south, and agricultural land to the east and north. Most of these areas were not readily accessible due to the presence of gates and/or poor roads. No evidence of dumping was observed.

Adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado and citrus orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties*", combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties. Based on the size of the property (21.76-acres), and EEI's experience at similar sites, a total of 24 discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On January 13, 2012, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of 24 discrete locations (identified as ACR-1 through ACR-24, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 24 discrete soil samples (ACR-1 through ACR-24) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of six (6) composite samples (identified as Composite #1 through Composite #6) from the discrete samples at a ratio of 4:1. All six (6) composite samples (Composite #1 through Composite #6) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- Arsenic was reported in sample ACR-11 at 72 milligrams per kilogram (mg/kg). No other samples reported arsenic above the laboratory reporting limit (i.e., "non-detect").

- Concentrations of lead were detected above laboratory the reporting limit in all samples, except for ACR-8, ACR-9, ACR-12, ACR-16, ACR-17, and ACR-19 through ACR-24. Concentrations of lead ranged from 3.2 mg/kg (ACR-15) to 10 mg/kg (ACR-4).

- DDE was reported in sample Composite # 1 and Composite #3 at 12 micrograms per kilogram (µg/kg), and 220 µg/kg, respectively. No other samples analyzed detected DDE above the laboratory reporting limit (i.e., "non-detect").

- DDT was reported above the laboratory detection limit in sample Composite # 3 at 40 µg/kg. No other samples analyzed detected DDT above the laboratory reporting limit (i.e., "non-detect").

- Gamma and alpha-Chlordane (Chlordane) was reported in sample Composite #2 at 32.6 µg/kg. No other samples analyzed detected Chlordane above the laboratory reporting limit (i.e., "non-detect").

- No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	1/9/2012	<5	**4.0**	NA	NA	NA	NA	NA
ACR-2	6	1/9/2012	<5	**7.5**	NA	NA	NA	NA	NA
ACR-3	6	1/9/2012	<5	**5.5**	NA	NA	NA	NA	NA
ACR-4	6	1/9/2012	<5	**10**	NA	NA	NA	NA	NA
ACR-5	6	1/9/2012	<5	**5.4**	NA	NA	NA	NA	NA
ACR-6	6	1/9/2012	<5	**4.6**	NA	NA	NA	NA	NA
ACR-7	6	1/9/2012	<5	**4.8**	NA	NA	NA	NA	NA
ACR-8	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	1/9/2012	<5	**3.8**	NA	NA	NA	NA	NA
ACR-11	6	1/9/2012	**7.2**	**5.0**	NA	NA	NA	NA	NA
ACR-12	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	1/9/2012	<5	**3.4**	NA	NA	NA	NA	NA
ACR-14	6	1/9/2012	<5	**9.3**	NA	NA	NA	NA	NA
ACR-15	6	1/9/2012	<5	**3.2**	NA	NA	NA	NA	NA
ACR-16	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-18	6	1/9/2012	<5	**5.1**	NA	NA	NA	NA	NA
ACR-19	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-22	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-23	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-24	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	1/9/2012	NA	NA	<5	**12**	<5	<5	<5-200
Composite #2	6	1/9/2012	NA	NA	<5	<5	<5	<5	gamma-Chlordane:5.6; alpha-Chlordane:27
Composite #3	6	1/9/2012	NA	NA	<5	**220**	<5	**40**	<5-200
Composite #4	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Composite #5	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Composite #6	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	<5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Chlordane - 430**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed concentrations of arsenic at 7.2 mg/kg in a single sample, ACR-11. No other samples reported arsenic above the laboratory reporting limit (i.e., "non-detect"). Concentrations of lead were detected above laboratory the reporting limit in all samples, except for ACR-8, ACR-9, ACR-12, ACR-16, ACR-17, and ACR-19 through -24. Concentrations of lead ranged from 3.2 mg/kg (ACR-15) to 10 mg/kg (ACR-4).

Concentrations of DDE were detected in samples Composite # 1 and Composite #3 at 12 µg/kg and 220 µg/kg, respectively. No other samples reported DDE above the laboratory reporting limit (i.e., "non-detect"). Concentrations of DDT were reported in sample Composite # 3 at 40 µg/kg. No other samples reported DDT above the laboratory reporting limit (i.e., "non-detect"). Gamma and alpha-Chlordane (Chlordane) was reported in sample Composite # 2 at 32.6 µg/kg. No other samples reported chlordane above the laboratory reporting limit. No other organochlorine pesticide concentrations were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

The reported lead, DDE, DDT, and chlordane concentrations did not exceed the California Human Health Screening Levels (CHHSL) residential land use scenario values of 150 mg/kg (lead), 1,600 µg/kg (DDE and DDT), and 430 µg/kg (chlordane). The reported arsenic concentration in sample ACR-11 at 7.2 mg/kg collected during this investigation is greater than the CHHSL residential screening level of 0.07 mg/kg. Arsenic is a natural occurring element that is present in soil. Acceptable background levels for naturally occurring arsenic vary. The DTSC evaluated arsenic soil concentration data collected from various school sites and determined that 12 mg/kg is an acceptable background screening level (DTSC, 2008). If concentrations of arsenic are detected above 12 mg/kg, the DTSC suggests further evaluation.

6.0 LIMITED UST SUBSURFACE SAMPLING

EEI mobilized to the subject site on March 6, 2012 to collect subsurface samples. The former UST location was easily identified due to evidence of soil disturbance and information collected in our Phase I ESA site walk. A direct-push geoprobe unit was utilized to advance a single boring in the former tank pit location (identified as B-1, **Figure 3**). Samples were collected at 5-foot intervals in acetate liners, properly labeled, and stored in a chilled container. A PID was utilized to screen samples for evidence of volatile fuel components. No evidence of fuel was noted during soil sampling.

Samples were submitted to a certified laboratory for analysis by EPA 8015m , carbon chain identification (TPH/CCID). Neither gasoline nor diesel range fuel was found in any sample. One motor-oil range result (13 mg/kg) was found in the sample collected at a depth of 20-feet bg. Samples were also analyzed for Volatile Organic Compounds (fuel related) by EPA 8021b. All samples were non-detect. Complete laboratory reports and COC documentation are provided in **Appendix I**.

7.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  A UST, reportedly containing fuel, was formerly present along the northeast portion of the subject property. A small shed with a fuel pump was formerly situated on top of the UST. Soil sampling conducted by EEI indicates that further investigation of the former UST is not warranted.

  The subject property has been and continues to be utilized for agricultural purposes (i.e., orchards). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals. The results of our agricultural chemical survey (see **Section 5.0 Limited Agricultural Chemical Survey**) revealed concentrations of arsenic, lead and select organochlorine pesticides (e.g., DDE, DDT and chlordane) in site soils. The concentrations were less than applicable residential screening values, or were within acceptable background levels. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – The following de minimis conditions have been revealed during the preparation of this ESA:

Various sized storage containers, both metal and plastic, were observed on the subject property. The contents of the containers are unknown at this time. No apparent releases, spills, or stained surfaces surrounding the containers were observed during our most recent site reconnaissance. EEI recommends that these containers be emptied and properly disposed of off-site.

8.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

8.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

8.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

8.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

8.4 Deviations

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including Client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

9.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9553 Lilac Walk, Escondido, California 92026. Any exceptions to, or deletions from, this practice are described in Section 8.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- A former UST location was investigated and soil samples collected to a depth of 25-feet below grade. No evidence of a fuel release was found. No additional investigation of the former UST appears to be warranted.

- Based on laboratory analytical results from EEI's agricultural chemical testing, low levels of organochlorine pesticides (e.g., DDE, DDT and chlordane), arsenic and lead were detected in the soil beneath the subject property. All detectable concentrations of organochlorine pesticides, arsenic and lead were less than the CHHSL residential screening values or were within acceptable background levels. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos Containing-Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- County records indicate septic disposal systems are located on the subject property. Unless planned for future use, the septic systems should be properly abandoned following County Health Department guidelines.

- Various sized storage containers, both metal and plastic, were observed on the subject property. The contents of the containers are unknown at this time. No apparent releases, spills, or stained surfaces surrounding the containers were observed during our most recent site reconnaissance. EEI recommends that these containers be emptied and properly disposed of off-site.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

10.0 REFERENCES

American Society for Testing and Materials (ASTM), 2005, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, Designation: E 1527-05."

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed January 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed January 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed January 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed January 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed January 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed January 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed January 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed January 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed January 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed January 2012.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
COUNTY OF SAN DIEGO RECORDS

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SURVEY
LABORATORY REPORT AND CHAIN OF CUSTODY

APPENDIX I
LIMITED UST SUBSURFACE SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT And LIMITED PHASE II SAMPLING

Accretive Investments, Inc.
40.59-Acre "Bialkowski" Property
APNs 127-072-20
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 19, 2012
(March 26, 2012 revisions)

EEI Project Number ACR-71294

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED PHASE II SAMPLING

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

40.59-Acre "Bialkowski" Property
APNs 127-072-20
Escondido, California 92026
EEI Project Number ACR-71294

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71294

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
- **1.1** Purpose 1
- **1.2** Scope of Services 1
- **1.3** Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
- **2.1** Subject Property Description 2
- **2.2** Topography 2
- **2.3** Regional and Local Geology 3
- **2.4** Regional and Local Hydrogeology 3
- **2.5** Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
- **3.1** Subject Property Ownership 4
- **3.2** Subject Property History 4
  - **3.2.1** Aerial Photograph and Historical Map Review 4
  - TABLE 1 - Summary of Historical Use Review 5
  - **3.2.2** City/County Directories 6
  - **3.2.3** Sanborn Fire Insurance Maps 6
  - **3.2.4** County of San Diego Land Use and Environmental Group 6
- **3.3** Regulatory Database Search 6
  - **3.3.1** Federal Databases 6
  - **3.3.2** State and Regional Sources 7
- **3.4** Regulatory Agency Review 8
  - **3.4.1** Deer Springs Fire Protection District 8
  - **3.4.2** County of San Diego Department of Environmental Health 8
  - **3.4.3** State Water Resources Control Board 8
  - **3.4.4** Department of Toxic Substances Control 8
  - **3.4.5** Review of Division of Oil, Gas, and Geothermal Resources Files 8
- **3.5** Interview with Current Property Owner 9
  - **3.5.1** Past or Present Uses Indicating Environmental Concern 9
  - **3.5.2** Environmental Liens or Governmental Notification 9
  - **3.5.3** Presence of Hazardous Substances or Environmental Violations 9
  - **3.5.4** Previous Assessments 9
  - **3.5.5** Legal Proceedings 9
- **3.6** User Provided Information 10
  - **3.6.1** Environmental Liens or Activity and Use Limitations 10
  - **3.6.2** Specialized Knowledge 10
  - **3.6.3** Valuation Reduction for Environmental Issues 10
  - **3.6.4** Presence or Likely Presence of Contamination 10
  - **3.6.5** Other 10
- **3.7** Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 10
3.8.1 Asbestos-Containing Materials 10
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 12

4.0 SUBJECT PROPERTY RECONNAISSANCE 12
4.1 Purpose 12
4.2 Subject Property 12
TABLE 2 – Summary of Site Reconnaissance 13
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Field Investigation 14
5.2 Laboratory Analytical Testing 15
TABLE 3 - Soil Sample Results 15
5.3 Discussion of Testing Results 16

6.0 LIMITED UNDERGROUND STORAGE TANK (AST) SUBSURFACE SAMPLING 17

7.0 FINDINGS AND OPINIONS 17

8.0 DATA GAPSAND DEVIATIONS FROM ASTM PRACTICES 18
8.1 Historical Data Gaps 18
8.2 Regulatory Data Gaps 18
8.3 On-site Data Gaps 18
8.4 Deviations from ASTM Practices 18

9.0 CONCLUSIONS 20

10.0 REFERENCES 21

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody
Appendix H – Limited AST Subsurface Sampling Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 40.59-Acre "Bialkowski" Property

EEI Project Number: ACR-71294

Subject Property Information:
40.59-Acre "Bialkowski" Property
APNs 127-072-20
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: January 9, 2012 / **Report Date:** March 19, 2012 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located southwest of West Lilac Road and Shirey Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located in a mixed residential/agricultural area. The 40.59-acre subject property is situated on one parcel of land identified as APN 127-072-20. The subject property is located south of West Lilac Road and east of Standel Lane, and does not have a physical address. Access to the subject property is afforded by a dirt/gravel road located at the southeast corner of West Lilac Road and Standel Lane. The subject property is bound by West Lilac Road to the north; Standel Lane to the west; and agricultural property to the south and east.

The subject property generally consists of orchards under active cultivation, and undeveloped land, accessible via unimproved roads. No permanent structures are located on the subject property; however, there are two storage sheds, a metal storage container, and an above ground diesel fuel storage tank located at the southwest property corner. According to the client, a mobile home was formerly at this location which had an associated septic tank system. A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as RR – Rural Residential.

Based on historical records such as aerial photographs and topographic maps, the subject property was undeveloped land from at least 1953. From approximately 1963 to 2010, the subject property appeared to be utilized for agricultural-related land use.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On January 9, 2012, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* was noted on the subject property during our reconnaissance efforts, except for an above ground storage tank (AST) of approximately 200-gallon capacity located on the southwest portion of the property. The AST was situated on its side and a discharge hose open on the ground. The AST was labeled as "diesel" fuel and appeared to contain residual fluids. Minor petroleum staining was noted at the discharge port on the AST along with minor soil staining directly beneath the tank. Additionally, two 5-gallon containers of what appeared to be used motor oil or oily-water were observed within a storage shed on the southwestern portion of the subject property.

Based on the proposed future residential use of the subject property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the site. Sampling activities were conducted on January 9, 2012. A total of forty (40) discrete soil samples (ACR-1 through ACR-40), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, eight (8) composite samples (Composite #1 through Composite #8) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed no concentrations of arsenic or lead detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Concentrations of DDE was reported above the laboratory detection limit in sample Composite # 3, 5, 6, 7, and 8 at 120 micrograms per kilogram (µg/kg), 15 µg/kg, 39 µg/kg, 75 µg/kg and 89 µg/kg, respectively.

DDD was reported above the laboratory detection limit in sample Composite # 8 at 6.4 µg/kg. DDT was reported above the laboratory detection limit in sample Composite # 7 and 8 at 7.7 µg/kg, and 11 µg/kg, respectively. No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

The reported concentrations of DDE, DDD, and DDT detected in composite soil samples collected during this investigation were less than the California Human Health Screening Levels (CHHSL) for a residential land use of 1,600 µg/kg, 2,300 µg/kg, and 1,600 µg/kg, respectively. Therefore, further investigation does not appear to be warranted at this time.

According to Accretive Investments, Inc., the AST and oil containers observed during our site reconnaissance were removed from the subject property sometime after our January 2012 site visit. EEI mobilized to the subject site on March 6, 2012 to collect subsurface samples in the area of the former AST and oil containers location to further evaluate site soils. At the AST location, stained soil and a strong petroleum odor were noted. It appeared that residual fuel in the tank had been spilled on to the ground. A hand auger was utilized to advance two (2) borings (ACR2 and ACR3) at the former AST location and stained soil, and one (1) boring (ACR1) at the former oil containers location. Samples were collected at 1-foot and 3 feet below grade in laboratory supplied glass jars, properly labeled, and stored in a chilled container.

All soil samples were submitted to a certified laboratory for analysis by EPA 8015M, carbon chain identification (TPH/CCID)**.** No concentrations of TPH were detected in the samples collected at the waste oil containers (boring ACR1). Diesel Range Organics (DRO) and Motor Oil Range Organics (MORO) were detected in one of the AST samples (ACR3) collected at 1-foot below grade. The DRO and MORO concentrations were 480 mg/kg and 38 mg/kg, respectively. No other concentrations of TPH were reported in any of the samples analyzed. The 1-foot sample from boring ACR3 was further analyzed for VOCs by EPA 8260B and metals by EPA 6010B. Low levels of select VOCs and metals were detected; however, the concentrations did not exceed residential screening levels or acceptable background concentrations. The reported DRO concentration of 480 mg/kg in sample ACR3-1 exceeds residential direct exposure screening level of 110 mg/kg.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located southwest of West Lilac Road, and Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 8.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has and continues to be utilized for agricultural purposes. EEI performed a limited agricultural chemical survey to evaluate site soils for the presence of restricted agricultural chemicals. Laboratory analytical results reported low levels of organochlorine pesticides; however, the concentrations were less than CHHSL residential screening values. Therefore, no further investigation appears to be warranted at this time.

- Diesel Range Organics (DRO) reported at 480 mg/kg at 1 feet below grade at the former AST location exceed soil direct exposure residential screening levels. Therefore, EEI recommends the soil be excavated and disposed of off-site, and confirmation samples be collected along the excavation bottom and sidewalls.

In addition to the above bulleted items, EEI has the following comments.

- According to information provided by the client, a mobile home with an associated septic tank system was formerly located on the southwest corner of the subject property. Unless planned for future use, the septic system should be properly abandoned following County Health Department guidelines.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located southeast of West Lilac Road and Standel Lane, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located in a mixed residential/agricultural area (**Figure 2**). The 40.59-acre subject property is situated on one parcel of land identified as APN 127-072-20 (**Appendix B**). The subject property is located south of West Lilac Road and east of Standel Lane, and does not have a physical address. Access to the subject property is afforded by a dirt/gravel road located at the southeast corner of West Lilac Road and Standel Lane. The subject property is bound by West Lilac Road to the north; Standel Lane to the west; and agricultural property to the south and east.

Access to the subject property is afforded by a dirt/gravel road located at the southeast corner of West Lilac Road and Standel Lane. The subject property generally consists of orchards under active cultivation, and undeveloped land, accessible via unimproved roads. No permanent structures are located on the subject property; however, there are two storage sheds, a metal storage container, and an above-ground diesel fuel storage tank located at the southwest property corner. According to the client, a mobile home was formerly at this location which had an associated septic tank system.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as RR – Rural Residential.

Based on historical records such as aerial photographs, topographic maps, and the subject property was undeveloped land from at least 1953. From approximately 1963 to 2010, the subject property appeared utilized for agricultural-related land use.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 800 feet above mean sea level (amsl) (south-central portion) to approximately 950 feet amsl (southwestern portion). A natural drainage traverses the central portion of the subject property from north to south and represents the lowest elevations on site which rise to higher elevations in both east and west directions. Based on topographic relief, surface water drainage appears to be predominately to the south.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Cieneba course sandy loam (CIE2) and the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2011). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for information pertaining to water supply wells on or adjacent to the subject property. According to the website two (2) water supply wells appeared to be located either on the south-central portion of the subject property or in close proximity of the property margin. According to the website, the wells (well #10S03W24A001S and well #10S02W19D003S) were last measured in 1966 and 1967, and indicated that the depth-to-groundwater in the wells were recorded at 10 feet below ground surface (bgs) and 3 feet bgs, respectively.

EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining to any potential water supply wells located on the subject property. According to Ms. Sandy Johnson, Senior Office Assistant with the County, no records were on file for the subject property.

Note: EEI did not observe groundwater supply wells on the subject property during our site reconnaissance. What appeared to be a pump and related piping were observed in the area of the man-made pond located on the southeast corner of the property. Irrigation-related piping was also observed along the southwest corner of the subject property. EEI requested that the Bialkowski's attorney, Mr. Robert A. DePiano inquire with the owners regarding potential water supply wells on the subject property. According to Mr. Bialkowski, no water wells are located on the subject property.

If what supply wells are encountered during future site improvement activities and will not be used for site operations, the wells should be properly abandoned according to State and County guidelines.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APN 127-072-20) is identified as Vaccaro Farms, LP and Bialkowski Lilac Road, LP, with the following mailing address: 2476 Jupiter Drive, Los Angeles California 90046.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1947, 1948, 1953, 1963, 1968, 1974, 1975, 1980, 1989, 1990/91, 1994, 2002, 2003, and 2008 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from at least 1953. From approximately 1963 to 2012, the subject property appeared utilized for agricultural-related land use.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375	Subject property and adjacent and surrounding property appeared to be undeveloped and covered with native vegetation; with the exception of the east adjacent property which appeared with a residential structure. A natural drainage was present trending north to south through the central portion of the subject property. West Lilac Road appeared to the north.
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. A structure appeared on the adjacent property to the east. Surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1939 photograph; with the exception of an unimproved road near the northern property margin. Unimproved roads appeared in the surrounding area.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. West Lilac Road was present to the north and Highway 395 was present to the west. The surrounding area was sparsely developed.
1953	Aerial Photograph 1:375	Subject property remained undeveloped. Additional unimproved roads appeared on the adjacent properties. No other changes were noted on the adjacent or surrounding property since the 1946 photograph.
1963	Aerial Photograph 1:375	The western portion of the subject property appeared utilized for agriculture; the remaining portion remained undeveloped. Additional rural residential and agricultural development appeared in the vicinity.
1968	Topographic Map 1: 24,000	Subject property appeared to be undeveloped land. Shirey Road and Standel Lane (unimproved) appeared in the site vicinity. The majority of the subject property and surrounding area were shaded green, which signified agricultural-related land use.
1974	Aerial Photograph 1:375	The majority of the subject property now appeared utilized for agriculture (orchards); as well as the adjacent property to the west and south. Increased agriculture now appeared in the surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1974 photograph.
1989	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 photograph. A structure appeared on the adjacent property to the north.
1990/91 through 2008	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1989 photograph.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of orchards throughout the property. A structure was present on the southwest property corner. An unimproved road ran from the northwest corner to the southeast and along the southern property margin. A natural drainage remained trending north to south through the central portion. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Due to the absence of development of the subject property, this information source was not researched as it was not deemed to be sufficiently useful and not researched during this Phase I ESA.

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were available for the subject property.

In addition, EEI requested a search for environmental records (i.e., septic tanks) with the County. According to Ms. Sandy Johnson Senior Office Assistant, Department of Environmental Health Land & Water Quality Division, there are no records associated with the subject parcel. Note: According to the information provided by the Bialkowski's attorney, Mr. Robert A. DePiano, a septic system may be present along the southwest corner of the subject property.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one-mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – One listing was reported within one-half mile of the subject property. **Green Co Farms** (32163 Old Highway 395, 0.70 miles southwest) was reported as a composting facility for green waste. Based on the nature of the waste accepted, this site is not considered an environmental concern.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – One listing was reported within one-quarter mile of the subject property. **Miller Fire Station, CDF** (9127 West Lilac Road, located east of the subject property), was listed as the site of a diesel fuel UST with a regulatory status listed as "removed" as of March 18, 1997. Operating permits are not generally rationale for environmental concern, unless a release has occurred at the site. The listing has not reported a release; therefore, is not considered a concern.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported within one-quarter mile of the subject property: **Miller Fire Station, CDF** (9127 West Lilac Road, east of the subject property). The site was dual listed on the UST database above. State permits are not generally rationale for environmental concern, unless a release has occurred at the site. The listing has not reported a release; therefore, is not considered a concern.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information on hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APN: 127-072-20. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board (SWRCB). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 03W, Sections 19 and 24).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property, Mr. Randolph Bialkowski, was not available for interview. EEI was instructed by Accretive Investments, Inc. , Inc. to provide an owner questionnaire to Mr. Bialkowski's attorney, Mr. Robert A. DePiano for review prior to Mr. Bialkowski's completion. Information provided on the questionnaire by Mr. Bialkowski is provided below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Bialkowski stated that the past and present use of the subject property have been as agricultural. He added that approved agricultural products have been used on the subject property. Mr. Bialkowski added that a made water pond, fed by rainwater, is located on the subject property.

3.5.2 Environmental Liens or Governmental Notification

Mr. Bialkowski was not aware of any deed restrictions, environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the subject property or any facility located on the subject property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Bialkowski was not aware of any past or present environmental violations with respect to the subject property or any facility located on the subject property. Mr. Bialkowski added that an empty above ground tank was placed on subject property by the previous property owners, which has never been used by the current owners (i.e., since approximately 2006). Mr. Bialkowski also stated that an electrical pedestal (i.e., pole-mounted transformer) is located on the subject property; however, is unlikely to contain PCB's (polychlorinated biphenyls).

3.5.4 Previous Assessments

Mr. Bialkowski was not aware of any previous assessments conducted at the subject property.

3.5.5 Legal Proceedings

Mr. Bialkowski was not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc. , completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to county requirements related to the purchase of the property.

3.7 Previous Assessments

Based on the information provided by the property owner, Mr. Bialkowski, no previous assessments (i.e., Phase I ESA) have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. With the exception of storage sheds located on the southwestern portion, the subject property consists of vacant land. Based on this information, the presence of asbestos-containing materials is not considered likely.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

With the exception of storage sheds located on the southwest portion, the subject property consists of vacant land Based on this information, the presence of lead based paint is not considered likely.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines were observed along the western portion of the site, along with a single pole-mounted transformer. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On January 9, 2012, EEI personnel conducted a site reconnaissance to visually observe the subject property and adjoining properties for conditions indicating a potential recognized environmental concern. Environmental concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Visual conditions present during the site reconnaissance are documented in the Photographic Log (**Appendix F**), and summarized in **Table 2**.

The subject property is located in a mixed residential/agricultural area. The 40.59-acre subject property is situated on one parcel of land identified as APN 127-072-20. The subject property is located south of West Lilac Road and east of Standel Lane, and does not have a physical address. Access to the subject property is afforded by a dirt/gravel road located at the southeast corner of West Lilac Road and Standel Lane. The subject property is bound by West Lilac Road to the north; Standel Lane to the west; and agricultural property to the south and east.

The subject property is an active avocado and citrus farm. Several dirt roads bisect the subject property. A large drainage is located along the central portion of the subject property, which is oriented north to south. A man made pond is situated along the southern portion of the subject property. A water pump and related equipment was observed on the southern end of the pond. Signs of above and below ground irrigation piping were observed throughout the subject property.

The central portion of the subject property contains a number of commercial beehives. Adjacent to the hives were five (5) plastic, 55-gallon capacity storage drums that contained water. The subject property has two structures, which are situated along the southwest portion of the property. The structures are constructed of wood, plastic and steel corrugated siding and roofing, and appear to be utilized as storage sheds. One shed contained two 5-gallon containers filled with what appeared to be used motor oil or oily-water. The floor of the shed contained petroleum hydrocarbon staining. The other storage shed in the southwest portion of the subject property contains two wooden tables/benches, a number of glass bottles, some boots, clothes, and foam padding. The southwest corner of the subject property also contains a metal storage container with pallets of fertilizer stacked nearby. EEI was unable to inspect the interior of the metal storage container; however, according to the on-site workers, contained various hand tools, irrigation fittings, fertilizers, and related farming equipment. Adjacent to the metal storage container was a steel, aboveground storage tank (AST) of approximately 200-gallon capacity. The AST was situated on its side and was labeled as "diesel" fuel. The AST appeared to contain residual fluids. Minor petroleum staining was noted at the discharge port on the AST along with minor soil staining directly beneath the tank.

Based on EEI's site reconnaissance, with the exceptions noted previously, no other evidence of contamination, distressed vegetation, surface spills, chemical containers, additional USTs, ASTs, illegal dumping, or improper waste storage/handling was noted during on the subject property.

TABLE 2
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	The subject property appeared to be in fair condition.
Surface Spills	No	No concerns observed.
Stained Surfaces	No	Minor petroleum staining was observed beneath the AST and 5-gallon containers located in the southwest corner of the subject property.
Fill Materials	No	No concerns observed.
Pits/Ponds/Lagoons	No	One (1) man-made pond was observed on the property.
Surface Impoundments	No	No concerns observed.
ASTs/USTs	~~No~~ Yes	One (1) diesel AST was observed in the southwest corner of the property.
Distressed Vegetation	No	No concerns observed.
Wetlands	No	No concerns observed.
Electrical Substations	No	No concerns observed.
Areas of Dumping	No	No concerns observed.
Transformers	No	No concerns observed.
Waste/Scrap Storage	No	Small quantities of metal and scrap were observed in several locations in the central portion of the subject property.
Chemical Use/Storage	No	No concerns observed.

4.3 Adjacent Properties

EEI conducted a visual reconnaissance of the adjoining properties (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. Properties on all sides of the subject site are for the most part open, agricultural land. Rural residential properties are also located in the area. Most of these areas were not readily accessible due to the presence of gates and/or poor roads. No evidence of dumping was observed.
Adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes (i.e., citrus orchard). It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), EEI performed a limited agricultural chemical survey (i.e., soil sampling) to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (40.59-acres), and EEI's experience at similar sites, a total of 40 discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On January 9, 2019, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of forty (40) discrete locations (identified as ACR-1 through ACR-40, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 40 discrete soil samples (ACR-1 through ACR-40) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of eight (8) composite samples (identified as Composite #1 through Composite #8) from the discrete samples at a ratio of 5:1. All eight (8) composite samples (Composite #1 through Composite #8) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

No concentrations of arsenic or lead were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

- DDE was reported above the laboratory detection limit in sample Composite # 3, 5, 6, 7, and 8 at 120 micrograms per kilogram (µg/kg), 15 µg/kg, 39 µg/kg, 75 µg/kg and 89 µg/kg, respectively. No other samples analyzed detected DDE above the laboratory reporting limit (i.e., "non-detect").

- DDD was reported above the laboratory detection limit in sample Composite # 8 at 6.4 µg/kg. No other samples analyzed detected DDD above the laboratory reporting limit (i.e., "non-detect").

- DDT was reported above the laboratory detection limit in sample Composite # 7 and 8 at 7.7 µg/kg, and 11 µg/kg, respectively. No other samples analyzed detected DDT above the laboratory reporting limit (i.e., "non-detect").

- No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

Table 4 summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 3
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-3	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA

TABLE 3
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-10	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-11	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-16	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-18	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-19	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-22	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-23	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-24	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-25	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-26	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-27	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-28	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-29	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-30	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-31	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-32	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-33	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-34	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-35	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-36	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-37	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-38	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-39	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA
ACR-40	6	1/9/2012	<5	<3	NA	NA	NA	NA	NA

TABLE 3
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Composite #1	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Composite #2	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Composite #3	6	1/9/2012	NA	NA	<5	**120**	<5	<5	<5-200
Composite #4	6	1/9/2012	NA	NA	<5	<5	<5	<5	<5-200
Composite #5	6	1/9/2012	NA	NA	<5	**15**	<5	<5	<5-200
Composite #6	6	1/9/2012	NA	NA	<5	**39**	<5	<5	<5-200
Composite #7	6	1/9/2012	NA	NA	<5	**75**	<5	**7.7**	<5-200
Composite #8	6	1/9/2012	NA	NA	<5	**89**	**6.4**	**11**	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	<5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	<5-200

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed no concentrations of arsenic or lead above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Concentrations of DDE was reported above the laboratory detection limit in sample Composite # 3, 5, 6, 7, and 8 at 120 µg/kg, 15 µg/kg, 39 µg/kg, 75 µg/kg and 89 µg/kg, respectively.

DDD was reported above the laboratory detection limit in sample Composite # 8 at 6.4 µg/kg. DDT was reported above the laboratory detection limit in sample Composite # 7 and 8 at 7.7 µg/kg, and 11 µg/kg, respectively. No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

EEI compared the reported DDE, DDD, and DDT concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The reported DDE concentrations of 20 µg/kg, 15 µg/kg, 39 µg/kg, 75 µg/kg and 89 µg/kg, detected in site soils is less than the CHHSL residential screening level of 1,600 µg/kg.

- The reported DDD concentration of 6.4 µg/kg, detected in site soils is less than the CHHSL residential screening level of 2,300 µg/kg.

- The reported DDT concentrations of 7.7 µg/kg, and 11 µg/kg, detected in site soils are less than the CHHSL residential screening level of 1,600 µg/kg.

6.0 LIMITED AST SUBSURFACE SAMPLING

According to Accretive Investments, Inc., the AST and oil containers observed during our site reconnaissance were removed from the subject property sometime after our January 2012 site visit. EEI mobilized to the subject site on March 6, 2012 to collect subsurface samples in the area of the former AST and oil containers location to further evaluate site soils. At the AST location, stained soil and a strong petroleum odor were noted. It appeared that residual fuel in the tank had been spilled on to the ground. A hand auger was utilized to advance two (2) borings (ACR2 and ACR3) at the former AST location and stained soil, and one (1) boring (ACR1) at the former oil containers location (**Figure 3**). Samples were collected at 1-foot and 3 feet below grade in laboratory supplied glass jars, properly labeled, and stored in a chilled container.

All soil samples were submitted to a certified laboratory for analysis by EPA 8015M, carbon chain identification (TPH/CCID). Complete laboratory analytical reports are included in **Appendix H.** No concentrations of TPH were detected in the samples collected at the waste oil containers (boring ACR1). Diesel Range Organics (DRO) and Motor Oil Range Organics (MORO) were detected in one of the AST samples (ACR3) collected at 1-foot below grade. The DRO and MORO concentrations were 480 mg/kg and 38 mg/kg, respectively. No other concentrations of TPH were reported in any of the samples analyzed. The 1-foot sample from boring ACR3 was further analyzed for VOCs by EPA 8260B and metals by EPA 6010B. Low levels of select VOCs and metals were detected; however, the concentrations did not exceed residential screening levels or acceptable background concentrations. The reported DRO concentration of 480 mg/kg in sample ACR3-1 exceeds residential direct exposure screening level of 110 mg/kg.

7.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), a limited agricultural chemical survey (i.e., soil sampling) was performed by EEI.

      The results of our agricultural chemical survey (see section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic or lead in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of organochlorine pesticides (DDE, DDD, and DDT) were detected in select soil samples; however, the levels were less than CHHSL residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- An above ground storage tank (AST) of approximately 200-gallon capacity formerly occupied the southwest portion of the subject property. Minor petroleum staining was noted at the discharge port on the AST along with minor soil staining directly beneath the tank, during our January 2012 site reconnaissance. In March 2012, EEI returned to the site and conducted limited soil sampling at the AST location, which had since been relocated or removed from the subject property. The results of EEI's sampling revealed concentrations of Diesel Range Organics in near-surface soils are present above residential screening levels; therefore, warranting further investigation and possible mitigation.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No *de minimis* conditions have been revealed during the preparation of this ESA.

8.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

8.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

8.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

8.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

8.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

9.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located southwest of West Lilac Road, and Shirey Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 8.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has and continues to be utilized for agricultural purposes. EEI performed a limited agricultural chemical survey to evaluate site soils for the presence of restricted agricultural chemicals. Laboratory analytical results reported low levels of organochlorine pesticides; however, the concentrations were less than CHHSL residential screening values. Therefore, no further investigation appears to be warranted at this time.

- Diesel Range Organics (DRO) reported at 480 mg/kg at 1 feet below grade at the former AST location exceed soil direct exposure residential screening levels. Therefore, EEI recommends the soil be excavated and disposed of off-site, and confirmation samples be collected along the excavation bottom and sidewalls.

In addition to the above bulleted items, EEI has the following comments.

- According to information provided by the Client, a mobile home with an associated septic tank system was formerly located on the southwest corner of the subject property. Unless planned for future use, the septic system should be properly abandoned following County Health Department guidelines.

- Based on the site's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during site development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

10.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed January 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed January 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed January 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed January 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed January 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed January 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed January 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed January 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed January 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed January 2012.

United States Geological Survey (USGS, 1975, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

APPENDIX H
LIMITED AST SUBSURFACE SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
12.72-Acre "Dawson" Property
APNs 129-011-16 and 129-011-17
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

April 18, 2012

EEI Project Number ACR-71445

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

12.72-Acre "Dawson" Property
APNs 129-011-16 and 129-011-17
Escondido, California 92026
EEI Project Number ACR-71445

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71445

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 5
3.2.1 Aerial Photograph and Historical Map Review 5
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 6
3.3 Regulatory Database Search 6
3.3.1 Federal Databases 6
3.3.2 State and Regional Sources 7
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 8
3.4.4 Department of Toxic Substances Control 8
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 8
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.5.1 Past or Present Uses Indicating Environmental Concern 9
3.5.2 Environmental Liens or Governmental Notification 9
3.5.3 Presence of Hazardous Substances or Environmental Violations 9
3.5.4 Previous Assessments 9
3.5.5 Legal Proceedings 9
3.6 User Provided Information 9
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10

TABLE OF CONTENTS (Continued)

3.8 Other Environmental Issues 10
3.8.1 Asbestos-Containing Materials 10
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 11

4.0 SUBJECT PROPERTY RECONNAISSANCE 12
4.1 Purpose 12
4.2 Subject Property 12
TABLE 3 – Summary of Subject Property Reconnaissance 13
4.3 Adjacent Properties 13

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Field Investigation 14
5.2 Laboratory Analytical Program 14
TABLE 4 - Soil Sample Results 15
5.3 Discussion of Testing Results 15

6.0 FINDINGS AND OPINIONS 16

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 16
7.1 Historical Data Gaps 16
7.2 Regulatory Data Gaps 16
7.3 On-site Data Gaps 17
7.4 Deviations from ASTM Practices 17

8.0 CONCLUSIONS 17

9.0 REFERENCES 18

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 12.72-Acre "Dawson" Property

EEI Project Number: ACR-71445

Subject Property Information:
APNs 129-011-16 and 129-011-17
Escondido, California 92026
EEI Project Number ACR-71445

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

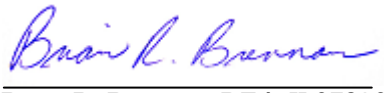
Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: March 14, 2012 / **Report Date:** April 18, 2012

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

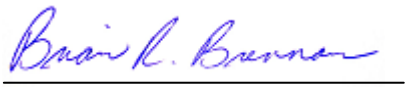
Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).



Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located approximately 500 feet north of the intersection of Rodriguez Road and Nelson Way, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property encompasses a total of 12.72-acres on two contiguous parcels identified as Assessor's Parcel Numbers (APNs) 129-011-16 and 129-011-17. According to the County of San Diego Assessor, the subject property does not have a physical address.

Access to the subject property can be obtained from the east at Rodriguez Road, where an unimproved access road traverses the northern portion of the property from east to west. The subject property consists of agricultural land including field crops and an existing orchard grove in the western portion. A single, wood structure is located in the northwest portion of the property, and appeared to be used by the farm workers as a staging area and for agricultural activities.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property, from approximately 1947 to 2012, the subject property appeared utilized for agricultural-related land use.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

March 16, 2012, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *environmental conditions* (RECs) was noted on the subject property during our subject property reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on March 16, 2012. A total of 12 discrete soil samples (ACR-1 through ACR-12), were collected at 6-inches below ground surface and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, four (4) composite samples (Composite #1 through Composite #4) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed that no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-3 and ACR-10 at 4.9 milligrams per kilogram (mg/kg) and 4.3 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

The reported lead concentrations of 4.9 mg/kg and 4.3 mg/kg in soil samples collected during this investigation are less than the residential California Human Health Screening Level (CHHSL) value of 150 mg/kg; therefore, further investigation does not appear to be warranted. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APN 129-011-06 and -17, and located northwest of Rodriguez Road and Nelson Way, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

In addition EEI has the following comment:

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located approximately 500 feet north of the intersection of Rodriguez Road and Nelson Way, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located approximately 500 feet north of the intersection of Rodriguez Road and Nelson Way, Escondido, California (**Figure 2**). The subject property encompasses a total of 12.72-acres on two contiguous parcels identified as Assessor's Parcel Numbers (APNs) 129-011-16 and 129-011-17 (**Appendix B**). According to the County of San Diego Assessor, the subject property does not have a physical address.

Access to the subject property can be obtained from the east at Rodriguez Road, where an unimproved access road traverses the northern portion of the property from east to west. The subject property consists of agricultural land including field crops and an existing orchard grove in the western portion. A single, wood structure is located in the northwest portion of the property, and appeared to be used by the farm workers as a staging area for agricultural activities.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property, from approximately 1947 to 2012, the subject property appeared utilized for agricultural-related land use.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Pala, 7.5-Minute Quadrangle (USGS, 1997). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 840 feet above mean sea level (amsl) (northwestern portion) to approximately 900 feet amsl (southeastern portion). Based on topographic relief, surface water drainage appears to be predominately to the northeast.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Bonsall Sandy Loam (BID2); Cieneba Coarse Sandy Loam (CIE2); and steep gullied land (StG) (USDA, 2012). Soils in these series are reportedly well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 9 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining to any water supply well permits associated with the subject property. According to Ms. Sandy Johnson Senior Office Assistant, Department of Environmental Health Land & Water Quality Division, there are no records associated with the two subject parcels APNs 129-011-16 and -17.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for more information pertaining any well(s) on or adjacent to the subject property. According to the website no water supply wells were located on the subject property. Two (2) water supply wells were located in close proximity to the northern subject property boundary. One well was located to the northeast (well 10S02W29E002S) and a second well was located to the east (well 10S02W29E001S). According to the website, the wells were last measured in 1967, and indicated that the depth-to-groundwater in the wells were recorded at 36 feet below ground surface (bgs) and 34 feet bgs, respectively.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, FIRM coverage for the subject property was not available for review (Panel No. 06073C0492F). EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APNs 129-011-16 and 129-011-17) is identified as Clyde and Ethel Dawson Survivor Trust, with the following mailing address: c/o Larry Dawson, 9842 Hot Springs Drive, Huntington Beach, California 92646.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1947, 1949, 1950, 1953, 1963, 1968, 1976, 1980, 1982, 1988, 1990-91, 1997, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, from approximately 1947 to 2010, the subject property appeared utilized for agricultural-related land use.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:750	Subject property appeared to be developed for agriculture. Adjacent property was a mix of undeveloped and agricultural land. A dirt road, oriented north to south, was visible along the eastern portion of the subject property. Agricultural land appeared to the north and south. .
1949	Topographic Map 1:24,000	No developed structures were noted on the subject property. Unimproved roads were present to the east, and drive with two small buildings was present to the north. West Lilac Road was present to the north and Highway 395 was present to the west. The surrounding area was sparsely developed.
1950	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1949 topographic map.
1953	Aerial Photograph 1:750	Subject property remained in agricultural use. No changes were noted on the adjacent or surrounding property since the 1946 photograph.
1963	Aerial Photograph 1:375	No changes were noted on the subject property or adjacent and surrounding property since the 1953 photograph, except for the addition of orchards in the surrounding area.
1968	Topographic Map 1: 24,000	Subject property appeared to be undeveloped land. Unimproved roads, Rodriguez Road and Nelson Way appeared near the property. Other unimproved roads were present in the surrounding area. A well and pond was present to the east of the property. Surrounding area was shaded green, which signified agricultural-related land use.
1976	Aerial Photograph 1:375	The northern and western portions of the subject property now appeared with orchards. Orchards now appeared in the south and east adjacent property and surrounding area.
1982	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map. Buildings were present adjacent and south of the property.
1980	Aerial Photograph 1:375	Small buildings appeared on the northwest property corner. Orchards were now less apparent and a circular driveway was present on the subject property. No other changes were noted in the adjacent and surrounding area.
1988	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1982 topographic map.
1990/91	Aerial Photograph 1:375	Buildings remained on the northwestern portion of the subject property and the remaining portion appeared as an agricultural field. No apparent changes were noted in the adjacent and surrounding area.
1997	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1988 topographic map.
2002	Aerial Photograph 1:375	Subject property appeared with agricultural fields and buildings on the northwest property corner. Adjacent and surrounding property appeared with a mix of orchards, rural residences, and undeveloped land.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of an agricultural field with a small building on the northwest portion. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Due to the absence of development of the subject property or an associated physical address, this information source was not researched as it was not deemed to be sufficiently useful and not researched during this Phase I ESA.

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were on file for the two subject property parcels APNs: 129-011-16 and 129-011-17.

In addition, EEI requested a search for environmental records (i.e., wells or septic tanks) with the County. According to Ms. Sandy Johnson Senior Office Assistant, Department of Environmental Health Land & Water Quality Division, there are no records associated with the two subject parcels APNs 129-011-16 and -17.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported within one-quarter mile of the subject property: **Rodriguez Ranch** (31030 Rodriguez Road, adjacent and to the southwest). No additional details were provided. State permits are not generally rationale for environmental concern, unless a facility has a dual listing, such as a reported release. The subject property does not have a dual listing or reported release; therefore, the listing is not considered to be an environmental concern at this time.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APNs: 129-011-16 and 129-011-17. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 30).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

EEI contacted the property owner, Mr. Larry Dawson for information regarding the subject property. Mr. Dawson provided the information documented below.

3.5.1 Past or Present Uses Indicating Environmental Concern

Mr. Dawson stated that his family utilized the subject property for cultivating palm trees from approximately 1958 through approximately 1976, at which time it became fallow. Mr. Dawson noted that no agricultural chemicals were used at the property and that he is not aware of any current or previous uses of the subject property or any adjoining property which may create an environmental concern.

3.5.2 Environmental Liens or Governmental Notification

Mr. Dawson stated that he is not aware of any environmental liens or governmental notification relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.5.3 Presence of Hazardous Substances or Environmental Violations

Mr. Dawson stated that he is not aware of any hazardous substance and environmental violations related to the subject property.

3.5.4 Previous Assessments

Mr. Dawson stated that he is not aware of any previous environmental reports prepared for the subject property.

3.5.5 Legal Proceedings

Ms. Dawson stated that he is not aware of any past, threatened, or pending lawsuits or administrative proceedings concerning a release or threatened release of any hazardous substance or petroleum products involving the property by any owner or occupant of the property.

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that his specialized knowledge related to the subject property included the information that the property has been utilized for farming.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to county requirements related to the purchase of the subject property.

3.7 Previous Assessments

Based on the information provided by the client, Mr. Jon Rilling, no previous site investigation activities have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. With the exception of a single, wood storage structure, the subject property consists of vacant land. Based on this information, the presence of asbestos-containing materials is not considered likely.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

With the exception of a single, wood storage structure, the subject property consists of vacant land Based on this information, the presence of lead based paint is not considered likely.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the US with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines were observed along the eastern property boundary at Rodriguez Road, along with a single pole-mounted transformer. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On March 16, 2012, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Ms. Cassandra Costa with Accretive Investments, Inc. provided access to the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located approximately 500 feet northwest of the intersection of Rodriguez Road and Nelson Way, Escondido, California (**Figure 2**). The subject property encompasses a total of 12.72-acres on two contiguous parcels. The subject property does not have a physical address.

Access to the subject property can be obtained from the east at Rodriguez Road, where an unimproved access road traverses the northern portion of the property from east to west. The subject property consists of agricultural land including field crops and an existing orchard grove in the western portion. The property is unfenced, except for a portion along the northern property boundary where a chain link fence separates the property from the adjacent residence.

A single structure is located in the northwest portion of the property and is surrounded by several mature trees and bushes. The structure, a wooden constructed storage/living area, appeared to be used by the farm workers as a staging area for agricultural activities. EEI observed an underground irrigation system consisting of PVC piping and sprinklers. Various farm and irrigation supplies and miscellaneous debris was observed surrounding the structure, including PVC irrigation piping, tables, and household debris. An abandoned hoop style green house was observed on the west side of the structure. The subject property is surrounded by agricultural related land use, and rural residences.

No evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling *was* noted on the subject property during our site reconnaissance.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	None observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties*", combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (12.72-acres), and EEI's experience at similar sites, a total of twelve (12) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On March 16, 2012, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of twelve discrete locations (identified as ACR-1 through ACR-12, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately 6- inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 12 discrete soil samples (ACR-1 through ACR-12) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of four (4) composite samples (identified as Composite #1 through Composite #4) from the discrete samples at a ratio of 3:1. All four (4) composite samples (Composite #1 through Composite #4) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the samples analyzed.

- Lead was reported in samples ACR-3 at 4.9 milligrams per kilogram (mg/kg) and ACR-10 at 4.3 mg/kg. No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

The attached Table 4 summarizes laboratory analytical results for chemicals of concern. Complete laboratory reports and COC documentation are provided in **Appendix H**.

TABLE 4-
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-3	6	3/16/12	<5	**4.9**	NA	NA	NA	NA	NA
ACR-4	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	3/16/12	<5	**4.3**	NA	NA	NA	NA	NA
ACR-11	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	3/16/12	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	3/16/12	NA	NA	<5	<5	<5	<5	<5-200
Composite #2	6	3/16/12	NA	NA	<5	<5	<5	<5	<5-200
Composite #3	6	3/16/12	NA	NA	<5	<5	<5	<5	<5-200
Composite #4	6	3/16/12	NA	NA	<5	<5	<5	<5	<5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed no concentrations of arsenic or organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-3and ACR-10 at 4.9 mg/kg and 4.3 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported lead concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The reported lead concentrations of 4.9 mg/kg and 4.3 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  - The subject property has been and continues to be utilized for agricultural purposes. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

    The results of our agricultural chemical survey revealed no detectable concentrations of arsenic or organochlorine pesticides in the 12 soil samples collected from the subject property. Concentrations of lead were detected in two of the twelve soil samples collected during this investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed. Accordingly, EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APNs 129-011-06 and -17, and located northwest of Rodriguez Road and Nelson Way, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

In addition EEI has the following comment:

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed March 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed March 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed March 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed March 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed March 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed March 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed March 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed March 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed March 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed March 2012.

United States Geological Survey (USGS) 1997, Pala, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
34.99-Acre "Nelson" Property
APNs 127-072-38, -40, -41 and -46
8709 West Lilac Road
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 28, 2012

EEI Project Number ACR-71397

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

34.99-Acre "Nelson" Property
APNs 127-072-38, -40, -41 and -46
8709 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71397

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71397

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 6
3.3 Regulatory Database Search 6
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 7
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 8
3.4.3 State Water Resources Control Board 8
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.6 User Provided Information 9
3.6.1 Environmental Liens or Activity and Use Limitations 9
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10
3.8 Other Environmental Issues 10
3.8.1 Asbestos-Containing Materials 10
3.8.2 Lead-Based Paint 11
3.8.3 Radon 11
3.8.4 Polychlorinated Biphenyls 11

TABLE OF CONTENTS (Continued)

4.0 SUBJECT PROPERTY RECONNAISSANCE 12
4.1 Purpose 12
4.2 Subject Property 12
TABLE 3 – Summary of Subject Property Reconnaissance 13
4.3 Adjacent Properties 14

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 14
5.1 Field Investigation 14
5.2 Laboratory Analytical Program 15
TABLE 4 - Soil Sample Results 15
5.3 Discussion of Testing Results 17

6.0 FINDINGS AND OPINIONS 18

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 18
7.1 Historical Data Gaps 18
7.2 Regulatory Data Gaps 19
7.3 On-site Data Gaps 19
7.4 Deviations from ASTM Practices 19

8.0 CONCLUSIONS 19

9.0 REFERENCES 20

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps
Appendix D – County of San Diego Records
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 34.99-Acre "Nelson" Property

EEI Project Number: ACR-71397

Subject Property Information:
APNs 127-072-38, -40, -41 and -46
8709 West Lilac Road
Escondido, California 92026
EEI Project Number ACR-71397

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: March 21, 2012 / **Report Date:** March 28, 2012

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Elyse Hale – Staff Scientist

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 8709 West Lilac Road, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located approximately 1,000 feet south of the intersection of West Lilac Road and Standel Lane and encompasses a total of 34.99-acres on four contiguous parcels identified as Assessor's Parcel Numbers (APNs) 127-072-38, -40, -41, and -46. According to the County of San Diego Assessor, subject parcels 127-072-38 and -40 have a physical address of 8709 West Lilac Road. The remaining two subject parcels do not have a physical address.

The subject property consists of mainly agricultural land including orchard groves on the majority of the property, and agricultural fields along the eastern property boundary. A single family residence is located in the northwest portion of the property and is occupied by the property owner. A second structure is located south of the main residence just east of Standel Lane, and appears to be utilized as a staging area for agricultural workers. In addition, storage tanks utilized by the Valley Center Municipal Water District are located within an easement on the southwest portion of the property (APN 127-072-46), and are not included as part of this Phase I ESA.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as RR – Rural Residential.

Based on historical records such as aerial photographs, and topographic maps, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared with orchards and utilized for agricultural purposes. In 1980, a single residence occupied the northwest portion of the property. Since 1974 the subject property has continued to be used for agricultural purposes. The water storage tanks have been located on the southwest portion of the property since approximately 1963.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

March 21, 2012, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *environmental conditions* (RECs) was noted on the subject property during our subject property reconnaissance efforts.

Based on the historical agricultural use of the property, EEI performed a limited agricultural chemical survey to evaluate soil beneath the subject property. Sampling activities were conducted on March 21, 2012. A total of 30 discrete soil samples (ACR-1 through ACR-30), were collected at 6-inches below ground surface and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, six (6) composite samples (Composite #1 through Composite #6) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed that no concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-1, ACR-2, ACR-3, ACR-4, ACR-5, ACR-15, and ACR-17. Concentrations of lead ranged from 3.0 mg/kg (ACR-5) to 5.4 mg/kg (ACR-3). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

Concentrations of DDE were detected in samples Composite # 1 through Composite #6. Concentrations of DDE ranged from 81 µg/kg (Composite #2) to 320 µg/kg (Composite #5). . ~~No other samples reported DDE above the laboratory reporting limit (i.e., "non-detect").~~ Concentrations of DDT were reported in sample Composite #1 through Composite # 6. Concentrations of DDT ranged from 31 µg/kg (Composite #3) to 42 µg/kg (Composite #1). ~~No other samples reported DDT above the laboratory reporting limit (i.e., "non-detect").~~ No other organochlorine pesticide concentrations were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

The reported concentrations of lead, DDE, and DDT detected in composite soil samples collected during this investigation were less than the California Human Health Screening Levels (CHHSL) for a residential land use of 150 mg/kg (lead) and 1,600 µg/kg (DDE and DDT). Therefore, further investigation does not appear to be warranted at this time.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APN 127-072-38, -40, -41, and -46, at 8709 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

In addition EEI has the following comment:

- Three 55-gallon storage drums, two of which were full (contents unknown), are located on the subject property. No leaks or stains were noted on or beneath the drums. EEI recommends that these drums be removed, and properly disposed of offsite.

- County records indicate the existence of permits for Septic Tank Installation and percolation tests for three proposed single family dwellings on the subject property (APNs 127-072-40, -41, and -46); however, there was no indication that these permits were ever finalized or any inspections completed. No septic systems were observed on these subject parcels during the site reconnaissance. If discovered during site improvements, and unless planned for future use, any septic systems (and/or water supply wells), either associated with the aforementioned permits or with the existing onsite residences, should be properly abandoned following County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 8709 West Lilac Road, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency. 71397

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located approximately 1,000 feet south of the intersection of West Lilac Road and Standel Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 34.99-acres on four contiguous parcels identified as Assessor's Parcel Numbers (APNs) 127-072-38, -40, -41, and -46 (**Appendix B**). According to the County of San Diego Assessor, subject parcels 127-072-38 and -40 have a physical address of 8709 West Lilac Road. The remaining two subject parcels do not have a physical address.

The subject property consists of mainly agricultural land including orchard groves on the majority of the property, and agricultural fields along the eastern property boundary. A single family residence is located in the northwest portion of the property and is occupied by the property owner. A second structure is located south of the main residence just east of Standel Lane, and appears to be utilized as a staging area for agricultural workers. In addition, storage tanks utilized by the Valley Center Municipal Water District are located within an easement on the southwest portion of the property (APN 127-072-46), and are not included as part of this Phase I ESA.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as RR – Rural Residential.

Based on historical records such as aerial photographs, and topographic maps, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared with orchards and utilized for agricultural purposes. In 1980, a single residence occupied the northwest portion of the property. Since 1974 the subject property has continued to be used for agricultural purposes. The water storage tanks have been located on the southwest portion of the property since approximately 1963.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 780 feet above mean sea level (amsl) (southeastern portion) to approximately 950 feet amsl (northwestern portion). Based on topographic relief, surface water drainage appears to be predominately to the southeast.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the site and in the vicinity of the site have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as the Fallbrook sandy loam series (FaE2), and the Cieneba coarse sandy loam series (CIG2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 65 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for more information. According to the website, a water well exists near the southeast corner of the subject property. According to the website, the well (Well No. 10S02W19E002S) was last measured in 1967, and indicated that the depth the-to-groundwater in the well was 11 feet below ground surface (bgs).

EEI requested a search for environmental records (i.e., wells or septic tanks) with the County. According to Ms. Sandy Johnson Senior Office Assistant, Department of Environmental Health Land & Water Quality Division, there are no water supply well records associated with the subject parcels APNs 127-072-38, -40, -41 and -46; however, three septic tank permits were on file and are discussed in 3.2.4 County of San Diego Land Use and Environmental Group.

Four (4) additional water supply wells were located to the south within the immediate vicinity of the subject property (Township 10S, Range 2 West, Section 19). According to the website, the wells were last measured in 1967, and indicated that the depth-to-groundwater in the wells ranged from 3.0 feet to 11 feet below ground surface.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, FIRM coverage for the subject property was not available for review (Panel No. 06073C0492F). EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to a Chicago Title Company Preliminary report dated October 13, 2011, provided by the client, the current owner of the subject property (APNs 127-072-38, -40, -41 and -46), is identified as the Dolores J. Nelson Revocable Trust. The current owner was listed with a mailing address: 32475 Standel Lane, Escondido, California 92026.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1939, 1942, 1947, 1948, 1951, 1953, 1963, 1968, 1974, 1975, 1980, 1990-91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the aerial photograph and historical topographic map review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. Based on the data reviewed, the subject property was undeveloped from at least 1939 to 1974. In 1974, the subject property appeared with orchards and utilized for agricultural purposes. In 1980, a single residence occupied the northwest portion of the property. Since 1974 the subject property has continued to be used for agricultural purposes. Also, a water storage tanks have been located within an easement on the southwest portion of the property since approximately 1963. The property where the water tanks are located is not a part of the subject property.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1939	Aerial Photograph 1:375	Subject property appeared to be undeveloped and covered with native vegetation. A drainage traversed north to south in the general site vicinity to the east. The surrounding area appeared to be undeveloped and covered with native vegetation.
1942	Topographic Map 1:62,500	Subject property appeared to be undeveloped. West Lilac Road was present to the north. Surrounding area appeared to be undeveloped land.
1947	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1939 photograph.
1948/ 1951	Topographic Map 1:24,000/25,000	No apparent changes were noted to the subject property since the 1942 topographic map. Interstate 15 (I-15) was present to the west.
1953	Aerial Photograph 1:750	Subject property appeared to be undeveloped. An unimproved road, presumably Shirey Road, was present to the east. Numerous unimproved roads were visible in the surrounding area.
1963	Aerial Photograph 1:375	A water storage tank appeared within the southwest corner of the subject property. The remaining portion of the property appeared as undeveloped land. Orchards and residences appeared adjacent and to the south and southeast. Rural residential development appeared to the north.
1968	Topographic Map 1: 24,000	A water tank was present within the southwest corner of the subject property. The subject property and surrounding area was shaded green, which signified agricultural-related land use. Standel Lane and Shirey Road were present in the site vicinity.
1974	Aerial Photograph 1:375	The majority of the subject property appeared utilized for agricultural purposes as orchards. The water tank remained within southwest portion of the property. Unimproved road bisected the central portion of the property from east to west. Increased agricultural use (orchards) was observed in the surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	A clearing and a structure were present on the northwest portion of the subject property. No other apparent changes were noted to the subject property since the 1974 aerial photograph.
1990-1991	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 aerial photograph, except for the addition of another water tank within the southwest portion.
2002	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1990-91 aerial photograph. Additional development was observed to the east.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of a residence on the northwest portion and agricultural land use on the remaining portions. Two water tanks remained within the southwest portion of the property. No other pertinent information or environmental issues were noted.

3.2.2 City/County Directory

Directory listings associated with the subject property (8709 West Lilac Road) was requested from Track Info Services/FirstSearch®, an environmental information/database retrieval service. At the time of this report, the information had not been received. Based on the information gathered from readily available sources, and the residential nature of the subject property and surrounding area, EEI does not consider the absence of this information to affect the validity of this Phase I ESA.

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were on file for the subject property: 8709 West Lilac Road; and APNs: 127-072-38, -40, -41 and -46.

In addition, EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining to any septic or water supply well permits associated with the subject property. According to Ms. Sandy Johnson Senior Office Assistant, Department of Environmental Health Land & Water Quality Division, permits were on file for three of the four subject parcels. The following bulleted items summarize the information reviewed. **Appendix D** contains excerpts of the information reviewed.

- APN 127-072-40: September 9, 1981, Permit for Septic Tank Installation and percolation test for a proposed single-family dwelling. Address listed as 8709 West Lilac Road.

- APN 127-072-41: September 9, 1981, Permit for Septic Tank Installation and percolation test for a proposed single-family dwelling. Address listed as 8709 West Lilac Road.

- APN 127-072-46: September 9, 1981, Permit for Septic Tank Installation and percolation test for a proposed single-family dwelling.

Each of the above referenced permits was issued to Mr. and Mrs. Stanley Nelson. There was no indication that any of the three permits were ever finalized or any inspections completed.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

For discussion purposes, the term "non-geocoded" is applied to sites that either have non-existent or incomplete addresses. EEI has located these sites, based on the location description provided in the records search. Following is a list of databases that were reviewed in the preparation of this report.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal Brownfield – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One non geocoded listing was reported: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – One listing was reported within one-quarter mile of the subject property: **Green Co. Farms** (32163 Old Highway 395, 0.44 miles west). The waste type was listed as "green waste." Based on this information and the location (i.e. greater than one-quarter mile from the subject property), the listing is not considered to be an environmental concern at this time.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-eighth mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

HW Manifest – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APNs: 127-072-38, -40, -41 and -46. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19 and 24).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is being represented by the entity on whose behalf the Phase I ESA is being prepared. Pertinent information provided by Mr. John Rilling, with Accretive Investments, Inc., regarding the subject property is documented below in Section **3.6 User Provided Information**. No indications of environmental concern were noted by Mr. Rilling (see below).

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that his specialized knowledge related to the subject property included the information that the property has been utilized for farming.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to county requirements related to the purchase of the subject property.

3.7 Previous Assessments

Based on the information provided by the client, Mr. Jon Rilling, no previous site investigation activities have been conducted on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on the age of the on-site structure (constructed between 1974 and 1980), there is a likely hood of ACM present within materials such as floor tiles, wallboard, and roofing at the subject property; therefore, if subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials is conducted prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age of the onsite structures (constructed between 1974 and 1980), there is a potential that lead-based paint exists in the building. If site improvements or demolition activities are conducted on the subject property structure, EEI recommends lead-based paint testing of building materials is conducted prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the US with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines were observed originating at the northwest property corner (at Standel Lane) and running northwest to southeast within the western portion of the subject property. Three pole-mounted transformers were observed on the line located within the subject property. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On March 21, 2012, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Ms. Cassandra Costa with Accretive Investments, Inc. provided access to the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix G**), and summarized in **Table 3**.

The subject property is located approximately 1,000 feet south of the intersection of West Lilac Road and Standel Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 34.99-acres on four contiguous parcels. A residence is located on the northwest portion of the subject property and is identified as 8709 West Lilac Road.

Access to the subject property can be obtained from the northeast along Standel Lane, which borders the majority of the western property boundary. The subject property consists of agricultural land including orchard groves on the majority of the property, and agricultural fields along the eastern property boundary. An occupied single family residence is located in the northwest portion of the property. A second structure is located south of the main residence just east of Standel Lane, and appears to be utilized as a staging area for agricultural workers. The property is unfenced. Unimproved access roads were observed throughout the property and include an east to west trending road which traverses the center of the property.

A natural drainage which runs north to south is located just outside the eastern property margin. Two smaller natural drainages trend west off of this drainage and onto the subject property in two areas of lower elevation at the northeast corner and east-central portion.

Two above ground water storage tanks, utilized by Valley Center Municipal Water District are located within an easement on the southwestern portion of the subject property. The area of water tanks was not included in this Phase I ESA.

The single family structure located in the northwest portion of the property is accessed from the west along Standel Lane and is surrounded by mature orchards. The structure, a single family residence occupied by the property owner, appeared in good and newer condition. An interior reconnaissance of the structure was not conducted. A smaller, secondary structure, which is also occupied, is located south of the main residence just east of, and accessed from, Standel Lane. EEI observed several plastic storage crates near the smaller structure. South of the smaller structure, EEI observed calcium nitrate fertilizer stored on pallets along with miscellaneous construction materials. Also in this area, EEI observed three (3) metal storage drums labeled as "Valvoline," two of which were full. No leaks or stains were noted on the drums or the surface below the drums. Further to the south (just north of the water storage tanks), EEI observed two empty plastic above ground storage tanks (ASTs), one of which was in disrepair. A third AST, constructed of metal and filled with sand was noted in this area. Associated piping and valves was observed near the metal AST. Several bottles of phosphorous acid fertilizer containers were observed near the plastic ASTs. Various farm and irrigation supplies and miscellaneous farming equipment was observed on this portion of the subject property. The subject property is surrounded by agricultural related land use, and rural residences.

No evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling *was* noted on the subject property during our site reconnaissance.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	None observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

The subject property has been and continues to be utilized for agricultural purposes. It is likely that restricted agricultural chemicals were applied to subject property soils, which is a potential REC. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the size of the property (34.99-acres), and EEI's experience at similar sites, a total of thirty (30) discrete soil samples, were collected at near-surface (6-inches below grade) locations on the subject property. The following sections discuss our investigation activities.

5.1 Field Investigation

On March 21, 2012, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of thirty discrete locations (identified as ACR-1 through ACR-30, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately 6- inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 30 discrete soil samples (ACR-1 through ACR-30) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of six (6) composite samples (identified as Composite #1 through Composite #6) from the discrete samples at a ratio of 5:1. All six (6) composite samples (Composite #1 through Composite #6) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect) in any of the samples analyzed.

- Lead was reported in samples ACR-1, ACR-2, ACR-3, ACR-4, ACR-5, ACR-15, and ACR-17 at 3.5 milligrams per kilogram (mg/kg), 3.5 mg/kg, 5.0. mg/kg, 4.9 mg/kg, 3.0 mg/kg, 5.4 mg/kg, and 4.8 mg/kg. . No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

- DDE was reported in sample Composite # 1 through Composite #6 at 240 micrograms per kilogram (µg/kg), 81 µg/kg, 150 µg/kg, 140 µg/kg, 320 µg/kg, and 210 µg/kg, respectively. ~~No other samples analyzed detected DDE above the laboratory reporting limit (i.e., "non-detect").~~

- DDT was reported above the laboratory detection limit in sample Composite # 1 through Composite #6 at 42 micrograms per kilogram (µg/kg), 35 µg/kg, 31 µg/kg, 37 µg/kg, 35 µg/kg, and 41 µg/kg, respectively. ~~No other samples analyzed detected DDT above the laboratory reporting limit (i.e., "non-detect").~~

- No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

The attached **Table 4** summarizes laboratory analytical results for chemicals of concern. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	3/21/2012	<5	**3.5**	NA	NA	NA	NA	NA
ACR-2	6	3/21/2012	<5	**3.5**	NA	NA	NA	NA	NA
ACR-3	6	3/21/2012	<5	**5.0**	NA	NA	NA	NA	NA
ACR-4	6	3/21/2012	<5	**4.9**	NA	NA	NA	NA	NA
ACR-5	6	3/21/2012	<5	**3.0**	NA	NA	NA	NA	NA
ACR-6	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-8	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-11	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	3/21/2012	<5	**5.4**	NA	NA	NA	NA	NA
ACR-16	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-17	6	3/21/2012	<5	**4.8**	NA	NA	NA	NA	NA
ACR-18	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-19	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-20	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-21	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-22	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-23	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-24	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-25	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-26	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-27	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-28	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-29	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
ACR-30	6	3/21/2012	<5	<3	NA	NA	NA	NA	NA
Composite #1	6	3/21/2012	NA	NA	<5	**240**	<5	**42**	<5-200
Composite #2	6	3/21/2012	NA	NA	<5	**81**	<5	**35**	<5-200
Composite #3	6	3/21/2012	NA	NA	<5	**150**	<5	**31**	<5-200
Composite #4	6	3/21/2012	NA	NA	<5	**140**	<5	**37**	<5-200
Composite #5	6	3/21/2012	NA	NA	<5	**320**	<5	**35**	<5-200
Composite #6	6	3/21/2012	NA	NA	<5	**210**	<5	**41**	<5-200

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	5-200

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed no concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Lead was detected above the laboratory reporting limit in samples ACR-1, ACR-2, ACR-3, ACR-4, ACR-5, ACR-15, and ACR-17. Concentrations of lead ranged from 3.0 mg/kg (ACR-5) to 5.4 mg/kg (ACR-3). No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

Concentrations of DDE were detected in samples Composite # 1 through Composite #6. Concentrations of DDE ranged from 81 µg/kg (Composite #2) to 320 µg/kg (Composite #5). . No other samples reported DDE above the laboratory reporting limit (i.e., "non-detect"). Concentrations of DDT were reported in sample Composite #1 through Composite # 6. Concentrations of DDT ranged from 31 µg/kg (Composite #3) to 42 µg/kg (Composite #1). No other samples reported DDT above the laboratory reporting limit (i.e., "non-detect"). No other organochlorine pesticide concentrations were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

EEI compared the reported lead, DDE and DDT concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

The reported lead concentrations ranging from 3.0 mg/kg and 5.4 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

The reported DDE and DDT concentrations did not exceed the California Human Health Screening Levels (CHHSL) residential land use scenario values of 1,600 µg/kg (DDE and DDT).

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by EEI to further evaluate subject property soils for agricultural chemicals.

      The results of our agricultural chemical survey (see section 5.0 –Limited Agricultural Chemical Survey) revealed no concentrations of arsenic in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of lead and organochlorine pesticides (DDE and DDT) were detected in select soil samples; however, the levels were less than CHHSL residential screening values. Therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

Based on the information obtained during the course of this investigation, the following historical data gaps were encountered.

Specific Gaps
The current and past owners of the subject property were unavailable; therefore, this historical source was not researched.

Resolution Efforts
EEI researched historic topographic maps, historic aerial photographs, and internet research to supplement historical information.

Opinions on Data Gap Significance
Based on the information gathered from readily available sources, EEI does not consider the absence of this interview to effect the validity of this Phase I ESA.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed. Accordingly, EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APN 127-072-38, -40, -41, and -46, at 8709 West Lilac Road, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property.

In addition EEI has the following comment:

- Three 55-gallon storage drums, two of which were full (contents unknown), are located on the subject property. No leaks or stains were noted on or beneath the drums. EEI recommends that these drums be removed, and properly disposed of offsite.

- County records indicate the existence of permits for Septic Tank Installation and percolation tests for three proposed single family dwellings on the subject property (APNs 127-072-40, -41, and -46); however, there was no indication that these permits were ever finalized or any inspections completed. No septic systems were observed on these subject parcels during the site reconnaissance. If discovered during site improvements, and unless planned for future use, any septic systems (and/or water supply wells), either associated with the aforementioned permits or with the existing onsite residences, should be properly abandoned following County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed March 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed March 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed March 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed March 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed March 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed March 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed March 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed March 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed March 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed March 2012.

United States Geological Survey (USGS) 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS

APPENDIX D
COUNTY OF SAN DIEGO RECORDS

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SAMPLING
LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
86.8-Acre "Shirey Falls, LP" Property
APNs 128-280-27, 128-290-07, 128-440-02, -03 and -~~0~~17 through -21
9151 and 9153 West Lilac Road and 32444 Birdsong Drive
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 27, 2012

EEI Project Number ACR-71387.1a

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

86.8-Acre "Shirey Falls, LP" Property
APNs 128-280-27, 128-290-07, 128-440-02, -03 and -~~0~~17 through -21
9151, 9153 West Lilac Road and 32444 Birdsong Drive
Escondido, California 92026
EEI Project Number ACR-71387.1a

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71387.1a

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 3
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 5

3.0 SUBJECT PROPERTY BACKGROUND **5**
3.1 Subject Property Ownership 5
3.2 Subject Property History 5
3.2.1 Aerial Photograph and Historical Map Review 5
TABLE 1 - Summary of Historical Use Review 6
3.2.2 City/County Directories 7
TABLE 2 – Summary of City/County Directory Search 7
3.2.3 Sanborn Fire Insurance Maps 8
3.2.4 County of San Diego Land Use and Environmental Group 8
3.3 Regulatory Database Search 8
3.3.1 Federal Databases 8
3.3.2 State and Regional Sources 9
3.4 Regulatory Agency Review 10
3.4.1 Deer Springs Fire Protection District 10
3.4.2 County of San Diego Department of Environmental Health 10
3.4.3 State Water Resources Control Board 10
3.4.4 Department of Toxic Substances Control 10
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 11
3.4.6 National Pipeline Mapping System 11
3.5 Interview with Current Property Owner 11
3.6 User Provided Information 11
3.6.1 Environmental Liens or Activity and Use Limitations 11
3.6.2 Specialized Knowledge 11
3.6.3 Valuation Reduction for Environmental Issues 11
3.6.4 Presence or Likely Presence of Contamination 12
3.6.5 Other 12
3.7 Previous Assessments 12
3.8 Other Environmental Issues 14
3.8.1 Asbestos-Containing Materials 14
3.8.2 Lead-Based Paint 14
3.8.3 Radon 14
3.8.4 Polychlorinated Biphenyls 15

TABLE OF CONTENTS (Continued)

4.0 SUBJECT PROPERTY RECONNAISSANCE **15**
4.1 Purpose 15
4.2 Subject Property 16
TABLE 3 – Summary of Subject Property Reconnaissance 17
4.3 Adjacent Properties 17

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY **18**
5.1 Field Investigation 18
5.2 Laboratory Analytical Program 18
TABLE 4 - Soil Sample Results 19
5.3 Discussion of Testing Results 20

6.0 FINDINGS AND OPINIONS **20**

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES **21**
7.1 Historical Data Gaps 21
7.2 Regulatory Data Gaps 21
7.3 On-site Data Gaps 21
7.4 Deviations from ASTM Practices 21

8.0 CONCLUSIONS **22**

9.0 REFERENCES **23**

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – County of San Diego Records
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log
Appendix H – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 86.8-Acre "Shirey Falls, LP" Property

EEI Project Number: ACR-71387.1a

Subject Property Information:
APNs 128-280-27, 128-290-07, 128-440-02, -03 and -17 through -21
9151, 9153 West Lilac Road and 32444 Birdsong Drive
Escondido, California 92026

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

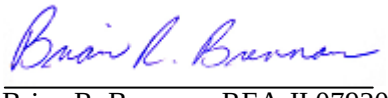
Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 16, 2011 / **Report Date:** March 27, 2012

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

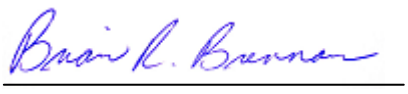
Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).



Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.



Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located south of West Lilac Road and its intersection with Shirey Road and Birdsong Drive, Escondido, California. The subject property encompasses a total of 86.8-acres on nine parcels identified as Assessor's Parcel Numbers (APNs) APN 128-280-27, 128-290-07, 128-440-02, -03, and -17 through -21. The subject property is identified by three physical addresses including: 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive.

The subject property is bound by West Lilac Road to the north; undeveloped agricultural property to the south; agricultural land to the east; a fire station and rural residence to the west of the northern portion (beyond Birdsong Drive) and by Shirey Road with rural residential and agricultural land to the west of the southern portion.

Access to the subject property can be obtained from Birdsong Drive which trends south from West Lilac Road. Two residential structures are located in the northern portion of the subject property. The remaining portions of the subject property generally consist of a mix of mature citrus orchards under active cultivation and undeveloped land, accessible via unimproved roads in various conditions.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the subject property has been developed with structures on the northern portion and utilized for agricultural-related land use.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 16, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. An AST, currently empty, is present to the central portion of the subject property. No signs of leakage or staining were noted on the tank or on the ground surface below the AST.

EEI reviewed previous reports prepared for the subject property by AEI Consultants (AEI) and TRC Consultants, Inc. (TRC) from 2005, 2006, and 2007. A Phase I ESA and two Limited Phase II Subsurface Investigations were conducted by AEI on subject parcels APNs 128-280-27, 128-440-03, 128-290-07 (9151 West Lilac Road), in 2005, and 2006, respectively. Based on the past and present agricultural use identified on the property in the 2005 Phase I ESA, a limited Phase II Investigation was conducted by AEI in 2006. Laboratory analytical results from soil sampling reported concentrations of restricted agricultural chemicals in site soils, which included Endrin. The Endrin concentrations were less than EPA residential Preliminary Remediation Goals (PRGs); however, one location exceeded California Total Threshold Limit Concentrations (TTLC) for hazardous waste classification. Based on this information, TRC conducted additional soil sampling at the site to evaluate the reported endrin concentrations. According to TRC follow-up sampling and analysis conducted did not replicate Endrin above California TTLC. TRC concluded that there is a low likelihood that future construction grading activities would generate a stockpile, which when characterized in accordance with Chapter Nine of SW-846, would be characterized as a hazardous waste.

AEI also conducted a Phase I ESA and Limited Pesticide Investigation for subject parcel APN 128-440-02 (32444 Birdsong Drive) in 2007. Based on the past and present agricultural use identified on the subject parcel in the Phase I ESA, AEI collected soil samples from 21 locations throughout the parcel to evaluate potential impacts from historical agricultural activities. One of the composite samples reported toxaphene at 364 micrograms per kilogram (µg/kg). Therefore, all discrete soil samples from the composite sample were subsequently analyzed. Only one of the discrete samples (AEI-S16) reported toxaphene at 663 µg/kg, which exceeded the residential PRG and CHHSL value of 440 µg/kg. The report indicated that organochlorine pesticide-impacted soil due to on-site agricultural activities is prevalent in the northwestern portion of the property. However, AEI stated, contaminant concentrations exceeding regulatory guidelines were only detected in one soil sample, AEI-S16, which was collected from a half-acre subdivision and that the pervasiveness of the elevated toxaphene concentrations was unknown. AEI recommended additional investigation to further define the extent of toxaphene-impacted soil. Based on the information reviewed in the above referenced AEI report, toxaphene-impacted soil above residential screening levels remains on the subject property.

Based on the information reviewed in the above-referenced AEI reports, and the proposed future residential use of the subject property, EEI performed a limited agricultural chemical survey on the portion of the site (APN 128-440-17 through -21), which had not been previously investigated. Sampling activities were conducted on December 16, 2011. A total of sixteen (16) discrete soil samples (ACR-1 through ACR-16), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B. Additionally, four (4) composite samples (Composite #1 through Composite #4) (prepared by a California-State certified laboratory), were analyzed for Organochlorine Pesticides by EPA Method 8081A.

The results of EEI's agricultural chemical survey revealed no concentrations of arsenic or lead above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from APN 128-440-17 through -21. Endosulfan sulfate ("Endosulfan") was reported at 16 µg/kg in sample Composite #1. No other composite samples detected Endosulfan above the laboratory reporting limit (i.e., "non-detect"). No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

The reported Endosulfan concentration of 16 µg/kg is less than the San Francisco Bay Regional Water Quality Control Board, residential Environmental Screening level of 82,000 µg /kg. Therefore, further investigation does not appear to be warranted at this time.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive, Escondido, California. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- An AST, currently empty, is present along the central portion of the subject property. No signs of leakage or staining were noted on the tank or on the ground surface below; therefore, no further investigation appears to be warranted. EEI recommends that the AST be removed from the property and properly disposed of off-site.

- Portions of the subject property have and continue to be utilized for agricultural purposes. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed to further evaluate site soils for restricted agriculture chemical residues. EEI conducted limited soil sampling in areas not previously investigated. The results of EEI's sampling did not reveal concentrations of arsenic, lead, or organochlorine concentrations in excess of residential screening levels.

  Previous sampling conducted by AEI revealed concentrations of organochlorine pesticides in near-surface soils, which were less than residential screening values, except for toxaphene. Toxaphene-impacted soil above residential screening levels remains on the northwest portion of the subject property. Therefore, EEI recommends additional investigation is conducted to delineate the vertical and lateral extent of toxphene-impacted soil in the northwest portion of the subject property.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- County records indicate that multiple water supply wells and septic sewage disposal systems are located on the subject property. Unless planned for future use, these features should be properly abandoned following State and County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located at 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located south of West Lilac Road and its intersection with Shirey Road and Birdsong Drive, Escondido, California (**Figure 2**). The subject property encompasses a total of 86.8-acres on nine parcels identified as Assessor's Parcel Numbers (APNs) APN 128-280-27, 128-290-07, 128-440-02, -03, and -17 through -021 (**Appendix B**). The subject property is identified by three physical addresses including: 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive. Two residential structures are located in the northern portion of the subject property. The remaining portions of the subject property generally consist of a mix of mature citrus orchards under active cultivation and undeveloped land, accessible via unimproved roads in various conditions.

Access to the subject property can be obtained from Birdsong Drive which trends south from West Lilac Road. The subject property is bound by West Lilac Road to the north; undeveloped agricultural property to the south; agricultural land to the east; a fire station and rural residence to the west of the northern portion (beyond Birdsong Drive) and by Shirey Road with rural residential and agricultural land to the west of the southern portion.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the subject property has been developed with structures on the northern portion and utilized for agricultural-related land use.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 620 feet above mean sea level (amsl) (southwestern portion) to approximately 920 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the southwest.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceousage) granitic rocks (Tan, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Cieneba course sandy loam (CIE2) and the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI observed a cement well with associated wiring (not in operating condition) in the south-central portion of the subject property. The well was uncovered. Additionally, a small stone well, with a wooden cover was observed approximately 350 feet south of the cement well of the aforementioned cement well. A cement cistern, which appeared empty and covered with a metal grate, was observed on the central portion of the subject property.

EEI contacted the County of San Diego Department of Environmental Health, Land and Water Quality Division, for information pertaining to any potential water supply wells or septic sewage systems located on the subject property. According to Ms. Sandy Johnson, Senior Office Assistant with the County, the following well/septic system permits were on file associated with the subject parcels. **Appendix C** contains copies of the permits.

- APN 128-290-07 (9145 West Lilac Road) – a well permit for the destruction of a 35 feet deep water well, and the reconstruction of a 32 feet deep water well dated February 27, 2001. A location map indicated the wells were both located at the northwest corner of APN 128-290-07 (the northwest corner of the overall site, west of Birdsong Drive).

- APN 128-440-03 (9145 West Lilac Road) – a well permit for the destruction of a 58 feet deep water well dated March 10, 2001. A location map indicated the well was located on the northern portion of APN 128-440-03.

- APN 128-440-21 (no address) – a well permit for a 23 feet deep water well completed on March 17, 1997. A location map indicated the well was located on the southeast corner of APN 128-440-21.

- APN 128-440-02 (32444 Birdsong Drive) – a permit for septic tank installation and percolation test for a proposed single family dwelling dated April 20, 2001. The permit indicated the system was inspected and approved on August 22, 2001.

- APN 128-440-17 (no address) – a septic tank installation (1,000-gallon) for a proposed residential structure, dated April 6, 1988. The proposed residence and tank was indicated to be located on the northwest portion of APN-128-440-17.

- APN 128-440-19 (no address) – Information pertaining to a proposed septic system and percolation test, dated April 11, 1989.

- APN 128-440-20 (no address) – Information pertaining to a proposed septic system and percolation test, dated April 6, 1988.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or close to the subject property. According to the website, at least one water supply well appeared to be located on the subject property, and several appeared to be located adjacent and to the north and west. The well which appeared to be on-site, "10S02W19E001S" was located on the northeastern portion of the subject property, and was last measured in 1967 with a depth-to-groundwater of approximately 14.0 feet below ground surface (bgs). The offsite well appeared located near the northern subject property boundary at the southern terminus of Birdsong Drive. The well "10S02W19D002S" was measured in 1967 with a depth-to-groundwater of 40 feet bgs. Several wells appeared adjacent and to the west of the subject property along Shirey Road, and were reported with depth-to-groundwater ranging from 3 feet to 11 feet bgs (measured in 1967).

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject parcels (APNs 128-280-27, 128-290-07, 128-440-02, and -03) is identified as Shirey Falls, LP, with the following mailing address: 12275 El Camino Real, Unit 110, San Diego, California 92130. The current owner of the subject parcels 128-440-17 through -021 is identified as Shahran Way, LP, with the following mailing address: 751 Teakwood Avenue, La Habra, California 90631.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2008 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2012, the subject property appeared with structural development on the northern portion and utilized for agricultural-related land use (citrus orchards).

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property, adjacent and surrounding property appeared undeveloped and covered with native vegetation. A dirt road, oriented northeast to southwest, was visible near the central portion of the subject property. A drainage traversed the southeastern portion of the subject property from northeast to southwest. Adjacent property to the northwest and northeast appeared with residences and agriculture.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. Unimproved roads and sparse development were present in the site vicinity. West Lilac Road was present to the north and Highway 395 to the west.
1953	Aerial Photograph 1:375	Subject property remained undeveloped. Additional unimproved roads appeared on the adjacent properties. No other changes were noted on the adjacent or surrounding property since the 1946 photograph.
1963	Aerial Photograph 1:375	A structure was present on the northern portion of the subject property near the southern terminus of Birdsong Drive, while the southern portion appeared utilized for agriculture. A dirt road remained traversing the property. Site vicinity was mix of residential and agriculture.
1968	Topographic Map 1: 24,000	Unimproved roads, Shirey Road and Birdsong Drive appeared in the site vicinity. The southern portion of the subject property and surrounding area were shaded green, which signified agricultural-related land use.
1975	Aerial Photograph 1:375	The northern (east of Birdsong Drive) and southern portions of the subject property now appeared utilized for agriculture (orchards); while an additional structure appeared onsite near the southern terminus of Birdsong Drive. Small agricultural water retention ponds were present on the central (northeast side of orchard) and south central portion (along natural drainage).
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1975 topographic map.
1990/91	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1980 topographic map.
2002	Aerial Photograph 1:375	Additional structural development appeared on the north central portion of the subject property, west of the southern terminus of Birdsong Drive. Orchards remained on the northern, central, and southern portions; with some areas remaining undeveloped.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of orchards on the northern, central, and southern portions. Structures were present on the northern portion of the property east and west of the terminus of Birdsong Drive. The agricultural pond at the central portion appeared empty; and agricultural ponds along the natural drainage appeared less apparent. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9151, 9153 W. Lilac Road; 32444 Birdsong Drive) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property addresses on Lilac Road were not listed in the directories from 1974 to 1981; however, 9151 Lilac Road was listed with a residential listing in 1986, and again in 2011.

The subject property address on Birdsong Drive was not listed in the directories from 1974 through 2011. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9151, 9153 W. Lilac Road, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2011		
9137 W. Lilac Road Mike Salm	**9151 W. Lilac Road- Shirey Falls; Amborsio Vigil** **9153 W. Lilac Road- Address not listed**	9381 W. Lilac Road Wayne Nutt
1997, 2002, and 2007		
9137 W. Lilac Road Mike Salm, Donna Salm	**9151, 9153 W. Lilac Road** **Address not listed**	9381 W. Lilac Road Wayne Nutt
1992		
9137 W. Lilac Road No listing	**9151, 9153 W. Lilac Road** **Address not listed**	9381 W. Lilac Road Zosa Ranch
1986		
9137 W. Lilac Road Richard Corcilius	**9151 W. Lilac Road-O.H. Englehart** **9153 W. Lilac Road** **Address not listed**	9381 W. Lilac Road Wm. Martin; Roger Murphy
1981		
9137 W. Lilac Road No listing	**9151, 9153 W. Lilac Road** **Address not listed**	9407 W. Lilac Road Chas J. Wolk
1974		
W. Lilac Road First listing this street 9867	**9151, 9153 W. Lilac Road** **Address not listed**	9867 W. Lilac Road Noel Walker
32444 Birdsong Drive, Escondido, California 92026		
2011		
9137 W. Lilac Road Mike Salm	**32444 Birdsong Drive – Address not listed**	9167 W. Lilac Road Wayne Nutt
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were available for the subject property.

In addition, EEI requested a search for environmental records with County. Records were on file for subject property parcels APNs 128-280-27, 128-440-03 and -18. The following bulleted items summarize the information reviewed. **Appendix D** contains excerpts of the information reviewed.

- APN 128-280-27 and 128-440-03 (9151 West Lilac Road) – Information pertaining to the March 14, 2005, condemnation of two single family dwellings (one located on each parcel) due to no approved water or electrical service to the occupied dwellings. Subsequent information from June 27, 2006, indicated that repairs and renovations at the property had been completed and inspected by the County of San Diego DEH, and that the dwellings were safe to re-occupy.

- APN 128-440-18 (no address) – Information pertaining to the adjustment of property lines dated November 20, 1989.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – One listing was reported within one-quarter mile of the subject property. The site, **Miller Fire Station, CDF** (9127 West Lilac Road), is located adjacent and to the west of the northern portion of the subject property along the south side of Lilac Road. According to the listing, the regulatory status of the tank was listed as "removed" as of March 18, 1997. Operating permits are not generally rationale for environmental concern, unless a release has occurred at the site. The listing has not reported a release; therefore, is not considered a concern.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – One listing was reported within one-quarter mile of the subject property. The site, **Miller Fire Station, CDF** (9127 West Lilac Road), is located adjacent and to the west of the northern portion of the subject property. The site also reported a removed UST permit (see above). State permits are not generally rationale for environmental concern, unless a release has occurred at the site. The listing has not reported a release; therefore, is not considered a concern.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APN 128-280-27, 128-290-07, 128-440-02, -03, and -17 through -021and the subject addresses of 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board (SWRCB). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is being represented by the entity on whose behalf the Phase I ESA is being prepared. Pertinent information provided by Mr. John Rilling, with Accretive Investments, Inc., regarding the subject property is documented below in Section **3.6 User Provided Information**. No indications of environmental concern were noted by Mr. Rilling (see below).

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that the subject property has been used for farming. Mr. Rilling did not indicate that he had any other specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the Client, Mr. Jon Rilling, previous site investigation activities have been conducted on the subject property. The following section summarizes the information EEI reviewed.

AEI Consultants, 2005, "Phase I Environmental Site Assessment, APNs 128-280-27, 128-440-03, 128-290-07, 9151 West Lilac Road, Escondido, California 92026, AEI Project No. 26853," dated July 12.

AEI Consultants, 2005, "Limited Phase II Subsurface Investigation, APNs 128-280-27, 128-440-03, 128-290-07, 9151 West Lilac Road, Escondido, California 92026, AEI Project No. 27122," dated July 27.

AEI Consultants, 2006, "Limited Phase II Subsurface Investigation, APNs 128-280-27, 128-440-03, 128-290-07, 9151 West Lilac Road, Escondido, California 92026, AEI Project No. 27122," dated January 9.

TRC Consultants, Inc, 2006, "Report of Additional Site Assessment, APNs 128-280-27, 128-440-03, 128-290-07, 9151 West Lilac Road, Escondido, California 92026, AEI Project No. 27122," dated March 23.

According to the information reviewed, the subject property was comprised of agricultural and rural dwellings. The property totaled approximately 59-acres and was improved with an orchard, and two (2) single-story duplex residential dwellings, totaling 1,340 square feet and 1,476 square feet in size, which were unoccupied. The property was developed with the dwellings in 1965 and 1963, respectively. The immediately surrounding properties consisted of agricultural properties and residential dwellings. Historical sources reviewed during the preparation of the ESA confirmed past agricultural use of the subject property, including the cultivation of orchards. AEI concluded that no on-site RECs were identified; however, based on the past and present agricultural use of the property, recommended further investigation.

Based on the past and present agricultural use identified on the subject property, additional investigation was performed by AEI. A single sampling event was conducted by AEI on-site; however, the results were reported in two reports (identified above). A total of 83 soil samples were collected and analyzed for Organochlorine Pesticides by EPA Method 8081A. Laboratory analytical results from soil sampling reported concentrations of restricted agricultural chemicals in site soils, which included Endrin. The endrin concentrations were less than EPA residential Preliminary Remediation Goals (PRGs); however, one location exceeded California Total Threshold Limit Concentrations (TTLC) for hazardous waste classification. AEI recommended that further testing to vertically and horizontally characterize the Endrin throughout the subject property be conducted and to assess if mitigation measures are necessary.

In 2006, TRC Consultants, Inc. (TRC) conducted additional soil sampling at the site to evaluate the reported Endrin concentrations. According to TRC all detected pesticide concentrations were less than residential PRGs and California Human Health Screening Levels (CHHSLs); therefore, do not pose a significant risk to human health and should not hinder future site development. Additionally, TRC stated that regarding Endrin, only one of 83 samples analyzed exceeded the California hazardous waste criteria, Total Threshold Limit Concentration (TTLC). Comprehensive follow-up sampling and analysis conducted by TRC did not replicate Endrin above California TTLC. TRC concluded that there is a low likelihood that future construction grading activities would generate a stockpile, which when characterized in accordance with Chapter Nine of SW-846, would be characterized as a hazardous waste.

AEI Consultants, 2007, "Phase I Environmental Site Assessment, APN 128-440-02, 32444 Birdsong Drive, Escondido, California 92026, AEI Project No. 272614," dated June 13.

AEI Consultants, 2007, "Limited Pesticide Investigation, APN 128-440-02, 32444 Birdsong Drive, Escondido, California 92026, AEI Project No. 273120," dated July 5.

The aforementioned Phase I ESA was conducted for the subject parcel located south and west of Birdsong Drive, at the northwest corner of the overall subject property. The parcel totaled approximately 10.63 acres and was improved with a one-story single-family residence with attached garage and observation deck (constructed in 2001), which were unoccupied. The remainder of the property was undeveloped, vacant land. Historical sources reviewed during the preparation of the ESA confirmed past agricultural use of the property. AEI concluded that no on-site RECs were identified; however, based on the past agricultural use of the property, further investigation was recommended.

In July 2005, AEI collected soil samples from 21 locations throughout the parcel to evaluate potential impacts from historical agricultural activities. A total of 11 samples (8 composite and 3 discrete samples) were analyzed for Organochlorine Pesticides by EPA Method 8081A. One of the composite samples had a concentration of Toxaphene (364 µg/kg) that suggested discrete samples of the composite may exceed regulatory guidelines. The discrete samples of the composite sample were subsequently analyzed. Only one of the discrete samples (AEI-S16 reported at 663 µg/kg) exceeded the residential PRG and CHHSL for Toxaphene (440 µg/kg).

The report stated that the results indicated that OCP-impacted soil due to on-site agricultural activities is prevalent in the northwestern portion of the property. However, the consultant stated, contaminant concentrations exceeding regulatory guidelines were only detected in one soil sample, AEI-S16, which was collected from a half-acre subdivision and that the pervasiveness of the elevated Toxaphene concentrations in the half acre subdivision was unknown. AEI recommended additional investigation to further define the extent of significantly impacted soil. The report stated that the additional investigation should be conducted prior to any on-site activities that would expose individuals to the elevated OCP concentrations (e.g., site development) and/or would disturb impacted soil (e.g., grading). The consultant noted that soil in the vicinity of AEI-S16 may require special handling, transportation, and/or disposal. Based on the information reviewed in the above referenced AEI report, toxaphene-impacted soil above residential screening levels remains on the subject property. The toxaphene impacted soil identified by AEI is identified in **Figure 3**.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. Based on the age of at least one of the on-site structures (circa-1963), there is a likely hood of ACM present within materials such as floor tiles, wallboard, and roofing at the subject property; therefore, if subject property improvements or demolition activities are conducted on the subject property structures, EEI recommends ACM testing of building materials is conducted prior to improvements.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

Based on the age of at least one of the onsite structures (circa-1963), there is a potential that lead-based paint exists in the building. If site improvements or demolition activities are conducted on the subject property structure, EEI recommends lead-based paint testing of building materials is conducted prior to improvements.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines, with pole-mounted transformers are present on the northern portion (near the residences) and central portion of the subject property. The electrical transformers appeared to be in good operating condition and no signs of leaking were noted. Based on our experience with similar sites surrounding the subject property and San Diego County, PCB containing pole-mounted transformers is unlikely; therefore, is not considered an environmental concern at this time.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 16, 2011, EEI personnel conducted a site reconnaissance to visually observe the subject property and adjoining properties for conditions indicating a potential environmental concern. Environmental concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Visual conditions present during the site reconnaissance are documented in the Photographic Log (**Appendix G**), and summarized in **Table 3**.

The subject property is located in a mixed residential/agricultural area in Escondido, California. The subject property is situated on nine parcels of land (APN 128-280-27,128-290-07, 128-440-02, -03, and –17 through -021), which is comprised of 86.8-acres. The subject property is located to the south of West Lilac Road at Birdsong Drive. The subject property is bound by West Lilac Road to the north; undeveloped agricultural property to the south; agricultural land to the east; a fire station and rural residence to the west of the northern portion (beyond Birdsong Drive) and by Shirey Road with rural residential and agricultural land to the west of the southern portion.

The subject property is occupied by two structures in the northern portion of the property, near the southern terminus of Birdsong Drive (also known as Putnam Road). These structures appeared to be single or multi-family homes with stucco siding. A more detailed assessment could not be obtained without disturbing the residents. Near the entrance of the subject property is a dumpster and graded dirt pad with uncovered piles of gravel and construction debris nearby. Also stored in this open area are car batteries, scrap metal and other equipment, in an orderly fashion.

The property generally consists of citrus orchards under active cultivation, and undeveloped land. The property is accessible via unimproved roads in various conditions. The central portion of the property contains one main, mature citrus orchard area. Irrigation lines are present throughout the cultivated portion of the property. The northeast corner of the mature orchard contains a small man-made agricultural pond. Near the base of the pond there is a concrete cistern covered with a metal grate. The cistern appeared empty. The southeast corner of the mature orchard houses a metal above ground storage tank (AST) which appeared empty. No signs of leakage or staining were noted on the ground surface below the AST. South of the mature orchard are two large water storage tanks, located in the central portion of the site.

The south-central portion of the property is a mix of active citrus orchards, feral hillside and a natural drainage. Two empty, man-made agricultural ponds were observed along the natural drainage. According to the client, these ponds connect to an underground irrigation system and pumps are located within the ponds to transport water. Along the natural drainage area in the south-central portion of the property there is a cement well with associated wiring (not in operating condition), and no cover. Near this well there are several areas that contain debris and scrap, including pipe, appliances, and possible abandoned vehicles. There is an empty above ground metal storage tank with a large hole torn in the side located on the hillside southeast of this area. Scrap metal and other materials can be found near the tank as well. Approximately 350 feet o the southwest of the drainage area and above referenced cement well, EEI observed a small stone well with a wooden cover.

The southern-most portion of the property consists mainly active citrus orchards, with no visible evidence of dumping.

Based on EEI's site reconnaissance, with the exception of the aforementioned area of dumped debris and AST, no evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, USTs, ASTs, illegal dumping, or improper waste storage/handling was noted during the site reconnaissance.

TABLE 3 Summary of Site Reconnaissance		
Item	**Concerns**	**Comments**
General Housekeeping	No	The subject property appeared to be in fair condition.
Surface Spills	No	No concerns observed.
Stained Surfaces	No	No concerns observed
Fill Materials	No	No concerns observed.
Pits/Ponds/Lagoons	No	One (1) pond was observed on the property
Surface Impoundments	No	No concerns observed.
ASTs/USTs	No	One (1) unlabeled AST was observed in the central portion of the property.
Distressed Vegetation	No	No concerns observed.
Wetlands	No	No concerns observed.
Electrical Substations	No	No concerns observed.
Areas of Dumping	No	No concerns observed.
Transformers	No	No concerns observed.
Waste/Scrap Storage	No	Small quantities of metal scrap and debris were observed in several locations in the central portion of the property.
Chemical Use/Storage	No	No concerns observed.

4.3 Adjacent Properties

EEI conducted a visual reconnaissance of the adjoining properties (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. Surrounding property to the south, east and west of the subject property is generally a mix of undeveloped and agricultural land. Rural ranch properties are located immediately north of the property and to the west of Birdsong Drive. Most of these areas were not readily accessible due to the presence of gates and/or poor roads. An area offsite and on the adjacent property to the south, contained an area of dumped debris, including motor oil containers, appliances, tires, electronics, and other unlabeled containers.

An adjacent site, **Miller Fire Station, CDF** (9127 West Lilac Road), located adjacent and to the west of the northern portion of the subject property along the south side of West Lilac Road and west of Birdsong Drive, was listed as the site of a former UST (removed as of 1997) and also listed as a State Permit site. The presence of such permits is not generally rationale for environmental concern, unless a release has occurred at the site. The listing has not reported a release; therefore, is not considered a concern.

No other adjacent properties were identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

Previous investigations have been performed on the subject property by AEI Consultants. Investigation activities included site assessment and agricultural chemical surveys. Detailed information pertaining to historical site investigation activities is provided in Section **3.7 Previous Assessments.** However, a portion of the subject property, APN 128-440-~~19~~17 through -21 (16.9-acres) was not investigated for the presence (or absence) of restricted agricultural chemical residues. Therefore, based on the proposed future site use (residential) EEI conducted an agricultural chemical survey on APN 128-440-19 through -21.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 "*Interim Guidance for Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the fact that previous soil sampling had taken place on the other portions of the subject property, a total of 16 discrete soil samples, were collected at near-surface (6-inches below grade) within the portion of the subject property described above. The following sections discuss our investigation activities.

5.1 Field Investigation

On December 16, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the subject property. A total of 16 discrete locations (identified as ACR-1 through ACR-16, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately six-inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All 16 discrete soil samples (ACR-1 through ACR-16) collected during this investigation were analyzed for Arsenic and Lead by United States Environmental Protection Agency (U.S. EPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. Additionally, EEI instructed the laboratory, per DTSC guidelines, to create a total of four (4) composite samples (identified as Composite #1 through Composite #4) from the discrete samples at a ratio of 4:1. All four (4) composite samples (Composite #1 through Composite #4) were analyzed for Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic or lead were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

- Endosulfan sulfate (Endosulfan) was reported at 16 µg/kg in sample Composite #1. No other composite samples detected Endosulfan above the laboratory reporting limit (i.e., "non-detect").

- No other organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect") in any other composite samples.

The attached **Table 4** summarizes laboratory analytical results. Complete laboratory reports and COC documentation are provided in **Appendix H.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-2	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-3	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-4	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-5	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-6	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-7	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-8	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-9	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-10	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-11	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-12	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-13	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-14	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-15	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA
ACR-16	6	12/7/2011	<5	<3	NA	NA	NA	NA	NA

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
Composite #1	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #2	6	12/7/2011	NA	NA	<5	<5	<5	<5	Endosulfan - 16
Composite #3	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Composite #4	6	12/7/2011	NA	NA	<5	<5	<5	<5	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	<5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**Endosulfan 82,000**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey revealed no concentrations of arsenic or lead detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Endosulfan sulfate (Endosulfan) was reported at 16 µg/kg in sample Composite #1. No other composite samples detected endosulfan above the laboratory reporting limit (i.e., "non-detect"). No concentrations of organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

EEI compared the reported endosulfan concentrations to the San Francisco Bay, Regional Water Quality Control Board, Environmental Screening Levels (ESLs) (2008) for a residential land use scenario. The ESLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The reported endosulfan concentration of 16 µg/kg in sample Composite #1 was less than the ESL residential screening level of 82,000 µg/kg.

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

An AST, currently empty, is located along the central portion of the subject property. No signs of leakage or staining were noted on the tank or on the ground surface below the AST; therefore, no further investigation appears to be warranted. EEI recommends that the AST be removed from the property and properly disposed of off-site.

- Portions of the subject property have and continue to be utilized for agricultural purposes. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed to further evaluate site soils for restricted agriculture chemical residues. EEI conducted limited soil sampling in areas not previously investigated. The results of EEI's sampling did not reveal concentrations of arsenic, lead, or organochlorine concentrations in excess of residential screening levels.

  Previous sampling conducted by AEI revealed concentrations of organochlorine pesticides in near-surface soils, which were less than residential screening values, except for toxaphene. Toxaphene-impacted soil above residential screening levels remains on the northwest portion of the subject property.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including Client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9151 and 9153 West Lilac Road, and 32444 Birdsong Drive, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- An AST, currently empty, is present along the central portion of the subject property. No signs of leakage or staining were noted on the tank or on the ground surface below; therefore, no further investigation appears to be warranted. EEI recommends that the AST be removed from the property and properly disposed of off-site.

- Portions of the subject property have and continue to be utilized for agricultural purposes. Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed to further evaluate site soils for restricted agriculture chemical residues. EEI conducted limited soil sampling in areas not previously investigated. The results of EEI's sampling did not reveal concentrations of arsenic, lead, or organochlorine concentrations in excess of residential screening levels.

  Previous sampling conducted by AEI revealed concentrations of organochlorine pesticides in near-surface soils, which were less than residential screening values, except for toxaphene. Toxaphene-impacted soil above residential screening levels remains on the northwest portion of the subject property. Therefore, EEI recommends additional investigation is conducted to delineate the vertical and lateral extent of toxphene-impacted soil in the northwest portion of the subject property.

In addition to the above bulleted items, EEI has the following comments:

- There is a potential for Asbestos-Containing Material (ACM) and Lead-Based Paint (LBP) to be present in structures built prior to 1978. Prior to any future property improvements or demolition activities, ACM and LBP testing of on-site structures will likely be required.

- County records indicate that multiple water supply wells and septic sewage disposal systems are located on the subject property. Unless planned for future use, these features should be properly abandoned following State and County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

9.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed February 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed February 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed February 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed February 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed February 2012.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed February 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed February 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed February 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

San Francisco Bay, Regional Water Quality Control Board, Environmental Screening Levels (ESLs) (2008).

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed February 2012.

Tan, Siang S., 2000, Geologic Map of the Bonsall 7.5' Quadrangle, San Diego County, California, A Digital Database, (1:24,000), California Division of Mines and Geology (CDMG) in cooperation with the United States Geological Survey (USGS).

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed February 2012.

United States Geological Survey (USGS, 1975, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
COUNTY OF SAN DIEGO RECORDS

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION/PREVIOUS ASSESSMENTS (compact disc)

APPENDIX G
PHOTOGRAPHIC LOG

APPENDIX H
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT and LIMITED AGRICULTURAL CHEMICAL SURVEY

Accretive Investments, Inc.
58.6-Acre "Alligator Pears, LP" Property
APNs 128-290-11, 128-290-54 through 128-290-61.
128-290-75 and 128-290-78
9562 Covey Lane
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

January 23, 2012
(March 26, 2012 revisions)

EEI Project Number ACR-71387.1b

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT AND LIMITED AGRICULTURAL CHEMCIAL SURVEY

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

58.6-Acre "Alligator Pears, LP" Property
APNs 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78
9562 Covey Lane
Escondido, California 92026
EEI Project Number ACR-71387.1b

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71387.1b

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 2

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 3
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 4
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 6
3.2.3 Sanborn Fire Insurance Maps 6
3.2.4 County of San Diego Land Use and Environmental Group 7
3.3 Regulatory Database Search 7
3.3.1 Federal Databases 7
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 8
3.4.1 Deer Springs Fire Protection District 8
3.4.2 County of San Diego Department of Environmental Health 9
3.4.3 State Water Resources Control Board 9
3.4.4 Department of Toxic Substances Control 9
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 9
3.4.6 National Pipeline Mapping System 9
3.5 Interview with Current Property Owner 9
3.6 User Provided Information 10
3.6.1 Environmental Liens or Activity and Use Limitations 10
3.6.2 Specialized Knowledge 10
3.6.3 Valuation Reduction for Environmental Issues 10
3.6.4 Presence or Likely Presence of Contamination 10
3.6.5 Other 10
3.7 Previous Assessments 10
3.8 Other Environmental Issues 12
3.8.1 Asbestos-Containing Materials 13
3.8.2 Lead-Based Paint 13
3.8.3 Radon 13
3.8.4 Polychlorinated Biphenyls 14

TABLE OF CONTENTS (Continued)

4.0 SUBJECT PROPERTY RECONNAISSANCE 14
4.1 Purpose 14
4.2 Subject Property 14
TABLE 3 – Summary of Subject Property Reconnaissance 15
4.3 Adjacent Properties 15

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY 16
5.1 Field Investigation 16
5.2 Laboratory Analytical Program 17
TABLE 4 - Soil Sample Results 17
5.3 Discussion of Testing Results 17

6.0 FINDINGS AND OPINIONS 18

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES 18
7.1 Historical Data Gaps 18
7.2 Regulatory Data Gaps 19
7.3 On-site Data Gaps 19
7.4 Deviations from ASTM Practices 19

8.0 CONCLUSIONS 19

9.0 REFERENCES 20

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map
Figure 3 – Soil Boring Location Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – Environmental Records Search
Appendix E – User Provided Information
Appendix F – Photographic Log
Appendix G – Limited Agricultural Chemical Survey Laboratory Report and Chain of Custody

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 58.6-Acre "Alligator Pears, LP" Property

EEI Project Number: ACR-71387.1b

Subject Property Information:
58.6-Acre "Alligator Pears, LP" Property
APNs 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78
9562 Covey Lane
Escondido, California 92026
EEI Project Number ACR-71387.1b

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (858) 345-3644

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 1, 2011 / **Report Date:** January 23, 2012 (March 26, 2012 revisions)

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the property located at 9562 Covey Lane, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located west of West Lilac Road and north of Covey Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 58.6-acres on 11 parcels identified as Assessor's Parcel Numbers (APNs) 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78 (**Appendix B**). The subject property contains a single physical address of: 9562 Covey Lane.

Access to the subject property can be obtained from a locked gate located at the terminus of Covey Lane. Portions of the subject property (southern) are delineated by a chain link fence, while the balance of the site is open. The subject property is currently utilized as agricultural land, consisting of citrus groves. The property is being actively farmed and contains various dirt access roads, below ground piping for irrigation purposes, and a single structure located along the southwest portion of the site. The structure, a combination of a trailer and wooden constructed living area, appeared to be used by the farm workers as a staging area and for storing irrigation supplies.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the subject property has been utilized for agricultural-related land use.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Quality Control Board (SWQCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 1, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *recognized environmental conditions* (RECs) was noted on the subject property during our subject property reconnaissance efforts.

In 2006, 2007, and 2008, AEI Consultants performed site assessment and investigation activities throughout the subject property. No RECs were identified during site assessment efforts. However, based on the agricultural use of the property, AEI recommended that soil samples be collected and analyzed for restricted agricultural chemicals. A total of 93 soil samples were collected by AEI throughout the subject property and analyzed for Organochlorine Pesticides by EPA Test Method 8081A and Arsenic and Lead by EPA Test Method 6010B. Low levels of organochlorine pesticides and lead were detected in site soils; however, at concentrations less than applicable residential screening levels. Note: soil samples were not collected from APN 128-290-11 (3.5-acres) located along the northern portion of the overall site.

Therefore, based on the proposed future residential use of the subject property, EEI performed a limited agricultural chemical survey on APN 128-290-11. Sampling activities were conducted on December 1, 2011. A total of three (3) discrete soil samples (ACR-1 through ACR-3), were collected at 6-inches below ground surface, and analyzed for Arsenic and Lead by EPA Test Method 6010B and Organochlorine Pesticides by EPA Method 8081A.

The results of our agricultural chemical survey revealed no concentrations of arsenic detected above the laboratory reporting limit (i.e., "non-detect") in the soil samples collected from the subject property. Concentrations of DDT were reported at 11 micrograms per kilogram (µg/kg) (sample ACR-3). No concentrations of organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed. Lead was detected above the laboratory reporting limit in samples ACR-1 and ACR-3 at 4.5 milligrams per kilogram (mg/kg) and 4.1 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

The reported DDT concentration of 11 µg/kg reported in sample ACR-3 was less than the California Human Health Screening Level (CHHSL) residential screening level of 1,600 µg/kg. The reported lead concentrations of 4.2 mg/kg and 4.5 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening value of 150 mg/kg. Based on the results of previous agricultural sampling performed by AEI and EEI's additional sampling, no further investigation appears to be warranted at this time. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9562 Covey Lane, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has and continues to be utilized for agricultural purposes. Therefore, an evaluation of site soils was performed to determine if restricted agricultural chemicals are present. Based on laboratory analytical results from previous and current agricultural chemical testing, low levels of organochlorine pesticides and lead were detected in the soil beneath the subject property. All detectable concentrations of organochlorine pesticides and lead were less than the CHHSL residential screening values. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the property located west of West Lilac Road and north of Covey Lane, Escondido, California **(Figure 1)**. *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- A limited agricultural chemical survey, which consisted of collecting and analyzing soil samples from the subject property.
- March 26, 2012 revisions include: changes to aerial photography description and base aerial photograph for report figures.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. (Client). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located west of West Lilac Road and north of Covey Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 58.6-acres on 11 parcels identified as Assessor's Parcel Numbers (APNs) 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78 (**Appendix B**). The subject property contains a single physical address of: 9562 Covey Lane.

Access to the subject property can be obtained from a locked gate located at the terminus of Covey Lane. Portions of the subject property (southern) are delineated by a chain link fence, while the balance of the site is open. The subject property is currently utilized as agricultural land, consisting of citrus groves. The property is being actively farmed and contains various dirt access roads, below ground piping for irrigation purposes, and a single structure located along the southwest portion of the site. The structure, a combination of a trailer and wooden constructed living area, appeared to be used by the farm workers as a staging area and for storing irrigation supplies.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the subject property has been utilized for agricultural-related land use.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1968, date revised 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south. The subject property elevation ranges from approximately 710 feet above mean sea level (amsl) (southwestern portion) to approximately 900 feet amsl (northern portion). Based on topographic relief, surface water drainage appears to be predominately to the southwest.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (USGS, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Cieneba course sandy loam (CIE2) and the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or close to the subject property. According to the website, no water supply wells are located on the subject property. One well "10S02W19N001S", located approximately 0.25 miles southwest of the subject property, was reportedly last measured in 1967 with a depth to groundwater of approximately 3.0 feet below grade.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APNs 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78) is identified as Alligator Pears, LP, with the following mailing addresses: 12275 El Camino Real, Unit 110, San Diego, California 92130.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2012, the subject property appeared utilized for agricultural-related land use.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property and adjacent and surrounding property appeared to be undeveloped and covered with native vegetation. A dirt road, oriented northeast to southwest, was visible along the western portion of the subject property and a second dirt road was present along the southern property boundary.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. Unimproved roads were present to the south of the property. West Lilac Road was present to the north and Highway 395 was present to the west. The surrounding area was sparsely developed.
1953	Aerial Photograph 1:375	Subject property remained undeveloped. A clearing and small residential building was noted offsite to the southwest across Covey Lane. No other changes were noted on the adjacent or surrounding property since the 1946 photograph.
1963	Aerial Photograph 1:375	The eastern portion of the subject property appeared utilized for agriculture; the remaining portion remained undeveloped. A dirt road remained traversing the property from northeast to southwest. The surrounding area was comprised of a mix of rural residences and agricultural-related land use.
1968	Topographic Map 1: 24,000	Subject property appeared to be undeveloped land. Unimproved roads, Covey Lane and Lilac Place appeared in the site vicinity. Other unimproved roads were present in the surrounding area. A portion of the subject property and surrounding area were shaded green, which signified agricultural-related land use.
1975	Aerial Photograph 1:375	The central and eastern portions of the subject property now appeared utilized for agriculture; the remaining portions were undeveloped. Increased row crop agriculture now appeared in the adjacent and surrounding area.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	Orchards were now apparent on the majority of the western portion of the subject property and the adjacent and surrounding property.
1990/91	Aerial Photograph 1:375	Orchards remained on the western portion of the subject property and in the adjacent and surrounding area.
2002	Aerial Photograph 1:375	Subject property appeared with orchards on the western portion; the remaining portions remained undeveloped land. Adjacent and surrounding property appeared with a mix of orchards, rural residences, and undeveloped land.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of sparse orchards on the western and central portions. The northern portion of the property consisted of large trees, while the balance of the site appeared with sparse vegetation and/or grasses. Two residences were present on parcels within the southeastern corner of the subject property along Covey Lane; however, these parcels are not a part of the subject property. Lilac Place was visible in the western portion. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9562 Covey Lane) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was not listed in the directories from 1980 to 2008. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9562 Covey Lane, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2000, 2005, and 2008		
9550 Covey Lane No response	**9562 Covey Lane** **Address not listed**	9618 Covey Lane Leonard Doucette
1995		
9550 Covey Lane Jim Schaefer	**9562 Covey Lane** **Address not listed**	9618 Covey Lane No listing
1990		
Covey Lane First listing this street 9618	**9562 Covey Lane** **Address not listed**	9618 Covey Lane Leonard Doucette
1985		
Covey Lane First listing this street 9689	**9562 Covey Lane** **Address not listed**	9750 Covey Lane Earl R. Stratton
1980		
Covey Lane First listing this street 10010	**9562 Covey Lane** **Address not listed**	10010 Covey Lane Vincent Ybarra
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800s and early 1900s for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG, 2012) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were available for the subject property.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix D,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APNs: 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78; or the subject address of 9562 Covey Lane. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Section 19).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is being represented by the entity on whose behalf the Phase I ESA is being prepared. Pertinent information provided by Mr. John Rilling, with Accretive Investment Companies, Inc., regarding the subject property is documented below in Section **3.6 User Provided Information**. No indications of environmental concern were noted by Mr. Rilling (see below).

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix E**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that his specialized knowledge related to the subject property included the information that the property has been utilized for farming.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to county requirements related to a permit application associated with the subject property.

3.7 Previous Assessments

Based on the information provided by the client, Mr. Jon Rilling, previous site investigation activities have been conducted on the subject property. The following section summarizes the information EEI reviewed.

AEI Consultants, 2006, "Phase I Environmental Site Assessment, APN 128-290-75, Escondido, California 92026, AEI Project No. 261048," dated August 15, 2006

AEI Consultants, 2006, "Phase II Subsurface Investigation, 11.8-acre Parcel, Escondido, California 92026, AEI Project No. 261150," dated August 23, 2006

According to the information reviewed, the subject property is located north of Covey Lane; and encompasses 11.8-acres on a single parcel identified as APN 129-290-75. No physical address is assigned to the subject property. At the time of the ESA, the subject property was undeveloped and/or portions used for agricultural purposes. Historical sources reviewed during the preparation of the ESA confirmed past agricultural use of the subject property. AEI concluded that no on-site RECs were identified; however, based on the past and present agricultural use of the property, further investigation was recommended.

Based on the past and present agricultural use identified on the subject property, additional investigation was performed by AEI. A total of 24 shallow (6-inches below grade) soil samples (from 24 subdivisions) were collected from the subject property. The 24 subdivisions were divided into 8 subareas each consisting of 3 adjacent subdivisions. The three discrete samples from each subdivision were composited into one soil sample. A total of 8 composite soil samples were analyzed for Organochlorine Pesticides by EPA Method 8081A. The composite sample made up of soil samples AEI-S10, AEI-S11, and AEI-S12 reported a DDE concentration of 8.3 micrograms per kilogram (µg/kg), which was at concentrations less than residential Preliminary Remediation Goals (PRG) and California hazardous waste criteria, Total Threshold Limit Concentration (TTLC) values. No other organochlorine pesticides were reported above the laboratory reporting limit. Based on the results of their investigation, AEI recommended no further investigation.

AEI Consultants, 2006, "Phase I ESA, APNs 128-290-58, 128-290-59, 128-290-60, and 128-290-61, Escondido, California 92026, AEI Project No. 261301," dated September 7, 2006

AEI Consultants, 2006, "Limited Phase II Subsurface Investigation, 20.6-Acre Parcel, APN 128-290-58 through 128-290-61, Escondido, California 92026, AEI Project No. 261217," dated August 23, 2006

According to the information reviewed, the subject property is located north of Covey Lane; and encompasses 20.6-acres on four (4) parcels identified as APNs 128-290-58 through 128-290-61. No physical address is assigned to the subject property. At the time of the ESA, the subject property was undeveloped, contained no structures, and was utilized for agricultural purposes. Historical sources reviewed during the preparation of the ESA confirmed past agricultural use of the subject property. AEI concluded that no on-site RECs were identified; however, based on the past and present agricultural use of the property, recommended a limited soil survey be conducted to determine what impact, if any, the presumed agricultural operations had on the subject property.

Based on the past and present agricultural use identified on the subject property, additional investigation was performed by AEI. A total of 21 shallow (6-inches below grade) soil samples were collected from the subject property. A total of 15 samples comprised of 3 composites and 12 individual samples were analyzed for Organochlorine Pesticides by EPA Method 8081A. No concentrations of organochlorine pesticides were detected in any soil samples analyzed during the investigation. Therefore, AEI recommended no further investigation.

AEI Consultants, 2007, "Phase I ESA, APN 128-290-11, Escondido, California 92026, AEI Project No. 272019" dated May 22, 2007

According to the information reviewed, the subject property is located south of West Lilac Road and north of Covey Lane; and encompasses 3.5-acres on a single parcel identified as APN 128-290-11. No physical address is assigned to the subject property. At the time of the ESA, the subject property was undeveloped and contained no developed structures. Historical sources reviewed during the preparation of the ESA indicated that the subject property had remained undeveloped from as early as 1946. No indication of agricultural use was identified. AEI concluded that no on-site RECs were identified and recommended no further investigation.

Note: based on the proposed future residential use of the subject property and requirements set forth by the County of San Diego Department of Planning and Land Use, EEI performed a limited agricultural survey on the 3.5-acre parcel (APN 128-290-11). The results of our investigation are discussed in **Section 5.0 Limited Agricultural Chemical Survey.**

AEI Consultants, 2007, Phase I ESA, APNs 128-290-54, 55, 56 and 57, Escondido, California 92026, AEI Project No. 274498," dated September 12, 2007

AEI Consultants, 2007, "Limited Pesticide Investigation, APN 128-290-54 through 128-290-57, Escondido, California 92082, AEI Project No. 274498," dated September 14, 2007

According to the information reviewed, the subject property is located north of Covey Lane; and encompasses 20.1-acres on four (4) parcels identified as APNs 128-290-54 through 128-290-67. No physical address is assigned to the subject property. At the time of the ESA, the subject property was utilized as an avocado grove and contained a small storage shed/living area used by farm workers for tool storage and as a staging area. The shed was reportedly located on the southwest corner of the subject property. Historical sources reviewed during the preparation of the ESA confirmed past agricultural use of the subject property. AEI concluded that no on-site RECs were identified; however, based on the past and present agricultural use of the property, recommended further investigation.

Based on the past and present agricultural use identified on the subject property, additional investigation was performed by AEI. A total of 40 shallow (6-inches below grade) soil samples were collected from the subject property. A total of 10 composite samples were analyzed for Organochlorine Pesticides by EPA Method 8081A. No concentrations of organochlorine pesticides were detected in any soil samples analyzed during the investigation. Therefore, AEI recommended no further investigation.

AEI Consultants, 2007, "Phase I Environmental Site Assessment, 9562 Covey Lane, Escondido, California 92026, AEI Project No. 276306," dated December 18, 2007

AEI Consultants, 2008, "Limited Pesticide Investigation, 9562 Covey Lane, Escondido, California 92026, AEI Project No. 276660," dated January 10, 2008

According to the information reviewed, the subject property is located north of Covey Lane; and encompasses 2.55-acres on one parcel identified as APN 128-290-78. The subject property is identified by the address: 9562 Covey Lane. At the time of the ESA, the subject property was reportedly partially graded for future residential use, while the balance included citrus trees and wild vegetation. Historical sources reviewed during the preparation of the ESA indicated that portions of the subject property were utilized for agricultural purposes. AEI concluded that no on-site RECs were identified; however, based on the historical agricultural use of the property, recommended further investigation.

Based on the historical agricultural use identified on the subject property, additional investigation was performed by AEI. A total of eight (8) soil samples were collected and analyzed for Organochlorine Pesticides by EPA Method 8081A, and Arsenic and Lead by EPA Method 6010B. No concentrations of organochlorine pesticides were detected above the laboratory reporting limit, except for one sample (AEI-S5), which reported toxaphene. The reported toxaphene concentration did not exceed residential PRGs or TTLC values. No other samples reported toxaphene above the laboratory reporting limit. Based on the results of their investigation, AEI recommended no further investigation.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. With the exception of a single, trailer/wood structure, the subject property consists of vacant land. Based on this information, the presence of asbestos-containing materials is not considered likely.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

With the exception of a single, trailer/wood structure, the subject property consists of vacant land Based on this information, the presence of lead based paint is not considered likely.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the US with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

No potentially PCB-containing transformers were noted on or near the subject property.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 1, 2011, EEI personnel mobilized to the subject property and conducted a walking reconnaissance. Ms. Cassandra Costa with Accretive Investments, Inc. provided access to the subject property. Visual conditions observed during our reconnaissance of the subject property are documented in a Photographic Log (**Appendix F**), and summarized in **Table 3**.

The subject property is located west of West Lilac Road and north of Covey Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 58.6-acres on 11 parcels identified as Assessor's Parcel Numbers (APNs) 128-290-11, 128-290-54 through 128-290-61, 128-290-75, and 128-290-78 (**Appendix B**). The subject property contains a single physical address of: 9562 Covey Lane.

Access to the subject property can be obtained from a locked gate located at the terminus of Covey Lane. Portions of the subject property (southern) are delineated by a chain link fence, while the balance of the site is open. The subject property is currently utilized as agricultural land, consisting of citrus groves. The property is being actively farmed and contains various dirt access roads, below ground piping for irrigation purposes, and a single structure located along the southwest portion of the site. The structure, a combination of a trailer and wooden constructed living area, appeared to be used by the farm workers as a staging area and for storing irrigation supplies. EEI observed various farming equipment and irrigation supplies throughout the property. The subject property is surrounded by agricultural related land use, rural residences, or undeveloped land.

EEI personnel conducted a reconnaissance of the property by traversing the property from north to south then east to west to physically observe the property and adjoining properties for conditions indicating a potential environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of *environmental concerns was* noted on the subject property during our site reconnaissance.

TABLE 3
Summary of Subject Property Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	Good.
Surface Spills	No	None observed.
Stained Surfaces	No	None observed.
Fill Materials	No	None observed.
Pits/Ponds/Lagoons	No	None observed.
Surface Impoundments	No	None observed.
ASTs/USTs	No	None observed.
Distressed Vegetation	No	None observed.
Wetlands	No	None observed.
Electrical Substations	No	None observed.
Areas of Dumping	No	None observed.
Transformers	No	None observed.
Waste/Scrap Storage	No	None observed.
Chemical Use/Storage	No	None observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 LIMITED AGRICULTURAL CHEMICAL SURVEY

Previous investigations have been performed on the subject property by AEI Consultants. Investigation activities included site assessment and agricultural chemical surveys. Detailed information pertaining to historical site investigation activities is provided in **Section 3.7 Previous Assessments.** However, a portion of the subject property, APN 128-290-11 (3.5-acres) was not investigated for the presence (or absence) of restricted agricultural chemical residues. Therefore, based on the proposed future site use (residential) EEI conducted an agricultural chemical survey on APN 128-290-11. The following section discusses EEI's investigation activities.

There is no specific guidance regarding the testing and analysis of heavy metals and/or pesticides on soils at residential building sites in San Diego County. Therefore, EEI relied principally on the Department of Toxic Substance Control's (DTSC) August 2008 *"Interim Guidance For Sampling Agricultural Properties"*, combined with our experience gathered over the last two decades. The DTSC document provides guidance for sampling of former agricultural properties (undisturbed) where pesticides and/or fertilizers were presumably applied uniformly, for agricultural purposes, consistent with normal application practices. The DTSC document was initially prepared for use in evaluating soil at proposed new school sites and existing schools undergoing expansion projects where the property was currently or previously used for agricultural activities, but has been expanded to provide a uniform and streamlined approach for evaluating agricultural properties.

Based on the fact that previous soil sampling had taken place on portions of the subject property, a total of three (3) discrete soil samples, were collected at near-surface (6-inches below grade) from APN 128-290-11 (3.5 acres) located in the northwest portion of the subject property.

5.1 Field Investigation

On December 1, 2011, EEI personnel mobilized to the subject property to conduct soil sampling activities with a shovel. Soil sampling locations were selected with the goal of collecting representative soil samples from the 3.5-acre APN 128-290-11. A total of three (3) discrete locations (identified as ACR-1 through ACR-6, **Figure 3**) were chosen to provide representative coverage.

Samples were collected approximately 6- inches below ground surface (bgs), using a shovel. Sample material was extracted from the ground and placed in laboratory-supplied, 4-ounce glass jars. The jar was sealed with a Teflon-lined cap, and labeled with a number unique to the sample. The samples were placed in a chilled cooler and subsequently picked up by SunStar Labs, a California State-certified laboratory, under proper Chain-of-Custody (COC) documentation.

5.2 Laboratory Analytical Testing

All three (3) discrete soil samples (ACR-1 through ACR-3) collected from APN 128-290-11 were analyzed for Arsenic and Lead by United States Environmental Protection Agency (USEPA) Test Method 6010B and Organochlorine Pesticides by U.S. EPA Test Method 8081A. The following bulleted items summarize the results of laboratory analytical testing:

- No concentrations of arsenic were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed.

- DDT was reported in sample ACR-3 at 11 micrograms per kilogram (µg/kg). No other samples analyzed reported DDT above the laboratory reporting limit (i.e., "non-detect").

- Lead was reported in sample ACR-1 at 4.5 milligrams per kilogram (mg/kg) and ACR-3 at 4.1 mg/kg. No other samples reported lead above the laboratory reporting limit (i.e., "non-detect").

The attached **Table 4** summarizes laboratory analytical results for chemicals of concern. Complete laboratory reports and COC documentation are provided in **Appendix G.**

TABLE 4
Soil Sample Results

Sample ID	Depth (inches bgs)	Date Sampled	EPA 6010B			EPA 8081A			
			Arsenic	Lead	Dieldrin	DDE	DDD	DDT	All Other Constituents
			Reported in mg/kg		Reported in µg/kg				
ACR-1	6	12/1/2011	<5	**4.5**	<5	<5	<5	<5	<5-200
ACR-2	6	12/1/2011	<5	<3	<5	<5	<5	<5	<5-200
ACR-3	6	12/1/2011	<5	**4.1**	<5	<5	<5	**11**	<5-200
Laboratory Reporting Limit			5	3	5	5	5	5	5-200
Residential CHHSLs			**0.07**	**150**	**35**	**1,600**	**2,300**	**1,600**	**NA**

bgs = below ground surface; CHHSL = California Human Health Screening Levels; EPA = Environmental Protection Agency; mg/kg = milligrams per kilogram; NA = Not Applicable/Analyzed; µg/kg = micrograms per kilogram.

5.3 Discussion of Testing Results

The results of our agricultural chemical survey within the 3.5-acre portion of the subject property (APN 128-290-11) revealed no concentrations of arsenic above the laboratory reporting limit (i.e., "non-detect"). Concentrations of DDT were reported above the laboratory detection limit in sample ACR-3 at 11 µg/kg. No concentrations of organochlorine pesticides were detected above the laboratory reporting limit (i.e., "non-detect) in any of the other samples analyzed. Lead was detected above the laboratory reporting limit in samples ACR-1 and ACR-3 at 4.5 mg/kg and 4.1 mg/kg, respectively. No other samples analyzed detected lead above the laboratory reporting limit (i.e., "non-detect").

EEI compared the reported DDT and lead concentrations to the California Human Health Screening Levels (CHHSL) for a residential land use scenario. The CHHSLs are concentrations of select hazardous chemicals that are used to estimate and compare reported values in soil to risk to human health. The following bulleted items summarize the reported values:

- The reported DDT concentration of 11 µg/kg in sample ACR-3 is less than the CHHSL residential screening level of 1,600 µg/kg.

- The reported lead concentrations of 4.2 mg/kg and 4.5 mg/kg in soil samples collected during this investigation are less than the CHHSL residential screening level of 150 mg/kg. Furthermore, the lead concentrations appear to represent background levels inherent to the site vicinity. Trace or background levels for soils within central and southwestern San Diego County range from 15.6 mg/kg to 57.1 mg/kg (Kearney Foundation Special Report, 1996).

6.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

    - The subject property has been and continues to be utilized for agricultural purposes (i.e., avocado orchard). Based on the future planned property use (residential), additional investigation efforts (i.e., soil sampling and analysis) were performed by AEI (historically) and EEI (currently) to further evaluate subject property soils for agricultural chemicals.

      The results of AEI's and EEI's agricultural chemical survey (see Section 3.0 Previous Assessment and 5.0 Limited Agricultural Chemical Survey) revealed no concentrations of arsenic in the soil samples collected from the subject property above the laboratory reporting limit (i.e., non-detect). Concentrations of or organochlorine pesticides and lead were detected in the soil samples collected during previous and current investigation; however, the levels were less than applicable residential screening values. Therefore, further investigation appears to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

7.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

7.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

7.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

7.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

7.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

8.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property located at 9562 Covey Lane, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 7.0 of this report. Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has and continues to be utilized for agricultural purposes. Therefore, an evaluation of site soils was performed to determine if restricted agricultural chemicals are present. Based on laboratory analytical results from previous and current agricultural chemical testing, low levels of organochlorine pesticides and lead were detected in the soil beneath the subject property. All detectable concentrations of organochlorine pesticides and lead were less than the CHHSL residential screening values. Therefore, no further investigation appears to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

10.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed January 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed January 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed January 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed January 2012.

Department of Toxic Substances Control (DTSC), 2008, "Interim Guidance for Sampling Agricultural Properties (Third Revision)."

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed January 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed August 2011.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed January 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed January 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed January 2012.

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed January 2012.

United States Geological Survey (USGS, 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
ENVIRONMENTAL RECORDS SEARCH

APPENDIX E
USER PROVIDED INFORMATION

APPENDIX F
PHOTOGRAPHIC LOG

APPENDIX G
LIMITED AGRICULTURAL CHEMICAL SAMPLING LABORATORY REPORT AND CHAIN OF CUSTODY

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Accretive Investments, Inc.
94.6-Acre "Lilac Creek Estates, LP" Property
APNs 128-290-51, 129-010-62, 129-010-73 through -76
9306 Covey Lane
Escondido, California 92026

County Project Number: SP 3800 12-001; Lilac Hills Ranch
Environmental Log Number: 3910 12-02-003

March 27, 2012

EEI Project Number ACR-71387.1c

2195 Faraday Avenue ¨ Suite K¨ Carlsbad, California 92008-7207¨ Ph: 760-431-3747¨ Fax: 760-431-3748¨ www.eeitiger.com

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Prepared for:

Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Subject property location:

94.6-Acre "Lilac Creek Estates, LP" Property
APNs 128-290-51, 129-010-62, 129-010-73 through -76
9306 Covey Lane
Escondido, California 92026
EEI Project Number ACR-71387.1c

Prepared and Edited by:

Brian R. Brennan, REA-II 07920
Senior Project Manager

Reviewed by:

Bernard A. Sentianin, PG 5530, REA I 3477
Principal Geologist

EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
(760) 431-3747

EEI Project No. ACR-71387.1c

TABLE OF CONTENTS

GENERAL SUBJECT PROPERTY INFORMATION ..... **i**

EXECUTIVE SUMMARY ..... **ii**

1.0 INTRODUCTION **1**
1.1 Purpose 1
1.2 Scope of Services 1
1.3 Reliance 1

2.0 PHYSIOGRAPHIC SETTING **2**
2.1 Subject Property Description 2
2.2 Topography 2
2.3 Regional and Local Geology 3
2.4 Regional and Local Hydrogeology 3
2.5 Hydrologic Flood Plain Information 4

3.0 SUBJECT PROPERTY BACKGROUND **4**
3.1 Subject Property Ownership 4
3.2 Subject Property History 4
3.2.1 Aerial Photograph and Historical Map Review 6
TABLE 1 - Summary of Historical Use Review 5
3.2.2 City/County Directories 6
TABLE 2 – Summary of City/County Directory Search 7
3.2.3 Sanborn Fire Insurance Maps 7
3.2.4 County of San Diego Land Use and Environmental Group 7
3.3 Regulatory Database Search 8
3.3.1 Federal Databases 8
3.3.2 State and Regional Sources 8
3.4 Regulatory Agency Review 9
3.4.1 Deer Springs Fire Protection District 9
3.4.2 County of San Diego Department of Environmental Health 10
3.4.3 State Water Resources Control Board 10
3.4.4 Department of Toxic Substances Control 10
3.4.5 Review of Division of Oil, Gas, and Geothermal Resources Files 10
3.4.6 National Pipeline Mapping System 10
3.5 Interview with Current Property Owner 10
3.6 User Provided Information 11
3.6.1 Environmental Liens or Activity and Use Limitations 11
3.6.2 Specialized Knowledge 11
3.6.3 Valuation Reduction for Environmental Issues 11
3.6.4 Presence or Likely Presence of Contamination 11
3.6.5 Other 11
3.7 Previous Assessments 11
3.8 Other Environmental Issues 12
3.8.1 Asbestos-Containing Materials 12
3.8.2 Lead-Based Paint 13
3.8.3 Radon 13
3.8.4 Polychlorinated Biphenyls 13

TABLE OF CONTENTS (Continued)

4.0 SUBJECT PROPERTY RECONNAISSANCE **14**
4.1 Purpose 14
4.2 Subject Property 14
TABLE 3 – Summary of Subject Property Reconnaissance 15
4.3 Adjacent Properties 15

5.0 FINDINGS AND OPINIONS **16**

6.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES **16**
6.1 Historical Data Gaps 16
6.2 Regulatory Data Gaps 16
6.3 On-site Data Gaps 16
6.4 Deviations from ASTM Practices 17

7.0 CONCLUSIONS **17**

8.0 REFERENCES **18**

FIGURES:

Figure 1 – Site Location Map
Figure 2 – Aerial Site Map

APPENDICES:

Appendix A – Résumé of Environmental Professional
Appendix B – San Diego County Assessor's Parcel Map
Appendix C – Aerial Photographs/Topographic Maps/City Directory
Appendix D – County of San Diego Records
Appendix E – Environmental Records Search
Appendix F – User Provided Information
Appendix G – Photographic Log

GENERAL SUBJECT PROPERTY INFORMATION

Project Information: 94.6-Acre "Lilac Creek Estates, LP" Property

EEI Project Number: ACR-71387.1c

Subject Property Information:
94.6-Acre "Lilac Creek Estates, LP" Property
APNs 128-290-51, 129-010-62, 129-010-73 through -76
9306 Covey Lane
Escondido, California 92026
EEI Project Number ACR-71387.1c

Subject Property Access Contact: Mr. Jon Rilling, Accretive Investments, Inc. (8580 345-3644

Consultant Information:
EEI
2195 Faraday Avenue, Suite K
Carlsbad, California 92008
Phone: (760) 431-3747
Fax: (760) 431-3748
E-mail Address of Environmental Professional: bbrennan@eeitiger.com

Inspection Date: December 16, 2011 / **Report Date:** March 27, 2012

Client Information:
Mr. Jon Rilling
Vice President
Accretive Investments, Inc.
12275 El Camino Real, Suite 110
San Diego, California 92130

Site Assessor:
Brian R. Brennan, REA-II 07920 – Senior Project Manager

EP Certification:
I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined in 40 CFR 312.10 (**Resume, Appendix A**).

Brian R. Brennan, REA-II 07920 – Senior Project Manager

AAI Certification:
We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312.

Brian R. Brennan, REA-II 07920 – Senior Project Manager

EXECUTIVE SUMMARY

At the request and authorization of the Accretive Investments, Inc. ("Client"), EEI conducted a Phase I Environmental Site Assessment (ESA) for the subject property identified as Assessor's Parcel Numbers (APNs) 128-290-51, 129-010-62, and 129-010-73 through -76, Escondido, California. The purpose of this Phase I ESA was to assess the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the subject property, to the extent practical (i.e., *recognized environmental conditions* as delineated in ASTM E1527-05).

The subject property is located west of the terminus of Covey Lane, Escondido, California. The subject property encompasses a total of 94.6-acres on six (6) parcels identified as Assessor's Parcel Numbers (APNs) 128-290-51, 129-010-62, 129-010-73 through -76. The subject property contains a single physical address of: 9306 Covey Lane.

The subject property contains no developed structures. Access to the property is via an unimproved road near the western terminus of Covey Lane at the central portion of the subject property. Additional unimproved roads and trails traverse the subject property which mainly consists of former orchard land on the central portion and terrain with moderately steep topographical relief covered with vegetation on the northern and southern portions.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2011) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, City directories, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the central portion of the subject property has been used for agricultural purposes. From approximately 1990-1991 to the present time, the eastern edge of the southernmost portion of the site has also been used for agriculture; however, may have been farmed as part of the adjacent and off-site property to the east. The remaining portions of the subject property remained undeveloped to the present time.

EEI contacted the County of San Diego, California Department of Toxic Substances Control (DTSC), State Water Resources Control Board (SWRCB), and reviewed other State and Federal databases to determine if the subject property, or any adjacent properties, were listed as hazardous waste generators, underground storage tank releases (UST), or as having other environmental concerns (i.e., spill, leak, or aboveground tank). No releases/leaks or spills were documented at the subject property on any of the databases researched.

On December 16, 2011, EEI personnel conducted a reconnaissance of the subject property to physically observe the property and adjoining properties for conditions indicating a potential recognized environmental concern. Concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. No evidence of these environmental concerns was noted on the subject property during our subject property reconnaissance efforts.

EEI reviewed previous reports prepared for the subject property by AEI Consultants (AEI) in 2006. A Phase I ESA and Limited Phase II Subsurface Investigation for subject parcels APNs 129-010-62 and 128-290-51 were completed in March and June, respectively. According to the Phase I ESA, Parcel 1, 129-010-62 and Parcel 2, 128-290-51, had a significant orchard and irrigation system in the central portion of the site which was farmed from the 1960's to the present time. AEI concluded that no on-site RECs were identified; however, based on the past agricultural use of the property, further investigation was recommended, which consisted of soil sampling and laboratory testing.

According to the Limited Phase II Subsurface Investigation, no detected concentrations of Organochlorine Pesticides (OCPs) were detected in any of the soil samples collected from Parcel 1. Concentrations of DDT and Chlordane were detected in the soil samples collected from Parcel 2; however, at concentrations less than residential Preliminary Remediation Goals (PRGs). Based on the results of the investigation, no further investigation appears warranted at this time.

A Phase I ESA was conducted by AEI for APNs 129-010-73, through -76, in May 2006. According to the report, the subject property was reportedly comprised of four (4) parcels, which were undeveloped. Historical sources reviewed during the preparation of the ESA indicated that portions of the subject property (eastern edge of the parcels) were utilized for agricultural purposes in 1994 and 2002 (aerial photographs). AEI concluded that no on-site RECs were identified; however, AEI recommended that the owner/user of the Phase I ESA contact the local planning department to determine whether sampling relating to the former agricultural use of the subject property is required. To EEI's knowledge, no agricultural sampling was performed on the subject property. It should be noted that EEI attempted to collect soil samples from the southern parcels (APNs 129-010-73 through -76) but was unsuccessful due to dense vegetation and limited access.

EEI reviewed historical aerial photographs for the above referenced southern portion of the subject property (APNs 129-010-73through -76), which revealed that the majority of this area of the property appeared as natural vegetation. The eastern portion of these parcels may have included orchards, as outlined in AEIs report referenced above and 1990/91, 1994 (AEI) and 2002 photographs. However, the orchards appeared to be associated with the adjacent property to the south and east of the subject parcels.

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APNs 128-290-51, 129-010-62, 129-010-73 through -76 and the address of: 9306 Covey Lane, Escondido, California. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has been utilized for agricultural purposes. EEI reviewed a Limited Phase II Subsurface Investigation conducted by AEI in June 2006 on subject parcels 129-010-62 (Parcel 1 – 40.48-acres) and 128-290-51 (Parcel 2 – 43.3-acres). According to the report, no detected concentrations of organochlorine pesticides were reported in any of the soil samples collected from Parcel 1. Concentrations of DDT and Chlordane were detected in the soil samples collected from Parcel 2; however, at concentrations less than residential PRGs. Based on the results of the previous investigation, no further investigation appears to be warranted at this time.

  In addition, the eastern edge of the southern subject parcels (APNs 129-010-73 through,-76), appeared to be used for agriculture from 1990 to 2002. EEI attempted to collect soil samples from this area; however, was unsuccessful due to limited access and dense vegetation. In the time period that farming occurred (1990 to 2002) in this area, it is unlikely that restricted agricultural chemicals were applied to soils; therefore, further investigation does not appear to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- According to the client, a water supply well is located on the northwest portion of the subject property; however, no well permits were on file with the County. Additionally, County records did indicate the existence of permits for Septic Tank Installation and percolation tests for four proposed single family dwellings on the subject property (APNs 129-010-73 through -76); however, there was no indication that these permits were ever finalized or any inspections completed. No septic systems were observed on the subject property during the site reconnaissance. If discovered during site improvements, and unless planned for future use, any water supply wells and/or septic systems should be properly abandoned following County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

1.0 INTRODUCTION

1.1 Purpose

The purpose of this Phase I Environmental Site Assessment (ESA) was to assess the possible presence of *recognized environmental conditions* at the subject property identified as Assessor's Parcel Numbers (APNs) 128-290-51, 129-010-62, and 129-010-73 through -76, Escondido, California **(Figure 1**). *Recognized environmental conditions* include those property uses that may indicate the presence or likely presence of an existing, historical, or threatened release of any hazardous substances or petroleum products into structures, soil, and/or groundwater beneath the property. The term *recognized environmental conditions* are not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and that would not be subject to enforcement actions by a regulatory agency.

This ESA was performed in general conformance with the American Society for Testing and Materials (ASTM) *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*, Designation E1527-05.

1.2 Scope of Services

The following scope of services was conducted by EEI:

- A review of readily available documents which included topographic, geologic, and hydrogeologic conditions associated with the subject property.
- A review of readily available maps, aerial photographs, and other documents relative to historical subject property usage and development.
- A review of previous environmental reports and regulatory file information pertaining to both existing and historic property conditions.
- A review of readily available federal, state, county, and city documents and database files concerning hazardous material storage, generation and disposal, active and inactive landfills, existing environmental concerns, and associated permits related to the subject property and/or immediately adjacent sites.
- A subject property reconnaissance to ascertain current conditions on the subject property.
- Interviews with person(s) knowledgeable of the subject property.
- The preparation of this report which presents our findings, conclusions, and recommendations.

1.3 Reliance

This ESA has been prepared for the sole use of Accretive Investments, Inc. ("Client"). This assessment should not be relied upon by other parties without the express written consent of EEI and Client. Any use or reliance upon this assessment by a party other than the Client, therefore, shall be solely at the risk of such third party and without legal recourse against EEI, its employees, officers, or directors, regardless of whether the action in which recovery of damages is brought or based upon contract, tort, statute or otherwise.

This assessment should not be interpreted as a statistical evaluation of the subject property, but rather is intended to provide a preliminary indication of on-site impacts from previous property usage and/or the release of hazardous materials. If no significant indicators of the presence of hazardous materials and/or petroleum contamination are encountered during this search, this does not preclude their presence. The findings in this report are based upon published geologic and hydrogeologic information, information (both documentary and oral) provided by the County of San Diego, FirstSearch® (i.e., agency database search), various state and federal agencies, and EEI's field observations. Some of these data are subject to change over time. Some of these data are based on information not currently observable or measurable, but recorded by documents or orally reported by individuals.

2.0 PHYSIOGRAPHIC SETTING

2.1 Subject Property Description

The subject property is located west of the terminus of Covey Lane, Escondido, California (**Figure 2**). The subject property encompasses a total of 94.6-acres on six (6) parcels identified as Assessor's Parcel Numbers (APNs) 128-290-51, 129-010-62, 129-010-73 through -76 (**Appendix B**). The subject property contains a single physical address of: 9306 Covey Lane.

The subject property contains no developed structures. Access to the property is via an unimproved road near the western terminus of Covey Lane at the central portion of the subject property. Additional unimproved roads and trails traverse the subject property which mainly consists of former orchard land on the central portion and terrain with moderately steep topographical relief covered with vegetation on the northern and southern portions.

A review of the County of San Diego Land Use and Environmental Group (LUEG, 2012) website data indicated that the subject property is currently zoned as A70 – Limited Agriculture.

Based on historical records such as aerial photographs, topographic maps, City directories, and County records, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to the present time, the central portion of the subject property has been used for agricultural purposes. From approximately 1990-1991 to the present time, the eastern edge of the southernmost portion of the site has also been used for agriculture; however, may have been farmed as part of the adjacent and off-site property to the east. The remaining portions of the subject property remained undeveloped to the present time.

2.2 Topography

The subject property is located on the United States Geological Survey (USGS), Bonsall, 7.5-Minute Quadrangle (USGS, 1975). Overall, the subject property is located on gently sloping terrain consisting of varying topographic relief from north to south and from east to west. The subject property elevation ranges from approximately 500 feet above mean sea level (amsl) (southwestern portion) to approximately 775 feet amsl (northeastern portion). Based on topographic relief, surface water drainage appears to be predominately to the southwest.

2.3 Regional and Local Geology

The subject property and vicinity lies within the Peninsular Ranges Geomorphic Province of California (CGS, 2002). The Peninsular Ranges Geomorphic Province extends from the Transverse Ranges Geomorphic Province and the Los Angeles Basin, south to Baja California. This province varies in width from about 30- to 100-miles. It is bounded on the west by the Pacific Ocean, on the south by the Gulf of California and on the east by the Colorado Desert Province. The Peninsular Ranges are essentially a series of northwest-southeast oriented fault blocks. The Transverse Ranges Geomorphic Province bounds the Peninsular Ranges on the north.

Major fault zones and subordinate fault zones found in the Peninsular Ranges Province typically trend in a northwest-southeast direction. The closest major faults to the subject property are the Julian segment of the Elsinore Fault zone; the Rose Canyon Fault zone; and the Coronado Bank Fault zone (including the San Diego Trough Fault). Other major faults in the region include the San Jacinto Fault zone and the San Andreas Fault zone. The San Andreas Fault zone is considered the most active fault zone and borders the northeasterly margin of the province.

Geologic maps indicate the general vicinity of the subject property is underlain by Mesozoic aged (Cretaceous-age) granitic rocks (Tan, 2000). Specifically, the property is underlain by Tonalite of Couser Canyon, described as a Hornblende-biotite tonalite; coarse grained and massive. This Tonalite contain some granodiorite and is characterized by an abundance of pegmatite dikes.

Soils beneath the subject property and vicinity have been identified by the United States Department of Agriculture – Natural Resources Conservation Service, Web Soil Survey as a mix of the Cieneba course sandy loam (CIE2) and the Fallbrook sandy loam series (FaC2 and FaE2) (USDA, 2012). Soils in this series are reportedly deep, well drained soils that formed in material weathered from granitic rocks and are situated on slopes ranging from 15 to 30 percent.

2.4 Regional and Local Hydrogeology

According to the San Diego Regional Water Quality Control Board (SDRWQCB, 1994), the subject property is located within the groundwater designation of the Bonsall Subarea (HSA – 903.12), which is a part of the lower San Luis Hydrologic Area (HA – 903.10) and located within the San Luis Rey Hydrologic Unit (HU – 903.00). Groundwater beneath the San Luis HA has been identified as having existing beneficial uses for municipal, agricultural, and industrial supply processes.

According to information provided by the client, a water supply well is located on the northwest portion of the subject property. EEI requested a search for well records associated with the onsite with the County of San Diego Land and Water Quality Divisions. According to personnel, no well permits were on file for the subject property parcels APNs: 129-010-73 through -76.

In addition, EEI reviewed the California Department of Water Resources, Water Data Library website (WDL, 2012) for additional information pertaining to groundwater and water supply wells on or close proximity to the subject property. According to the website, one well "10S02W19N001S," appeared to be located adjacent and to the northwest of the subject property near Shirey Road. The well was reportedly last measured in 1967 with a depth to groundwater of approximately 3.0 feet below grade.

2.5 Hydrologic Flood Plain Information

EEI reviewed the Federal Emergency Management Agency (FEMA, 2012) Flood Insurance Rate Map (FIRM) online database to determine if the subject property was in a flood zone. According to FEMA, no FIRM coverage for the subject property was available. EEI reviewed the San Diego Geographic Information Source website (SanGIS, 2012) for flood plain information. According to the website, the subject property is located within flood Zone X. FEMA defines Zone X as an area of minimal flood hazard, usually depicted on FIRMs as above the 500-year flood level.

3.0 SUBJECT PROPERTY BACKGROUND

3.1 Subject Property Ownership

According to the County of San Diego Assessor the current owner of the subject property (APNs 128-290-51, 129-010-62, 129-010-73 through -76) is identified as Lilac Creek Estates, LP, with the following mailing addresses: 12275 El Camino Real, Unit 110, San Diego, California 92130.

3.2 Subject Property History

EEI reviewed readily available information sources to evaluate historic land use in and around the subject property. These information sources include information from aerial photographs, City Directories, USGS maps and the County of San Diego. The information sources reviewed is summarized in the following sections.

3.2.1 Aerial Photograph and Historical Map Review

Aerial photographs and historical topographical maps were reviewed to identify historical land development and any surface conditions which may have impacted the subject property. Photographs and historical topographic maps dating 1942, 1946, 1948, 1953, 1963, 1968, 1975, 1980, 1990/91, and 2002 were obtained and reviewed from Track Info Services/FirstSearch®, an environmental information/database retrieval service. A 2012 aerial photograph was provided by Accretive Investments, Inc. and reviewed, a copy of which is included herein (**Figure 2**).

Table 1 summarizes the results of the historical use review. Copies of the aerial photographs and historical topographic maps provided by Track Info Services/FirstSearch® are included in **Appendix C**. According to the information reviewed, the subject property was undeveloped land from at least 1946 through 1953. From approximately 1963 to 2010, the central portion of the subject property was used for agriculture. From approximately 1990-1991 to 2002, the eastern edge of the southern parcels appeared to be utilized for agricultural development; however, may have been associated with the adjacent and off-site property to the east. The remaining portions of the subject property remained undeveloped to the present time.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
1942	Topographic Map 1:62,500	No developed structures were noted on the subject property. West Lilac Road was present to the north. The surrounding area appeared to be undeveloped land.
1946	Aerial Photograph 1:375	Subject property, adjacent and surrounding property appeared to be undeveloped covered with native vegetation. A dirt road, oriented northeast to southwest, was visible along the southern portion of the property off of Covey Lane from the east. A natural drainage was at the eastern property margin and traversed the southern portion east to west.
1948	Topographic Map 1:24,000	No developed structures were noted on the subject property. Unimproved roads were present to the south, West Lilac Road was present to the north and Highway 395 was present to the west. The surrounding area was sparsely developed.
1953	Aerial Photograph 1:375	Subject property remained undeveloped. A clearing and small residence was noted offsite to the east on the south side of Covey Lane. Unimproved roads and agriculture appeared in the site vicinity.
1963	Aerial Photograph 1:375	The central portion of the subject property (at the western terminus of Covey Lane) appeared utilized for agriculture (orchards) with some structures present in the area. An agricultural water retention basin appeared within the eastern portion of the property just south of Covey Lane. Additional dirt roads appeared traversing the property on the northern and southern portions. The surrounding area was comprised of a mix of rural residences and agricultural-related land use.
1968	Topographic Map 1: 24,000	Subject property appeared with no development. Unimproved roads, Covey Lane and Lilac Place as well as small structures appeared in the site vicinity. Other unimproved roads were present in the surrounding area. A portion of the subject property and surrounding area were shaded green, which signified agricultural-related land use.
1975	Aerial Photograph 1:375	No apparent changes were noted to the subject property since the 1963 photograph. Increased agricultural and rural residential development appeared in the site vicinity.
1975	Topographic Map 1:24,000	No apparent changes were noted to the subject property since the 1968 topographic map.
1980	Aerial Photograph 1:375	A cleared area with roads/trails traversing the area was now apparent on the southern portion of the subject property. Orchards remained on the central portion of the property as well as the agricultural water retention basin.
1990/91	Aerial Photograph 1:375	Orchards remained on the central portion of the subject property and appeared on portions of the southern parcels, as well as in the adjacent and surrounding area.

TABLE 1
Summary of Historical Use Review

Year	Source and Scale	Comments
2002	Aerial Photograph 1:375	Subject property appeared with orchards on the central portions and eastern edge of the southern portion; and an agricultural water retention basin at the east central portion. Adjacent and surrounding property appeared with a mix of orchards, rural residences, and undeveloped land.
March 2012	Aerial Photograph Accretive Investments, Inc.	The subject property appeared as its current configuration, which consisted of orchards on the central portions; while the balance of the site remained undeveloped/vacant land. An agricultural water retention basin was present within the eastern portion of the property just south of Covey Land. A concrete pad appeared on the central portion near the western terminus of Covey Lane. An unimproved road appeared traversing the southern portion of the property from northeast to southwest. The surrounding area appeared to be a mix of residential and agricultural-related land use.

3.2.2 City/County Directory

Directory listings associated with the subject property (9306 Covey Lane) was obtained from Track Info Services/FirstSearch®, an environmental information/database retrieval service. The subject property address was not listed in the directories from 1980 to 2008. A summary of the listings associated with the subject property address is summarized below in **Table 2**. Information for the target address (in bold) as well as the next lowest address on the same side of the street (left column) and next highest address on the same side of the street (right column). A copy of the City Directory Report is provided in **Appendix C**.

No addresses of potential concern, including gas stations, cleaners, automotive shops, and other address occupants of potential environmental concern were located on the subject street, or within the vicinity of the target address.

TABLE 2
Summary of City/County Directory Search
9306 Covey Lane, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
2008		
Covey Lane First listing this street 9542	**9306 Covey Lane** **Address not listed**	9542 Covey Lane Florence Griffis; Fred Sannipoli
2005		
Covey Lane First listing this street 9618	**9306 Covey Lane** **Address not listed**	9618 Covey Lane Leonard Doucette
2000		
Covey Lane First listing this street 9550	**9306 Covey Lane** **Address not listed**	9550 Covey Lane No listing

TABLE 2
Summary of City/County Directory Search
9306 Covey Lane, Escondido, California 92026

North Adjacent Addresses	Subject Property	South Adjacent Addresses
1995		
Covey Lane First listing this street 9550	**9306 Covey Lane** **Address not listed**	9550 Covey Lane Jim Shaefer
1990		
Covey Lane First listing this street 9618	**9306 Covey Lane** **Address not listed**	9618 Covey Lane Leonard Doucette
1985		
Covey Lane First listing this street 9689	**9306 Covey Lane** **Address not listed**	9750 Covey Lane Earl R. Stratton
1980		
Covey Lane First listing this street 10010	**9306 Covey Lane** **Address not listed**	10010 Covey Lane Vincent Ybarra
End of search due to A) earlier directory or street listing not found; or B) listing out of range, listings re-numbered, or no numeric listings		

3.2.3 Sanborn Fire Insurance Maps

Sanborn Fire Insurance maps were developed in the late 1800's and early 1900's for use as an assessment tool for fire insurance rates in urbanized areas. An on-line search was made at the Los Angeles County Public Library's collection of Sanborn Fire Insurance maps (LAPL, 2012). Sanborn map coverage was not available for the subject property and/or surrounding area; therefore, indicating little or no development prior to the 1950s.

3.2.4 County of San Diego Land Use and Environmental Group

EEI researched the County of San Diego Land Use and Environmental Group (LUEG) website to review any existing records related to development of the subject property. According to the online database maintained by the County (LUEG, 2012), no records were available for the subject property.

In addition, EEI requested a search for environmental records (i.e. well and septic tank permits) associated with the subject property with the County of San Diego Land and Water Quality Divisions. Records for Septic Tank Installation were on file for four (4) of the subject property parcels APNs: 129-010-73 through -76. No well permits associated with the subject property were on file. The following bulleted items summarize the information reviewed. **Appendix D** contains excerpts of the information reviewed.

- APNs 129-010-73 through -76 – Information pertaining to four April 10, 1990, permits for Septic Tank Installation and percolation test for four proposed single family dwellings (one located on each parcel). There was no indication that these permits were ever finalized or any inspections completed.

3.3 Regulatory Database Search

EEI reviewed known electronic database listings for possible hazardous waste generating establishments in the vicinity of the subject property, as well as adjacent sites with known environmental concerns. Facilities were identified by county, state, or federal agencies that generate, store, or dispose of hazardous materials. The majority of information in this section was obtained from FirstSearch®, an environmental information/database retrieval service. A copy of the FirstSearch® report is provided in **Appendix E,** along with a description of the individual databases. The subject property was not listed on any of the databases researched.

3.3.1 Federal Databases

National Priority List (NPL) – No listings were reported within one mile of the subject property.

NPL Delisted – No listings were reported within one-half mile of the subject property.

Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) – No listings were reported within one-half mile of the subject property.

CERCLIS (NFRAP) Archive – No listings were reported within one-half mile of the subject property.

Resource Conservation and Recovery Information System (RCRA) Corrective Action Sites (COR) – No listings were reported within one mile of the subject property.

RCRA TSD Facility List (RCRA-D) – No listings were reported within one-half mile of the subject property.

RCRA Generators (RCRA-G) – No listings were reported within one-quarter mile of the subject property.

RCRA No Longer Regulated (NLR) – No listings were reported within one-eighth mile of the subject property.

Federal IC/EC – No listings were reported within one-quarter mile of the subject property.

Emergency Response Notification System (ERNS) – No listings were reported within one-eighth mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.3.2 State and Regional Sources

Tribal Lands – One (1) listing was reported within one-mile of the subject property: **Bureau of Indian Affairs Contact I**. Tribal Lands listing are not generally considered rationale for environmental concern, unless the facility has a dual listing, such as a reported release. The listing does not have a dual listing or reported release; therefore, is not considered to be an environmental concern at this time.

State/Tribal Sites – No listings were reported within one mile of the subject property.

State Spills 90 – No listings were reported within one-eighth mile of the subject property.

State/Tribal Solid Waste Landfill (SWL) Sites – No listings were reported within one-half mile of the subject property.

State/Tribal California State Leaking Underground Storage Tanks (LUST) – No listings were reported within one-half mile of the subject property.

State/Tribal Permitted Underground Storage Tanks (UST)/Aboveground Storage Tanks (AST) – No listings were reported within one-quarter mile of the subject property. One non-geocoded listing was reported. The listing, **Crason Ranch** (identified as located at Nelson Way) was listed as the site of two USTs with a regulatory status of "not reported." The tanks were described as one 550-gallon regular unleaded, and one 550-gallon diesel fuel USTs. EEI was unable to determine the exact location of the site along Nelson Way, which traverses east to west approximately 550 feet south of the subject property. Operational permits are not generally rationale for environmental concern, unless a facility has a dual listing, such as a reported release. The aforementioned listing does not have a documented release; therefore, does not appear to be an environmental concern.

State/Tribal IC/EC – No listings were reported within one-quarter mile of the subject property.

State/Tribal Voluntary Cleanup Program Properties (VCP) – No listings were reported within one-half mile of the subject property.

State/Tribal Brownfields – No listings were reported within one-half mile of the subject property.

State Permits – No listings were reported within one-quarter mile of the subject property. One non-geocoded listing was reported. The listing, **Crason Ranch** (identified as located at Nelson Way) was listed as the site of a State Permit with a regulatory status of "inactive." No other information was provided. EEI was unable to determine the exact location of the site along Nelson Way, which traverses east to west approximately 550 feet south of the subject property. State permits are not generally rationale for environmental concern, unless a facility has a dual listing, such as a reported release. The aforementioned listing does not have a documented release; therefore, does not appear to be an environmental concern.

State Other – No listings were reported within one-quarter mile of the subject property.

The subject property was not identified on any of the above-referenced databases researched.

3.4 Regulatory Agency Review

3.4.1 Deer Springs Fire Protection District

EEI contact the Deer Springs Fire Protection District (DSFPD) for information pertaining to hazardous waste releases, spills, incident reports, and/or inspection reports for the subject property. According to staff, the DSFPD does not hold records related to hazardous releases, spills, or UST permits and referred EEI to the County of San Diego Department of Environmental Health (see below). A search by personnel for incident or inspection reports related to the subject property revealed no records on file.

3.4.2 County of San Diego Department of Environmental Health

EEI submitted requests to review public records to the County of San Diego Department of Environmental Health (DEH) for the subject property APNs: APNs 128-290-51, 129-010-62, 129-010-73 through -76; and the subject property address of 9306 Covey Lane. According to Ms. Joyce Ellman, Office Support Specialist, no permits were on file.

3.4.3 State Water Resources Control Board

EEI reviewed the online database GeoTracker (2012), which provides records on LUSTs and Spills, Leaks, Investigation and Cleanup (SLIC) sites, which is maintained by the State Water Resources Control Board. Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.4 Department of Toxic Substances Control

EEI reviewed the online database EnviroStor (2012), which provides records on LUSTs, SLICs, Priority cleanup sites and states sites, which is maintained by the Department of Toxic Substances Control (DTSC). Neither the subject property nor any adjacent or nearby properties were listed on any of the databases researched.

3.4.5 Review of Division of Oil, Gas and Geothermal Resources Files

Oil and gas wells were not observed on the subject property during our subject property reconnaissance. A review of the California Division of Oil, Gas, and Geothermal Resources Website for oil and gas fields in California and Alaska (CDOGGR, 2012) indicated no petroleum exploration or production has occurred on or immediately adjacent to the subject property (identified as within Township 10S, Range 02W, Sections 19 and 30).

3.4.6 National Pipeline Mapping System

EEI reviewed the National Pipeline Mapping System (NPMS, 2012) public viewer website for gas transmission pipelines and hazardous liquid trunklines on or close to the subject property. According to the information reviewed, no pipelines are located on or in close proximity to the subject property.

3.5 Interview with Current Property Owner

The current owner of the subject property is being represented by the entity on whose behalf the Phase I ESA is being prepared. Pertinent information provided by Mr. John Rilling, with Accretive Investments, Inc., regarding the subject property is documented below in Section **3.6 User Provided Information**. No indications of environmental concern were noted by Mr. Rilling (see below).

3.6 User Provided Information

Pursuant to ASTM E1527-05, EEI provided a Phase I ESA User Specific Questionnaire to the "user" (the person on whose behalf the Phase I ESA is being conducted), in this case, Mr. Jon Rilling, with Accretive Investments, Inc., completed the questionnaire. The User Specific Information provided by Mr. Rilling is documented below. A copy of the user specific questions (per ASTM E1527-05) with Mr. Rilling's associated responses is included in **Appendix F**.

3.6.1 Environmental Liens or Activity and Use Limitations

Mr. Rilling stated that he is not aware of any environmental liens, land use limitations, deed restrictions or governmental notifications relating to past or recurrent violations of environmental laws with respect to the property or any facility located on the property.

3.6.2 Specialized Knowledge

Mr. Rilling stated that he has no specialized knowledge related to the subject property.

3.6.3 Valuation Reduction for Environmental Issues

Mr. Rilling stated that the purchase price for this property reasonably reflects the fair market value of the property.

3.6.4 Presence or Likely Presence of Contamination

Mr. Rilling indicated that he does not know of any specific issues related to past uses, specific chemicals, spills, releases, or cleanups which may have occurred on the property.

3.6.5 Other

Mr. Rilling noted that the Phase I ESA is required due to underwriting and county requirements related to the sale of the property.

3.7 Previous Assessments

Based on the information provided by the client, Mr. Jon Rilling, previous site investigation activities have been conducted on the subject property. The following section summarizes the information EEI reviewed.

AEI Consultants, 2006, "Phase I Environmental Site Assessment, APNs 129-010-62 and 128-290-51, Escondido, California 92026, AEI Project No. 27885 and 28554," dated March 28.

AEI Consultants, 2006, "Limited Phase II Subsurface Investigation, APNs 129-010-62 and 128-290-51, Escondido, California 92026, AEI Project No. 28554," dated June 20.

The subject property was reportedly situated on two (2) parcels (Parcel 1, 129-010-62 – 40.48-acres and Parcel 2, 128-290-51 – 43.3-acres). At the time of the report, both parcels were unimproved, vacant land that contained dirt roads. Historical sources reviewed during the preparation of the ESA indicated that both parcels were previously utilized for agricultural purposes. AEI concluded that no on-site RECs were identified; however, based on the past and present agricultural use of the property, further investigation was recommended.

Based on the historical agricultural use identified on the subject property, additional investigation was performed by AEI. A total of 20 soil samples were collected from Parcel 1 and analyzed for Organochlorine Pesticides by EPA Method 8081A. No detected concentrations of organochlorine pesticides were found in any of the soil samples collected from Parcel 1.

An additional 14 soil samples were collected from Parcel 2 and analyzed for Organochlorine Pesticides by EPA Method 8081A. Concentrations of DDT and Chlordane were detected in the samples collected from Parcel 2; however, at concentrations less than residential Preliminary Remediation Goals (PRGs). Based on the results of the investigation, AEI recommended no further investigation.

AEI Consultants, 2006, "Phase I Environmental Site Assessment, APNs 129-010-73, -74, -75,-76, Escondido, California 92026, AEI Project No. 28885," dated May 3.

According to the information reviewed, the subject property was located north of Nelson Way and had no physical address assigned. The subject property was reportedly comprised of four (4) parcels, which were undeveloped. Historical sources reviewed during the preparation of the ESA indicated that portions of the subject property (identified as the eastern edge of the parcels) were utilized for agricultural purposes as identified in 1994 and 2002 aerial photographs. AEI concluded that no on-site RECs were identified; however, recommended that the owner/user of the Phase I ESA contact the local planning department to determine whether sampling relating to the former agricultural use of the subject property is required. To EEI's knowledge, no agricultural sampling was performed on the subject property.

3.8 Other Environmental Issues

3.8.1 Asbestos-Containing Materials

Asbestos, a natural fiber used in the manufacturing of a number of different building materials, has been identified as a human carcinogen. Most friable (i.e., easily broken or crushed) asbestos-containing material (ACM) was banned in building materials by 1978. By 1989, most major manufacturers had voluntarily removed non-friable ACM (i.e., flooring, roofing, and mastics/sealants) from the market. These materials, however, were not banned completely.

In October 1995, the Federal Occupational Safety and Health Administration (OSHA) redefined the manner by which building materials are classified in regards to asbestos and the also the way these materials are to be handled. Under this ruling, "thermal system insulation and sprayed-on or troweled on or otherwise applied surfacing materials" applied before 1980 are considered presumed asbestos containing materials (PACM). Other building materials such as "floor or ceiling tiles, siding, roofing, transite panels" (i.e., non-friable) are also considered PACM unless tested.

An ACM survey was not conducted at the subject property as part of this Phase I ESA. With the exception of a concrete pad on the central portion, the subject property consists of vacant land. Based on this information, the presence of asbestos-containing materials is not considered likely.

3.8.2 Lead-Based Paint

Lead-based paint (LBP) is identified by OSHA, the Environmental Protection Agency (EPA) and the Department Housing and Urban Development Department (HUD) as being a potential health risk to humans, particularly children, based upon its effects to the central nervous system, kidneys, and bloodstream. The risk of lead-based paint has been classified by HUD based upon the age and condition of the painted surface. This classification includes the following:

- maximum risk is from paint applied before 1950;
- a severe risk is present from paint applied before 1960;
- a moderate risk is present from paint applied before 1970;
- a slight risk is present from paint applied before 1977; and
- paint applied after 1977 is not expected to contain lead.

With the exception of a concrete pad on the central portion, the subject property consists of vacant land. Based on this information, the presence of lead based paint is not considered likely.

3.8.3 Radon

Radon is a radioactive gas which has been identified as a human carcinogen. Radon gas is typically associated with fine-grained rock and soil, and results from the radioactive decay of radium. The U.S. EPA recommends that homeowners in areas with radon screening levels greater than 4 Picocuries per liter (pCi/L) conduct mitigation of radon gas to reduce exposure.

Sections 307 and 309 of the Indoor Radon Abatement Act of 1988 (IRAA) directed the U.S. EPA to list and identify areas of the U.S. with the potential for elevated indoor radon levels. U.S. EPA's Map of Radon Zones (EPA-402-R-93-071) assigns each of the 3,141 counties in the US to one of three zones based on radon potential:

- Zone 1 counties have a predicted average indoor radon screening level greater than 4 pCi/L.
- Zone 2 counties have a predicted average indoor radon screening level between 2 and 4 pCi/L.
- Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

Based on such factors as indoor radon measurements; geology; aerial radioactivity; and soil permeability, the U.S. EPA has identified the County of San Diego as Zone 3 (i.e., a predicted average indoor radon screening level less than 2 pCi/L). EEI does not consider radon as a significant environmental concern at this time.

3.8.4 Polychlorinated Biphenyls

Polychlorinated Biphenyls (PCB's) are used in electrical equipment, particularly in capacitors and transformers, because they are electrically nonconductive and stable at high temperatures. PCB's persist in the environment, accumulate in organisms, and concentrate in the food chain.

The disposal of these compounds is regulated under the Toxic Substances Control Act, which banned the manufacture and distribution of PCB's. By Federal definition, PCB equipment contains 500 parts per million (ppm) or more of PCB's, where PCB-contaminated equipment contains PCB concentrations greater than 50 ppm but less than 500 ppm. The US Environmental Protection Agency (EPA), under TSCA guidance, regulates the removal and disposal of all sources of PCB's containing 50 ppm or more.

Any electrical equipment containing dielectric insulating fluids or coolants, manufactured prior to 1976, should be considered as potentially PCB-containing. This includes transformers, capacitors, and fluorescent light fittings. In addition, PCB's may also be found as a stabilizer in older lubricating oils, pesticide extenders, cutting oils, hydraulic fluids, paints, sealants, and flame retardants (UNEP, 1999).

Overhead power lines were not observed on or near the subject property. With the exception of a concrete pad on the central portion, the subject property consists of vacant land. Based on this information, the presence of potentially PCB containing electrical equipment is not considered likely.

4.0 SUBJECT PROPERTY RECONNAISSANCE

4.1 Purpose

The purpose of our subject property reconnaissance was to visually and physically observe the subject property, structures, and adjoining properties for conditions indicating an existing release, past release, or threatened release of any hazardous materials/substances or petroleum products into structures on the subject property, or into soil and/or groundwater beneath the subject property. This would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, ASTs/USTs, illegal dumping, or improper waste storage/handling. Detailed information is provided in the text below.

4.2 Subject Property

On December 16, 2011, EEI personnel conducted a site reconnaissance to visually observe the subject property and adjoining properties for conditions indicating an environmental concern. Environmental concerns would include any evidence of contamination, distressed vegetation, petroleum-hydrocarbon staining, waste drums, illegal dumping, or improper waste storage and/or handling. Visual conditions present during the site reconnaissance are documented in the Photographic Log (**Appendix G**), and summarized in **Table 2**.

The subject property is located in a mixed residential/agricultural area of Escondido, California. The subject property is situated on six parcels of land (APN 128-290-51, 129-010-62, and 129-010-73 through -76), which is comprised of 94.6 Acres. The subject property is located northwest and southwest of the western terminus of Covey Lane. The subject property is bound by mixed residential/agricultural property on all sides.

The subject property contains no developed structures. Access to the property is via dirt roads and trails. A major dirt road, originating from the west end of Covey Lane traverses the subject property northeast to southwest from its central to southern portion. A 50,000-gallon agricultural water retention basin is located to the south of the west end of Covey Lane within the east central portion of the subject property. The central portion of the property contains a concrete pad where several commercial beehives were observed. An abandoned vehicle was also observed in the central portion of the subject property.

South of Covey Lane along the eastern property margin, an area of trash and debris was observed. This area contained empty motor oil containers, burned trash, a steel bucket, plastic containers, empty propane tanks, tires, pipe, scrap metal, appliances, and miscellaneous household and construction debris. No stains or odors were noted in the area of the debris. Further south along a dirt road a discarded refrigerator was observed. As the road curves toward the south-central portion of the site a second abandoned vehicle was observed.

The subject property becomes increasingly steep and densely vegetated along the southern margins. The southernmost portion of the subject property was inaccessible due to dense vegetation and steep grade. The northernmost portion of the subject property also contained dense vegetation and steep grades.

With the exception of the trash and debris observed along the eastern margin of the subject property near Covey Lane, no evidence of contamination, distressed vegetation, petroleum-hydrocarbon surface staining, waste drums, USTs, ASTs, or improper waste storage/handling was noted during our site reconnaissance.

TABLE 3
Summary of Site Reconnaissance

Item	Concerns	Comments
General Housekeeping	No	The subject property appeared to be in fair condition; with some debris noted.
Surface Spills	No	No concerns observed.
Stained Surfaces	No	No concerns observed.
Fill Materials	No	No concerns observed.
Pits/Ponds/Lagoons	No	No concerns observed.
Surface Impoundments	No	No concerns observed.
ASTs/USTs	No	No concerns observed.
Distressed Vegetation	No	No concerns observed.
Wetlands	No	No concerns observed.
Electrical Substations	No	No concerns observed.
Areas of Dumping	No	Small dumping area was observed along eastern property margin.
Transformers	No	No concerns observed.
Waste/Scrap Storage	No	Various quantities of trash and debris were observed along the eastern property margin.
Chemical Use/Storage	No	No concerns observed.

4.3 Adjacent Properties

EEI conducted a visual and auto reconnaissance of the adjoining neighborhoods (to the extent practical) to evaluate the potential for offsite impacts that may affect the subject property. These would include evidence of chemical storage or usage, surface staining or leakage, distressed vegetation, or evidence of illegal dumping.

In general, the subject property is surrounded by rural residences, undeveloped land or agricultural properties. Access was limited. However, immediately adjacent properties were not identified as having environmental related issues on any of the databases researched, and are not considered as an environmental concern at this time. No service stations, dry cleaners, or industrial properties were located in the immediate vicinity.

5.0 FINDINGS AND OPINIONS

Based on the information obtained in this ESA, EEI has the following findings and opinions:

- Known or suspected RECs – The following known or suspected RECs have been identified during the preparation of this ESA:

  Portions of the subject property have been utilized for agricultural purposes (i.e., orchards). EEI reviewed a Limited Phase II Subsurface Investigation conducted by AEI consultants in June 2006 on subject parcels 129-010-62 (Parcel 1) and 128-290-51 (Parcel 2). According to the report, no detected concentrations of organochlorine pesticides were reported in any of the soil samples collected from Parcel 1. Concentrations of DDT and Chlordane were detected in the soil samples collected from Parcel 2; however, at concentrations less than residential PRGs. Based on the results of the previous investigation, no further investigation appears to be warranted at this time.

  In addition, the eastern edge of the southern subject parcels, APNs 129-010-73through,-76, appeared utilized for agricultural purposes from 1990 to 2002. Soil sampling was not performed by AEI on this portion of the subject property. It should be noted that EEI attempted to collect soil samples from the southern parcels (APNs 129-010-73 through -76) but was unsuccessful due to dense vegetation and limited access.

  In the time period that farming occurred (1990 to 2002) in this area, it is unlikely that restricted agricultural chemicals were applied to soils; therefore, further investigation does not appear to be warranted at this time.

- Historical REC's – No historical REC's have been revealed during the preparation of this ESA.

- *De Minimis* Conditions – No de minimis conditions have been revealed during the preparation of this ESA.

6.0 DATA GAPS AND DEVIATIONS FROM ASTM PRACTICES

Section 3.2.20 (ASTM 1527-05) defines a data gap as "a lack or inability to obtain information required by the practice despite good faith efforts of the environmental professional to gather such information."

6.1 Historical Data Gaps

No historical data gaps were identified during our research efforts.

6.2 Regulatory Data Gaps

No regulatory data gaps were identified during our research efforts.

6.3 On-site Data Gaps

No on-site data gaps were identified during our research efforts.

6.4 Deviations from ASTM Practices

Section 12.10 (ASTM 1527-05), states that all deletions and deviations from this practice shall be listed individually and in detail, including client imposed constraints, and all additions should be listed.

EEI believes that there are no exceptions to, or deletions from, the ASTM Designation E1527-05 Guidelines.

7.0 CONCLUSIONS

We have performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Designation E1527-05 for the subject property identified as APNs 128-290-51, 129-010-62, 129-010-73 through -76 and the address of: 9306 Covey Lane, Escondido, California. Any exceptions to, or deletions from, this practice are described in Section 6.0 of this report. This Phase I ESA has revealed no evidence of *recognized environmental conditions* in connection with the property, except for the following:

- The subject property has been utilized for agricultural purposes. EEI reviewed a Limited Phase II Subsurface Investigation conducted by AEI consultants in June 2006 on subject parcels 129-010-62 (Parcel 1 – 40.48-acres) and 128-290-51 (Parcel 2 – 43.3-acres). According to the report, no detected concentrations of organochlorine pesticides were reported in any of the soil samples collected from Parcel 1. Concentrations of DDT and Chlordane were detected in the soil samples collected from Parcel 2; however, at concentrations less than residential PRGs. Based on the results of the previous investigation, no further investigation appears to be warranted at this time.

  In addition, the eastern edge of the southern subject parcels (APNs 129-010-73 through,-76), appeared to be used for agriculture from 1990 to 2002. EEI attempted to collect soil samples from this area; however, was unsuccessful due to limited access and dense vegetation. In the time period that farming occurred (1990 to 2002) in this area, it is unlikely that restricted agricultural chemicals were applied to soils; therefore, further investigation does not appear to be warranted at this time.

In addition to the above bulleted items, EEI has the following comments:

- According to the client, a water supply well is located on the northwest portion of the subject property; however, no well permits were on file with the County. Additionally, County records did indicate the existence of permits for Septic Tank Installation and percolation tests for four proposed single family dwellings on the subject property (APNs 129-010-73 through -76); however, there was no indication that these permits were ever finalized or any inspections completed. No septic systems were observed on the subject property during the site reconnaissance. If discovered during site improvements, and unless planned for future use, any water supply wells and/or septic systems should be properly abandoned following County Health Department guidelines.

- Based on the subject property's historical agricultural use, it is possible that buried/concealed/hidden agricultural by-products, both below and above ground may have existed or exists on the subject property. Any buried trash/debris, or other waste encountered during future subject property development should be evaluated by an experienced environmental consultant prior to removal. If stained or suspicious soil is encountered during future grading operations, the material should be evaluated and if deemed necessary, characterized for proper disposal.

8.0 REFERENCES

California Department of Water Resources, Water Data Library (WDL), Website (http://www.water.ca.gov/waterdatalibrary), accessed February 2012.

California Division of Oil, Gas, and Geothermal Resources (CDOGGR) Website (http://maps.conservation.ca.gov/doms/index.html), accessed February 2012.

California Environmental Protection Agency (CalEPA), 2005, "Use of California Human Health Screening Levels (CHHSLs) in Evaluation of Contaminated Properties."

California Geological Survey (CGS), 2002, "California Geomorphic Provinces, Note 36."

County of San Diego Land Use and Environmental Group (LUEG), KIVA, Website (http://landinfo.sdcounty.ca.gov/permit/index.cfm), accessed February 2012.

Department of Toxic Substances (DTSC), Website (http://www.envirostor.dtsc.ca.gov/public/), EnviroStor database, accessed February 2012.

Federal Emergency Management Act (FEMA), Flood Insurance Rate Map (FIRM), Website http://msc.fema.gov/webapp/wcs/stores/servlet/FemaWelcomeView?storeId=10001&catalogId=10001&langId=-1 accessed February 2012.

Kearny Foundation Special Report, "Background Concentrations of Trace and Major Elements in California Soils," UC Riverside, 1996.

Los Angeles County Public Library (LAPL), Sanborn Maps 1867-1970, Website http://databases.lapl.org/#s, accessed February 2012.

National Pipeline Mapping System (NPMS), Public Map Viewer Website, (https://www.npms.phmsa.dot.gov/PublicViewer/), accessed February 2012.

San Diego Geographic Information Source, (SanGIS), Website, (http://files.sangis.org/interactive/viewer/viewer.asp), accessed February 2012.

San Diego Regional Water Quality Control Board (SDRWQCB), 1994, "Water Quality Control Plan for the San Diego Basin (9)," dated September 8.

State Water Resources Control Board, Website, GeoTracker database, (http://www.geotracker.swrcb.ca.gov/), accessed February 2012.

Tan, Siang S., 2000, Geologic Map of the Bonsall 7.5' Quadrangle, San Diego County, California, A Digital Database, (1:24,000), California Division of Mines and Geology (CDMG) in cooperation with the United States Geological Survey (USGS).

United Nations Environmental Programme, 1999, Guidelines for the Identification of PCBs and Materials Containing PCBs.

United States Department of Agriculture (USDA), Natural Resources Conservation Service, Website (http://websoilsurvey.nrcs.usda.gov/app/) Web Soil Survey, accessed February 2012.

United States Geological Survey (USGS), 1968, photograph inspected 1975, Bonsall, 7.5-Minute Quadrangle.

FIGURES

APPENDIX A
RESUME OF ENVIRONMENTAL PROFESSIONAL

APPENDIX B
SAN DIEGO COUNTY ASSESSOR'S PARCEL MAP

APPENDIX C
HISTORICAL AERIAL PHOTOGRAPHS/TOPOGRAPHIC MAPS/CITY DIRECTORY

APPENDIX D
COUNTY OF SAN DIEGO RECORDS

APPENDIX E
ENVIRONMENTAL RECORDS SEARCH

APPENDIX F
USER PROVIDED INFORMATION

APPENDIX G
PHOTOGRAPHIC LOG