



PHASE I
ENVIRONMENTAL SITE ASSESSMENT

Base Line Street and Church Avenue
Highland, San Bernardino, California 92346

Date Issued: March 9, 2016

Project Number: 1891.16

Prepared by:

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March 9, 2016

KZ Companies, LLC
18818 Teller Avenue
Suite 100
Irvine, California 92612

RE: Phase I Environmental Site Assessment
Base Line Street and Church Avenue
Highland, San Bernardino, California 92346

UES Consulting Services is pleased to submit the enclosed Phase I Environmental Site Assessment performed on the above-referenced subject property.

This assessment was conducted in accordance with the American Standards for Testing and Materials (ASTM) Practice E1527-13. The results of the assessment were based upon historical documentation and observations made on the subject property at the time of the on-site inspection.

Thank you for the opportunity to be of service. Should you have any questions, please feel free to contact our office.

Sincerely,

UES CONSULTING SERVICES, INC.

A handwritten signature in black ink that reads "Mack Kitchens".

Mack Kitchens
Environmental Professional

A handwritten signature in black ink that reads "Ed Taylor".

Ed Taylor
Environmental Professional
CEO

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SUMMARY OF FINDINGS

SUBJECT PROPERTY

| CURRENT CONDITIONS | |
|--|--|
| Date of Inspection | February 29, 2016 |
| Property location | Base Line Street and Church Avenue Highland, San Bernardino, California 92346 |
| Description of improvements | none; the subject property is vacant land |
| Land Size | 5.98 acres |
| Current tenant(s) | none |
| Water wells | none |
| Septic systems | none |
| Hazardous materials | none |
| Hazardous waste | none |
| Underground storage tanks | none |
| Above-ground storage tanks | none |
| Drums | none |
| Suspect PCB equipment | none |
| Monitoring wells | none |
| Other environmental items | none |
| HISTORICAL RESEARCH | |
| The subject property has never been developed with any residential or commercial structures. | |
| DATABASE LISTINGS | |
| The subject property is not registered on any federal or state databases. | |

ADJACENT PROPERTIES

| DIRECTION | CURRENT USES | PAST USES |
|-----------|--------------------------------------|--------------------------------------|
| NORTH | Residential development | Vacant land |
| EAST | Residential development, vacant land | Vacant land |
| SOUTH | Church, nursery school | Vacant land, residential development |
| WEST | Residential development, vacant land | Vacant land |

Based upon a visual reconnaissance and a review of available historical records, there was no evidence to suggest that any current or past uses on any of the adjacent properties have impacted the subject property.

DATABASE LISTINGS/ADJACENT PROPERTIES AND SURROUNDING AREA

| DATABASE | NUMBER OF SITES/DISTANCE FROM SUBJECT PROPERTY | | | | |
|---|--|----------|----------|----------|--------|
| | ADJACENT | 1/8 MILE | 1/4 MILE | 1/2 MILE | 1 MILE |
| NATIONAL PRIORITY LIST/ SUPERFUND SITE | 0 | 0 | 0 | 0 | 0 |
| DEPARTMENT OF DEFENSE | 0 | 0 | 0 | 0 | 0 |
| STATE HAZARDOUS WASTE | 0 | 0 | 0 | 0 | 0 |
| CORRECTIVE ACTION | 0 | 0 | 0 | 0 | 1 |
| CERCLIS | 0 | 0 | 0 | 0 | |
| TRANSPORT, STORAGE, DISPOSAL FACILITIES | 0 | 0 | 0 | 0 | |
| STATE LANDFILL | 0 | 0 | 0 | 0 | |
| VOLUNTARY CLEAN-UP PROGRAM | 0 | 0 | 0 | 0 | |
| BROWNFIELDS | 0 | 0 | 0 | 0 | |
| LEAKING UNDERGROUND STORAGE TANKS | 0 | 0 | 0 | 1 | |
| LEAKING ABOVE-GROUND STORAGE TANKS | 0 | 0 | 0 | 0 | |
| UNDERGROUND STORAGE TANKS | 0 | 0 | 1 | | |
| ABOVE-GROUND STORAGE TANKS | 0 | 0 | 0 | | |
| HAZARDOUS WASTE GENERATORS | 0 | 0 | 1 | | |

Based upon the review of federal and state records, a visual reconnaissance, presumed groundwater flow, distance, and/or geological characteristics in the area, there is no evidence to suggest any of the sites listed in the database report have impacted the subject property.

CONCLUSIONS

UES Consulting Services, Inc. has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E1527-13 of the aforementioned subject property. The purpose of the Phase I Environmental Site Assessment is to ascertain if there are any ***recognized environmental conditions, controlled recognized environmental conditions, historical recognized environmental conditions, and/or de minimis conditions*** associated with the subject property.

Recognized Environmental Conditions

According to ASTM Practice E1527-13, *recognized environmental conditions* means the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: due to a release to the environment; under conditions indicative of a release to the environment; or under conditions that pose a material threat of a future release to the environment. A release or threatened release of a hazardous substance includes any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment (including the abandonment or discarding of barrels, containers and other closed receptacles containing any hazardous substance, pollutant or contaminant).

This assessment has determined there are ***no recognized environmental conditions*** associated with the subject property.

Controlled Recognized Environmental Conditions

According to ASTM Practice E1527-13, *controlled recognized environmental conditions* is defined as *recognized environmental conditions* resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (for example, as evidenced by the issuance of a no further action letter or equivalent, or meeting risk-based criteria established by regulatory authority), with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls).

This assessment has determined there are ***no controlled recognized environmental conditions*** associated with the subject property.

Historical Recognized Environmental Conditions

According to ASTM Practice E1527-13, *historical recognized environmental conditions* is a past release of any hazardous substances or petroleum products that has occurred in connection with the property, and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.

This assessment has determined there are ***no historical recognized environmental conditions*** associated with the subject property.

De Minimis Conditions

According to ASTM Practice E1527-13, *de minimis conditions* are environmental conditions that generally do not present a material risk of harm to public health or the environment, and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be *de minimis* are not *recognized environmental conditions* nor *controlled recognized environmental conditions*.

This assessment has determined there are ***no de minimis conditions*** associated with the subject property.

RECOMMENDATIONS

No further environmental studies are recommended at this time.

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FIGURE 1. AREA LOCATION MAP
FIGURE 2. TOPOGRAPHIC MAP

PHASE I

ENVIRONMENTAL SITE ASSESSMENT

1.0 INTRODUCTION

UES Consulting Services, Inc. (UES) was retained by KZ Companies, LLC (hereafter referred to as Client), to perform a Phase I Environmental Site Assessment (ESA) of the property located at Base Line Street and Church Avenue in Highland, San Bernardino, California (subject property). UES performed the ESA in conformance with the provisions of the American Standard for Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process E1527-13, thereby satisfying United States Environmental Protection Agency's "Standards and Practices for All Appropriate Inquiries (AAI); Final Rule" (40 Code of Federal Regulations Part 312) Federal Register Vol. 70, No. 210, November 1, 2005.

This report presents the results of a Phase I environmental assessment of the subject property conducted by UES Consulting Services, Inc. The purpose of the Phase I is to identify historical, existing, or potential environmental hazards.

2.0 SCOPE OF WORK

This Phase I environmental assessment has been performed in accordance with the guidelines set forth in the American Standard for Testing and Materials (ASTM) Practice E1527-13. The purpose of the Phase I is to identify any *recognized environmental conditions* associated with the subject property. This is accomplished by an on-site visual inspection of the interior and exterior of the subject property, a visual reconnaissance of the adjacent properties and surrounding area, a regulatory database review, historical records research, and interviews.

The investigation and inclusion of the following environmental items are *NOT* currently required by ASTM Practice E1527-13:

| | | |
|------------------------|----------------------|--------------------------|
| Asbestos | Mold | Industrial Hygiene |
| Radon | Health and safety | High voltage power lines |
| Lead-based paint | Ecological resources | Regulatory compliance |
| Lead in drinking water | Endangered species | Historic site registry |
| Indoor air quality | Wetlands | |

DEVIATIONS FROM ASTM PRACTICE E1527-13

There were no deviations from the scope and limitations of ASTM Practice E1527-13 in this report,

ADDITIONAL SERVICES

There were no additional services performed for this site assessment above the scope and limitations of ASTM Practice E1527-13.

SPECIAL CONTRACTUAL CONDITIONS

There were no special contractual conditions placed on UES Consulting Services in completion of the Phase I assessment.

DATA GAPS

There were no significant data gaps that affected the ability of UES Consulting Services to determine if there were any recognized environmental conditions in connection with the subject property.

3.0 ON-SITE INSPECTION

3.1 DATE OF INSPECTION

The on-site inspection of the subject property was conducted on February 29, 2016. The subject property was inspected at its perimeters and walked in a grid pattern. There were no limitations during the site inspection.

3.2 SITE LOCATION

The subject property is located on the northeast corner of Base Line Street and Church Avenue in Highland, California. An area location map is included in Figure 1.

3.3 SITE DESCRIPTION

The subject property consists of approximately 5.98 acres of vacant land.

The legal description of the subject property is included as Appendix A, and photographs of the subject property and adjacent properties are included as Appendix B.

3.4 CURRENT USE

The subject property was vacant land at the time of the inspection.

3.5 WATER WELLS/SOURCE OF POTABLE WATER

Water to the subject property is available from the East Valley Water District, and meets all state and federal standards for safe drinking water. There were no water wells observed on the subject property.

3.6 HEATING SOURCE

There are no petroleum fuel sources for heat on the subject property.

3.7 SEPTIC SYSTEMS/SEWAGE DISPOSAL

The subject property has access to the municipal sewage disposal system.

3.8 HAZARDOUS SUBSTANCES

There were no hazardous substances observed on the subject property during the site inspection.

3.9 HAZARDOUS WASTE

There was no hazardous waste noted on the subject property during the site inspection.

3.10 PETROLEUM PRODUCTS

There were no petroleum products noted on the subject property during the site inspection.

3.11 STORAGE TANKS

There were no pump islands, vent pipes, or fill ports typically associated with underground storage tanks observed on the subject property during the site inspection. In addition, there are no above-ground storage tanks located on the subject property.

3.12 ODORS

There were no unusual odors detected on the subject property during the site inspection.

3.13 POOLS OF LIQUID

There were no pools of liquid noted on the subject property during the site inspection.

3.14 DRUMS

There were no drums noted on the subject property during the site inspection.

3.15 UNIDENTIFIED SUBSTANCE CONTAINERS

There were no unidentified substance containers located on the subject property during the site inspection.

3.16 PCBs

Polychlorinated biphenyls (PCBs) are toxic organic compounds also known as chlorinated hydrocarbons. PCBs were used as insulating liquids in electric transformers, capacitors, and hydraulic fluid from 1929 to 1979. The manufacture, process, distribution in commerce, or use of any PCBs in equipment in concentrations greater than 50 ppm was prohibited after July 2, 1979. The following equipment that commonly contains electrical insulating fluid or hydraulic fluid was noted on the subject property:

| | | |
|--------------------|------------------------------|------|
| TRANSFORMERS | TYPE | none |
| | LOCATION | |
| | NON-PCB LABEL | |
| | SIGNS OF DAMAGE, LEAKS, FIRE | |
| | OWNERSHIP | |
| | ELECTRIC COMPANY | |
| ELEVATOR EQUIPMENT | NUMBER OF ELEVATORS | none |
| | TYPE | |
| | SIGNS OF DAMAGE, LEAKS, FIRE | |
| HYDRAULIC LIFTS | NUMBER OF LIFTS | none |
| | UNDERGROUND | |
| | ABOVE-GROUND | |

3.17 INTERIOR STAINS OR CORROSION

Not applicable; the subject property is vacant land.

3.18 INTERIOR DRAINS/SEPARATORS/SUMP PUMPS

Not applicable; the subject property is vacant land.

3.19 PITS/PONDS/LAGOONS

There were no pits, ponds, or lagoons located on the subject property.

3.20 STAINED SOIL/PAVEMENT

There was no stained soil or pavement observed on the subject property during the site inspection.

3.21 STRESSED VEGETATION

There was no stressed vegetation detected on the subject property during the site inspection.

3.22 SOLID WASTE/LAND FILL

There was no evidence of land filling, garbage dump, or any significant areas of solid waste disposal observed on the subject property during the site inspection.

3.23 WASTE WATER

There was no waste water discharge detected on the subject property during the site inspection. In the event of rain, storm water would appear to flow in a southwesterly direction.

3.24 MONITORING WELLS

There were no monitoring wells observed on the subject property.

3.25 PETROLEUM PIPELINES

There were no markings or signage designating petroleum pipelines on or adjacent to the subject property.

3.26 VAPOR MIGRATION

A Vapor Encroachment Screen was conducted for the subject property using Environmental Data Resources' (EDR) quick screen application. There were no sites identified within the search distance/designated area of concern that would pose a potential for vapor migration to impact the subject property. A copy of the vapor screen report is included in Appendix C.

4.0 INTERVIEWS

Interviews with the current owner of the subject property, and the previous owner of the subject property are required by ASTM Practice E1527-13 if the name and contact information have been provided by the client.

Current and/or previous owners interviewed, and the contents of each interview conducted to obtain information regarding the subject property, are as follows:

Current Owner

Mr. Mark Zimmerman

Interviewed: March 8, 2016

Mr. Zimmerman stated they have owned the property since 2005. He stated the subject property has never been developed with any residential or commercial improvements. Mr. Zimmerman said he was not aware of any underground storage tanks, water wells, or septic tanks on the subject property.

Previous Owner

Information to contact the previous owner(s) was not provided by the client.

Persons knowledgeable with the subject property, and local, state, and/or federal agencies contacted for information are detailed below:

Highland Fire Department

Contacted: March 2, 2016

The fire department has not yet responded to a request for information. An update will be issued should pertinent information be received.

5.0 HISTORICAL RESEARCH

ASTM Practice E1527-13 requires the review of only as many historical sources necessary, reasonably ascertainable, and likely to be useful to determine prior uses of the subject property back to 1940, or the subject property's first development (whichever is earlier). The following historical documentation was obtained and/or reviewed.

5.1 CITY DIRECTORIES

Historical city directories were reviewed at approximate 5-year intervals (if available) to ascertain if past tenants would pose an environmental concern to the subject property. Listings for the subject property were as follows:

| Year of Directory | Listings |
|--------------------------|---------------------------|
| 1940-1974 | Directories not available |
| 1975 | none |
| 1980 | none |
| 1985 | none |
| 1992 | none |
| 1995 | none |
| 1999 | none |
| 2003 | none |
| 2008 | none |
| 2013 | none |

5.2 FIRE INSURANCE MAPS

Sanborn fire insurance maps were originally produced for the fire insurance industry and often identified environmental items, such as fuel tanks, and also identified structures that existed on a property at the time the map was produced. The availability of Sanborn fire insurance maps for certain areas is limited or non-existent.

Sanborn fire insurance map coverage was not available on the subject property.

5.3 AERIAL PHOTOGRAPHY

Aerial photographs of the subject property were obtained and reviewed. The year of the aerial photograph, and a description of the subject property and adjacent properties as viewed on the photographs, are as follows:

| YEAR OF PHOTOGRAPH | DESCRIPTION | |
|--------------------|------------------|---|
| 1936 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Vacant land |
| | EAST | Vacant land |
| | SOUTH | Vacant land, residential development |
| | WEST | Vacant land |
| 1949 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Vacant land |
| | EAST | Vacant land |
| | SOUTH | Vacant land, residential development |
| | WEST | Vacant land |
| 1959 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Vacant land |
| | EAST | Vacant land |
| | SOUTH | Vacant land, residential development |
| | WEST | Vacant land |
| 1968 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Residential development, commercial development |
| | WEST | Vacant land, residential development |
| 1975 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Residential development, commercial development |
| | WEST | Vacant land, residential development |

| | | |
|------|------------------|--------------------------------------|
| 1985 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Commercial development, vacant land |
| | WEST | Vacant land, residential development |
| 1994 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Commercial development, vacant land |
| | WEST | Vacant land, residential development |
| 2006 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Commercial development, vacant land |
| | WEST | Vacant land, residential development |
| 2012 | SUBJECT PROPERTY | Shown as vacant land |
| | NORTH | Residential development |
| | EAST | Residential development, vacant land |
| | SOUTH | Commercial development, vacant land |
| | WEST | Vacant land, residential development |

Copies of the aerial photographs are included in Appendix D.

5.4 TOPOGRAPHIC MAP

The U.S.G.S. topographic map of the subject property was reviewed for structures, objects, or items of environmental concern, such as landfills, dumps, tank farms, and petroleum pipelines, on the subject property. A review of the map revealed no items of environmental concern on or adjacent to the subject property. A copy of the topographic map is included in Figure 2.

5.5 CHAIN-OF-TITLE

Recorded land titles are records usually maintained by the county recorder of deeds which detail ownership fees, leases, land contracts, easements, liens, deficiencies, and other encumbrances attached to or recorded against the subject property. Due to state land trust regulations and laws,

land title records will often only provide trust names, bank trust numbers, owners names, or easement holders, and not information concerning previous uses or occupants of the subject property. For these reasons, this report has relied upon other standard historical information sources assumed to be more accurate or informative than recorded land titles.

5.6 PRIOR ENVIRONMENTAL REPORTS

A Phase I Environmental Site Assessment by UES Consulting Services, Inc., (previously Underground Environmental Services, Inc), dated July 15, 2005 was reviewed. The subject property was vacant land at the time of the inspection. The report did not identify any recognized environmental conditions and no further environmental studies were recommended.

5.7 AGENCY FILE REVIEWS

The subject property and adjacent properties were not identified in any regulatory databases. Therefore, no agency file reviews were conducted.

5.8 DATA FAILURE

There was no significant historical data failure encountered that prohibited the determination of the history of the subject property.

5.9 SITE HISTORY SUMMARY

The subject property has never been developed with any residential or commercial structures. Based on historical records reviewed, there does not appear to be prior uses, tenants, or structures on the subject property that would constitute any recognized environmental conditions.

6.0 USER PROVIDED INFORMATION

In order to meet the required guidelines of ASTM E1527-13, and the EPA's All Appropriate Inquiries (AAI) Rule, certain information is to be provided by the user. The user is defined as the potential purchaser of the property, a potential tenant of the property, an owner of the property, a lender, or a property manager. Mr. Tyler Reeves provided the following information.

6.1 TITLE RECORDS

The purpose of the title report is to identify environmental liens or activity and use limitations that may be recorded against the subject property.

An environmental lien is a charge or encumbrance upon the title of a property to secure payment of costs, damages, or debts incurred out of response actions, clean-up, or other remediation of hazardous substances or petroleum products on the property.

Activity and use limitations (AULs) are legal or physical restrictions on the use of, or access to, a property to reduce or eliminate potential exposure to hazardous materials in the soil or ground water on a property. AULs may also be in place to prevent activities on the property that could interfere with the effectiveness of a response action put into effect to protect against exposure of hazardous materials in the soil and/or ground water.

Mr. Reeves was not aware of any environmental liens or AULs recorded against the subject property.

6.2 SPECIALIZED KNOWLEDGE

According to ASTM guidelines, specialized knowledge or experience would include the involvement of the user in the same line of business as the current or former occupants of the subject property, or an adjoining property, so that the user would have specialized knowledge of the possible chemicals and/or processes used by the same type of business.

Mr. Reeves had no specialized knowledge of the subject property.

6.3 COMMONLY KNOWN/REASONABLY ASCERTAINABLE INFORMATION

According to Mr. Reeves, there has been no prior uses of the subject property.

6.4 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

According to Mr. Reeves, the purchase price for the subject property reasonably reflects the fair market value.

6.5 REASON FOR REQUESTING PHASE I

According to Mr. Reeves, the Phase I was requested due to a build-to-suit lease of the subject property.

6.6 USER QUESTIONNAIRE

A copy of the user questionnaire is included in Appendix E.

7.0 PHYSICAL SETTING

| | | |
|--|--|------------|
| SOILS | According to the USDA soil survey, the soils on the subject property are classified as Hanford coarse sandy loam. In a representative profile, the soil material is pale-brown and very pale brown sandy loam to a depth of 60 inches or more. This material is slightly acid or neutral throughout. is grayish-brown, mottled, friable silty clay loam. | |
| GEOLOGY | Era: | Cenozoic |
| | System: | Quaternary |
| | Series: | Quaternary |
| GROUNDWATER FLOW | presumed southwest | |
| Note: To determine exact soils, geology, and groundwater flow/depth on the subject property, additional geological and subsurface studies would be required. | | |
| SURFACE GROUND SLOPE | southwest | |
| PONDS/RIVERS/LAKES/TRIBUTARIES | none | |
| RETENTION PONDS/DRAINAGE CANALS | none | |
| UNUSUAL CHARACTERISTICS | none | |

8.0 ADJACENT PROPERTIES

ASTM Practice E1527-13 describes an adjacent property as any property or properties with boundaries that are contiguous or partially contiguous with that of the subject property, or that would be contiguous or partially contiguous with that of the subject property if not for a street, road, or other public thoroughfare separating them.

8.1 ADJACENT ROADS/STREETS/THOROUGHFARES

| DIRECTION | STREETS | # OF LANES |
|-----------|------------------|------------|
| NORTH | none | |
| EAST | Buckeye Street | 2 |
| SOUTH | Base Line Street | 4 |
| WEST | Church Avenue | 2 |

8.2 CURRENT USES

| DIRECTION | USES |
|-----------|---|
| NORTH | Residential development |
| EAST | Residential development, vacant land |
| SOUTH | First United Methodist Church, First United Methodist Church Nursery School |
| WEST | Residential development, vacant land |

| CURRENT OCCUPANT DATABASE LISTINGS | | |
|------------------------------------|------|--------------|
| DIRECTION | NAME | REGISTRATION |
| NORTH | none | |
| EAST | none | |
| SOUTH | none | |
| WEST | none | |

8.3 PAST USES

A review of available historical information was performed to determine the past uses of the adjacent properties.

| DIRECTION | PAST USES |
|------------------|------------------|
| NORTH | Vacant land |
| EAST | Vacant land |
| SOUTH | Vacant land |
| WEST | Vacant land |

| PAST OCCUPANT DATABASE LISTINGS | | |
|--|-------------|---------------------|
| DIRECTION | NAME | REGISTRATION |
| NORTH | none | |
| EAST | none | |
| SOUTH | none | |
| WEST | none | |

8.4 SUMMARY OF ADJACENT PROPERTIES

A visual reconnaissance, a review of state and federal databases, and a review of available historical records were performed to determine if any environmental concerns existed that could impact the subject property. There was no evidence to suggest that any current or past uses on the adjacent properties have impacted the subject property.

The subject property is located in an area consisting of commercial and residential development. There was no extensive industrial or manufacturing activities observed within close proximity of the subject property.

9.0 DATABASE REVIEW

UES Consulting reviewed available information provided by Environmental Data Resources (EDR) to evaluate potential environmental concerns with respect to the subject property and the area where the subject property is located. A brief description of each database searched, the designated search distance, and the sites found in each designated search area, are described below. The database report, including a map of the identified sites, is included in Appendix F.

Note: The following section lists only primary federal and state databases. For a review of all properties with environmental listings in the area, please refer to the database report.

9.1 National Priority List (NPL)/Superfund Site Inventory Search Radius: 1 Mile + Subject Property

The NPL is a result of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, and Re-authorization Act (SARA) of 1986. The NPL sites are those identified by the EPA which require remediation of hazardous material.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.2 DEPARTMENT OF DEFENSE (DOD) SEARCH RADIUS: 1 MILE + SUBJECT PROPERTY

The DOD database identifies federally-owned or administered lands of the Department of Defense with greater than 630 acres.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.3 STATE HAZARDOUS WASTE (SHWS) SEARCH RADIUS: 1 MILE + SUBJECT PROPERTY

SHWS records are the states' equivalent to CERCLIS. These sites may or may not be listed on the federal CERCLIS list. Priority sites planned for clean-up using state funds are identified, along with sites where clean-up will be paid for by potentially responsible parties.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.4 CORRECTIVE ACTION (CORRACTS)
 SEARCH RADIUS: 1 MILE + SUBJECT PROPERTY

The CORRACTS database identifies hazardous waste handlers with corrective action activity.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.5 CERCLIS
 SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

The EPA Comprehensive Environmental Response, Compensation and Liability Information System (CERCLIS) list was reviewed as part of this assessment. CERCLIS-listed sites are identified by the EPA as sites with potential environmental problems related to the presence or release of hazardous substances.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.6 TRANSPORT, STORAGE, DISPOSAL (TSD) FACILITIES
 SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

The EPA's Resource Conservation and Recovery Act (RCRA) Program identifies and tracks hazardous waste from the point of generation to the point of disposal. The RCRA facilities database is a compilation by the EPA of facilities that report generation, storage, transportation, treatment, or disposal of hazardous waste.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.7 STATE LANDFILL (SWLF)
 SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

This database lists solid waste landfills.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.8 VOLUNTARY CLEAN-UP PROGRAM (VCP)
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

This database lists sites participating in the voluntary clean-up program.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.9 BROWNFIELDS
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

The EPA describes brownfields as abandoned, idle, or under-used industrial or commercial facilities or sites where expansion or redevelopment is complicated by real or perceived environmental contamination.

| US BROWNFIELDS | | | |
|----------------|----------|-----------|--------|
| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
| None | | | |

| STATE BROWNFIELDS | | | |
|-------------------|----------|-----------|--------|
| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
| None | | | |

9.10 U.S. ENGINEERING CONTROLS
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

| NAME OF SITE | DISTANCE | DIRECTION | ENGINEERING CONTROL |
|--------------|----------|-----------|---------------------|
| None | | | |

9.11 U.S. INSTITUTIONAL CONTROLS
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on a site. Deed restrictions are generally required as part of the institutional controls.

| NAME OF SITE | DISTANCE | DIRECTION | INSTITUTIONAL CONTROL |
|--------------|----------|-----------|-----------------------|
| None | | | |

9.12 LEAKING UNDERGROUND STORAGE TANKS (LUST)
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

This database identifies leaking underground storage tank sites.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|-------------------|----------|-----------|------------------------------------|
| Buy Right Express | 1/2 mile | WSW | closed; no further action required |

9.13 LEAKING ABOVE-GROUND STORAGE TANKS (LAST)
SEARCH RADIUS: 1/2 MILE + SUBJECT PROPERTY

This database identifies leaking above-ground storage tank sites.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.14 UNDERGROUND STORAGE TANKS (UST)
SEARCH RADIUS: 1/4 MILE + SUBJECT PROPERTY

This database identifies underground storage tank sites.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------------|
| Arco AM PM | 1/4 mile | ESE | tanks in use |

9.15 ABOVE-GROUND STORAGE TANKS (AST)
SEARCH RADIUS: 1/4 MILE + SUBJECT PROPERTY

This database identifies above-ground storage tank sites.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|--------|
| None | | | |

9.16 HAZARDOUS WASTE GENERATORS
SEARCH RADIUS: 1/4 MILE + SUBJECT PROPERTY

The EPA RCRA generators database is a list maintained by the EPA of facilities that have obtained an EPA I.D. number identifying them as generators of hazardous waste.

| NAME OF SITE | DISTANCE | DIRECTION | STATUS |
|--------------|----------|-----------|---------------|
| CVS Pharmacy | 1/4 mile | WSW | no violations |

9.17 EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS)

SEARCH RADIUS: SUBJECT PROPERTY

The ERNS database is a national list collecting information on reported releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities, including the EPA, the U.S. Coast Guard, the National Response Center, and the Department of Transportation.

| SUBJECT PROPERTY | DESCRIPTION OF RELEASE |
|------------------|------------------------|
| Not listed | |

9.18 SPILLS

SEARCH RADIUS: SUBJECT PROPERTY

This database tracks reported spills.

| SUBJECT PROPERTY | DESCRIPTION OF SPILL |
|------------------|----------------------|
| Not listed | |

9.19 ORPHAN SITES

Due to poor or inadequate address information, certain sites within the database search were not mapped. Upon review, it was determined that none of the sites listed in the orphan summary would pose an environmental concern to the subject property.

9.20 SUMMARY OF DATABASE SITES

Based upon the review of federal, state, and tribal records, a visual reconnaissance, presumed groundwater flow, distance, and/or geological characteristics in the area, there is no evidence to suggest any of the sites listed in the database report have impacted the subject property.

10.0 REFERENCES

*Standard Practice for Environmental Site Assessments:
Phase I Environmental Site Assessment Process*
American Society for Testing and Materials
Designation: E 1527-13

EDR Radius Map with GeoCheck
Environmental Data Resources, Inc.
Shelton, Connecticut

Soil Survey of San Bernardino, California
United States Department of Agriculture
Soil Conservation Service

Aerial Photographs
Environmental Data Resources, Inc.
Shelton, Connecticut

City Directories
Environmental Data Resources, Inc.
Shelton, Connecticut

*7.5 Minute Topographic Map
Redlands CA quadrangle*
United States Geological Survey

EDR Vapor Encroachment Screen
Environmental Data Resources, Inc.
Shelton, Connecticut

11.0 PROFESSIONAL STATEMENT

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


Mack Kitchens
Environmental Professional

12.0 STATEMENT OF QUALIFICATIONS LIMITATIONS ASSUMPTIONS AND LIMITING CONDITIONS

STATEMENT OF QUALIFICATIONS

UES Consulting Services, Inc. (UES) is an engineering and environmental consulting firm for commercial real estate transactions specializing in Property Condition Assessments, Phase I Environmental Assessments, Phase II Subsurface Investigations, and Remediation and Removal.

Founded in 1989, UES personnel have over 40 years combined experience in property assessments and petroleum remediation. In addition, UES has experience performing asbestos, lead, radon and mold surveys.

Since our inception, UES continues to grow to meet the needs of our diverse and changing client base. We currently provide our consulting services to Freddie Mac, Fannie Mae, Department of Housing and Urban Development (HUD), various financial institutions, mortgage brokers and numerous life insurance companies, real estate companies and developers.

With offices located in Kansas City, Missouri, and Irvine, California, we currently provide our services to clients throughout the United States. Our staff of in-house professionals allows UES to address your issues quickly, confidentially and in the most cost-effective manner. Our success and growth can be attributed directly to the quality of our service and customer satisfaction.

UES has performed Property Condition Assessments, Phase I Environmental Assessments and Phase II Subsurface Investigations in various cities across the country and on many different property types, including office buildings, industrial buildings, warehouses, condominiums, townhomes, retail centers, retirement and assisted living facilities, gas stations and multi-family housing.

UES would like to be named as an integral part of your overall development team. As such, we will tailor our services to better fit the needs of you, our clients. Let UES provide your single source solution to your environmental needs with confidence.

LIMITATIONS

The findings and conclusions presented in this report are based on the tasks stated in the scope of work. Professional judgments expressed herein are based on the facts currently available within the limits of the existing data, scope of work, budget and schedule limitations. No conclusions are intended or implied beyond those stated herein. UES Consulting Services, Inc. exercised reasonable standards applicable to the industry today in completing this Phase I environmental assessment.

UES Consulting Services, Inc. does not warrant the work of regulatory agencies or other third parties supplying information which may have been used during the performance of this assessment.

ASSUMPTIONS AND LIMITING CONDITIONS

1. The inspection procedures and this report have been developed considering various federal, state, and local laws and regulations, including the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA/Superfund), and its 1986 Amendments (SARA). However, there is no body of law or science that governs how the assessment process is done. Therefore, no representation that the screening will fulfill the requirements of any such law or regulation is possible.
2. The information in this report has been compiled from sources believed to be reliable. We cannot, however, guarantee the accuracy of information supplied by others.

3. The inspector has visually assessed the property, both the land and improvements thereon, where applicable. It is impossible to personally observe conditions that may exist below the surface or that may be hidden within the structure of the improvements. Therefore, no representations are made regarding such matters unless they are specifically considered in this report.
4. The extent of the activities carried out during the inspection and documented in this report are governed by the scope of work. No activity, including the sampling, assessment, or evaluation of any material or by-product, may be assumed to be included in the screening unless specifically considered therein.
5. The findings of the inspection that are contained in this report are based upon quantitative and qualitative factors that exist on the date of the inspection. There can be no assurance that intervening factors will not arise that will affect the report's conclusions. If a preliminary inspection for suspect asbestos-containing materials was conducted on the subject property, no assurances can be made that no other asbestos-containing materials not visibly apparent during the site inspection exist in the structure(s) on the subject property. It is recommended that a comprehensive asbestos survey be conducted prior to any major remodeling or demolition.
6. Sketches, floor plans, and maps used in this report are included to aid the visual understanding of the reader and should not be considered surveys or engineering studies.
7. Sketches, floor plans, and maps used in this report are included to aid the visual understanding of the reader and should not be considered surveys or engineering studies.
8. The report is intended only for the internal use of the addressee or their authorized representative, and possession does not imply the right of publication or the use for any other purpose without the written consent of UES Consulting Services, Inc.
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10. Testimony, depositions, or interviews by any member of the staff of UES Consulting Services, Inc. in connection with any legal action is beyond the scope of this screening. If required, prior agreement as to the time and compensation for the additional services must be made in writing.