PHASE I ENVIRONMENTAL SITE ASSESSMENT 661 BEAR VALLEY PARKWAY ESCONDIDO, CALIFORNIA 92025

Assessors Parcel Numbers: 237-131-01 & -02

Prepared For:

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EXECUTIVE SUMMARY

This Phase I Environmental Site Assessment (ESA) was performed to satisfy the Clients due diligence requirements and follows the American Society for Testing and Materials (ASTM) E1527-05, Standard Practice for Environmental Site Assessments. Work on this Phase I ESA was conducted between January 9 and February 10, 2013.

The subject property, located at 661 Bear Valley Parkway, Escondido, California 92025, is a 42.12 acre parcel of land situated on two assessors parcels (237-131-01 and -02), Site is located on the east side of Bear Valley Parkway approximately 0.70 miles south of the intersection of San Pasqual Road and Bear Valley Parkway. Regional setting is posted on Figure 1, attached. Detailed topography, project boundary and surrounding land use are illustrated on Figure 2.

Improvements include a 1,120 square foot single story, 3-bedroom, 1-bath house with a 96 square foot detached garage, both built in 1946. Currently the property is a rental with no active use of the majority of land. Access is via an asphalt paved driveway off Bear Valley Parkway opposite Zlatibor Ranch Road. The house is serviced by a septic tank and leach line, a 250-gallon above ground propane tank, overhead electrical, and City of Escondido Water. Three abandoned irrigation water wells are situated along the west/southwest property boundary (Figure 2).

Historically, the Site was first evaluated for its potential as a gold/silver mine prior to the beginning of the 20th Century. Adjacent properties to the northwest, west, and southwest were actively productive mining properties (Oro Fino and Escondido Mines), from approximately 1840 - 1928. Subject property was primarily used as a citrus and avocado grove from before the earliest historic photograph (pre-1946) until approximately 1998.

Geologically, the subject property is underlain by Cretaceous Granodiorite and Tonalite. This basement complex weathers at the surface into the Fallbrook loamy topsoil in the higher elevations, and the Ramona loamy soil in the lower elevations.

The Site is located within the Los Lomas Muertas Hydrologic Sub-Area within the San Pasqual Hydrologic Area within the San Dieguito Hydrologic Unit. Groundwater and surface water within the Hydrologic Sub-Area currently has designated beneficial uses.

Surface water was observed in the stream/tributary drainage coarse located in the subject properties southwest corner during the site walkthrough conducted January 11, 2013.

Depth to groundwater below the Site was not determined within this scope of work; however, it is estimated to be shallow (10-15 foot bgs) in the lower elevations.

Subject Property was not identified on any Federal database listing. The target property has been identified on two databases within the State, Local, EDR, and Proprietary listings for permits related to chemicals used, stored, and/or disposed off-site.

Interviews with property management personnel indicate that the Site is sprayed annually with chemicals identified as: Caliber 90, a selective herbicide, and Roundup, a non selective post emergence herbicide. Herbicides have been used to keep the site clear of vegetation and reduce the fire potential.

Immediately adjacent properties and those within close proximity are a church, single family residences, and vacant land. Adjacent land use does not pose a recognized environmental concern to the Subject Property at the time of this writing.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM practice E 1527-05 on the Site at 661 Bear Valley Parkway, Escondido, California 92125 (a.k.a. A.P.N. 237-131-01, and -02). This assessment has revealed no evidence of RECs in connection with the property except the following:

- Evidence and testimony by knowledgeable persons that attempt to find and possibly mine precious metals occurred on the Site near the end of the 19th Century and the early 20th Century by the Spieth family prior to joining in partnership with the Wohlford family. The potential uses of hazardous compounds associated with the mining and separation of precious metals from the ore represents a potential REC.
- Subject property was a citrus and avocado grove for more than 50 years as confirmed in historical aerial photographs of the Site, interviews with the property owners, property manager, and our site reconnaissance. This former land use designation presents a REC for the potential use of persistent agricultural chemicals.
- Records reviewed at the San Diego County Recorders Office and interview with property manager, verified the location and size of two (2) ASTs which were used for storage of oil and diesel fuel on the Site. Sizes of the tanks were estimated at 6,460 gallons which formerly containing oil, and a 1,260 gallon tank which formerly contained diesel. Both ASTs were installed in 1958. The ASTs no longer exist on the subject property and no surficial soil stains were observed at their former locations. Actual dates of their removal were not determined within available records reviewed.
- Dark surficial soil stains at regular spacing intervals, approximately 2-3 feet in radiuses
 were observed during the site reconnaissance throughout the former grove areas. Soil
 exhibited a weather petroleum hydrocarbon odor. These stains are presumably the
 result of overfilling or spilling diesel fuel at former smudge pot locations and are
 considered an REC.

- It is understood that the existing structures will be raised prior to development of the Site. There is a likelihood that some building materials may contain asbestos and leadbased paint due to the age of the structures (1946). These potential RECs may become airborne during demolition and represent environmental concerns during that activity.
- Fill dirt appears to encroach over the northeast property boundary adjacent Choya Canyon Road resulting from illegal dumping from an unknown source.

Our Site Reconnaissance performed on January 11, 2013, identified the following *de minimis* concerns associated with past use of the property.

- 1. Three (3) hand dug irrigation water wells along the west/southwest perimeter, and;
- 2. In ground and above ground irrigation piping

Based on the data, discussions, and conclusions presented in this Report, the following recommendations are presented for the Clients consideration.

- If the Client desires a quantitative confirmation of qualitative judgements and opinions
 presented in this Report regarding the possible impact to soil from possible
 pesticide/herbicide applications during the sites former agricultural use, exploratory
 mining operation, petroleum hydrocarbons, and illegally dumped fill soil, then the Client
 may desire to consider the collection and analysis of soil samples, as appropriate.
- Prior to demolition of the existing structures, the Client may consider conducting an asbestos and lead-based paint assessment of building materials.
- It is further suggested the three (3) irrigation water wells be properly destroyed under a permit issued by San Diego County Department of Environmental Health. Disposal of all irrigation piping is recommended prior to grading the Site.

1.0 INTRODUCTION

This Phase I Environmental Site Assessment (ESA) is being performed on a 42.12 acre parcel of land consisting of two assessors parcels (237-131-01 and -02) with a street address of 661 Bear Valley Parkway, Escondido, California 92025. Work was performed under contract executed January 08, 2013, between Vinje & Middleton Engineering, Inc. (Vinje & Middleton) and property owners, Spieth & Wohlford, Inc.

This Phase I Environmental Site Assessment report is a summary of work performed following guidelines set forth in American Society for Testing and Materials Standard E 1527-05, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Standard). The Environmental Site Assessment (ESA) was performed by an environmental professional from this office. A statement of the environmental professionals qualifications are provided in Appendix A.

1.1 PURPOSE

The purpose of this Phase I ESA is to identify, to the extent possible, recognized environmental concerns (REC's) as defined in our contract. As defined in the ASTM Standard, a REC is:

The presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground, ground water, or surface water of the property. The term includes hazardous substances or petroleum products even under conditions in compliance with laws. The term is not intended to include de minimis conditions that generally do not present a threat to human health or the environment and that generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Conditions determined to be de minimis are not recognized environmental conditions.

1.2 SCOPE OF SERVICES

The following sections describe Vinje & Middleton work scope:

- Section 1, Introduction, includes discussion of the purpose for performing this Phase I ESA, and any additional services requested by the Client, limitations, exceptions, and special terms and conditions.
- Section 2, Site Description, is a collection of information about the Site location, legal description, current use of the Site, description of structures, and immediately surrounding land use.

- Section 3, **Record Review**, is a review of publically available Federal, State, and Local database records regarding use, storage, disposal of hazardous substances and petroleum products. Review of unauthorized releases of hazardous substances and petroleum products. Additionally, record review identifies sites within ASTM reporting distance from the Site which are evaluated by the Environmental Professional as to their potential impact to the Site. Physical setting sources (including topography, soil, geology and groundwater conditions) and Client provided information (title reports, environmental liens, owner, property manager, and Occupant information) are also summarized in this section.
- Section 4, History of the Site, summarizes the history of the site and adjoining properties. This Site history is based on various sources which may include: historical aerial photographs, Sanborn Fire Insurance Maps, topographic maps, building department records, historical society photographs-records, and personal interviews with knowledgeable persons.
- Section 5, Site Reconnaissance, describes Vinje & Middleton observations during the Site reconnaissance. Specifically evaluating the Site for hazardous substance including storage, handling, and disposal; hazardous substance containers and unidentified containers; storage tanks, indication of solid waste disposal; and hazardous substances on adjoining properties.
- Section 6, Interviews, is a summary of telephone and personal interviews that may include the owner/site manager, occupants/tenants, local government officials, or others knowledgeable about past activities at the Site.
- Section 7, **Conclusions**, is a presentation of our findings and opinions regarding information in Sections 3 6, and presents our conclusions and recommendations regarding the presence of RECs at the Site. Identifies data gaps not made available by others, or not determined due to time and resource limitations. In addition, this section contains the Environmental Professionals Statement as required under ASTM Standard 1527-05.
- Section 8, Limitations, is Vinje & Middleton statement detailing the duration of time the findings presented in this report are valid and reliable. It further indemnifies Vinje & Middleton from liable issues resulting from opinions based on outside sources of information.

1.3 LIMITATIONS AND EXCEPTIONS

The following list of constituents of potential environmental concern is excluded from Comprehensive Environmental Response, Compensation, and Liability Act 1980 (CERCLA) liability. This Phase I ESA does not address radon, asbestos, lead-based paint, lead in drinking water, and mold, Fungi or microbial growth.

Radon is naturally occurring in the environment. "Remedial actions taken in response to hazardous substances as they occur naturally are specifically <u>excluded</u> from the National Contingency Plan (NCP) and are therefore not recoverable" (43 U.S.C. Section 9604(a) 3 and 4). Radon in San Diego County however, has been demonstrated by Federal EPA Radon database to be less than 2 pCi/L (picocuries per liter). The Federal level which represents an exposure concern for indoor air quality is greater than 4 pCi/L. Therefore, radon is not considered an environmental exposure concern for this Site. Within Zip Code area 92025 the average radon levels in indoor air are <1.0 pCi/L.

With regard to asbestos, the analysis is similar to radon. 42 U.S.C. Section 9604(a)(3)(B) <u>prohibits</u> response actions involving a release or threat of release "from products which are part of the structure (residential buildings or structures)." A federal court in the case of *First United Methodist Church of Hyattsville vs. United States Gypsum Co.*, the *First United* court concluded, "in view of this clear expression of Congressional intent, we will not expand CERCLA to encompass asbestos-removal actions. To extend CERCLA strict liability schemes to all past and present owners of buildings containing asbestos, as well as all persons who manufactured, transported, and installed asbestos products into buildings, would be to shift literally billions of dollars of removal cost liability based on nothing more than an improvident interpretation of a statute that Congress never intended to apply in this context."

Note however, if asbestos is disposed of on a Site and therefore, is no longer part of the structure of a building, the cleanup of the disposed asbestos is subject to CERCLA response actions. Likewise, if a building is sold with the knowledge that it will be demolished, then that sale constitutes a disposal falling under CERCLA liability provision. Based on our understanding of intended use of property, demolition of structures and associated outbuildings is planned.

Lead in Drinking Water, Lead-Based Paint, and Mold, Fungi and Microbial Growth in Building Structures can be evaluated in terms of the exclusions of 42 U.S.C, Section 9604(a)(3)(B) and (C), in an analysis similar to the analysis applied above to radon and asbestos. These environmental hazards are not encompassed in CERCLA appropriate inquiry responsibilities.

1.4 SPECIAL TERMS AND CONDITIONS

The following terms are used in this report:

 'Subject Site', 'Subject Property', 'Site', 'Study Site', or Target Property' refers to the property within the approximate boundaries described in Section 2. 'Immediate site vicinity' refers to properties immediately adjacent to the site that share a common boundary or is opposite a road or highway from the Site.

 'Site vicinity' refers to the area within approximately a 1-mile radius of the Site boundary.

The term 'hazardous substance' is defined in the following documents:

- Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980; and
- Superfund Amendment and Reauthorization Act (SARA) of 1986.

The terms 'material', 'waste', and 'substances' are used interchangeably, and no legal distinction is implied between the terms. The words 'impact' or 'impacted' are used to mean the effect or result of a hazardous substance that could result in a hazardous waste being present at the Site. All search distances for government agencies were designated by the ASTM Standard E1527-05.

2.0 SITE DESCRIPTION

The site description is presented in this section and describes the conditions of the site at the time of the Phase I ESA.

2.1 LOCATION AND LEGAL DESCRIPTION

Subject Property comprises two assessors parcels (237-131-01 and -02) totaling 42.12 acres of land zoned *Avocado Grove*. Subject property is located within the incorporated City of Escondido, California with a street address of 661 Bear Valley Parkway. The Properties regional location in Escondido, California is illustrated on Escondido 7.5' Quadrangle Map attached herein as Figure 1.

The irregularly shaped parcel is bound on the west and southwest sides by Bear Valley Parkway and on the north by the intersection of Bear Valley Parkway and Choya Canyon Road. Subject properties east boundary is marked by Choya Canyon Road and rural residential properties. A single family housing development bounds the Site on the South. Subject property is rolling hilly terrain with moderate to steep drainage coarse trending in a southwest direction. Surrounding land use is identified on Figure 2.

Fire protection is provided by the Escondido Fire Department. Potable water is provided by the City of Escondido. Electricity provided by San Diego Gas & Electric via overhead transmission lines. Property has an on-site wastewater septic system and heat provided by a 250-gallon steel propane tank located in the south lawn area.

Information presented in Table 2-1 describes the physical location and legal description of the site. The information was obtained from review of Tax Assessor maps, Preliminary Title Report, San Diego County Topographic Maps, public records at county offices, interviews and/or information provided by the Client.

Table 2-1
Location and Legal Description

Parameter	Information		
ADDRESS	661 Bear Valley Parkway, Escondido, CA 92025		
SITE COORDINATE LOCATION	33.098052° N, -117.057416° W		
ASSESSOR'S PARCEL NO.	237-131-01 and -02		
LEGAL DESCRIPTION	a detailed legal description is provided in the Chicago Title Co., Preliminary Report attached as Appendix E		
ACREAGE	42.12 ACRES		
ELEVATION ABOVE Sea-level	516-678 feet above sea level		

2.2 CURRENT/PROPOSED USES OF PROPERTY

Current and proposed uses are described in Table 2-2.

Table 2-2 Current/Proposed Uses

Parameter	General Observation
CURRENT USE	Single family residence on former/vacant avocado/citrus grove
PROPOSED USE	Single Family Residential Development

2.3 DESCRIPTION OF STRUCTURES/IMPROVEMENTS

Structures and improvements observed on site at the time of Vinje & Middleton site reconnaissance are described in Table 2-3. Official San Diego County Assessors Records are attached as **Appendix B**.

Table 2-3
Structures/Improvements

Parameter	General Observation
STRUCTURES	(1) 1,120 sq. ft., 3-bedroom, 1-bathroom, single story wood-framed house with stucco siding, gabled roof with composite shingles, on concrete foundation, built 1946. (1) 8' x 12' detached garage, built in 1946.
OTHER IMPROVEMENTS	Electricity provided by San Diego Gas & Electric via over-head lines. Water provided by the City of Escondido. Gas provided by 250-gallon propane tank. Sewer is served by on-site waste water septic system. (3) water wells with 15 hp pumps installed in 1946. Undetermined length of irrigation piping installed in 1938.

The house is a rental property. Ms. Lee Scott is the tenant who has resided on the property for approximately fifteen years.

2.4 CURRENT USE OF ADJOINING PROPERTIES

Review of adjoining land use to the site was conducted during our site reconnaissance. Adjacent land use is described as rural residential, custom residential, the Park Hill Congregation of Jehovah Witnesses, and vacant land. Figure 2 attached shows the Subject Property with adjacent land use designations.

3.0 RECORDS REVIEW

The purpose of the records review is to obtain and review records that will help identify recognized environmental conditions (RECs) in connection with the property.

3.1 STANDARD ENVIRONMENTAL RECORD SOURCES

Environmental Data Resources, Inc. (EDR), were subcontracted to perform a search of available Federal, Tribal, State, and local database records which meets the ASTM E1527-05 Standard. The ASTM Standard searches are designed to identify sites which store, treat, and dispose of hazardous materials or have experienced a release of which are capable of impacting the Site. Maximum search radius is one mile from the Subject Property. The study site was not identified on any database reviewed. For a detailed account of all listed sites the EDR Radius Map Report is attached as Appendix C.

DATABASE RECORDS REVIEWED

Database Listing	Search Distance (Miles)	<1/8 mile	1/8 - 1/4 mile	1/4 - ½ mile	½ - 1 mile	<1 mile	Total Sites
NPL	1.0	0	0	0	0	NA	0
Proposed NPL	1.0	0	0	0	0	NA	0
NPL LIENS	TP	NA	NA	NA	NA	NA	0
Delisted NPL	1.0	0	0	0	0	NA	0
CERCLIS	0.5	0	0	0	NA	NA	0
Federal Facility	1.0	0	0	0	0	NA	0
CERC-NFRAP	0.5	0	0	0	NA	NA	0
CORRACTS	1.0	0	0	0	0	NA	0
RCRA-TSDF	0.5	0	0	0	NA	NA	0
RCRA-LQG	0.25	0	0	0	0	NA	0
RCRA-SQG	0.25	0	0	NA	NA	NA	0
RCRA-CESQG	0.25	0	0	NA	NA	NA	0
US ENG CONTROLS	0.5	0	0	0	NA	NA	0
US INST CONTROL	0.5	0	0	0	NA	NA	0
ERNS	TP	NA	NA	NA	NA	NA	0
RESPONSE - CA	1.0	0	0	0	0	NA	0

Database Listing	Search Distance (Miles)	<1/8 mile	1/8 - 1/4 mile	1/4 - ½ mile	½ - 1 mile	<1 mile	Total Sites
ENVIRO-STOR - CA	1.0	0	0	0	1	NA	1
SWF/LF - CA	0.5	0	0	0	NA	NA	0
LUST - CA	0.5	0	0	0	NA	NA	0
SLIC - CA	0.5	0	0	0	NA	NA	0
SAN DIEGO CO. SAM - LOCAL	0.5	0	0	NA	NA	NA	0
INDIAN LUST - FED.	0.5	0	0	0	NA	NA	0
UST - CA	0.25	0	0	NA	NA	NA	0
AST - CA	0.25	0	0	NA	NA	NA	0
INDIAN UST -FED.	0.25	0	0	NA	NA	NA	0
FEMA UST - FED.	0.25	0	0	NA	NA	NA	0
VCP - CA	0.5	0	0	0	NA	NA	0
INDIAN VCP - FED.	0.5	0	0	0	0	NA	0
US BROWNFIELDS - FED.	0.5	0	0	0	NA	NA	0
DEBRIS REGION 9 - SDCO	0.5	0	0	0	NA	NA	0
ODI - FED.	0.5	0	0	0	NA	NA	0
WMUDS/SWAT - CA	0.5	0	0	0	NA	NA	0
SWRCY - CA	0.5	0	0	0	NA	NA	0
HAULERS - CA	TP	NA	NA	NA	NA	NA	0
INDIAN ODI - FED.	0.5	0	0	0	NA	NA	0
US-CDL - FED.	TP	NA	NA	NA	NA	NA	0
HIST CAL-SITES - CA	1.0	0	0	0	0	NA	0
SCH - CA	0.25	0	0	NA	NA	NA	0

Database	Search	<1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	<1	Total
Listing	Distance (Miles)	mile	mile	mile	mile	mile	Sites
TOXIC PITS - CA	1.0	0	0	0	0	NA	0
CDL - CA	TP	NA	NA	NA	NA	NA	0
SDCO - HMMD - LOCAL	TP	NA	NA	NA	NA	NA	1
US HIST CDL - FED.	TP	NA	NA	NA	NA	NA	0
CA FID UST - CA	0.25	0	0	NA	NA	NA	0
HIST UST - CA	0.25	0	0	NA	NA	NA	0
SWEEPS - CA	0.25	0	0	NA	NA	NA	0
LIENS 2.	TP	NA	NA	NA	NA	NA	0
LUCIS - FED.	0.5	0	0	0	NA	NA	0
LIENS - CA	TP	NA	NA	NA	NA	NA	0
DEEDS - CA	0.5	0	0	0	NA	NA	0
HMIRS - FED.	TP	NA	NA	NA	NA	NA	0
CHIRMS - CA	TP	NA	NA	NA	NA	NA	0
LDS - CA	TP	NA	NA	NA	NA	NA	0
MSC - CA	TP	NA	NA	NA	NA	NA	0
RCRA-NonGen - EPA	0.25	0	NA	NA	NA	NA	0
DOT OPS - FED.	TP	NA	NA	NA	NA	NA	0
DOD - FED.	1.0	0	0	0	0	NA	0
FUDS - FED.	1.0	0	0	0	0	NA	0
CONSENT - FED.	1.0	0	0	0	0	NA	0
ROD - EPA	1.0	0	0	0	0	NA	0
UMTRA - FED.	0.5	0	0	0	NA	NA	0
MINES - FED.	0.25	0	0	NA	NA	NA	0
TRIS - EPA	TP	NA	NA	NA	NA	NA	0
TSCA - EPA	TP	NA	NA	NA	NA	NA	0

	Search	4,5					
Database Listing	Distance (Miles)	<1/8 mile	1/8 - 1/4 mile	1/4 - ½ mile	1⁄2 - 1 mile	<1 mile	Total Sites
FTTS - EPA	TP	NA	NA	NA	NA NA	NA NA	0
HIST FTTS - EPA	TP	NA	NA	NA NA	NA	NA	0
SSTS - EPA	TP	NA	NA	NA	NA	NA NA	0
ICIS - EPA	TP	NA	NA	NA	NA	NA	0
PADS -EPA	TP	NA	NA	NA	NA	NA NA	0
MLTS - FED.	TP	NA	NA	NA	NA	NA	0
RADINFO - EPA	TP	NA	NA	NA	NA	NA	0
FINDS - EPA	TP	NA	NA	NA	NA	NA	0
RAATS - EPA	TP	NA	NA	NA	NA	NA	0
CA BOND EXP. PLAN - CA	1.0	0	0	0	0	NA	0
WDS - CA	TP	NA	NA	NA	NA	NA	0
NPDES - CA	TP	NA	NA	NA	NA	NA	0
CORTESE - CA	0.5	0	0	0	NA	NA	0
HIST CORTESE - CA	0.5	0	0	0	NA	NA	0
NOTIFY 65 - CA	1.0	0	0	0	2	NA	2
DRYCLEANERS - CA	0.25	0	0	NA	NA	NA	0
WIP - LA CO.	0.25	0	0	NA	NA	NA	0
HAZNET - CA	TP	NA	NA	NA	NA	NA	1
EMI - CA	TP	NA	NA	NA	NA	NA	0
INDIAN RES - FED.	1.0	0	0	0	0	NA	0
SCRD DRYCLEANERS - EPA	0.5	0	0	0	NA	NA	0
HWP -CA	1.0	0	0	0	0	NA	0
HWT - CA	0.25	0	0	NA	NA	NA	0
COAL ASH EPA	TP	NA	NA	NA	NA	NA	0

Database Listing	Search Distance (Miles)	<1/8 mile	1/8 - 1/4 mile	1/4 - ½ mile	½ - 1 mile	<1 mile	Total Sites
FINANCIAL ASSURANCE - CA	TP	NA	NA	NA	NA	NA	0
PCB TRANSFORMER - EPA	TP	NA	NA	NA	NA	NA	0
PROC - FED.	1.0	0	0	0	0	NA	0
MWMP - FED.	0.25	0	0	NA	NA	NA	0
COAL ASH DOE - FED.	TP	NA	NA	NA	NA	NA	0
MANUFACTURE GAS PLANTS - EDR	1.0	0	0	0	0	NA	0
HIST AUTO STATIONS - EDR	0.25	0	0	NA	NA	NA	0
HIST CLEANERS - EDR	0.25	0	0	NA	NA	NA	0

NA = Not Applicable at this search distance

TP = Target Property

Site may be listed in more than one database

3.2 RESULTS OF DATABASE SEARCH

The following sections contain information on results of the EDR database records search.

3.2.1 Federal Records Review

Neither the Study Site nor any sites within ASTM reporting distances from the subject property were identified on any federal database lists reviewed.

3.2.2 State and Local Agency, Tribal and EDR Proprietary Records Review

The target property has been identified on two databases within the State, Local, EDR, and Proprietary database listings:

Hazardous Materials Management Division Database

The database includes: HE58 - This report contains the business name, site address, business phone number, establishment 'H' permit number, type of permit, and the business status. HE17 - In addition to providing the same information provided in the HE58 listing, HE17 provides inspection dates, violations received by the establishment, hazardous waste generated, the quantity, method of storage, treatment/disposal of waste and the hauler, and information on underground storage tanks. Unauthorized Release List - Includes a summary of environmental contamination cases in San Diego County (underground tank cases, non tank cases, groundwater contamination, and soil contamination are included.)

Subject property was identified under permit number H199458. S.D. County HMMD Permit is inactive and expired June 4, 1993.

HAZNET: Facility and Manifest Data

Data included in the HAZNET database is extracted from the copies of hazardous waste manifests received each year by the California Department of Toxic Substance Control (DTSC). Data are from the manifests submitted without correction, and therefore many contain some invalid values for data elements such as generator ID, Treatment, Storage, & Disposal ID, waste category, and disposal method.

Subject Property was identified on the HAZNET database in 1998. That is approximately the last period the Site was utilized for agricultural purposes (15-20 years ago). Site is on record for recycling approximately 4 tons of aqueous solution with less than 10% organic matter. Without references, this record implies agricultural chemical amendments were applied at the Site in the past while an active grove.

There are three identified sites between one-half and one mile from the Site. Vinje & Middleton has reviewed available information on all listed sites. Identified sites do not, in our judgement, represent an environmental concern to the study site due to their proximity away from, down gradient location from the Site, or case status.

Based on review of all files identified in EDR's Radius Map Report with GeoCheck, Vinje & Middleton identified no sites within close proximity (i.e., adjacent sites or <0.125 miles) which represent a material threat to environmental media (soil, surface water, or groundwater) at the Site.

3.2.3 Environmental Liens and Usage Limitations

Property owner representative, Mr. Jack Henthorn, informed Vinje & Middleton there were no environmental liens nor usage limitations on the subject property. No environmental liens on the Target Property were identified by review of EDR's two databases (LIENS2 and LIENS). Subject Property was not identified on Federal Institutional Controls or Engineering Controls databases. In addition, the property at this time is being mapped to support a residential subdivision by current property owner.

Review of the Chicago Title Company Preliminary Report, dated May 22, 2008, identified no liens or usage limitations. Recorded easements on, over, or under the Site were identified as:

- <u>pipelines and ditches</u> granted to Escondido Irrigation District, recorded July 1, 1892;
- public road purposes, recorded April 13, 1939;
- public utilities, ingress and egress, granted to San Diego Gas & Electric, recorded Au7gust 20, 1962, and September 39, 1975;
- <u>public utilities and incidental purposes</u>, recorded April 1, 1963; and October 28, 1968.

Chicago Title Company Preliminary Report is attached herein as Appendix D.

3.2.4 Orphans List

Facilities not plotted by EDR due to poor or inadequate addresses are referred to as orphan sites. There are 15 unmapped sites in the EDR report. The unmapped orphan sites were reviewed to determine if the orphan/unmapped properties pose a REC to the Site. Based on our review, identified sites have been closed with no further action required, or are beyond ASTM search distance from the site. Sites within a one-mile radius are either located in other hydrologic areas, are downgradient or cross-gradient relative to the site, and in Vinje & Middleton's opinion, do not represent RECs to the site.

3.3 OTHER RECORDS REVIEWED/AGENCIES CONTACTED

The following additional records/agencies were reviewed/contacted for purposes of meeting the ASTM Standard. Local regulatory agencies were contacted for reasonably ascertainable and practically reviewable records regarding RECs present at the site and adjoining facilities. Regulatory agency contact documentation and agency responses are provided in Appendix D. The following agencies were contacted for documentation:

- San Diego County Department of Environmental Health-Site Assessment & Mitigation Division
- San Diego County Department of Agriculture, Weights, and Measures
- · State Department of Toxic Substance Control
- · California Department of Oil, Gas, and Geothermal Resources
- City of Escondido Building Department
- San Diego County Assessors Office

San Diego County Department of Environmental Health-Site Assessment & Mitigation Division (DEH-SAM)

DEH-SAM on-line database was searched on January 10, 2013, the Subject Property was identified as having an Establishment Number 199458 however, posted no information for Wastes, Inventory, Environmental Assessment nor Tank information. Two sites were identified within 0.3 miles up-gradient of the Site with petroleum hydrocarbon fuel storage tanks. One is a closed system and the other is exempt. Both are located at distances which do not represent a REC to the study property, in our judgement.

San Diego County Department of Agriculture, Weights, and Measures

On January 10, 2013, Vinje & Middleton submitted a written request to review San Diego County Department of Agriculture, Weights, and Measures files on the subject property. Their response dated January 22, 2013, indicated they do not maintain records after four years (2009).

State Department of Toxic Substance Control

Vinje & Middleton reviewed the State Department of Toxic Substance Control (DTSC) EnviroStor on-line database on January 9, 2013. EnviroStor identifies Federal and State Superfund Sites, GeoTracker Sites, UST sites, hazardous materials sites, School Evaluation Sites, and cleanup sites. The database identified no sites within a 0.5 mile radius of the subject property.

California Department of Oil, Gas, and Geothermal Resources

Vinje & Middleton reviewed California Department of Oil, Gas, and Natural Resources (DOGNR) Wildcat Well Map W1-7, to determine whether oil or gas wells are located on or near the Site. No oil or gas wells are located within 2 mile radiuses of the Site.

City of Escondido Building Department

On January 10, 2013, Vinje & Middleton visited the offices of the City of Escondido Building Department. The subject property was annexed into the City of Escondido in approximately 2004. However, the construction age of the house and garage were not on record at City offices. Construction records are found at San Diego County offices.

San Diego County Assessors Office

Information provided in this section was previously presented in Table 2-3. On January 17, 2013, Vinje & Middleton visited San Diego County Assessors Office to determine age of structures and improvements to the Site. Both the existing 1,120 square feet, 3-bedroom house and the 96 square foot shed/single car-detached garage were constructed in 1946.

A wood shed/barn was located on the south side of driveway midway between Bear Valley Parkway and the existing house. The structure measured 660 square feet in area and was built in 1925. Only the graded pad remains where the former shed was located.

Additional records include two (2) steel above ground storage tanks (ASTs). One measured eight feet high by twelve feet in diameter and used according to property manager, Mr. Adrian Olquin, for storage of oil. The concrete pad and remnant tank ring are located northeast of the existing house adjacent Choya Canyon Road.

A second AST was located on the west side of the former 12-foot by 55-foot storage shed/barn. According to assessors records the AST measured six feet high by six feet in diameter, and was used for storage of diesel fuel. No evidence that the AST was situated on a concrete pad was observed. The fuel was burned in smudge pots during periods of cold weather. Both ASTs were installed in 1958. A copy of these records is provided in Appendix B.

Stained or discolored soil surrounding the two former AST's was not observed during our site reconnaissance.

3.4 PHYSICAL SETTING SOURCES

This information was obtained from published data and maps, interviews with public agencies, and/or from previous investigations performed by Vinje & Middleton on/in the vicinity of the subject site.

3.4.1 Topography

Topographically, the site is marked by a northeast/southwest trending ridge dissected by southwest trending erosional gullies/ravines cut into the gentle to moderate sloping hillside terrain (14% - 31 % gradient). Significant surface erosion has occurred in the southeast corner of the property resulting in a steep drainage channel (up to 45% gradient). Site elevations range between 516 - 678 feet above sea level (Figure 2).

Subject property is equal in elevation to west adjacent property, lower in elevation than north and east adjacent properties, and higher than the south adjacent properties.

3.4.2 Geologic

Regionally, San Diego is located within the Peninsula Range Geomorphic Province of California. Typified by prominent northwest-trending mountains which include from north to south, the Santa Ana, Agua Tibia, Palomar, Volcan, Cuyamaca and Laguna mountains. The region exhibits gently sloping dissected western surfaces and a steep eastern slope separated from the Colorado River area by abrupt fault scarps.

The San Diego Region is divided into a coastal plain area, a central mountain-valley area, and an eastern mountain valley area. The western edge of the Peninsular Ranges province corresponds with the gently sloping dissected western hills and mountains (Site locale).

Subject property is underlain by late Cretaceous undifferentiated granodiorite with minor tonalite locally intruded by quartz rich pegmatite veins (1999, Tan & Kennedy). This igneous basement complex weathers into top soils identified as the Fallbrook and Ramona Loams, both sandy loams are well draining with fine to coarse grains.

3.4.3 Hydrogeologic

The Site is located within the Las Lomas Muertas Hydrologic Sub-Area (905.32), within the San Pasqual Hydrologic Area (905.30), within the San Dieguito Hydrologic Unit (905.00). Groundwater within the Las Lomas Muertas Hydrologic Sub-Area currently has existing beneficial uses designated for municipal, agricultural, and industrial supply purposes.

Surface waters within the 5.32 Hydrologic Sub-Area also have beneficial use designations for municipal, agricultural, industrial process supply, recreation 2, warm fresh water habitat, wildlife habitat, and rare species habitat.

A south trending flow line exists in the southwest corner of the Site and is marked by dense foliage (Figure 2). Three water wells, and a water weir to regulate water flow and/or water measurement purposes were observed during the site reconnaissance of the west/southwest property boundary.

Depth to groundwater below the Site was not determined within this scope of work; however, it is estimated to be shallow in the lower elevations of the Site.

3.5 USER PROVIDED INFORMATION

Information regarding the current owner/occupant is listed in Table 3-3.

TABLE 3-1
OWNER / OCCUPANT INFORMATION

Entity	Name	Address
Owner(s)	Spieth & Wohlford, Inc.	P.O. Box 5005 Rancho Santa Fe, CA 92067-5005 B900
Property Manager	Heritage Grove Management, Inc.	Burnet Wohlford (760) 455-3289
Occupant	Ms. Lee Scott	661 Bear Valley Parkway Escondido, CA 92025

Summaries of interviews with key individuals having knowledge of the site are provided in Section 6. The following sections present information provided by the Client.

3.5.1 Title Records

Chicago Title Company-Preliminary Report, dated May 22, 2008, Order 830014656-U50 was reviewed for legal property description, liens, and easements which may indicate environmental concern. No easements were reported in the document which are RECs to the Site. For details, please see Title Report attached as Appendix E.

3.5.2 Environmental Liens or Activity and Use Limitations

Review of documents assembled in the writing of this document, and interviews with knowledgeable persons, no environmental liens, activities, or property use limitations on the Site were identified.

3.5.3 Value Reduction

As part of the ASTM Standard Practice E 1527-05 process, information must be gathered regarding prospective purchase price of the property relative to the fair market value of the site. If there appears to be a value reduction, that reduction must be identified with respect to whether the difference could be attributed to environmental degradation of the property. Because the subject property is not being sold, and the extent of recognized environmental concerns has not been quantified, the value of the property with regard to fair market value cannot be assessed at this time.

3.5.4 Other Information/Documents Provided

The Client did not provide other documents or information commonly known or reasonably ascertainable, for the subject property beyond the information already contained in this report.

3.5.5 Specialized Knowledge

Both the occupant and owner's representatives indicated that mine shafts or mine adits were hand dug on the property prior to or near the turn of the 20th Century in attempts to find gold/silver. Having been previously backfilled with soil, several shafts have reappeared during periods of heavy rain, most recently as 2005. These cave ins required backfilling with soil to stabilize the surface. Property owner and consultant know they are there and have necessary information on their location.

Research has determined that two productive gold mines were located on the west side of Bear Valley Parkway beginning in the 1840s and continued on and off until approximately 1926. The Oro Fino Mine, formerly the Del Diablo was located north of the study site off Eldorado Drive west of Bear Valley Parkway.

The Cleveland-Pacific Mine formerly the Escondido Mine was located, according to historical maps reviewed, adjacent the Sites southwest corner on the west side of Bear Valley Parkway.

No record of mining nor production of ore on the Subject Property has been recorded or referenced. However, the reference to six existing mine shafts with previous cave-ins represents a potential environmental and safety concern and suggests that mining attempts were conducted at the Site.

3.5.6 Reason for Performing Phase I ESA

This phase I ESA is performed to determine what environmental concerns exist as a result of the Sites former agricultural land use designation and as a possible mining operation, understanding that the Site is being evaluated for the development of a residential subdivision.

4.0 HISTORY OF THE SITE

The history of the site was researched to identify past land uses. Historical land use was researched to the first developed use, or to 1973, whichever is earlier or readily available. Table 4-1 summarizes records reviewed.

Table 4-1
Historical Sources

Source	Years Reviewed	Availability
HISTORICAL AERIAL PHOTOGRAPHS	1947, 1953, 1963, 1974, 1980, 1990, 1995, 2005	EDR report attached, Appendix F
SANBORN FIRE INSURANCE MAPS	No Coverage	EDR report attached, Appendix G
BUILDING PERMIT RECORDS	1925, 1946, 1958	EDR report attached, Appendix B

4.1 HISTORIC AERIAL PHOTOGRAPHS

Historic aerial photographs are reviewed to determine previous land use activities which may not be documented by other means. The ability of the environmental professional to identify land use activities is dependent upon scale and photographic quality. Aerial photographs were obtained from several photograph collections through EDR. Aerial photographs spanning 67 years were reviewed for the site and immediate vicinity. Table 4-2 below tabulates photographs reviewed. Historical photographs are attached as Appendix F.

Table 4-2
Historic Aerial Photographs

Date	Scale	Source	Quality
1947	1 inch = 500 feet	Ammann	Good
1953	1 inch = 555 feet	Park	Good
1963	1 inch = 655 feet	Cartwright	Good
1974	1 inch = 600 feet	AMI	Good
1980	1 inch = 500 feet	AMI	Good
1990	1 inch = 666 feet	USGS	Good
1995	1 inch = 604 feet	EDR	Good
2005	1 inch = 604 feet	EDR	Good

Note: Aerial photographs only provide information on indication of land use and no conclusions regarding use, release, or storage of hazardous substances or petroleum products can be drawn from review of photographs alone.

4.1.1 Subject Site

The earliest historic photograph (1947) shows the Site as a mature citrus and avocado grove. This land use designation was visible in all photographs up through 1990. It can be presumed that agriculture predated the earliest photograph of the Site. Citrus occupied the lower elevations of the property while the higher elevations supported the avocado grove.

The 1995 photograph shows the grove trees had been cut down. Photographic evidence of an active grove spanned a minimum of 48 years. The 12 x 55-foot storage shed and diesel tanks are present in 1995 photo. By 2005, the referenced shed/barn and diesel AST were not visible and had been removed. No records of demolition were provided nor recorded.

4.1.2 Surrounding Area

Adjoining properties surrounding the Site was viewed as agricultural groves to the west and southwest in 1947. By 1953, all adjacent land was developed agricultural property. By 1974, the adjacent property to the southwest was converted to residential. The south adjacent land was vacant. All other adjacent properties were agricultural groves. In 1995, land use changed from agricultural to residential was witnessed at the north and west adjacent properties with the grading of Zlatibor

Ranch Road west side of Bear Valley Parkway. The Park Hill Congregation of Jehovah Witnesses Church was constructed between 1990 - 1995. In 2005, the adjacent property to the southeast was a vacant hillside.

Since 2005, adjacent property is unchanged, a mix of custom, subdivision residential, and rural residential, with some vacant land adjacent the southeastern boundary line.

The agricultural land use combined with the oil and diesel ASTs at the study site represent a potential environmental concern. No evidence of mining activity was seen in the historical photographs reviewed. Historically, all mining activity in Escondido was discontinued by 1926.

4.2 SANBORN FIRE INSURANCE MAPS

EDR searched available Sanborn Fire Insurance Map collection using the site coordinates and fire insurance maps depicting the site were not identified. EDRs search findings are attached as Appendix G.

4.3 BUILDING PERMIT RECORDS

Review of building permit records kept on file at the San Diego County Recorders Office have previously been referenced in Table 2-3, Section 3.3 and Appendix B.

5.0 SITE RECONNAISSANCE

Assessment activities included a site reconnaissance. This section summarizes the findings from the site reconnaissance.

Subject Property was visited by the environmental professional on January 11, 2013. Weather conditions were clear, dry, and cool. The site reconnaissance included a visual inspection for evidence of environmental conditions which could potentially identify RECs at the subject property. While conducting the site inspection, an off-site visual inspection was performed of adjoining properties for indications of environmental conditions/activities which may represent RECs.

5.1 METHODOLOGY AND LIMITING CONDITIONS

Features of surface environment related to soil staining, discharged waste(s), and distressed vegetation was the focus of the field reconnaissance. Limiting conditions included:

 inspection of interior conditions of the two structures was not performed as the house was occupied and garage was locked.

5.2 SITE OBSERVATIONS

In support of our site observations, Vinje & Middleton took digital photographs to illustrate current site conditions described herein. Site Photographs are presented in Appendix H. Site observations are summarized in Table 5-1.

Table 5-1 Site Observations January 11, 2013

GENERAL OBSERVATIONS	REMARKS	OBSERVED	NOT OBSERVED
Current Use	Vacant hillside property with one single family residence & detached one car garage	Х	
Current use likely to indicate RECs	No	Х	
Past Use	Avocado & Citrus Grove-Tree stumps and irrigation piping	Х	
Past use likely to indicate RECs	Yes	Х	
Structure	Previously described SFR and garage	×	
Topography of Site and surrounding area	Hilly terrain with erosional gullies	Х	
Aboveground storage tank (AST)	Concrete pad and steel ring behind house adjacent Choya Canyon Road	Х	
Asbestos-containing materials	Possibly present in house construction materials, due to structures age		Х

GENERAL OBSERVATIONS	REMARKS	OBSERVED	NOT OBSERVED
Lead-based paint	Possible (house), based on age		Х
Below grade vaults			Х
Burned or buried debris	Did not observe, however were told by tenant dump debris was located on east PL near gate. Has been removed		Х
Chemical storage	Tenant has small volume of automotive oil, gasoline, & lubricant in garage		×
Chemical mixing areas	Heritage Grove Management, Inc. indicated no chemicals mixed/stored on-site		X
Discolored soil or water	Circular ~2-ft. diameter discolored soil at even spacing over large portion of former grove area (smudge pot diesel stains)		
Ditches or streams	Natural drainage channels and an active stream in southwest corner of X Site		
Drains and piping (e.g. floor drains, floor trenches, bay drains, sand traps, grease traps)	Storm drain on north side of driveway, remnant pieces of concrete storm drain in northern portion of Site. Extensive irrigation piping network	Х	
Drums			Х
Electrical or hydraulic equipment (PCBs)	(1) 12 kva pole mounted elec. transformer adjacent former oil tank; (3) 10 kva pole mounted elec. transformers at driveway entrance	Х	
Fill dirt from an unknown source.	Dump fill dirt on berm of Choya Canyon Road at north end of property encroaching Site	Х	
Fill dirt from a known source			Х
Hazardous chemicals and petroleum products in connection with known use	Physical evidence of oil tank, recorded evidence of diesel tank, and soil stains at former smudge pot locations	Х	

GENERAL OBSERVATIONS	REMARKS	OBSERVED	NOT OBSERVED
Hazardous chemicals and petroleum products in connection with unknown use			Х
Non-hazardous containers with contents			x
Hazardous waste storage			Х
Heating and cooling system and fuel source	Heat provided by 250-gallon AST containing propane located south side of house. Cooling provided by window mounted air conditioner.	Х	
Loading and unloading areas			x
Odors			Х
Pits, Ponds, Lagoons			Х
Pools of liquid			Х
Process waste water			Х
Sanitary sewer system			Х
Septic System	New leach line installed 5-6 years ago and extends downhill along north side of driveway with ~ 50 feet of pipe extending laterally on contour		Х
Solid waste/evidence of Unauthorized Dumping	Was reportedly removed		Х
Stained pavement, soil, or concrete	Stained soil in former grove areas	Х	
Stains or corrosion (interior, non-water)			Х
Storm drain/ catch basins	Open culvert along Bear Valley Parkway	Х	
Stressed vegetation	Entire site is void of vegetation except southwest drainage swale. Caliber 90, and Roundup herbicides reportedly applied annually.	Х	

GENERAL OBSERVATIONS	REMARKS	OBSERVED	NOT OBSERVED
Sumps and clarifiers			Х
Surface water	Flow line in southwest property corner	Х	
Underground storage tank(s) (including heating oil tanks)			Х
Unidentified substance containers			Х
Waste water discharge			Х
Water supplies (potable and process)	City of Escondido	Х	
Wells (irrigation, monitoring, or domestic)	(3) Irrigation	Х	
Wells (dry)			Х
Wells (oil and gas)			X

5.3 RESULTS OF SITE OBSERVATIONS

Based on our site reconnaissance at the Subject Property on January 11, 2013, Vinje & Middleton observed the following RECs:

- (2) former AST locations used for storage of oil and diesel fuel;
- multiple surficial soil stains in former grove areas resulting from spilling/overfilling smudge pots;
- · potential for persistent agricultural chemical amendment residue in surface soils;
- A total of four (4) pole mounted electrical transformers ranging in size between 10 12 kva is located on two power poles. Pole mounted transformers are on poles near
 the Site entrance off Bear Valley Parkway, the other is adjacent Choya Canyon Road
 at former AST location. Historically, there exists a potential REC they contain(ed)
 PCB impacted dielectric oil.
- Fill dirt from an unknown source is located on berm of Choya Canyon Road near intersection with Bear Valley Parkway. Material potentially represents an REC.

The owner, may petition San Diego Gas & Electric to analyzed dielectric oil in pole mounted transformers and if PCBs are present will remove the PCB impacted oil at no charge to the property owner. If PCB impacted oil is not present, analytical cost

and sample collection time charges are the responsibility of the property owner. No soil stains or transformer leaks were observed and represent a very low likelihood of environmental concern. It is anticipated that above ground electrical service will be replaced by underground utilities during property development.

 potential residue of hazardous chemicals typically associated with gold/silver ore extraction

5.4 ADJOINING PROPERTIES

Land use associated with adjoining properties has historically been gold/silver mining, agricultural, and more recently residential. Within close proximity (< 1/8 mile) to the Site there were no sites identified on Government Database Lists.

6.0 INTERVIEWS

Interviews were conducted with knowledgeable persons regarding past and present land use and associated activities on the subject site. Table 6-1 identifies persons contacted and historical perspective of property development.

Table 6-1
Persons Interviewed

Person Interviewed	Title / Position	Date	Results of Interview
Mr. Jack Henthorn	Planner/ Jack Henthorn & Associates, Inc.	Jan. 8, 10, & 16, 2013	42 acre former grove with mining shafts. Property planned for development of residential subdivision (~ 60 lots). Mine activity stopped 1910. Provided Title Report. Said AAI questionnaire not necessary as owner is not selling property at this time. Provided maps of the Site. Thinks mine shafts were exploratory only.
Ms. Lee Scott	Tenant @ 661 Bear Valley Parkway	Jan. 11, 2013	Has lived at Site for past 15 years. Described work Adrian Olquin did to repair shaft cave-ins and provided his phone number. Trash was illegally dumped along the east property boundary but Adrian Olquin removed it.

Person Interviewed	Title / Position	Date	Results of Interview
Mr. Adrian Olquin	Property Manager/ Heritage Grove Management, Inc.	Jan. 14, 2013	Thought house was ~ 60 years old. Identified the concrete slab and former tank location northeast of the house contained oil. He showed Vinje & Middleton the approximate locations of the mine shafts and size of repair (~ 6' wide x 20' deep). Property is annually sprayed for weed control with Calibur 90, Roundup. Showed location of septic system and leach field line repair 6-8 years ago. Said the grove trees were removed 15-20 years ago.
Mr. Burnet Wohlford	Property owner & owner Heritage Grove Management, Inc.	Jan. 16, 2013	House was built after WWII. Thought the gold mining operation did not produce any ore. Spieth family had owned the property for undisclosed period and was active in developing as a gold/silver mine prior to Wohlfords involvement. The partnership between the Spieth and the Wohlford families occurred because Burnet's grandfather's knowledge about farming.
Mr. Tigg Wohlford	Property Owner	Jan. 17, 2013	Precious metals exploration occurred well before grove was developed. Tigg did not witness mining operation. Said his father did not do any ore smelting. Gave name of knowledgeable person (Don Belding) who lived up on the adjacent site (former mine area opposite and adjacent Subject Property) who may know more about the history. Mr. Belding did not return our phone call.

7.0 FINDINGS AND CONCLUSIONS

The findings and opinions of Vinje & Middleton presented in this report result from review of current regulatory databases, a site reconnaissance, review of historic documents, and interviews with knowledgeable persons familiar with the Site.

We have performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM practice E 1527-05 at the Site located at 661 Bear Valley Parkway, Escondido, California 92125 (a.k.a. A.P.N. 237-131-01, and -02). This assessment has revealed no evidence of RECs in connection with the property except the following:

- Evidence and testimony by knowledgeable persons that attempt to find and mine
 precious metals occurred on the Site near the end of the 19th Century and the early 20th
 Century. These attempts were performed by the Spieth family prior to their partnership
 with the Wohlford family. The extraction and amalgamation of precious metals involve
 use of hazardous compounds which would potentially represent an REC.
- Subject property was a citrus and avocado grove for approximately 60 years as confirmed in review of historical aerial photographs of the Site, interviews with the property owners and manager, our site reconnaissance, and review of construction records. This former land use designation presents a REC for the potential use of persistent agricultural chemicals.
- Records reviewed at the San Diego County Recorders Office and interview with property manager, verified the location and size of two (2) ASTs which were used for storage of oil and diesel fuel. Sizes of the tanks were estimated at 6,460 gallons formerly containing oil, and 1,260 gallons formerly containing diesel. Both ASTs were installed in 1958 according to Assessors records. These ASTs and reported contents represent a REC to the Site, however, no evidence of spillage (stained soil or distressed vegetation) was observed at the two AST locations.
- Surficial soil stains at regular spacing intervals, approximately 2-3 feet in radiuses were
 observed during the site reconnaissance throughout the former grove areas in lower
 elevations of the property. These stains are presumably the result of overfilling or
 spilling of diesel fuel at former smudge pot locations and are considered RECs.
- It is understood that the existing structures will be raised prior to development of the proposed residential sub-division. There is a likelihood that some building materials may contain asbestos and lead-based paint due to the age of construction (1946). These potential RECs may become airborne during demolition and represent potential environmental concerns. In addition, if present these building materials would require proper disposal at an authorized facility.
- There is evidence of fill dirt from an unknown source believed to be encroaching over the subject properties northeast boundary line near the intersection of Bear Valley Parkway and Choya Canyon Road (identified on Figure 2). Boundary stakes were not present. Therefore, it is unknown whether this material resides on the subject property. If located on the study site it may be considered an REC.

Our Site Reconnaissance performed on January 11, 2013, identified the following *de minimis* concerns associated with past uses of the property.

- 1. Three (3) hand dug irrigation water wells
- 2. In ground and above ground irrigation piping

8.0 RECOMMENDATIONS

Based on the data, discussions, and conclusions presented in this Report, the following recommendations are presented for the Clients consideration.

- If the Client desires a quantitative confirmation of qualitative judgements and opinions
 presented in this Report regarding the possible impact to soil from pesticide/herbicide
 applications during the sites former agricultural use, impacts to soil from overfilling
 smudge pots, petroleum hydrocarbon on-site storage areas, and exploratory mining
 operation, then the Client may desire to consider the collection and analysis of soil
 samples, as appropriate.
- Prior to demolition of the existing structures, the Client may consider conducting an asbestos and lead-based paint assessment of building materials.
- It is further recommended to properly destroy the three (3) irrigation water wells under San Diego County Department of Environmental Health permit, and disposal of all irrigation piping.
- Contacting neighbors on north Choya Canyon Road regarding the source of the undocumented fill soil encroaching the Subject Property may provide useful information on the source of the undocumented dump fill material and the concern for it being considered a potential REC.

8.1 DATA GAPS

In performance of this Phase I ESA no data gaps were identified.

8.2 ENVIRONMENTAL PROFESSIONALS STATEMENT

As required by 40 CFR 312.21(d), we declare that, to the best of our professional knowledge and belief, we meet the definition of *Environmental Professional* as defined in Section 312.10 of 40 CFR 312 and 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.

9.0 LIMITATIONS

This report was prepared for the exclusive use by our client, Spieth & Wohlford, Inc., and their designated representative(s) and only for the purposes stated within a reasonable time from its issuance, but in no event later than 1 year from the date of the report. It should be noted that changes within the condition of a site can occur with time due to natural or man created conditions, either on-site or from adjacent properties. In addition, changes in the standard-of-practice and/or government codes and regulations may occur. Findings and opinions can be considered valid only as of the date of the Site visit.

In performance of our professional services, we comply with the level of care and skill ordinarily exercised by members of our profession currently practicing under similar conditions. The client recognizes that conditions often change and that our conclusions are based upon observations and available information. We will not be liable for conditions or consequences arising from relevant facts of information either incorrect, concealed, withheld or not fully disclosed from other sources.

VINJE & MIDDLETON ENGINEERING, INC.

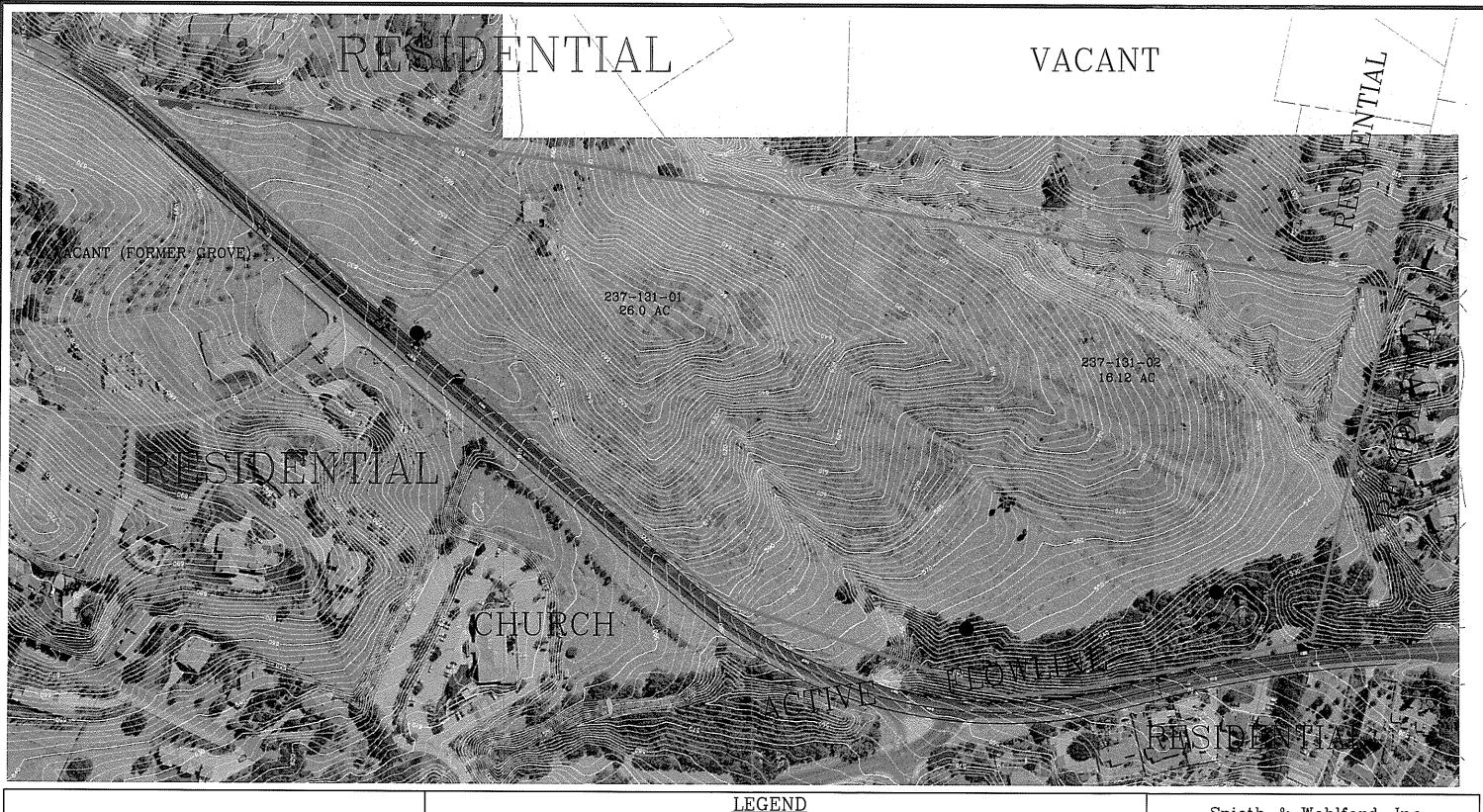
Ralph M. Vinje
Principal Engineer
RCF #25115

Bradley W. Crawshaw Jr. Project Manager PG #7888

Attachments

Distribution: Addressee (3, e-mail)







VINJE & MIDDLETON ENGINEERING, INC. 2450 Auto Park Way Escondido, CA 92029-1229 760-743-1214

Property Boundary Line Parcel Line Leach Line



Former Oil and Diesel AST Tank Locations

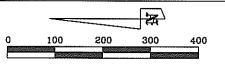


Location of Existing Wells

Approximate Location of Fill Dirt Placed on Subject Property Source Unknown

Spieth & Wohlford, Inc. 661 Bear Valley Parkway Escondido, California 92025

VME Job # 13-118-H



FIGURE