

CERES

Prospect Estates II, LLC

**PHASE I
ENVIRONMENTAL SITE ASSESSMENT ***

**Undeveloped Property
8600 Prospect Avenue
Santee, California**



CERES, Corp.

4617 CALAVO DRIVE
LA MESA, CALIFORNIA 91941
Phone (800) 258-1490

* Based on guidelines designated in ASTM E 1527-13 for the Phase I Environmental Site Assessment Process

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To the user:

This Phase I Environmental Site Assessment (ESA) report is designed by CERES and is based on the *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* developed by the American Society for Testing and Materials (ASTM) Committee E-50 on Environmental Assessment, designated E 1527-13. The purpose of E 1527-13 is to define good commercial and customary practice in the United States of America for conducting an ESA of a parcel of commercial real estate with respect to the range of contaminants within the scope of Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and petroleum products. As such, this practice is intended to permit a user to satisfy one of the requirements to qualify for the innocent landowner, contiguous property owner, or bona fide prospective purchaser limitations on CERCLA liability; that is, the practices that constitute “all appropriate inquiry into the previous ownership and uses of the property consistent with good commercial or customary practice” as defined in 42 USC Section 9601(35)(B). An evaluation of business environmental risk associated with a parcel of commercial real estate may necessitate investigation beyond that identified in this practice (ASTM E 1527-13, Section 1.1).

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. Unless otherwise indicated herein, we have developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312 (ASTM E 1527-13, Sections 12.13.1 and 12.13.2). Qualifications of the individuals who prepared this report are included in Appendix A - Professional Qualifications (ASTM E 1527-13, Section 12.14).

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COVER: View of the Property looking northeastward from across Prospect Avenue

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Prepared for:

Prospect Estates II, LLC
110 Town Center Parkway
Santee, California 92071

PHASE I ENVIRONMENTAL SITE ASSESSMENT

Undeveloped Property
8600 Prospect Avenue
Santee, California

Project C415-01

Prepared by:

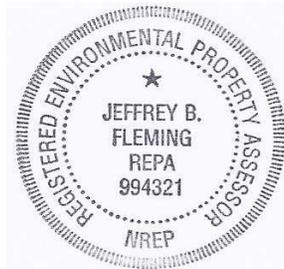


Scott W. Green
Senior Environmental Specialist

Reviewed by:



Jeffrey B. Fleming, REPA #994321
President



(E 1527-13, Section 12.12)

CERES, Corp.
4617 Calavo Drive
La Mesa, California 91941
(800) 258-1490 / Fax (208) 765-1745

September 28, 2016

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1.0 SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

At the request of Prospect Estates II, LLC, CERES, Corp., (CERES) completed a Phase I Environmental Site Assessment (ESA) of an undeveloped property located at 8600 Prospect Avenue within the city limits of Santee, San Diego County, California (Property) (refer to Figure 1 - Property Location Maps). The Phase I ESA included: a Property and adjoining sites reconnaissance; interviews with informed persons; reviews of public records, historical topographic maps, aerial photographs, and an environmental database report.

The reported 3.54-acre Property is located on the north side of Prospect Avenue, and about halfway between Fanita Drive to the east and Mesa Road to the west. The Property has been assigned Assessor's Parcel Number 383-112-55-00 and is owned by Prospect Estates II, LLC. The Property is undeveloped and at the time of the Property reconnaissance was mostly covered in grasses and weeds. Other notable features of the Property included a rough graded area in the approximate center of the Property and stockpiled soil located in the southeast portion of the Property (refer to Figure 2 - Property Map).

The Property appeared to have been used as a plant nursery from before 1953 to approximately the late 1960s. This past use does not represent a significant environmental concern. Although small underground storage tanks/aboveground storage tanks (USTs/ASTs) for storing oil and/or diesel fuel are generally characteristic of past nursery use, CERES did not find documentation that would suggest these features were present at the Property. Also, an historical aerial image indicated that substantial grading/reworking of the Property had occurred in 2003 (presumably for an intended development by Saint George Antiochian Orthodox Church). This activity would have likely unearthed such features. It is CERES' opinion that minor releases of hazardous materials/wastes that may have occurred during the past use of the Property as a nursery, if any, likely represent a dispersed and *de minimis* condition to the Property subsurface. If "hot spots" are found during future construction grading activities, mitigation should not be a costly endeavor.

CERES has performed a Phase I ESA in conformance with the scope and limitations of ASTM E 1527-13 of the Property and to the limitations provided in Section 6.0 of this report. Any exceptions to, or deletions from, this practice, if any, are described herein. This assessment has revealed no evidence of recognized environmental conditions (including historical and other controlled) in connection with the Property (E 1527-13, Section 12.8.2). Based on the findings of this assessment, CERES does not recommend additional assessment at this time (E 1527-13, Sections 12.5. and 12.6).

2.0 PHYSICAL SETTING

2.1 UNITED STATES GEOLOGICAL SURVEY (USGS) MAP REVIEW (E 1527-13, Section 8.2.4)

The elevation of the Property ranges from approximately 355 to 370 feet above mean sea level (amsl). The immediate surrounding area of the Property generally slopes northward at a gradient of 7.0×10^{-2} feet per foot. The nearest surface water is the San Diego River located approximately 1,500 feet north of the Property (United States Geological Survey [USGS], 1967, *La Mesa Quadrangle, California - San Diego County, 7.5 Minute Series (Topographic)*; photorevised 1975, scale 1:24,000).

2.2 PROPERTY ENVIRONMENTAL CONDITIONS (E 1527-13, Section 9.4.1.6)

The Property is underlain by Mesozoic-age granitic rocks (gr₃) characterized as light- to dark-colored biotite granite with abundant coarse pink to gray feldspar and biotite (California Division of Mines and Geology, 1992, *Geologic Map of California, San Diego-El Centro Sheet*). Soil underlying the Property is described as Diablo clay, 2 to 9 percent slopes (DaC). This gently to moderately sloping soil is 34 to 40 inches deep over rock. DaC has slow to medium runoff and its erosion hazard is slight to moderate. The Diablo series consists of well drained, moderately deep to deep clays derived from soft calcareous sandstone and shale (United States Department of Agriculture, Soil Conservation Service and Forest Service, 1973, *Soil Survey, San Diego Area, California*).

Depth to groundwater beneath the Property was not found. Groundwater reportedly ranged from 13.97 to 14.98 feet below ground surface as measured from eleven groundwater monitoring wells placed at a gasoline station located about 3,000 feet northeast of the Property. These measurements were made on November 5 and 6, 2015 (EnviroApplications, Inc., February 23, 2016, *COD Gas & Oil Groundwater Monitoring Report, 9035 Mission Gorge Road, Santee, CA 92071*). Groundwater flow direction from this site was reported to be northwestward. Based on an interpretation of elevation contours, groundwater is expected to flow approximately northward beneath the Property.

The Property is located in the Santee Hydrologic Subarea of the Lower San Diego Hydrologic Area of the San Diego Hydrologic Unit of the San Diego Basin Planning Area (907.12). Groundwater in the El Cajon Hydrologic Subarea is beneficial for municipal, agricultural, and industrial supply/process uses (California Regional Water Quality Control Board, 1994, *Water Quality Control Plan for the San Diego Basin (9)*).

3.0 PROPERTY RECONNAISSANCE

3.1 PROPERTY AND ADJOINING SITES DESCRIPTION

An unaccompanied walking reconnaissance of the Property was made by Mr. Scott Green on September 23, 2016. Environmental irregularities, problems, and concerns, if noted, were marked on a map drawn by CERES in the field (E 1527-13, Section 9.2.3). The Property was observed for evidence of hazardous substances that may affect the environmental quality of the Property. CERES observed the Property for evidence of aboveground and underground storage tanks (ASTs and USTs), surface staining, hazardous materials, suspected polychlorinated biphenyls (PCBs)-containing devices, asbestos-containing building materials (ACBMs), and other indications of environmental concern.

The reported 3.54-acre undeveloped Property is mostly overgrown with grasses and weeds. A roughly graded area was observed in the approximate center of the Property. This area did not appear to have been graded recently. Stockpiled soil was located in the southeast portion of the Property, near Prospect Avenue. Concrete conduits and what appeared to three storm drains were observed near the northwestern Property corner. Refer to Figure 2 and Photographs 1 through 10 in Section 7.0 - Property Photographs (E 1527-13, Section 9).

POTABLE WATER (E 1527-13, Section 9.4.1.9)

Potable water is not currently provided to the Property. Padre Dam Municipal Water District will likely be the supplier after development.

HEATING AND COOLING (E 1527-13, Section 9.4.3.1)

Heating and cooling energy is not currently provided to the Property. San Diego Gas and Electric (SDG&E) will likely be the source of heating, ventilation and air conditioning energy after development.

SEWAGE DISPOSAL SYSTEM (E 1527-13, Sections 9.4.1.10 and 9.4.4.7)

Sewage disposal for the Property is not currently provided to the Property. Padre Dam Municipal Water District's municipal sewer system will likely provide this service after development. Evidence of septic systems and cesspools was not found.

INTERIOR--STAINS, CORROSION, DRAINS, AND SUMPS (E 1527-13, Sections 9.4.3.2 and 9.4.3.3)

Interior areas are not present at the Property.

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EXTERIOR—PITS, PONDS, LAGOONS, SURFACE STAINING, STRESSED VEGETATION, AND WELLS (E 1527-13, Sections 9.4.4.1, 9.4.4.2, 9.4.4.3, and 9.4.4.6)

Pits, ponds, lagoons, significant surface staining, stressed vegetation, and wells were not observed on the Property.

SOLID WASTE AND WASTE WATER (E 1527-13, Sections 9.4.4.4 and 9.4.4.5).

Other than small quantities of discarded trash, solid waste and waste water were not observed on the Property.

CURRENT AND PAST USES OF ADJOINING SITES AND SURROUNDING AREA (E 1527-13, Sections 9.4.1.3, 9.4.1.4, and 9.4.1.5)

A single-family residence (and associated outbuildings) on a large lot adjoins the northern Property border. Single-family residences on small lots adjoin the Property to the south, across Prospect Avenue. Three single-family residences and a large undeveloped parcel of land adjoin the Property to the east. Mission Gorge Villa Mobile Home Park adjoins the Property to the west, across what appeared to be an abandoned section of Marrokal Lane. The immediate surrounding area of the Property is dominated by residential uses.

3.2 HAZARDOUS MATERIALS

HAZARDOUS MATERIALS (E 1527-13, Sections 9.4.2.3, 9.4.2.8 and 9.4.2.9)

Evidence of hazardous materials was not observed at the Property.

STORAGE TANKS (E 1527-13, Section 9.4.2.4)

Evidence of USTs, ASTs, clarifiers, and other hazardous materials storage tanks was not observed during the Property reconnaissance.

ODORS, POOLS OF LIQUID, DRUMS (E 1527-13, Sections 9.4.2.5, 9.4.2.6 and 9.4.2.7)

Evidence of unusual odors, pools of liquid, or drums was not observed during the Property reconnaissance.

POLYCHLORINATED BIPHENYLS (PCBs) (E 1527-13, Section 9.4.2.10)

PCBs were not observed at the Property.

ASBESTOS (E 1527-13, Section 13.1.5.1)

Suspect ACBMs were not observed at the Property.

4.0 INTERVIEWS AND DATABASE REVIEW

4.1 INTERVIEWS

- CERES interviewed Mr. Michael Grant, Managing Member of Prospect Estates, LLC, for information regarding past uses of the Property and the use, storage, or disposal of hazardous materials on the Property. Mr. Grant indicated that to the best of his knowledge, there has not been previous development of the Property. An old groundwater well was present on the Property but has since been abandoned. He did not believe a septic system or USTs have ever been present on the Property. Mr. Grant was not aware of issues relating to the release of hazardous materials/wastes at the Property (E 1527-13, Section 10).
- Mr. Grant completed a *User Questionnaire* (UQ) provided by CERES. He indicated his familiarity with the Property but did not indicate environmental issues regarding the Property on the UQ. Refer to Appendix B - Additional Records for a copy of the completed UQ (E 1527-13, Section 10).
- CERES contacted the County of San Diego Department of Environmental Health (DEH) with a request to research UST and hazardous materials files for the Property address. According to Mr. Edwin C. Andrus of the DEH, records for the Property address were not found (E 1527-13, Section 11).

All pertinent records may not have been available for this review. If a site is currently under litigation, the file information will not be made available. In addition, some public records may be filed by information that was not given to CERES, i.e. incident date, and thus may not have been accessed.

4.2 ENVIRONMENTAL DATABASE REVIEW

CERES subcontracted the services of an environmental database search firm to provide a list of sites within designated distances of the Property that are listed by regulatory agencies as having potential environmental concern (refer to Appendix C - Environmental Database Report). This is done to assess the potential for offsite contamination which may adversely affect the environmental quality of the Property. A table is provided in Appendix C indicating referenced agency lists and the distances from the Property for which searches are conducted (E 1527-13, Section 8.2.1.1).

The environmental database report was generated on September 16, 2016. Selected sites found on referenced agency lists within the designated distances of the Property are discussed below. Sites which are listed as not requiring further action (NFA) or were deemed by CERES to be too distant to represent an environmental concern, are excluded from the discussion. Acronyms placed in bold letters, if any, refer to database lists and the bold number is the map identification number. The Property and its adjoining sites were not found on referenced agency lists. Sites with unauthorized release cases (whether opened or closed) were not listed with 0.5 miles of the Property.

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The nearest listed site to the Property is Terry Allen's Auto Body, addressed 8665 Mission Gorge Road, and located 0.231 miles north-northeast of the Property. This facility is listed on **HAZNET** for generating 0.2293 tons of paint sludge in 1993. Santee Limited Volume Transfer Operation, near the Mission Gorge Road and Highway 52/125 intersection, is listed on **SWF/LF** as a closed transfer station located 0.342 miles northeast of the Property. Based on distance and/or case status, the sites listed in the database report are not considered by CERES to represent a significant environmental concern to the Property.

Munger Map Book, California-Alaska Oil and Gas Fields, 1994, is a compilation of maps produced by the State of California Department of Natural Resources - Division of Oil and Gas, Oil Operators, Munger Oilgram, and other journals of present or past drilling locations for oil and gas exploration. CERES reviewed the map book to assess if oil wells were located on the Property. Wells were not depicted on the Property or on its adjoining sites.

5.0 HISTORICAL REVIEW**5.1 HISTORICAL AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAP**

Historical aerial photographs were reviewed by CERES using an Abrams Instrument Corporation stereoscope, model CB-1, with a built-in 2-power magnifier, and 4-power binoculars. During review, CERES looked for evidence of hazardous materials and features that might affect the environmental quality of the Property, such as sumps, pits, ponds, lagoons, ASTs, landfills, outside storage of hazardous materials, and general land use (E 1527-13, Section 8.3.4.1).

This review has been supplemented by geographic place names and other data obtained in other assessment activities of this ESA. Thirteen single aerial photographs, two stereoscopic aerial photographs, and one topographic map were reviewed as follows.

SOURCE	YEAR/DATE	PRINTED SCALE	MEDIUM
County of San Diego	1928	1 inch equals 1,000 feet	Stereoscopic Aerial Photographs
historicaerials.com	1953	not printed	Single Aerial Photograph
CERES Archives (XI-SD-12-40/41)	March 4, 1958	1 inch equal 3,250 feet	Stereoscopic Aerial Photographs
historicaerials.com	1964	not printed	Single Aerial Photograph
historicaerials.com	1966	not printed	Single Aerial Photograph
historicaerials.com	1968	not printed	Single Aerial Photograph
historicaerials.com	1971	not printed	Single Aerial Photograph
historicaerials.com	1980	not printed	Single Aerial Photograph
historicaerials.com	1989	not printed	Single Aerial Photograph
Google Earth	October 1, 1995	not printed	Single Aerial Photograph
Google Earth	June 27, 2002	not printed	Single Aerial Photograph
Google Earth	March 10, 2003	not printed	Single Aerial Photograph
Google Earth	May 15, 2005	not printed	Single Aerial Photograph
Google Earth	January 31, 2008	not printed	Single Aerial Photograph
Google Earth	November 13, 2013	not printed	Single Aerial Photograph
United States Geological Survey	1967, Photorevised 1975	1 inch equals 2,000 feet	La Mesa Quadrangle Topographic Map

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Aerial Photographs

- 1928** - The Property and its adjoining sites were cleared of natural vegetation and appeared to be fallow agricultural land. Prospect Avenue was present along the southern Property border and appeared to be unpaved.
- 1953** - The Property appeared to be developed with a small structure located near Prospect Avenue. What appeared to be about two dozen greenhouses and numerous planter boxes characterized most of the rest of the Property. Thus, the Property appeared to be used as a plant nursery. Except for one single-family residence, the area adjoining the Property to the north was undeveloped land. What appeared to be a couple of single-family residences adjoined the Property to the south, across Prospect Avenue. A house or small commercial building adjoined the southeast portion of the Property. A large area adjoining the Property to the east was an undeveloped field. A large undeveloped field adjoined the Property to the west, across unpaved Marrokal Lane.
- 1958** - Although difficult to discern due to scale, the Property appeared to be developed with the small structure observed in the 1953 photograph, and a small warehouse-type structure located near the southwest corner of Property. Greenhouses and planters appeared to be present as well. Significant discernible changes to the Property's adjoining sites were not observed from what was noted in the 1953 photograph.
- 1964** - Significant discernible changes to the Property were not observed from what was noted in the 1958 photographs. The adjoining site to the north was in residential use on a large lot. What appeared to be existing single-family residences adjoined the southeast portion of the Property. Additional single-family residences were apparent south of the Property, across Prospect Avenue. Except for a few unidentified features, the adjoining area to the west, across unpaved Marrokal Lane, was an undeveloped field.
- 1966** - Mission Gorge Villa Mobile Home Park adjoined the Property to the west, across Marrokal Lane. Significant discernible changes to the Property and its other adjoining sites were not observed from what was noted in the 1964 photograph.
- 1968** - Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1966 photograph.
- 1971** - The Property was developed with the two structures noted in previous photographs. Greenhouses and planters had been removed. The Property did not appear to be in use. Additional single-family residences were apparent south of the Property, across Prospect Avenue. Significant discernible changes to the Property's other adjoining sites were not observed from what was noted in the 1966 photograph.
- 1980** - The Property was developed with the smaller structure observed in previous photographs. The warehouse-style structure had been removed. The area of the Property between the Property structure and the adjoining residences near the southeast portion of the Property, appeared to have been cleared of vegetation and an open-air enclosure was apparent. The

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use of this portion of the Property was not apparent. Significant discernible changes to the Property's adjoining sites were not observed from what was noted in the 1971 photograph.

- 1989** - The Property was mostly covered in grasses and weeds and did not appear to be in use. The small structure was apparent but the suspect Property enclosure observed in the 1980 photograph was not apparent. A baseball field adjoined the Property to the east. Significant discernible changes to the Property's other adjoining sites were not observed from what was noted in the 1980 photograph.
- 1995** - Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1989 photograph.
- 2002** - Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 1995 photograph.
- 2003** - The Property was undergoing extensive clearing and grading activities, including Marrokal Lane along the western Property border. Construction equipment was apparent. The northeasternmost portion of the Property was not affected by these activities. Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 2002 photograph.
- 2005** - The Property was undeveloped and mostly bare of vegetation. The result of the clearing and grading in 2003 was apparent. The baseball field adjoining the Property to the east appeared to have been abandoned. Significant discernible changes to the Property's other adjoining sites were not observed from what was noted in the 2003 photograph.
- 2008** - Grasses and weeds covered the undeveloped Property. A few newer homes had been constructed on the adjoining residential area to the south, across Prospect Avenue. Significant discernible changes to the Property's other adjoining sites were not observed from what was noted in the 2005 photograph.
- 2013** - Significant discernible changes to the Property and its adjoining sites were not observed from what was noted in the 2008 photograph.

Topographic Map (E 1527-13, Section 8.3.4.5)

CERES reviewed *La Mesa Quadrangle, California - San Diego County, 7.5 Minute Series (Topographic)* map printed at a scale of one inch equals 2,000 feet (USGS, 1967, photorevised 1975). This map depicts features from 1967 and 1975 as photorevisions, as follows:

- 1967** - The Property was depicted with two small structures located near its southwesternmost corner. A single small structure was depicted on the adjoining site to the north and three small structures were depicted on the adjoining site to the east. Two small structures were depicted on the adjoining site to the south, across Prospect Avenue. The adjoining area to the west, across Marrokal Lane, was labeled "trailer park".

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1975 - Photorevised features were not depicted on the Property or on its adjoining sites.

5.2 BUILDING DEPARTMENT RECORDS

CERES requested a review of building department records for the Property at the City of Santee Building Department. Building permits indicating previous use and occupants of the Property were found as follows:

YEAR	DOCUMENT
1991	Conditional use permit issued to Saint George Antiochian Orthodox Church
2003	Expired permit applications by Saint George Antiochian Orthodox Church for the construction of a church building

Information regarding uses of the Property prior to 1991, was not found at the City of Santee Building Department (E 1527-13, Section 8.3.4.7).

5.3 ADDITIONAL HISTORICAL SOURCES

The aforementioned sources of historical information provided historical information of the Property use pursuant to Section 8.3 of E 1527-13; thus, additional information and reports were not reviewed for this ESA.

5.4 SUMMARY OF HISTORICAL USE

The Property was undeveloped and possibly fallow agricultural land in 1928. From as early as 1953 to 1968, the Property appeared to be used as a plant nursery. The nursery appeared to have been closed by 1971, as greenhouses and planters observed in earlier aerial photographs were not apparent. However, two structures associated with the nursery remained in 1971. The Property did not have a discernible use in this year and in 1980, when only one structure remained on the Property. This condition remained until 2003, when in an aerial photograph collected in this year revealed the Property was undergoing extensive clearing and grading activities. City of Santee Building Department records indicated that Saint George Antiochian Orthodox Church intended to construct a church at that time. The northeasternmost portion of the Property was not affected by these activities. The Property remained undeveloped after the grading. Reasonably ascertainable historical information dated prior to 1928, was not found during the assessment activities of this Phase I ESA (E 1527-13, Section 8.3.2).

6.0 LIMITATIONS

The scope of work described herein is designed to meet the minimum requirements of ASTM document E 1527-13. However, it is not intended to be all inclusive, identify all potential concerns, or eliminate the possibility of the Property having some degree of environmental problems. It is possible that variations in soil or groundwater conditions or unpermitted, undocumented, or concealed improvements or alterations to the Property could exist beyond what was found during this ESA. Changes in observed conditions could also occur in the future due to variations in environmental and physical conditions.

Any geologic and hydrogeologic data are gathered for drawing conclusions, by CERES, within the context and timing of this report only.

No ESA can wholly eliminate uncertainty regarding the potential for recognized environmental conditions in connection with a property. Performance of Practice E 1527-13 is intended to reduce, but not eliminate, uncertainty regarding the potential for recognized environmental conditions in connection with a property, and this practice recognizes reasonable limits of time and cost (E 1527-13, Section 4.5.1).

All appropriate inquiry does not mean an exhaustive assessment of a clean property. There is a point at which the cost of information obtained or the time required to gather it outweighs the usefulness of the information and, in fact, may be a material detriment to the orderly completion of transactions. One of the purposes of E 1527-13 is to identify a balance between the competing goals of limiting the costs and time demands inherent in performing an ESA and the reduction of uncertainty about unknown conditions resulting from additional information (E 1527-13, Section 4.5.2). Not every property will warrant the same level of assessment (E 1527-13, Section 4.5.3).

Much of the information on which the conclusions and recommendations of this ESA are based comes from data provided by others. CERES is not responsible for the accuracy or completeness of this information. CERES is not required to verify independently the information provided [from others] but may rely on information provided (E 1527-13, Section 7.5.2.1). Inaccurate data or information that was not found or made available to CERES may result in a modification of the presented conclusions and recommendations.

REPORT USE

This report was prepared for the sole use and benefit of Prospect Estates II, LLC. This report is not a legal opinion and does not offer warranties or guarantees.

CERES would like to thank Prospect Estates II, LLC, for the opportunity to work on this project. We look forward to working together on future projects.

7.0 PROPERTY PHOTOGRAPHS



Photograph 1: View of the Property looking northeastward from across Prospect Avenue



Photograph 2: View of the western portion of the Property looking northward from near the southwesternmost Property corner



Photograph 3: View of the Property looking southeastward from near the northwestern Property corner



Photograph 4: View of the northern portion of the Property looking westward from near the northeasternmost Property corner



Photograph 5: View of the northeastern portion of the Property looking eastward



Photograph 6: View of the Property looking northeastward from near the southwesternmost Property corner



Photograph 7: View of the southern border area of the Property looking eastward from near the southwesternmost Property corner



Photograph 8: View of the central, roughly graded portion of the Property, looking northwestward

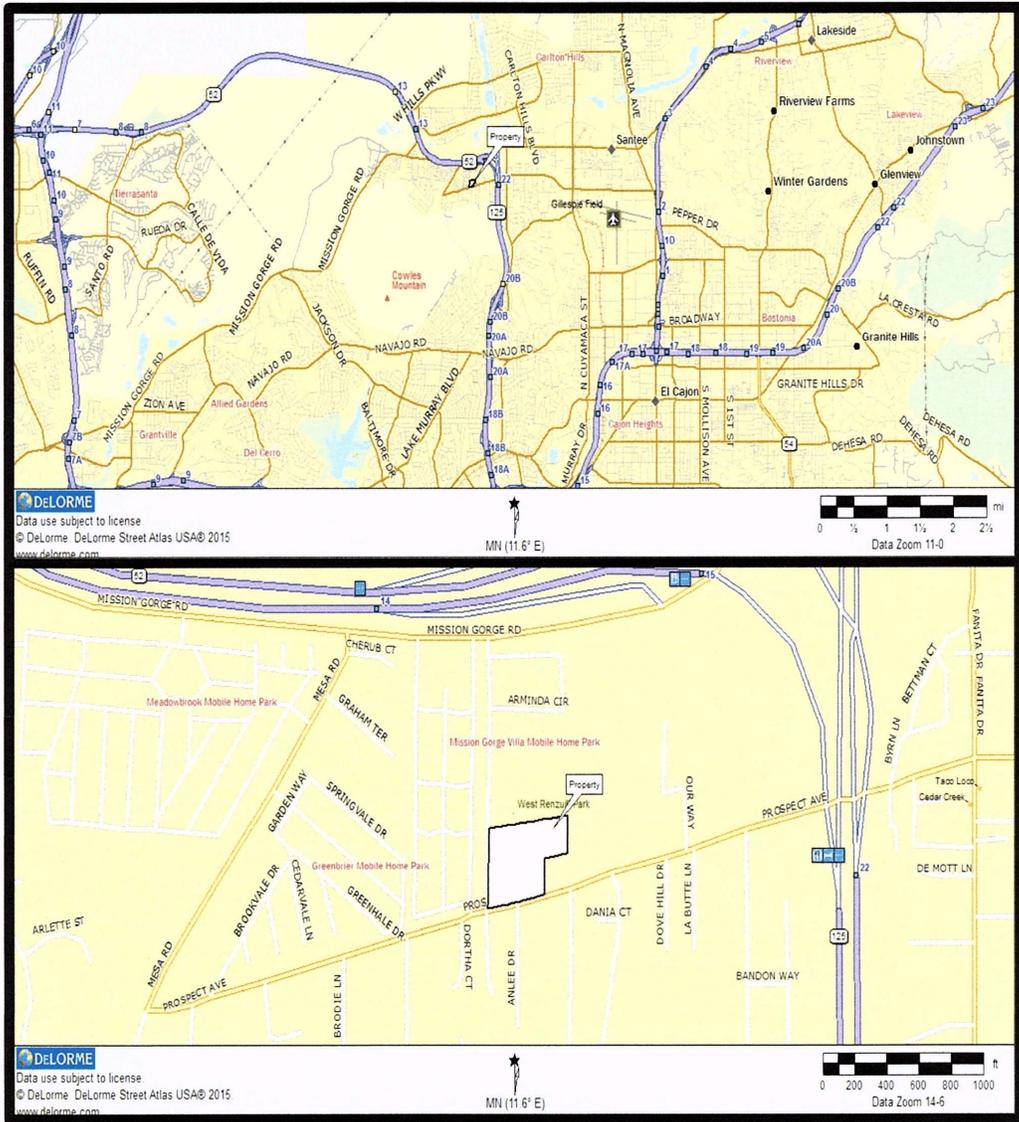


Photograph 9: View of concrete conduits near the northwestern Property corner



Photograph 10: View of stockpiled soil near Prospect Avenue

FIGURES



DeLorme Street Atlas USA 2015

Commercial Property
 8600 Prospect Avenue
 Santee, California



Property
 Location Maps

FIGURE
1



Project C415-01 September 2016



underlying image courtesy of Google Earth
collection date: March 22, 2016

Approximate scale: 1 inch = 80 feet

Commercial Property
8600 Prospect Avenue
Santee, California



Project C415-01 September 2016



— approximate Property border
Adjoining sites in italics

Property Map

FIGURE 2

APPENDIX A
PROFESSIONAL QUALIFICATIONS

SCOTT W. GREEN

SENIOR ENVIRONMENTAL SPECIALIST

Education

Degree

Bachelor of Science, Environmental Science, University of California, Santa Barbara, California

Certification

OSHA, Hazardous Waste Operators and Emergency Response (HAZWOPER) Standard, 29 CFR 1910.120(e) and 8 CCR 5192(e), Environmental Training and Compliance

Registration

State of Nevada, Certified Environmental Manager

Summary of Experience

Mr. Green has twenty-two years experience in conducting and managing environmental investigations. His experience includes supervision of assessment and remediation projects associated with contaminated soil and groundwater sites, including underground storage tank removals, groundwater and vadose zone well completions, and soil and groundwater quality assessment and mitigation. He is experienced in interfacing with clients and regulatory agencies. Mr. Green is also experienced in conducting and managing Phase I, II, and III Environmental Site Assessments (ESAs) and Transaction Screen Assessments (TSAs) for property transfers. He has conducted these assessments and surveys at a large variety of sites, including commercial, residential, agricultural, and undeveloped properties throughout California, Arizona, and Nevada.

JEFFREY B. FLEMING
PRESIDENT/ENVIRONMENTAL SPECIALIST

Education

Degrees

Bachelor of Science, Physics/Scientific and Technical Communication, University of Washington, Seattle, Washington

Master of Arts, Physical Geography, San Diego State University, San Diego, California

Registrations

National Registry of Environmental Professions, Registered Environmental Property Assessor (REPA) #994321

Mr. Fleming was a State of California Registered Environmental Assessor (#7055) from 1997 through 2012. The State of California discontinued this program in 2012.

Summary of Experience

Mr. Fleming has twenty-six years experience conducting and managing environmental investigations, teaching environmental science, and managing environmental risk. His environmental work experience includes private consulting, County government, banking, and college-level instruction. He has conducted or managed Phase I, II, and III Environmental Site Assessments (ESAs), Transaction Screens, Second Level Reviews, asbestos surveys, and lead-in-paint sampling. He has conducted these assessments and surveys at a large variety of sites, including commercial, residential, agricultural, and undeveloped properties. His fieldwork experience includes borehole drilling; underground storage tank removal; groundwater, surface water, soil, and soil vapor sampling; and geophysical surveys.

As an Environmental Resources Specialist III with the Orange County Environmental Management Agency, California, Mr. Fleming was tasked with the management of Phase I ESAs, conducted storm water sampling and gauging, and assisted in the development of Best Management Practices in the control of storm water runoff quality. As an Environmental Analyst with a major bank in the State of California, Mr. Fleming assessed and managed environmental risk associated with collateralized loans and foreclosures. He was active in the supervision of Phase II assessments and Phase III characterization activities. His teaching experience at San Diego State University and the University of Wisconsin - Madison included undergraduate instruction in physiography, hydrology, and climatology.

APPENDIX B
ADDITIONAL RECORDS

CERES

CERES PROJECT NUMBER: C415-01

CERES, Corp., is conducting a Phase I Environmental Site Assessment of:
Commercial Property, 8600 Prospect Avenue, Santee, California (Property)

Property Name and Address

Please complete this User Questionnaire in order to qualify for one of the Landowner Liability Protections offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001. Failure to provide this information could result in a determination that "all appropriate inquiry" is not complete (E 1527-13, Appendix X3). After completion, please fax back to 208.765.1745, email to jeffleming@roadrunner.com, or call 800.258.1490 for mailing instructions.

- 1) Are you aware of any environmental cleanup liens against the Property that are filed or recorded under federal, tribal, state or local law?
 YES NO Comments:

- 2) Are you aware of any Activity and Use Limitations (AULs), such as engineering controls, land use restrictions or institutional controls that are in place at the Property and/or have been filed or recorded in a registry under federal, tribal, state or local law?
 YES NO Comments:

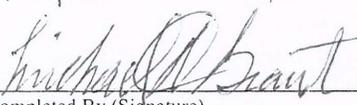
- 3) Do you have any specialized knowledge or experience related to the Property or nearby properties? For example, are you involved in the same line of business as the current or former occupants of the Property or an adjoining property so that you would have specialized knowledge of the chemicals and processes used by this type of business?
 YES NO Comments:

- 4) Does the purchase price being paid for this Property reasonably reflect the fair market value of the Property? If you conclude that there is a difference, have you considered whether the lower purchase price is because contamination is known or believed to be present at the Property?
 YES NO Comments:

- 5) Are you aware of commonly known or reasonably ascertainable information about the Property that would help the environmental professional to identify conditions indicative of releases or threatened releases? [For example: past uses(s), chemical use, spills/releases, environmental cleanups].
 YES NO Comments:

- 6) Based on your knowledge and experience related to the Property, are there any obvious indicators that point to the presence or likely presence of contamination at the Property?
 YES NO Comments:

- 7) Do you have any other knowledge or experience with the Property that may be pertinent to the environmental professional? [For example: copies of prior environmental site assessment reports, correspondence, etc.].
 YES NO Comments:

Prospect Estates II, LLC

 Completed By (Signature) _____ Date 9/15/16
Michael Grant, President
M. Grant Corporation,
Managing Member
 Printed Name _____ Title _____

APPENDIX C
ENVIRONMENTAL DATABASE REPORT