

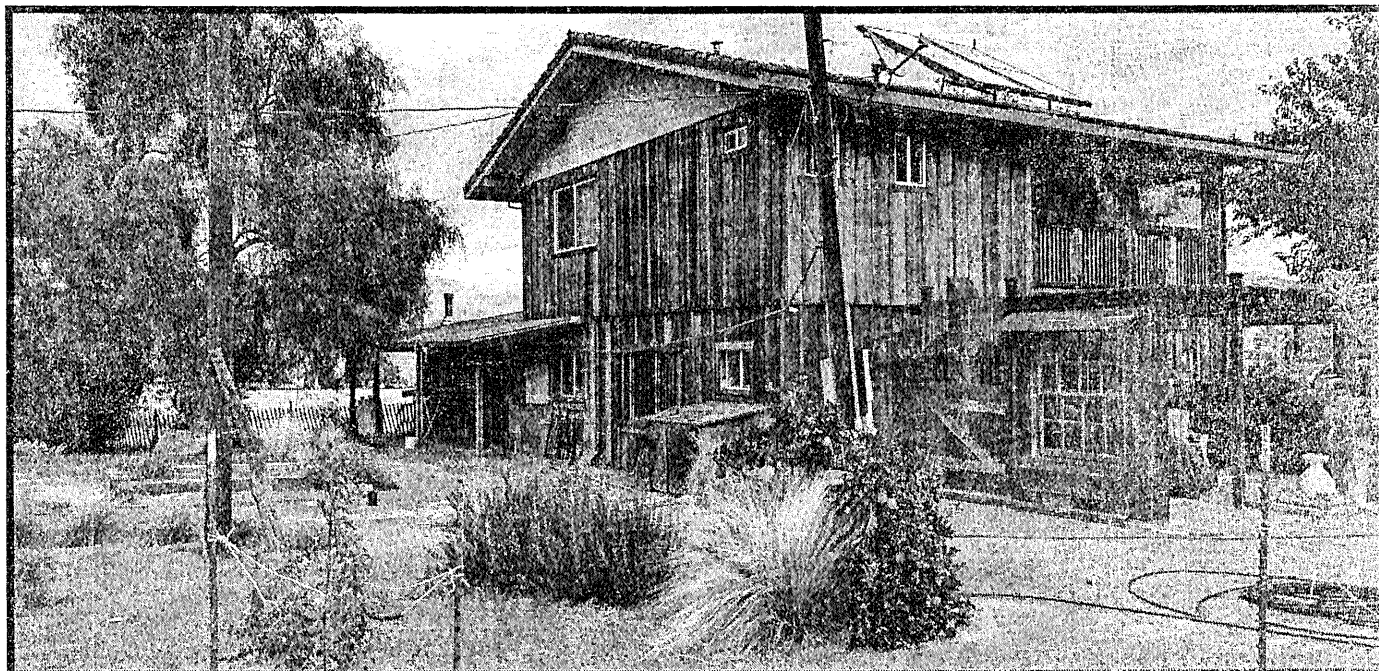
Phase-1 Environmental Services

Taking the complexity out of environmental due diligence

Silicon Valley Environmental Group

PHASE I ENVIRONMENTAL SITE ASSESSMENT & LIMITED PHASE II SUBSURFACE RECONNAISSANCE

November 3, 2016



**29960 Panoche Road
Paicines, San Benito County, California 95043
Assessor Parcel No's. (APN): 027280011000**

Prepared for:

Ms. Cheryl Lopez
Panoche Inn
29960 Panoche Road
Paicines, CA 95043

Prepared by:

Phase-1 Environmental Services
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1) INTRODUCTION

Ms. Cheryl Lopez, the Panoche Inn (the Client) engaged Phase-1 Environmental Services (Phase-1 ES) to conduct a Phase I Environmental Site Assessment (ESA) and Limited Phase II Subsurface Reconnaissance of the property consisting of one parcel located at 29960 Panoche Road, in the City of Paicines, County of San Benito, California, subsequently referred to in this report as the "Property". The Phase I assessment was prepared in general accordance with the American Society of Testing and Materials (ASTM) Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process (ASTM Designation: E-1527-13).

1.1) Purpose

The purpose of the Phase I ESA was to identify, to the extent feasible, recognized environmental conditions (REC's) in connection with the property. This assessment included a site reconnaissance as well as research of past studies performed on the Property, interviews with available representatives of the occupants and property management, and research of various available environmental databases and agencies. The Limited Phase II Reconnaissance was to identify if previous underground fuel storage tanks were still present at the Property, and whether their presence in the past had caused significant contamination to the subsurface soils in the vicinity of the tanks and their associated piping and pumps.

1.2) Scope of Services

The Scope of Services for the performance of this Phase I ESA included the following tasks:

- On-site visual reconnaissance of the Property to evaluate on-site activities in respect to hazardous materials use, storage and disposal activities.
- On-site visual survey of the current uses of the immediately adjacent sites, and surrounding area.
- Review of selected historic documentation for the Property to determine what activities have occurred at the subject site since the Property's first developed use.
- Review of reasonably ascertainable regulatory agency files concerning hazardous material use, storage and disposal at the Property and at adjacent and surrounding sites.
- Acquisition and detailed professional review of a current environmental sites radius report (MapHazardsPro Radius Report).
- Interviews with available Property contacts, regulatory officials and personnel associated with the subject and adjoining properties.

- A magnetic subsurface reconnaissance of the areas where tanks, piping, and pumps were known to exist through historic photographs, remaining physical evidence on site, and interviews with historic area residences that were present in the 1950's.
- Physical inspection of soil conditions in the direct vicinity beneath the former pumps and from 4 subsurface soils borings that were augured down in the areas of the former tanks and their associated piping.
- Preparation of this Phase I report in general accordance with the document entitled *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (The American Society for Testing and Materials [ASTM], Designation E 1527-13), and including the data that was collected during the Limited Phase II Reconnaissance.

1.3) Deviations

No deviations from the recommended scope of ASTM Standard E 1527-13 were required as part of the Phase I Environmental Site Assessment.

1.4) Significant Assumptions

While this report provides an overview of potential environmental concerns, both past and present, the environmental assessment is limited by the availability of information at the time of the assessment. It is possible that unreported disposal of waste or illegal activities impairing the environmental status of the Property may have occurred which could not be identified. The conclusions and recommendations regarding environmental conditions that are presented in this report are based on a scope of work authorized by the Client. Note, however, that virtually no scope of work, no matter how exhaustive, can identify all contaminants or all conditions above and below ground.

1.5) Limitations and Exceptions

This Phase I Environmental Site Assessment does not guarantee the condition of the Property. Phase-I Environmental Services (Phase-I ES) is not be responsible for conditions or consequences arising from facts and information that is withheld or concealed, or not fully disclosed at the time this evaluation is performed. Conclusions and recommendations made in the report for the Property aerial imagery in nature and are based wholly upon the data obtained and available information reviewed during the assessment. Phase-I ES is not responsible for errors or omissions in agency or provided files or databases or non-disclosure by Property owners or representatives. To achieve the study objectives for this project we are required to base Phase-I ES conclusions and recommendations on the best information available during the period the investigation was conducted. Phase-I ES professional services are performed using the degree or care and skill ordinarily exercised by environmental consultants practicing in this or similar fields. The findings are mainly based upon examination or historic records and reports, maps, aerial photographs and governmental agencies lists. It should be noted that governmental agencies often do not list all sites with environmental contamination; the lists and data used could be inaccurate and/or incomplete. Recommendations are based on the historic land use of the subject property, as well as features noted during the site inspection.

The absence or potential gross contamination sources, historic or present, does not necessarily imply that the subject property is free of any contamination. This project did not include sampling of materials (for example: all soils, water, air, mold, or building materials).

This Phase I Site Assessment does not include the mention of: recovery, sampling, or reporting of the nature or extent of Asbestos Containing Materials, the presence of Lead-based Paint or any Mold Issues.

Phase-1 ES does not warrant or guarantee that no significant events, releases or conditions could have arisen during the periods with data gaps (if they exist). The Phase I Site Assessment does not include information or advice relating to any environmental issues, laws or environmentally related business decisions that have not been stated in the above outline. No warranties, therefore, are expressed or implied. Phase-1 ES has no liability towards consequential damages. In some cases, an environmental compliance audit may be necessary for a Property. The information and opinions rendered in the report will exclusively for use by the Client. Phase-1 ES will not distribute or publish the report without the Client's consent except as required by law or court order. Phase-1 ES has no responsibilities or liability whatsoever to persons or entities other than the Client if they so choose to use this report.

1.6) Limitations of Liability

Phase-1 ES' total liability to the client for any and all injuries, claims, losses, expenses or damages whatsoever directly or indirectly arising out of or in any way related to this report from any cause or causes, including but not limited to Phase-1 ES' negligence, errors, omissions, strict liability, or breach of contract shall not exceed the total amount of the contract for this project. Phase-1 ES shall not be liable for latent or hidden conditions, conditions not actually observed by Phase-1 ES, the potential consequences of observable conditions, conditions of which client had knowledge of at the time of the services, or any unauthorized assignment or reuse of the report. Notwithstanding the prior sentence, in no event shall Phase-1 ES be liable to client for any exemplary, punitive, direct or indirect, incidental special or consequential (including lost profits) damages arising from or in any way connected with its performance or failure to perform under the agreement, even if the affected party has knowledge of the possibility of such damages.

1.7) Reliance and Assignment

The Client may rely on the contents of this report. No other person or entity may rely on this report without the express written consent of Phase-1 ES, and no other third party beneficiaries are intended.

1.8) Special Terms and Conditions

The Client for this project requested no special terms, conditions or extraneous services. Therefore, Phase-1 ES implemented no special terms, conditions or extraneous services for this project. Business Environmental Risk concerns have not been addressed for this project. Controlled substances information has not been included, as it is outside the scope of E 1527-13 unless specifically requested by the Client. The Client did not provide Phase-1 ES with any land title or environmental lien records.

1.9) User Reliance

This report may be distributed and relied upon by Ms. Cheryl Lopez, the Panoche Inn, Their successors and assigns. Reliance on the information and conclusions in this report by any other person or entity is not authorized without the express written consent of Phase-1 Environmental Services.

MapHazardsPro Radius Search Report

Searched Databases

CSL: Contaminated Sites List

State or Local Contaminated Sites databases. These databases include local and state-designated hazardous waste sites, spill sites, superfund sites, voluntary cleanup program sites and land disposal sites. In general, these sites are currently undergoing remediation for on site contamination, remediation has been completed and/or remediation is proposed. In states where a specific Contaminated Sites database is not maintained, the CERCLIS database will contain applicable information on contaminated sites.

- California Department of Toxic Substances Control's EnviroStor list
- California Department of Toxic Substances Control's Permitted Facilities and Corrective Actions
- California State Water Resources Control Board's Geotracker Cleanup Program Sites
- California State Water Resources Control Board's Geotracker Landfill Cleanups List

DEED: List of Deed Restrictions

The implementation of recorded land use restrictions within property deeds is one of the methods agencies use to protect the public from unsafe exposures to hazardous substances and wastes. Sites with deed restrictions are often contaminated, however levels of contaminants and methods used to control migration of contaminants are controlled and approved by the agency. These are also called Environmental Covenants or Use Restrictions

- California Department of Toxic Substances Control's Deed Restrictions list

SEMS: Superfund Database

Sites which are found on the Superfund Enterprise Management System (SEMS) database. The SEMS database contains information on hazardous waste sites, site inspections, preliminary assessments, and remediation of hazardous waste sites under CERCLA (Superfund). The database contains general information on sites including location and status. This database includes those SEMS sites not included on the NPL or Proposed NPL databases. This includes archived sites determined to be "No Further Remedial Action Planned (NFRAP)" sites are contained within this database. Archived sites may be properties where, following an initial investigation, no contamination was found, contamination was removed quickly, or the contamination was not serious enough to require Federal Superfund action. The SEMS database is a newer version of the CERCLIS database and the current SEMS version does not export as much information as the CERCLIS database once did.

- US EPA's Superfund Enterprise Management System Database

CONTROLS: Institutional and Engineering Controls

U.S. EPA's and State Engineering Control Sites List and/or Institutional Control Sites List. The Engineering Control Sites list are facilities that have engineered controls in place, such as capping, containment, slurry walls, extraction wells and/or treatment methods that are intended to manage environmental and health risks by reducing contamination levels at a site, or limiting exposure pathways. The Institutional Control Sites list are administrative or legal devices, such as deed restrictions, to ensure that engineering controls stay in place and/or to ensure that land use restrictions stay in place.

- U.S. Environmental Protection Agency's Engineering Controls list
- U.S. Environmental Protection Agency's Institutional Controls list

MapHazardsPro Radius Search Report

Searched Databases

LUST: Leaking Underground Storage Tanks

Leaking Underground Storage Tank records contain an inventory of reported leaking underground fuel storage tank incidents. Thousands of underground storage tanks have leaked within the United States, and both open and closed cases are reported on this list. These leaks can affect subsurface soils and groundwater. Both state and local agencies oversee and track these sites.

- California State Water Resources Control Board's Geotracker Leaking Underground Storage Tank list
- EPA Region 4 Tribal Underground Storage Tank List
- U.S. EPA's Region 1 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 10 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 5 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 6 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 7 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 8 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 9 Leaking Underground Storage Tank list on Tribal lands

SWIS - Solid Waste Information System

The SWLF database contains information on solid waste facilities, operations, and disposal sites throughout the United States. The types of facilities found in this database include landfills, transfer stations, material recovery facilities, composting sites, transformation facilities, waste tire sites, and closed disposal sites.

- California Integrated Waste Management Board's Landfill list
- Los Angeles County Methane Producing Landfills List
- Los Angeles County Public Health's Landfill list

WELLS: Water Wells

Public Water Wells. Due to security reasons, limited information on public wells is available.

- Municipal Water Wells

HAZMAT: Hazardous Materials Storage and Incident Records

This data includes information on hazardous materials storage, use and disposal sites as well as incident reports, hazardous materials inventory and business plan documents, spills and releases.

- Alameda County Environmental Health CUPA List
- California EPA's CUPA facilities database
- California State Water Resources Control Board's Waste Discharge System list
- California State Water Resources Control Board's Waste Water Discharger list
- Contra Costa County's Site List
- Drug Enforcement Administration's Clandestine Drug Labs List
- Napa County's Local Oversight Program Hazardous Material Site list
- Napa County Hazardous Materials Inventory Database
- San Francisco Department of Public Health's Hazardous Material Site list
- San Mateo County Environmental Health's Business Inventory list
- U.S. Environmental Protection Agency's Toxics Release Inventory Database

MapHazardsPro Radius Search Report

Subject Property Sites

There are no subject sites hits to display for this report


MapHazardsPro Radius Search Report

Surrounding Sites Details

There are no surrounding sites hits to display for this report

MapHazardsPro Radius Search Report

List of Unlocatable Sites

Address	Site Name	Site Type	Site ID
 Panoche Rd, PAICINES, CA	Franscioni Farms, Inc. - North Quaid Ranch	HAZMAT	CACUPAHM-10632001

MapHazardsPro Radius Search Report

About This Report

The databases searched to compile the enclosed report are gathered from numerous federal, state and local governing environmental entities. All of the databases required to be searched by ASTM Standard E 1527 - Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process "Standard Environmental Records Sources" have been included in this report, and searched to the required distances from the subject property. Additionally, Cypress Technology Solutions, Inc (CTS) has acquired other valuable databases and integrated them into the Cypress STARReport System in order to provide more valuable information to our clients regarding hazardous materials storage and release sites within a one-mile radius from the subject property.

ECS has created a sophisticated data update system, keeping our report databases as current as possible (surpassing ASTM E1527 requirements). ECS consistently requests and updates data from each of the government agencies used to create this report. Depending on the type of database, records are updated at the agencies at varying intervals (daily, monthly, quarterly, semi-annually, or annually). An overall data update (including all available updates) is loaded into our specialized software on a quarterly basis.

CTS has created a sophisticated data update system, keeping our report databases as current as possible (surpassing ASTM E1527 requirements). CTS consistently requests and updates data from each of the government agencies used to create this report. Depending on the type of database, records are updated at the agencies at varying intervals (daily, monthly, quarterly, semi-annually, or annually). An overall data update (including all available updates) is loaded into our specialized software on a quarterly basis. It should be clearly understood that this database/map report lists only reported and accurately entered sites. Numerous sites have yet to be discovered and therefore are not yet listed by any governmental agency. The most effective way to determine if a site may be listed by a government agency in the future is by performing a Transaction Screen or Phase I Environmental Site Assessment, which include a professional site inspection and review of historical records. This radius report satisfies only one subsection requirement found within the ASTM Phase I Environmental Site Assessment reporting requirements. This report should not be considered a Phase I Environmental Site Assessment. If no sites are found for a database searched, the database and its description are excluded from the report details so as to report recorded sites only. Sites that include erroneous or incomplete address information may not show up on the report. Every attempt is made to include a listing of these unlocated sites in the report where there is a possibility of their impacting the subject property, but no guaranty can be made.

ECS has used a technology called Geocoding to locate the sites on the map. While this technology is the standard of care in the industry and is generally reliable for well formatted, complete and correct addresses, due to the limitations of this technology no guarantee of the accuracy of site placement can be made.

CTS has used a technology called Geocoding to locate the sites on the map. While this technology is the standard of care in the industry and is generally reliable for well formatted, complete and correct addresses, due to the limitations of this technology no guaranty of the accuracy of site placement can be made.

DISCLAIMER

This report contains data obtained from multiple governmental agencies. CTS cannot insure the accuracy of the enclosed information. CTS are in no way responsible for errors and/or omissions occurring in data, data conversion, or for the client's use of the information (report). CTS and its affiliates cannot be held liable for accuracy, storage, loss or expense suffered by customers resulting directly or indirectly from any data provided by CTS. No warranty expressed or implied is made in any way in connection with this report.

CTS has researched and obtained certain local, State and Federal environmental databases (Data) to assist its client's in meeting the requirements of ASTM Standards. CTS has obtained Data that is readily available and of adequate quality to be included in this report. As of the date of this report, there are certain Data that are either not yet available or are not of adequate quality and therefore are not included in this Report.

MapHazardsPro Radius Search Report

Searched Databases

NPL: National Priority List Sites

Sites which are found on the NPL database or the Proposed NPL database. NPL sites are a special category among National Superfund (CERCLA) Sites listed in the EPA's CERCLIS database. NPL sites are of serious, high concern and priority based on a national comparison to sites needing investigations and contamination cleanup activities (remediation). These sites, some of the worst in the nation, normally contain high levels of various contaminants that have spread over relatively long distances and usually require long term, highly expensive remediation technologies. Proposed NPL sites are of serious concern and are in the process of being evaluated for categorization as National Priority List sites. Delisted NPL sites have been removed (delisted) from the NPL if no further response or action is appropriate at the site, per EPA guidelines.

- US EPA's Superfund Enterprise Management System Database

CORRACTS: Corrective Action Sites

CORRACTS is subsets of data found within the Federal RCRA database (RCRIS) or other state database. RCRA Corrective Action is the process by which areas at a hazardous waste facility are evaluated and, if necessary, are cleaned up. TSD facilities are often also listed as CORRACTS facilities.

- U.S. Environmental Protection Agency's Corrective Action list

TSD: Treatment, Storage and Disposal Sites

TSDs are subsets of data found within the Federal RCRA database (RCRIS) or other state database. TSD sites treat, store and/or dispose of hazardous materials and are federally permitted. TSD facilities are often also listed as CORRACTS facilities.

- California EPA's CUPA facilities database
- San Francisco Dept of Public Health HMUPA Facilities List
- U.S. Environmental Protection Agency's Treatment, Storage and Disposal list

DEFENSE: FUDS and DOD Sites

These sites are Formerly Used Defense Sites (FUDS) and Department of Defense (DOD sites). The U.S. Army Corps of Engineers and/or the U.S. Department of Defense is actively working or will be taking the necessary steps to address any cleanup activities needed on these properties.

- Army Corps of Engineers' Formerly Used Defense Munition Response Sites Layer
- Army Corps of Engineers' Formerly Used Defense Munitions Response Area Layer
- Army Corps of Engineers' Formerly Used Defense Properties Layer
- California Department of Toxic Substances Control's EnviroStor Formerly Used Defense Sites list
- California State Water Resources Control Board's Geotracker Military Site Cleanup List

MapHazardsPro Radius Search Report

Searched Databases

ERNS: Emergency Response Notification System

Sites listed as having a reported release of oil and hazardous substances that have been called into the Federal and/or state agencies. Minor to major spills are reported and these cases are sometimes turned over to other regulatory agencies for further investigation.

- California Office of Emergency Services RIMS Database
- National Response Center's Emergency Response Notification System list
- Office of Hazardous Materials' Hazardous Materials Incident Database, 1993-2004
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2005-2006
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2007-2008
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2009
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2010
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2011
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2012
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2013
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2015

GENERATOR: Small and Large Hazardous Materials Generators

GENERATORS is a subset of data found within the Federal RCRA database (RCRIS) or other state GENERATORS list. RCRA GENERATORS are federally permitted generators of varying amounts of hazardous materials. A listing on the GENERATOR database does not directly indicate a release has occurred, only that the site generates hazardous materials.

- California EPA's CUPA facilities database
- Contra Costa County Health Services Facilities Database
- San Francisco Dept of Public Health HMUPA Facilities List
- U.S. Environmental Protection Agency's Hazardous Waste Generator list

UST: Underground Storage Tank Sites

The databases include permitted active, inactive and closed UST facilities recorded with the below mentioned agencies. A listing on the UST databases does not directly indicate a release has occurred, only that the site currently or historically contained an underground storage tank.

- California EPA's CUPA facilities database
- California State Water Resources Control Board's Underground Storage Tank list
- Contra Costa County Health Services Facilities Database
- El Segundo's Underground Storage Tank list
- EPA Region 4 Tribal Underground Storage Tank List
- Kern County's Underground Storage Tank list
- Marin County's Underground Storage Tank list
- Napa County's Local Oversight Program Underground Storage Tank list
- San Francisco Dept of Public Health HMUPA Facilities List
- Santa Cruz County Environmental Health Services' Site Mitigation list
- U.S. EPA's Region 1 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 10 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 5 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 6 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 7 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 8 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 9 Underground Storage Tank list on Tribal lands

MapHazardsPro Radius Search Report

Searched Databases

AST: Aboveground Storage Tank Facilities

Permitted active, inactive and closed AST facilities recorded with the state or local agencies are included. A listing on the AST database does not directly indicate a release has occurred, only that the site currently or historically contained an aboveground storage tank.

- California EPA's CUPA facilities database
- Contra Costa County Health Services Facilities Database

EMISSIONS: Air Emissions Sites

Sites found on various air emissions databases like dry cleaners and related facilities that have air emissions permits with the state and/or local air quality district.

- Amador Air Quality Management District Dry Cleaner List
- Antelope Valley Air Quality Management District Dry Cleaner List
- Bay Area Air Quality Management District Dry Cleaner List
- Butte County Air Quality Management District Dry Cleaner List
- Eastern Kern Air Quality Management District Dry Cleaner List
- El Dorado Air Quality Management District Dry Cleaner List
- Feather River Air Quality Management District Dry Cleaner List
- Glenn Air Quality Management District Dry Cleaner List
- Imperial Air Quality Management District Dry Cleaner List
- Mojave Desert Air Quality Management District Dry Cleaner List
- Monterey Air Quality Management District Dry Cleaner List
- North Coast Air Quality Management District Dry Cleaner List
- Northern Sierra Air Quality Management District Dry Cleaner List
- Placer Air Quality Management District Dry Cleaner List
- Sacramento Air Quality Management District Dry Cleaner List
- San Diego Air Quality Management District Dry Cleaner List
- San Diego Air Quality Management District Retired Dry Cleaner List
- San Luis Obispo Air Quality Management District Dry Cleaner List
- Santa Barbara Air Quality Management District Dry Cleaner List
- Tuolumne Air Quality Management District Dry Cleaner List
- Ventura Air Quality Management District Dry Cleaner List
- Yolo-Solano Air Quality Management District Dry Cleaner List

HAZNET: Hazardous Waste Information System

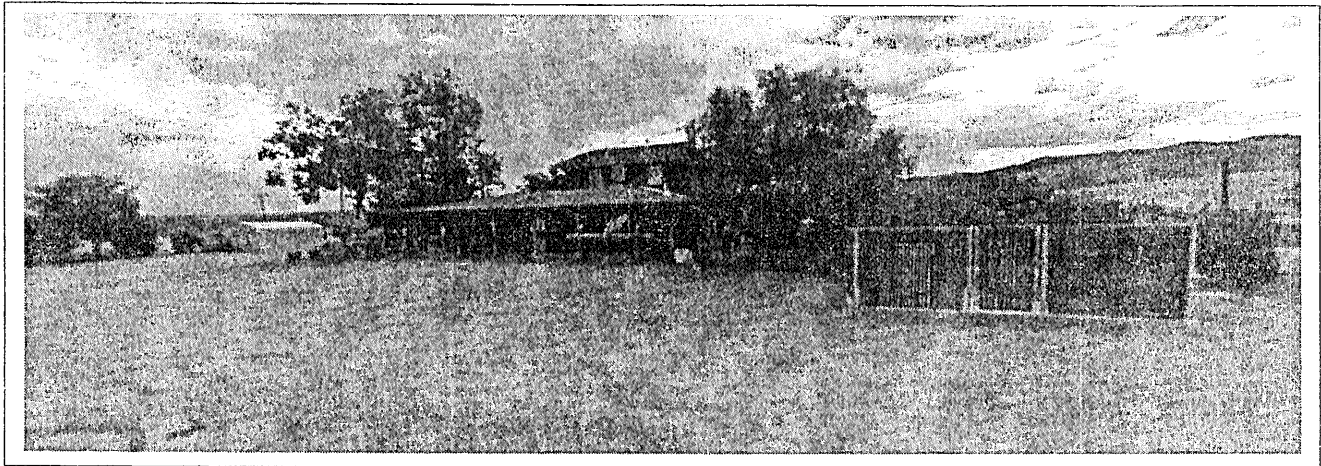
HAZNET databases track hazardous materials from "cradle to grave". Some of the sites listed are licensed transportation companies but most are facilities that have had hazardous materials transported off the site or have received hazardous materials

- California Department of Toxic Substance Controls's Hazardous Waste Transportation System 1993-2012 Tanner List. Includes Nationally relevant data!
- California Department of Toxic Substances Control's Hazardous Waste Transporters list
- New Jersey Dept of Environmental Protection's Manifest Database

2) EXECUTIVE SUMMARY, FINDINGS, and OPINIONS

The Property is located in an area of farm and ranch properties at 29960 Panoche Road, in the City of Pacines, County of San Benito, California. Its zoning is C-2 (Commercial District). The Property consists of a single parcel, Assessor's Parcel Number (APN) 027-080-011. The parcel is approximately 6.52 acres, and is currently occupied by the Panoche Inn restaurant and bar. There is a single-story wood covered brick building on the Property that is the restaurant and bar. This building is founded on slab-on-grade concrete, and has an under roof foot print of approximately 2,100 sq. ft. The restaurant has a walk-in cooler that is also used for storage, and a kitchen behind (to the south of) the bar. To the east of the restaurant is an outdoor sitting area with covered tables. There is a wooden 2-story 2 bedroom, 2 bath living quarters attached to the south (back) of the restaurant. The master suite of the residence has a wood burning stove. There is a covered patio and picnic area and a sun room. The under-roof foot print of this building, including the patio is approximately 1,870 sq. ft. Historic aerial photographs and topographical maps indicate that there was a structure on the Property (perhaps residential, perhaps farm related) in 1940.

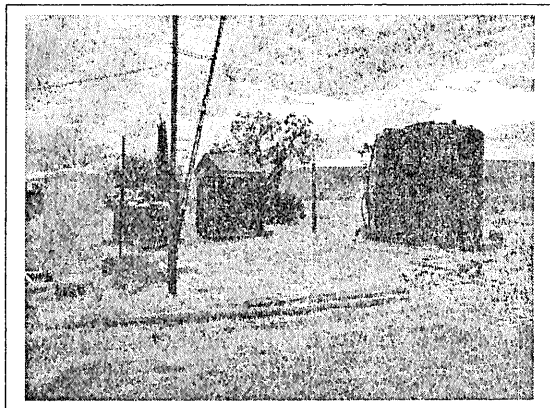
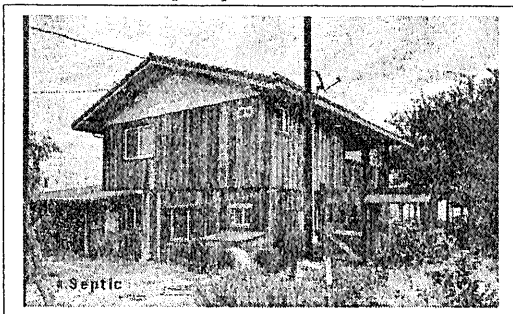
A Site Vicinity Map and Property Site Plan are attached to this report as **Figures 1 and 2**, respectively.



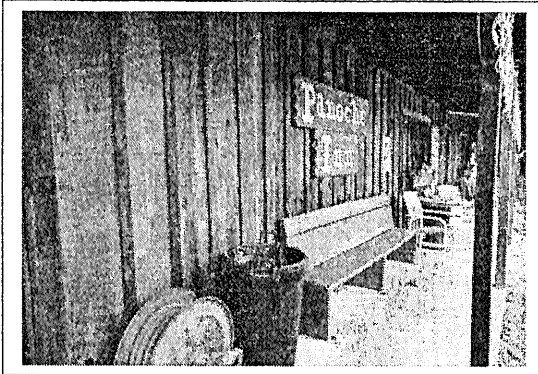
Potable water to the Property is from an on-site water well positioned on the western near center of the Property. There is a wooden well-pump house shack and a plastic holding tank of an estimated 2,000 gallons. The pump is electric powered. A fuel powered standby generator was noted in the area of the pump house, however, it is not known if this is a

functional unit. Power and natural gas to the Property is from

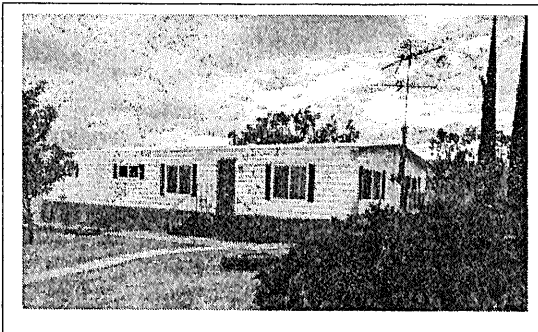
underground utilities. Sewage is run to a septic system positioned just to the west of the restaurant and main residence.



The interior of the restaurant is hardwood floored. There is a pool table. Interior walls are wood or dry wall covered. Seating is primarily at the bar, with covered tables outdoors to the east of the restaurant. The building is not fire sprinkled.



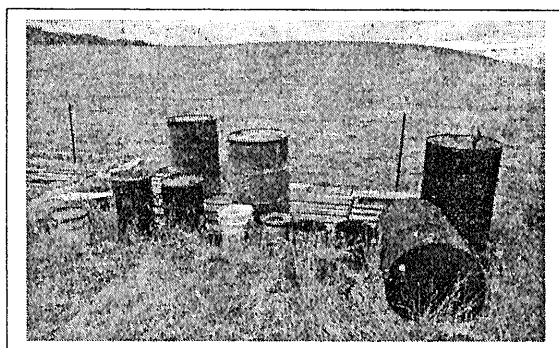
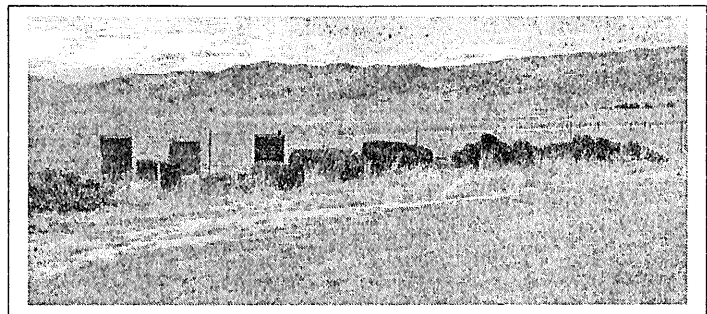
There were no signs of hazardous materials use, storage, or disposal noted anywhere within or surrounding the restaurant premises.



There is a mobile home positioned along the eastern side of the Property to the southeast of the restaurant. This home is occupied by a single-family residence. It shares the Property water supply and power with the main restaurant and residence.

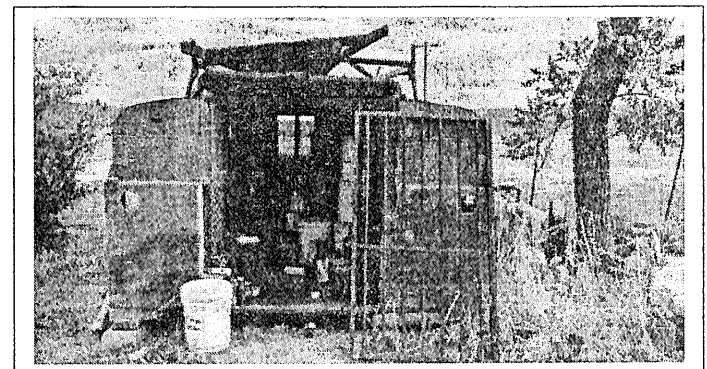
There is an area along the western border where several 55-gallon, 30-gallon, and 5-gallon containers – some containing waste oil were observed. There are also a number of old discarded tractor and truck tires in this area. Most of the drums

are being stored on wooden pallets that have no secondary spill containment. These are a potential Recognized Environmental Condition (REC) that needs to be attended to. We recommend that the oil and tires be properly disposed of or recycled, and if the containers are kept and used in the future, they should be properly labeled as “Waste Oil”, and placed on secondary spill containments.



gallon, and smaller paint containers within the truck bed – some with residual paint in them, and some empty. There are also containers on the

There was also an abandoned utility truck bed along the eastern property line that contains abandoned 5-gallon, 1-



outside of the truck. We recommend that these containers and paint be inspected, and appropriately disposed of if not intended for use in the future.

The Property itself is not listed on any regulatory environmental database – past or present, and there are no sites within a mile of the Property that are listed on any of the environmental regulatory databases.

The MapHazardsPro Environmental Database Report is contained in **Attachment D**.

With the exception of the waste oil and paint containers noted earlier, there was no evidence of improper storage, use, or disposal of hazardous materials anywhere on the Property or in the buildings on the Property where they could be accessed.

It was brought to our attention that beginning in the 1950s, the facility dispensed two grades of gasoline as well as motor oil to its patrons. The gasoline was contained in underground storage tanks, and pumped from two dispensers located at the front eastern side of the main restaurant building. The oil was contained in aboveground tanks positioned on the fueling island between the two dispensers. The Client found and provided Phase-1 ES with the photographs of this fueling system shown below.



These tanks and oil systems were not required to be permitted in the 1950s - as they would be today. The presence of fuel containing Underground Storage Tanks (USTs) was a potential Recognized Environmental Condition (REC) at this site. As part of this Phase I study, Phase-1 ES performed a physical reconnaissance of the subsurface conditions in the areas of the previous tanks and their related piping. The work included employing a magnetic subsurface investigation of the areas where the tanks were known to have existed, as well as tracing of the associated underground piping and utilities that were plumbed to the pump islands. Four soils borings were advanced in strategic locations and soils from the borings inspected and tested in the field. Interviews with local residences who were present and frequented the facility during the time of the fuel dispensing were conducted. **Section 9) Limited Subsurface Investigation** outlines this work in more detail. The following are the highlights, outcome, and results of the investigation:

- The subsurface magnetic reconnaissance detected no underground tanks present in the vicinity of the former fueling facility.
- A reliable local resident was interviewed who witnessed the excavation and removal of two 1,000-gallon underground fuel tanks from the site in 1976. Those tanks were replaced by two 500-gallon above-ground fuel tanks that were used until just before 1980, when the fueling operation was closed. Those two above-ground tanks remain on the premises today.

+

- Soils borings were advanced in 4 areas and soils samples from various depths collected, field inspected, and tested for signs of petroleum. No obvious signs of contamination were noted in any of the soil samples.



Based on the findings, we recommend that the waste oil on site be properly disposed of or recycled, and that future storage of waste oil containers be properly labeled and secondarily contained. We recommend that the abandoned tires be removed and disposed of. The historic abandoned above-ground fuel tanks should be properly recycled or disposed of if they are not intended to be used in the future. Paint containers in and around the abandoned truck bed should be inspected for content, and disposed of accordingly. Under its current land use and zoning, it is our professional opinion that no further environmental investigation is warranted or recommended at this time.

3) PROPERTY DESCRIPTION, LOCATION AND LEGAL DESCRIPTION

The Property is located in an area of farm and ranch properties at 29960 Panoche Road, in the City of Pacines, County of San Benito, California. Its zoning is C-2 (Commercial District). The Property consists of a single parcel, Assessor's Parcel Number (APN) 027-080-011. The parcel is approximately 6.52 acres, and is currently occupied by the Panoche Inn restaurant and bar, a residence, and a mobile home.

A Site Vicinity Map and Property Site Plan are attached to this report as **Figures 1 and 2**, respectively.

4) SITE AND VICINITY DESCRIPTION AND GENERAL CHARACTERISTICS

4.1) Current Topographic Map Review

The Property is located at an elevation of approximately 1,360 feet above mean sea level (U.S. Geological Survey "Panoche", CA MRC: 36120E7 - 7.5 Minute Topographic Quadrangle). The area of the Property is relatively flat. The southern half of the lot is 1 to 2 feet higher than its northern section. Regionally, the topographic slope is generally to the east. The Topographical Map Overview is attached as **Figure 5**.

4.2) Hydrogeologic Review

Panoche Valley Groundwater Basin

- Groundwater Basin Number: 5-23
- County: San Benito
- Surface Area: 33,100 acres (52 square miles)

Basin Boundaries and Hydrology

Panoche Valley is an elongate northwest-southeast trending basin in the Coast Range Mountains of eastern San Benito County. The elevation ranges from 1,000 to 1,300 feet. The basin is comprised of shallow alluvium, Quaternary nonmarine terrace deposits and Plio-Pleistocene nonmarine sediments. The basin is bounded to the northwest by the Franciscan Formation, to the northeast and southeast by Upper Cretaceous marine sedimentary rocks and to the southwest by Lower Miocene marine rocks (Jennings and Strand 1959).

Panoche Creek, Griswold Creek, and their tributaries drain the valley eastward to the San Joaquin Valley. Average precipitation values range from nine inches for the majority of the valley to 13 inches at the western margin.

Hydrogeologic Information

Water Bearing Formations

No specific published information on the water bearing deposits was found. Review of San Joaquin District well completion report files produced drillers logs for nine wells in the basin. These wells ranged in depth from 171 feet to 1,500 feet. They generally penetrate alluvial materials including gravels, sands, silts and clays. Additional descriptive units include shale, clay and rocks, and hard sand. From this information it seems likely that the water bearing units may include the alluvium, Quaternary nonmarine terrace deposits and Plio-Pleistocene nonmarine sediments.

Groundwater Level Trends

Water level measurements for 48 wells were found in the San Joaquin District water level data files. These measurements range in time from 1967 to 2000. Depth to water ranges from 30 to over 300 feet, with most of the measurements being in the 30 to 80-foot range. There is a general trend of rising water levels from the 1970's to 2000. Water levels have risen as much as 130 feet and typically over 40 feet throughout the basin. Field reconnaissance in August 2001 determined that irrigated agriculture is limited to one vineyard of less than 20 acres and one walnut orchard of less than 20 acres. A discussion with Don Hennigan (2001), a 76-year-old life long resident of Panoche Valley, determined that in the 1940's extensive areas of alfalfa were in production and in the 50's and 60's cotton was extensively grown in the basin. It appears that groundwater levels are recovering from a past period of groundwater pumping.

According to FEMA, the Property is in a Zone X – an area of minimal flooding. No areas of potential wetlands were observed on the site.

4.3) Current Use and Occupancy of the Property

The Property is occupied by the Panoche Inn Restaurant and Bar, a residence occupied by the owner, and a mobile home occupied by a single-family resident.

4.4) Description of Structures and Property Improvements

The Property Site Plan is attached to this report in **Figure 2**.

Structures

There is a single-story wood covered brick building on the Property that is the restaurant and bar. This building is founded on slab-on-grade concrete, and has an under-roof foot print of approximately 2,100 sq. ft. The restaurant has a walk-in cooler that is used for storage, and a kitchen behind (to the south of) the bar. To the east of the restaurant is an outdoor sitting area with covered tables. There is a wooden 2-story 2 bedroom, 2 bath living quarters attached to the south (back) of the restaurant. The master suite of the residence has a wood burning stove. There is a covered patio and picnic area and a sun room. The under-roof print of this building, including the patio is approximately 1,870 sq. ft. There is a mobile home on the Property that houses a single-family resident. There is a metal storage shed near the northeast corner of the Property.

Roads

There are no roads on the Property.

Mechanical Systems

Mechanical systems observed at the Property were an old tractor, a standby power generator, an old abandoned air compressor, and the water well pumping system.

Solid Waste and Sewage Disposal

Solid waste removal is by the Property owner, who takes the trash and recyclables to John Smith Landfill.

Heating and Cooling Systems

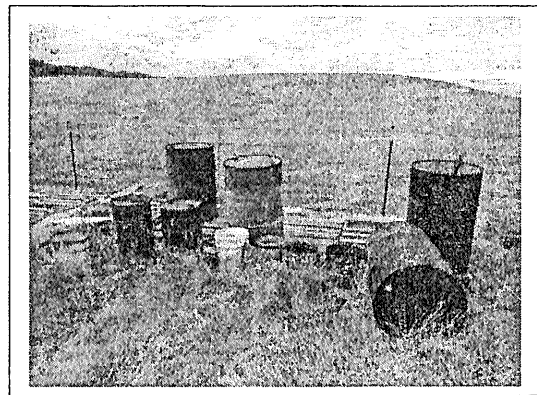
The buildings appear to be heated primarily by wood burning stoves. There did not appear to be any cooling systems in the buildings except in the walk-in cooler, where there is a condenser cooler. The mobile home is heated and cooled by an HVAC unit.

Source of Potable Water

Potable water to the Property is by a private drinking water well located on the western portion of the Property near the center of the lot.

Hazardous Materials Storage, Use, Disposal

There were several 5-gallon through 55-gallon containers and drums noted along the western Property boundary at the southernmost portion of the lot. Some of these drums were noted to contain waste oil. While most have been placed on wood pallets, they are not secondary spill contained. There are also a number of abandoned tractor and truck tires in this area. The waste oil should be delivered to a recycler and if the containers are kept for future oil storage, they need to be properly labeled and stored on spill containments when filled with oil. The tires should be disposed of at an appropriate facility.



No additional hazardous materials were observed used, stored, or disposed of at or on the Property.

Wells

There is a single drinking water well with an electric well pump and holding tank of an estimated 2,000 gallon capacity. This well and pumping system is positioned on the western side of the Property, approximately 265 ft. to the south of Panoche Road.

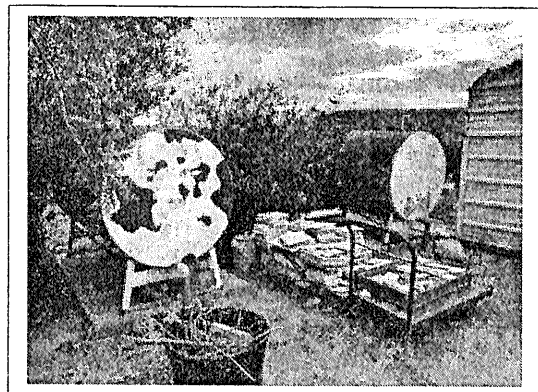
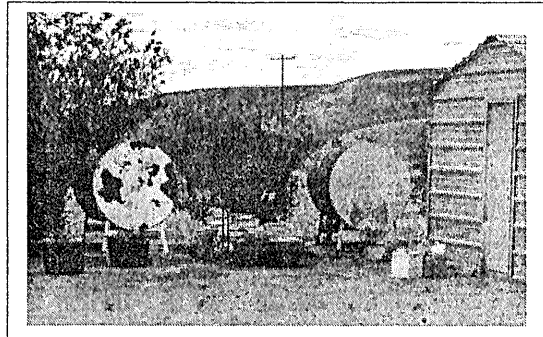
Interior and Exterior Drains & Sumps

There were no interior floor drains noted, and no exterior storm drains noted anywhere on the Property.

Underground & Aboveground Storage Tanks

There is no evidence of existing underground (UG) storage tanks at the Property. The two UG fuel tanks that used to exist in the 1950s, according to John W. Eade of Humboldt West, Inc., a local land and cattle rancher who witnessed their removal, said the tanks were excavated and disposed of by the property owner in 1976. They were both 1,000-gallon steel tanks that were crushed by the excavation equipment upon their removal, and trucked off for disposal.

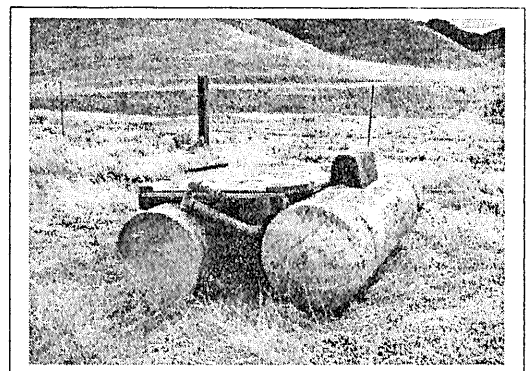
According to Mr. Eade, these tanks were replaced by two 500-gallon above-ground fuel tanks that were positioned on concrete pads near the northeast corner of the Property. Piping from the pump island was rerouted to these tanks, and they were reportedly used until the fueling operation was shut down just before 1980. Their piping was drained and cut below the surface where it connected to the tanks. The two above-ground 500 gallon tanks still exist at the site today (see photos).



These tanks have been de-commissioned and empty since before 1980, and were inspected during the Phase-I ES reconnaissance. The inspection noted no volatile petroleum odors from either of the tank vents. Soils in the vicinity of the piping was excavated and field inspected. The pipe burial depth was approximately 18 inches BGS. There was no evidence of petroleum odors or soil discoloration in their vicinity. More details on this reconnaissance can be found in **Section 9**). In their current condition, these tanks are not considered to be hazardous, and could likely be certified as non-hazardous

by a licensed hazardous materials contractor. If there is no intended future usage for these tanks, we recommend that they be properly certified and cut up for scrap metal recycling.

There were some decommissioned above-ground water tanks noted – one of them attached or aside of what appears to be a decommissioned propane tank of an estimated 250 to 300 gallons. This tank is empty, and of no significant environmental concern, as propane is not a ground contaminant. The tank(s) could be inspected for content, and like the fuel tanks, recycled as scrap.



Stained Soil or Pavement

No significant oil staining was observed in any of the parking or drive areas on the Property. Much of the open ground surface on the Property are bare soil, or covered with dry grass, with little vegetation. While

there were areas where trash and litter was noted in various areas, there was no evidence of chemical spills, dumping, distressed vegetation or stained soils noted in any of the exposed soil areas.

Current Uses of Adjoining Properties

- The Property is bound to its north by Panoche Road, across from which is undeveloped farm and grazing land.
- The Property is bound to the south, east and west by the same undeveloped farm and grazing land.
- The closest occupied property is about 845 ft. to the north.

5) RECOGNIZED ENVIRONMENTAL CONDITIONS

The goal of the processes established by the practice for conducting environmental site assessments is to identify recognized environmental conditions (REC's). Recognized environmental conditions indicate 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 into structures on the Property or into the ground, ground water, or surface water of the Property. 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.

This assessment revealed one potential Recognized Environmental Condition (REC) associated with the subject Property relating to improper storage of waste oil without secondary spill containment on the premises. This has not apparently impacted the Property, but should be corrected as noted herein. No other RECs were found.

6) USER PROVIDED INFORMATION

TITLE RECORDS, ENVIRONMENTAL LIENS, ACTIVITY AND USE LIMITATIONS, SPECIALIZED KNOWLEDGE, VALUE REDUCTION FOR ENVIRONMENTAL ISSUES, COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION:

Phase-1 ES was provided with a Preliminary Report by Chicago Title Co., which is contained in **Attachment B**. The Preliminary Report did not contain, nor was Phase-1 ES provided with any information regarding liens, activity and use limitations, specialized knowledge, or value reductions for any environmental issues on the Property.

7) OWNER, PROPERTY MANAGER AND OCCUPANT INFORMATION

The current owner of the Property is the Lorenzo C. Lopez and Cheryl Gene Lopez, husband and wife (the Client). The Property is occupied by The Panoche Inn Restaurant and Bar, the Client (in residence), and a single-family resident-tenant in the mobile home on site.

8) PREVIOUS ENVIRONMENTAL REPORTS

No previous environmental reports were provided nor were any on file with the researched regulatory agencies.

9) LIMITED SUBSURFACE INVESTIGATION

Phase-1 ES performed a physical reconnaissance of the subsurface conditions in the areas of the previous tanks and their related piping. The work included employing a magnetic subsurface investigation of the areas where the tanks were known to have existed, as well as tracing of the associated underground piping and utilities that were plumbed to the pump islands. Four soils borings were advanced in strategic locations and soils from the borings inspected and tested in the field.

9.1) Underground Tank, Piping, and Utility Location Reconnaissance

Cruz Brothers Locators of Soquel, California was employed to perform a magnetic reconnaissance of the subsurface in the areas of the previous fuel tanks, pump islands, and underground piping and utilities associated with the fueling operation. Cruz Brothers utilized a Fischer Magnetometer to perform the searches.

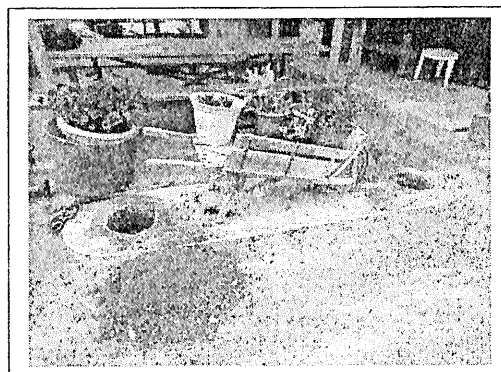
Areas to the immediate north and east of the pump island were scoured for tanks using the magnetometer. The area was extended from the pump islands northerly to the edge of Panoche Road, westerly to the center of the restaurant building, and easterly to near the Property's eastern boundary. All areas of the paved eastern driveway entrance to the south were included in the study. Product and utility piping from the base of each of the previous pump locations on the pump island were traced.

Findings

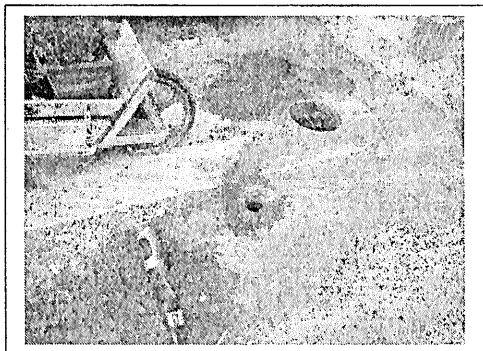
- No underground tanks were detected in the areas searched. The Cruz Bros report states that; "No readings of size and shape of underground storage tanks".
- Product piping from each of the dispensers was located and traced to the east to the decommissioned aboveground tanks positioned on concrete pads to the east of the pump island along the eastern property border (please refer to **Attachment A** for the Cruz Bros report).

9.2) Limited Subsurface Soils Borings and Soils Conditions Inspection

Phase-1 ES used a 3-inch geotechnical hand auger to advance soils borings in 4 areas of the previous fuel tanks, fuel pump island, and underground fuel piping. Positioning of the borings was based on the findings of Cruz Bros. investigation, physical site reconnaissance, and interviews conducted with local residents familiar with the previous fueling operation. Soil throughout the borings was inspected by an ASTM-Qualified Phase II Environmental Professional. Soil was inspected for signs of physical discoloration,



petroleum odors, and select samples tested using a RAE Instruments ToxiRAE Pro PID - a portable photoionization detector capable of detecting over 300 Volatile Organic Compounds (VOCs).

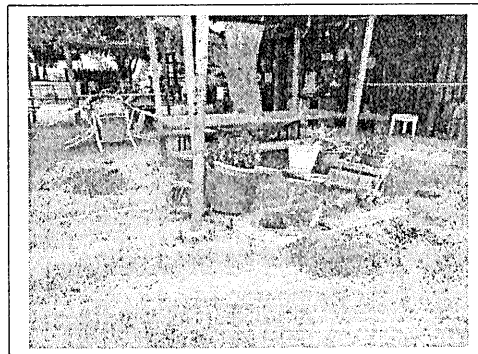


Please refer to **Figure 2** for the locations and positioning of the borings.

EB-1 was positioned directly adjacent and to the north of the pump island and advanced to a total depth of 6 ft. BGS. Soils throughout the boring were inspected. The PID was used to test the deepest soil sample, and vapors from within the boring.

and each advanced to a total depth of 6 ft. BGS. These borings were placed in the immediate areas to the south where the magnetometer could not be used due to the presence of metal in the exterior tables. Soils throughout the boring were inspected. The PID was used to test the deepest soil sample, and vapors from within each boring.

EB-4 was positioned directly where the piping from the two above-ground storage tanks entered the subsurface, and the previous product piping was terminated in 1980, and advanced to a total depth of 24 inches, which was determined to be approximately 6 inches below the observed burial depth of the product piping. Soils throughout the boring were inspected. The PID was used to test the vapors from within the boring.



Findings

- No discoloration of soils from any of the borings was noted. There was no petroleum odor noted in any of the soil observed.
- The PID read Non-Detect on all soil that was screened, and Non-Detect in each of the augured boring holes.

9.3) Historic Local Resident and Fuel Supplier Interviews

On October 27, 2016, Phase-1 ES interviewed Mr. John W. Eade of Humboldt West, Inc. - Land & Cattle. John has been a Hollister resident and patron of Panoche Inn since the 1950's, and knew the owners well when they operated their fueling system. John witnessed the removal of their two 1,000-gallon gasoline tanks over a weekend in 1976. They were excavated, crushed by the excavator, and loaded on a truck for disposal. Mr. Eade indicated that the tanks appeared intact, and recalled not seeing or smelling significant fuel contamination during their excavations. According to Mr. Eade, these tanks were replaced by two 500-gallon above-ground fuel tanks that were positioned on concrete pads near the northeast corner of the Property. Piping from the pump island was rerouted to these tanks. Those tanks were reportedly used until the fueling operation was shut down just before 1980. Their piping was drained and cut below the surface

where it connected to the tanks. The two above-ground 500 gallon tanks still exist at the site (see Section 4.4) Underground & Aboveground Storage Tanks).

Mr. Timothy Ward of Tom R. Ward Incorporated, was interviewed on November 1, 2016. Mr. Ward, and his father's company supplied fuel to the Panoche Inn during the 1960 and 1970s. In the mid 1970's, the State of California made inquiries to many farms and ranches who they suspected as having UG fuel tanks. This was a prelude to the leak detection laws that Tim was informed were planned to go into effect shortly thereafter. Those laws would burden many small companies with expensive regulations regarding fuel storage and UG tanks. Mr. Ward warned many of his small clients of these upcoming regulations, and suggested that they remove the tanks and go to above-ground storage systems that would not be as heavily regulated. The owner followed Tim's suggestion, and removed the tanks. Tim wasn't sure exactly when they were removed, however, his timing coincides well with the 1976 removals information received from Mr. Eade during our interview.

9.4) Opinions and Recommendations Concerning the Previous Fueling Operation

Based on the results of the limited subsurface screening, it does not appear that significant petroleum VOC subsurface soils contamination has occurred in the areas of the previous pump island, or underground product lines. The screened locations were positioned in areas of buried piping, which would have been connected to the previous tanks. Piping trenches are good pathways for volatile constituents to rise through toward the surface. No VOCs were detected in these trenches or borings in their vicinity. The fact that no VOCs were detected is inadequate evidence to prove that there was not a petroleum release from the previous fuel tanks at this site. Petroleum is made up of organic constituents that naturally biologically degrade over time with help from oxygen and nutrients in soils. We know, from interviews with reliable neighbors who knew previous Property owners, that the two 1,000 gallon UG tanks were excavated and removed in 1976 (40 years ago) for reasons relating to expensive upcoming regulations. A witness to their removal indicated in his interview that the tanks were intact, and that there was no obvious contamination noted.

Based on this study, it is our opinion that there is insufficient evidence to suggest a significant petroleum release from the tanks or pipe/dispenser systems at this site. Further investigation concerning the fueling operation or subsurface conditions is not warranted or recommended.

10) SITE RECONNAISSANCE

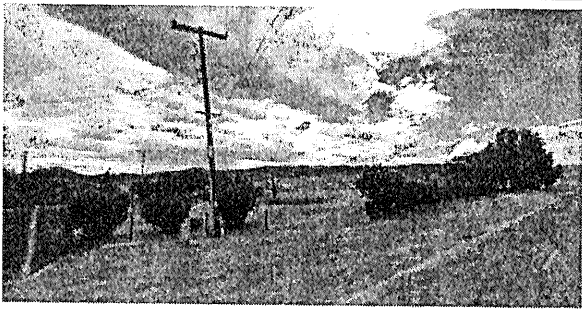
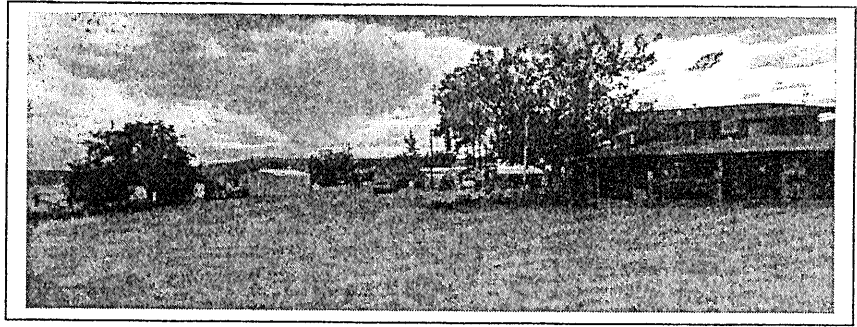
10.1) General Site Setting

The Property is located in the eastern section of the City of Paicines, about 32 miles to the southeast of Hollister, CA, about 15 miles to the west of California Interstate Hwy 5, and about 55 miles due east of the southern tip of the Monterey Bay. The immediate surrounding areas consist of farm and ranch land properties.

10.2) Exterior Observations

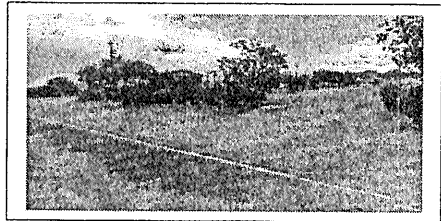
The parcel has three entry points from Panoche Road – the largest is at the northeast end of the Property to the east of the restaurant, which is asphalt paved, as is the parking area in front of the restaurant along Panoche Road. The asphalt is in fair to poor condition, with moderate cracking. Very little

vehicle oil staining was noted on the asphalt. There was no evidence of any major spills noted. The second drive into the Property is positioned near the center of the Property to the west of the restaurant.



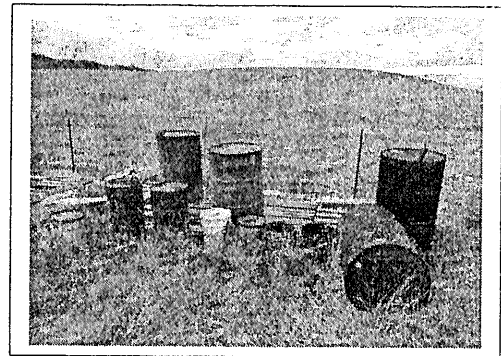
There is a row of shrub trees to its west along Panoche Road. The third entrance is at the northwestern corner, leading to the rear (southern) portion of the Property.

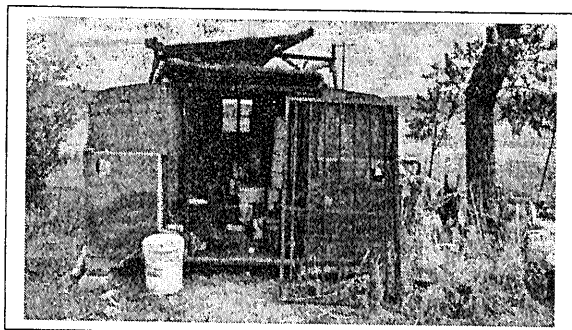
Most of the ground surfaces on the Property are either bare soil, or



are covered with dry grass. There are shrubbery and trees throughout the northern half of the Property – and a group of trees at the southeastern corner of the lot. While there were areas where trash was noted, there was no evidence of chemical spills, dumping, distressed vegetation or stained soils noted in any of the exposed soil areas.

There were several 5-gallon, 33-gallon, and 55-gallon containers and drums noted along the western Property boundary at the southernmost portion of the lot. Some of these drums were noted to contain waste oil. While most have been placed on wood pallets, they are not secondary spill contained. There are also a number of abandoned tractor and truck tires in this area. The waste oil should be delivered to a recycler and if the containers are kept for future oil storage, they need to be properly labeled and stored on spill containments when filled with oil. The tires should be removed and disposed of appropriately.

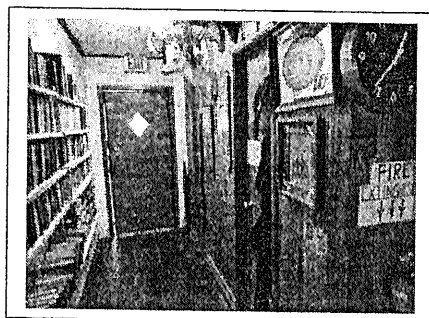




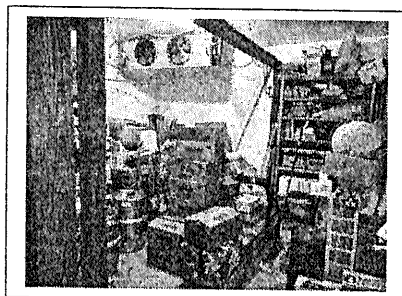
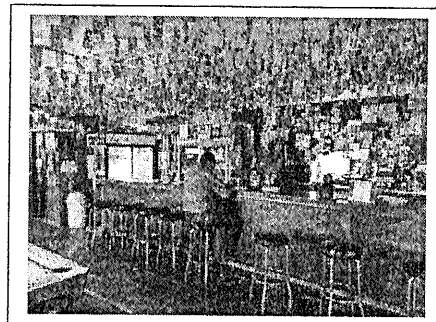
There was also an abandoned utility truck bed along the eastern property line that contains abandoned 5-gallon, 1-gallon, and smaller paint containers within the truck bed – some with residual paint in them, and some empty. There are also containers on the outside of the truck.

We recommend that these containers be inspected for content, and appropriately disposed of if not intended for future use.

10.3) Interior Observations



Interior restaurant walls are wood and drywall constructed. The floors are either hardwood tiled or concrete. There is a walk-in cooler that is also used for storage. Its concrete flooring appears to be in good condition.



There is a walk-in cooler that is also used for storage. Its concrete flooring appears to be in good condition.

In the interest of preserving privacy the interior of the residential units were not inspected. There was no evidence to suggest hazardous materials usage, storage, or disposal in the areas of either of the residences.

11) OWNER-OCCUPANT INTERVIEWS

Phase-1 ES interviewed the current Property owners, Mr. Larry and Ms. Cheryl Lopez concerning their knowledge of current and past operations at the Property. The Lopez's purchased the Property in 2003, with little knowledge of its past. They did, however, inherit with it many historical documents and photographs of past operations. They provided Phase-1 ES with the photographs of the 1950's fueling operation that were used in this Phase I report, and with contact information for the fuel supplier during that period, and John Dade, a local resident during the 50's and 60's, who were both interviewed by Phase-1 ES (please see Section 9.3).

12) HISTORICAL RECORDS REVIEW FOR THE PROPERTY

Standards developed by ASTM E 1527-05 require that the history of a site be established from the present back to the time the Property was first used for residential, agricultural, commercial, industrial or governmental purposes, or back to 1940, whichever is earlier. Sources of such information are typically:

interviews, aerial photographs, Sanborn Fire Insurance (Sanborn) Maps, city directories, and local fire, building and health department files. Other historical sources include internet sites, community organizations, local libraries and historical societies, and current owner/occupants of neighboring property.

Phase-1 ES purchased a complete Environmental Database Report from MapHazardsPro, and reviewed available Topographical and Sanborn Maps, City Directories, and Historical Aerial Photographs. The following information is a compilation that comes from these reports, and agency files.

12.1) Historic Sanborn, Aerial Photographs and Topographical Map Reviews

29960 Panoche Road, Paicines, CA 95043

Historic Sanborn maps were not available for this rural area.

Phase-1 ES reviewed low-altitude, black-and-white and color aerial photographs taken in 1940, 1987, 2005, 2009, 2010, and 2012 to identify areas of possible environmental concerns related to previous land use at the Site or adjacent properties. Photographs were reviewed online at www.historicaerials.com provided by Historical Aerials (NETR) and the more current 2016 photograph using Google Earth. Topographical maps were also reviewed to determine when buildings were constructed, bodies of water and historical land use. The observations from the aerial photographs and topographical maps of the Site and immediate vicinity are described below.

Note: Copies of supporting aerials and topographic maps are not typically included in the report unless an environmental concern is found when conducting the review. The historical references are copyright protected and cannot be reproduced without the consent of the owner. As such, our reports properly cite and reference the historical documents in accordance with ASTM E1527-13/AAI protocols.

1940 Aerial Photograph

The 1940 aerial shows the Property with two – perhaps 3 structures near the northwest corner of the Property sitting back about 50 ft. to the south along what is now Panoche Road. These are possibly residences or could be farm related. There appears to be a smaller shed-type structure to the south of the larger buildings within about 100 ft., and several trees. The rest of the parcel is undeveloped. To the north across Panoche Road is a piece of farmland, and some small buildings (perhaps residences about 2000 ft. to the north. The closest residential-type structure appears about 1500 ft. to the east down Panoche Road.

1987, 2005, 2009, 2010, and 2012 Aerial Photographs

In 1987, the previous 2 structures are replaced with one larger structure in the center west half near Panoche Road. The Inn building is now built on the eastern side – much as it is today. In 2005, the larger structure on the west Property half is gone, and a smaller structure appears near the northwest corner of the Property. The remaining parts of the Property are much the same as in the 1987 photograph. Each of the remaining aerial photographs show the Property developed as it is today.

There were no significant development additions seen in the immediate vicinity between 1940 and present time. None of the aerial photographs show any areas or notations of environmental concern.

Topographical Map Review

Phase-1 ES reviewed 9 Topographical maps related to the Subject Site between 1913 through 1983 to identify areas of possible environmental concern, bodies of water and evidence of structures. The 1913, 1924 and 1942 topo maps show a stream running through the Property from north to south. There is a structure about 200 ft. to the north northeast of the Property on all three of these maps. Panoche Road is not depicted on these maps. In 1944, Panoche Road appears, and the stream is diverted to the east of the Property. The first structure that appears on the northwest corner of the Property occurs between the 1948 and 1957 map, however, we know from the 1940 aerial photograph that structures existed there in 1940. There is a Landing Strip depicted on the 1972 topo map about 800 ft. to the northeast of the Property.

There were no areas of environmental concern shown on any of the topographical maps reviewed. It does not appear that the Property itself was used for commercial farming.

12.2) Historic City Directory Review

City Directories have been published for major cities and towns across the United States since the 18th century. Originally, these Directories, published in the 20th century, also included a street index. For each street address, the Directory lists the name of the resident or business operating from this address during a given year. City Directories are a valuable source of historical information as to site tenancy and use. Directories for rural areas were not often published.

Historic City directories were not available for this Property address.

12.3) Environmental Databases and Agency File Records Reviews

Phase-1 ES obtained an environmental research database report by MapHazardsPro dated October 15, 2016 for the Property and surrounding sites. **The complete MHP report is contained in Attachment D of this ESA.**

12.4) Agency File Records Reviews

12.4.1) Local City Fire Department Records Review

Phase-1 ES did not find it necessary to research the local Fire Department records, as the CUPA agency for this area is the San Benito County Department of Environmental Health (see **Section 11.4.3**) below).

12.4.2) Local Building Department Records Review

Phase-1 ES did not find it necessary to review Building Department records, as the Development and use of the Property from 1940 to present time was established through other sources, in accordance with current ASTM standards.

Attachment D

MapHazardsPro Environmental Database Report

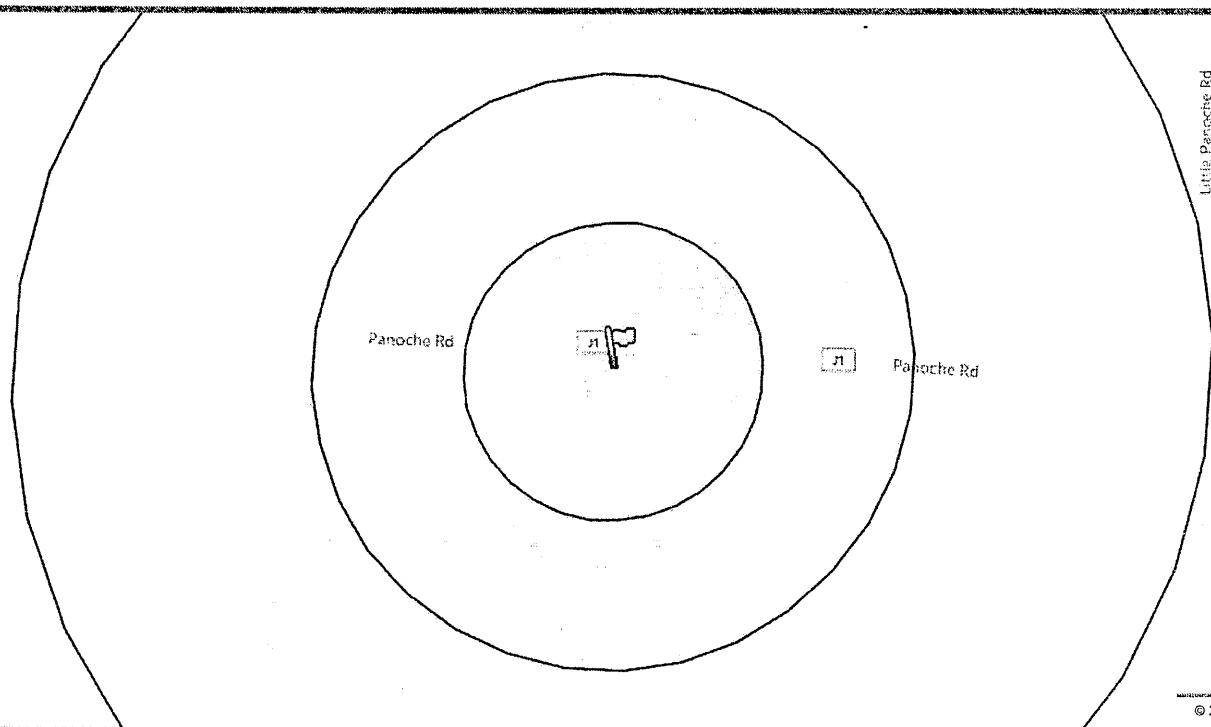
MapHazardsPro Radius Search Report

29960 Panoche Rd
Paicines, CA 95043

Project #: P4-10-14-16

Reference: Panoche Inn

Date: Saturday 15th of October, 2016



Phase-1 Environmental Services

5216 Harwood Road
San Jose, CA 95124
Phone: 831-422-2290

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MapHazardsPro Radius Search Report

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12.4.3) Local Health Department Records Review

The San Benito County Environmental Health Department Records for the Property were requested for the Property. On November 2, 2016, an interview was conducted with Victor Anyeneh, records keeper for the department. Victor responded that they had no records for this Property on file.

12.4.4) Additional File Reviews

The California GeoTracker database was researched for the Property. The GeoTracker Overview is shown on **Figure 6**. The Property is not listed on GeoTracker.

The Department of Toxic Substances Control Manifest records for the Property were researched. There are no records of disposal on file. The DTSC report is contained in **Attachment C**.

12.5) Document Data Gaps

ASTM Standard E 1527-13 requires the ESA report to note any data failure from historical research sources, if any; to give reasons why such sources were excluded; and discuss if data failure significantly affects the ability of the Environmental Professional to identify RECs for the ESI.

No significant data gaps for this ESA were found.

13) REGULATORY AGENCY DATABASES REVIEW

ENVIRONMENTAL DATABASES SEARCH FOR THE PROPERTY AND SURROUNDING SITES WITHIN A ONE-MILE RADIUS

The following is extrapolated from an environmental research database report generated by MapHazardsPro on October 15, 2016 for the Property and surrounding sites. **The complete MHP report is contained in Attachment D of this ESA.**

13.1) List of Environmental Databases Reviewed

(The following pages are excerpted from the full MHP report)

MapHazardsPro Radius Search Report

Searched Databases

NPL: National Priority List Sites

Sites which are found on the NPL database or the Proposed NPL database. NPL sites are a special category among National Superfund (CERCLA) Sites listed in the EPA's CERCLIS database. NPL sites are of serious, high concern and priority based on a national comparison to sites needing investigations and contamination cleanup activities (remediation). These sites, some of the worst in the nation, normally contain high levels of various contaminants that have spread over relatively long distances and usually require long term, highly expensive remediation technologies. Proposed NPL sites are of serious concern and are in the process of being evaluated for categorization as National Priority List sites. Delisted NPL sites have been removed (delisted) from the NPL if no further response or action is appropriate at the site, per EPA guidelines.

- US EPA's Superfund Enterprise Management System Database

CORRACTS: Corrective Action Sites

CORRACTS is subsets of data found within the Federal RCRA database (RCRIS) or other state database. RCRA Corrective Action is the process by which areas at a hazardous waste facility are evaluated and, if necessary, are cleaned up. TSD facilities are often also listed as CORRACTS facilities.

- U.S. Environmental Protection Agency's Corrective Action list

TSD: Treatment, Storage and Disposal Sites

TSDs are subsets of data found within the Federal RCRA database (RCRIS) or other state database. TSD sites treat, store and/or dispose of hazardous materials and are federally permitted. TSD facilities are often also listed as CORRACTS facilities.

- California EPA's CUPA facilities database
- San Francisco Dept of Public Health HMUPA Facilities List
- U.S. Environmental Protection Agency's Treatment, Storage and Disposal list

DEFENSE: FUDS and DOD Sites

These sites are Formerly Used Defense Sites (FUDS) and Department of Defense (DOD sites). The U.S. Army Corps of Engineers and/or the U.S. Department of Defense is actively working or will be taking the necessary steps to address any cleanup activities needed on these properties.

- Army Corps of Engineers' Formerly Used Defense Munition Response Sites Layer
- Army Corps of Engineers' Formerly Used Defense Munitions Response Area Layer
- Army Corps of Engineers' Formerly Used Defense Properties Layer
- California Department of Toxic Substances Control's EnviroStor Formerly Used Defense Sites list
- California State Water Resources Control Board's Geotracker Military Site Cleanup List

MapHazardsPro Radius Search Report

Searched Databases

CSL: Contaminated Sites List

State or Local Contaminated Sites databases. These databases include local and state-designated hazardous waste sites, spill sites, superfund sites, voluntary cleanup program sites and land disposal sites. In general, these sites are currently undergoing remediation for on site contamination, remediation has been completed and/or remediation is proposed. In states where a specific Contaminated Sites database is not maintained, the CERCLIS database will contain applicable information on contaminated sites.

- California Department of Toxic Substances Control's EnviroStor list
- California Department of Toxic Substances Control's Permitted Facilities and Corrective Actions
- California State Water Resources Control Board's Geotracker Cleanup Program Sites
- California State Water Resources Control Board's Geotracker Landfill Cleanups List

DEED: List of Deed Restrictions

The implementation of recorded land use restrictions within property deeds is one of the methods agencies use to protect the public from unsafe exposures to hazardous substances and wastes. Sites with deed restrictions are often contaminated, however levels of contaminants and methods used to control migration of contaminants are controlled and approved by the agency. These are also called Environmental Covenants or Use Restrictions

- California Department of Toxic Substances Control's Deed Restrictions list

SEMS: Superfund Database

Sites which are found on the Superfund Enterprise Management System (SEMS) database. The SEMS database contains information on hazardous waste sites, site inspections, preliminary assessments, and remediation of hazardous waste sites under CERCLA (Superfund). The database contains general information on sites including location and status. This database includes those SEMS sites not included on the NPL or Proposed NPL databases. This includes archived sites determined to be "No Further Remedial Action Planned (NFRAP) sites are contained within this database. Archived sites may be properties where, following an initial investigation, no contamination was found, contamination was removed quickly, or the contamination was not serious enough to require Federal Superfund action. The SEMS database is a newer version of the CERCLIS database and the current SEMS version does not export as much information as the CERCLIS database once did.

- US EPA's Superfund Enterprise Management System Database

CONTROLS: Institutional and Engineering Controls

U.S. EPA's and State Engineering Control Sites List and/or Institutional Control Sites List. The Engineering Control Sites list are facilities that have engineered controls in place, such as capping, containment, slurry walls, extraction wells and/or treatment methods that are intended to manage environmental and health risks by reducing contamination levels at a site, or limiting exposure pathways. The Institutional Control Sites list are administrative or legal devices, such as deed restrictions, to ensure that engineering controls stay in place and/or to ensure that land use restrictions stay in place.

- U.S. Environmental Protection Agency's Engineering Controls list
- U.S. Environmental Protection Agency's Institutional Controls list

MapHazardsPro Radius Search Report

Searched Databases

LUST: Leaking Underground Storage Tanks

Leaking Underground Storage Tank records contain an inventory of reported leaking underground fuel storage tank incidents. Thousands of underground storage tanks have leaked within the United States, and both open and closed cases are reported on this list. These leaks can affect subsurface soils and groundwater. Both state and local agencies oversee and track these sites.

- California State Water Resources Control Board's Geotracker Leaking Underground Storage Tank list
- EPA Region 4 Tribal Underground Storage Tank List
- U.S. EPA's Region 1 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 10 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 5 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 6 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 7 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 8 Leaking Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 9 Leaking Underground Storage Tank list on Tribal lands

SWIS - Solid Waste Information System

The SWLF database contains information on solid waste facilities, operations, and disposal sites throughout the United States. The types of facilities found in this database include landfills, transfer stations, material recovery facilities, composting sites, transformation facilities, waste tire sites, and closed disposal sites.

- California Integrated Waste Management Board's Landfill list
- Los Angeles County Methane Producing Landfills List
- Los Angeles County Public Health's Landfill list

WELLS: Water Wells

Public Water Wells. Due to security reasons, limited information on public wells is available.

- Municipal Water Wells

HAZMAT: Hazardous Materials Storage and Incident Records

This data includes information on hazardous materials storage, use and disposal sites as well as incident reports, hazardous materials inventory and business plan documents, spills and releases.

- Alameda County Environmental Health CUPA List
- California EPA's CUPA facilities database
- California State Water Resources Control Board's Waste Discharge System list
- California State Water Resources Control Board's Waste Water Discharger list
- Contra Costa County's Site List
- Drug Enforcement Administration's Clandestine Drug Labs List
- Napa County's Local Oversight Program Hazardous Material Site list
- Napa County Hazardous Materials Inventory Database
- San Francisco Department of Public Health's Hazardous Material Site list
- San Mateo County Environmental Health's Business Inventory list
- U.S. Environmental Protection Agency's Toxics Release Inventory Database

MapHazardsPro Radius Search Report

Searched Databases

ERNS: Emergency Response Notification System

Sites listed as having a reported release of oil and hazardous substances that have been called into the Federal and/or state agencies. Minor to major spills are reported and these cases are sometimes turned over to other regulatory agencies for further investigation.

- California Office of Emergency Services RIMS Database
- National Response Center's Emergency Response Notification System list
- Office of Hazardous Materials' Hazardous Materials Incident Database, 1993-2004
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2005-2006
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2007-2008
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2009
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2010
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2011
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2012
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2013
- Office of Hazardous Materials' Hazardous Materials Incident Database, 2015

GENERATOR: Small and Large Hazardous Materials Generators

GENERATORS is a subset of data found within the Federal RCRA database (RCRIS) or other state GENERATORS list. RCRA GENERATORS are federally permitted generators of varying amounts of hazardous materials. A listing on the GENERATOR database does not directly indicate a release has occurred, only that the site generates hazardous materials.

- California EPA's CUPA facilities database
- Contra Costa County Health Services Facilities Database
- San Francisco Dept of Public Health HMUPA Facilities List
- U.S. Environmental Protection Agency's Hazardous Waste Generator list

UST: Underground Storage Tank Sites

The databases include permitted active, inactive and closed UST facilities recorded with the below mentioned agencies. A listing on the UST databases does not directly indicate a release has occurred, only that the site currently or historically contained an underground storage tank.

- California EPA's CUPA facilities database
- California State Water Resources Control Board's Underground Storage Tank list
- Contra Costa County Health Services Facilities Database
- El Segundo's Underground Storage Tank list
- EPA Region 4 Tribal Underground Storage Tank List
- Kern County's Underground Storage Tank list
- Marin County's Underground Storage Tank list
- Napa County's Local Oversight Program Underground Storage Tank list
- San Francisco Dept of Public Health HMUPA Facilities List
- Santa Cruz County Environmental Health Services' Site Mitigation list
- U.S. EPA's Region 1 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 10 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 5 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 6 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 7 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 8 Underground Storage Tank list on Tribal lands
- U.S. EPA's Region 9 Underground Storage Tank list on Tribal lands

Phase-1 Environmental Services

5216 Harwood Road - San Jose, CA 95124
v. 831-422-2290 - f.

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10/15/2016

29960 Panoche Rd, Paicines, CA 95043

MapHazardsPro Radius Search Report

Searched Databases

AST: Aboveground Storage Tank Facilities

Permitted active, inactive and closed AST facilities recorded with the state or local agencies are included. A listing on the AST database does not directly indicate a release has occurred, only that the site currently or historically contained an aboveground storage tank.

- California EPA's CUPA facilities database
- Contra Costa County Health Services Facilities Database

EMISSIONS: Air Emissions Sites

Sites found on various air emissions databases like dry cleaners and related facilities that have air emissions permits with the state and/or local air quality district.

- Amador Air Quality Management District Dry Cleaner List
- Antelope Valley Air Quality Management District Dry Cleaner List
- Bay Area Air Quality Management District Dry Cleaner List
- Butte County Air Quality Management District Dry Cleaner List
- Eastern Kern Air Quality Management District Dry Cleaner List
- El Dorado Air Quality Management District Dry Cleaner List
- Feather River Air Quality Management District Dry Cleaner List
- Glenn Air Quality Management District Dry Cleaner List
- Imperial Air Quality Management District Dry Cleaner List
- Mojave Desert Air Quality Management District Dry Cleaner List
- Monterey Air Quality Management District Dry Cleaner List
- North Coast Air Quality Management District Dry Cleaner List
- Northern Sierra Air Quality Management District Dry Cleaner List
- Placer Air Quality Management District Dry Cleaner List
- Sacramento Air Quality Management District Dry Cleaner List
- San Diego Air Quality Management District Dry Cleaner List
- San Diego Air Quality Management District Retired Dry Cleaner List
- San Luis Obispo Air Quality Management District Dry Cleaner List
- Santa Barbara Air Quality Management District Dry Cleaner List
- Tuolumne Air Quality Management District Dry Cleaner List
- Ventura Air Quality Management District Dry Cleaner List
- Yolo-Solano Air Quality Management District Dry Cleaner List

HAZNET: Hazardous Waste Information System

HAZNET databases track hazardous materials from "cradle to grave". Some of the sites listed are licensed transportation companies but most are facilities that have had hazardous materials transported off the site or have received hazardous materials

- California Department of Toxic Substance Controls's Hazardous Waste Transportation System 1993-2012 Tanner List. Includes Nationally relevant data!
- California Department of Toxic Substances Control's Hazardous Waste Transporters list
- New Jersey Dept of Environmental Protection's Manifest Database

13.2) Database Executive Summary - Subject Property

The Property itself is not, and has never been listed on any regulatory environmental database.

13.3) Database - Surrounding Sites Highlights and Summary

There are no sites listed on any environmental regulatory database within a mile of the Property.

The following page summarizes the environmental database. The complete MapHazardsPro database report is contained in **Attachment D**.

MapHazardsPro Radius Search Report

Site Summary

Subject Property	Up to 1/8 mile	1/8 mile to 1/4 mile	1/4 mile to 1/2 mile	1/2 mile to 1 mile	Total
---------------------	----------------------	-------------------------------	-------------------------------	--------------------------	-------

Databases Searched to One mile(s)

NPL	National Priority List (Superfund) Sites	0	0	0	0	0
CORRACT	Corrective Action Sites	0	0	0	0	0
TSD	Treatment, Storage and Disposal Sites	0	0	0	0	0
DEFENSE	Unused and Formerly Used Defense Sites	0	0	0	0	0
CSL	Contaminated Sites List	0	0	0	0	0
DEED	Deed Restrictions/Environmental Covenants	0	0	0	0	0

Databases Searched to One-Half mile(s)

SUPERFUND	Superfund Database	0	0	0	0	0
CONTROLS	Institutional and Engineering Controls	0	0	0	0	0
LUST	Leaking Underground Storage Tanks	0	0	0	0	0
SWLF	Solid Waste Landfills	0	0	0	0	0

Databases Searched to One-Quarter mile(s)

WELLS	Water Wells	0	0	0	0	0
HAZMAT	Hazardous Materials Storage and Incident Records	0	0	0	0	0

Databases Searched to One-Eighth mile(s)

ERNS	Emergency Response Notification System	0	0	0	0	0
GENERATOR	Small and Large Quantity Generators	0	0	0	0	0
UST	Underground Storage Tank Sites	0	0	0	0	0
AST	Aboveground Storage Tanks	0	0	0	0	0
EMISSIONS	Air Emissions Sites	0	0	0	0	0
HAZNET	Hazardous Waste Information System	0	0	0	0	0
Totals		0	0	0	0	0

13.4) Supplemental to The MapHazardsPro Database Report

There were no supplements required to the MapHazardsPro Report for this Phase I ESA.

14) CONCLUSIONS AND RECOMMENDATIONS

There are no sites listed on any environmental regulatory database, including the Property itself, past or present.

Based on the results of the limited subsurface screening, it does not appear that significant petroleum VOC subsurface soils contamination has occurred in the areas of the previous pump island, or underground product lines. The screened locations were positioned in areas of buried piping, which would have been connected to the previous tanks. Piping trenches are good pathways for volatile constituents to rise through toward the surface. No VOCs were detected in these trenches or borings in their vicinity. The fact that no VOCs were detected is inadequate evidence to prove that there was not a petroleum release from the previous fuel tanks at this site. Petroleum is made up of organic constituents that naturally biologically degrade over time with help from oxygen and nutrients in soils. We know, from interviews with reliable neighbors who knew previous Property owners, that the two 1,000 gallon UG tanks were excavated and removed in 1976 (40 years ago) for reasons relating to expensive upcoming regulations. A witness to their removal indicated in his interview that the tanks were intact, and that there was no obvious contamination noted.

Based on this study, it is our opinion that there is insufficient evidence to suggest a significant petroleum release from the tanks or pipe/dispenser systems at this site. Further investigation concerning the fueling operation or subsurface conditions is not warranted or recommended.

Physical inspection of the Property discovered one Recognized Environmental Condition at the Property. Waste oil and waste oil containers are being stored along the western Property boundary near the southwestern end of the site (please see **Section 2) Executive Summary** for details). These containers are not properly (legally) labeled as hazardous waste, and are not secondarily contained. We recommend that the waste oil in these containers be removed to a recycle facility, and their containers cleaned and properly disposed of. If some of the containers are kept for future use, they should be properly labeled, and stored on secondary spill containments. The field inspection noted that there was no evidence in the area of the oil containers of significant spills or discharges to the surface soils.

At this point in time, the 2-remaining aboveground fuel storage tanks on site are not believed to be hazardous. Inspection of the tanks (abandoned 36+ years ago) revealed that they are empty, and showed no signs of VOCs when checked with the field PID meter. The UG product piping from the tanks to the dispensers also tested non-detect for VOCs, as did the soil sampled from within and beneath their piping trench. At option of the Property owner, if the tanks and piping are desired removed and disposed of, we recommend that; a licensed Hazardous Materials Contractor perform testing to certify them as non-hazardous, and then remove and dispose, or recycle their metals - accordingly.

With the exception of the waste oil and their containers noted earlier, there was no evidence of improper hazardous materials or waste storage, use, or disposal noted anywhere on the premises. It is our professional

opinion that no additional environmental investigation or research is needed or recommended at this time. Please refer to the Executive Summary for more details concerning our conclusions and recommendations.

15) STATEMENT OF PROFESSIONAL QUALIFICATIONS

Stuart G. Solomon, Co-Founder, CEO Environmental Professional

**B.A. Sociology, California REA, California Superior Court; Declared Expert Environmental Witness
Environmental Experience, Management, and History:**

- **Environmental Regulatory compliance consultant - 35 years.**
- **Founder, President/CEO, Environmental Technology and Gen-Tech Environmental; 1980-1992.**
 - ◆ Regulatory compliance A-Engineering contractor. Geotechnical engineers.
 - ◆ Removal of over 3,000 underground fuel and chemical storage tanks between 1980 and 1992.
 - ◆ Soil and groundwater geotechnical investigations at more than 2,000 sites.
 - ◆ Soil and groundwater contamination remedial clean-up services provided at 1,500+ sites.
 - ◆ Partial Client List: Bechtel Corporation, Reliance Steel, Santa Clara University, DiSalvo Trucking, Dan Caputo Construction, Golden Gate Petroleum, Selby Petroleum, Lloyd Wise Auto Dealerships, Western States Oil (Pacific Pride), Quikrete, State of California, Valero.
- **Founder, President, PIERS Environmental Services, San Jose, CA – 1992-1999.**
 - ◆ Phase I Site Assessment Specialists. 3,000+ Phase I ESA's performed.
 - ◆ Partial Client List: Borel Bank, Union Bank, Bank of Santa Clara, Cupertino Bank, Washington Mutual, Fremont Bank, Bank of the West, Silicon Valley Bank.
 - ◆ PIERS was sold to its employees in 1999 and is still a leading Environmental Risk Assessment company in the San Francisco Bay area.
- **Co-founder, President, E-Risk Information Services, Inc. - 1997.** Developed a GIS based database for environmental and natural hazard real estate disclosures - first automated system in America.
 - ◆ E-Risk was acquired by Vista Information Solutions, Inc. in late 1999 and the E-Risk NHD system was subsequently acquired from Vista by Fidelity National Title Co. Fidelity renamed the system, and it is currently called: "Disclosure Source".
- **2000-2007 – Co-Founder Environmental Restoration Services South – President, Environmental Consultant – A-Engineering Contractor - Service Station regulatory compliance, new construction, fueling systems upgrades.**
- **2007-2014 – Research and Development** of environmental emissions reduction and alternative fuel systems for diesel engines. Environmental regulatory consultant.
- **2014-Present – Co-Founder Phase-1 Environmental Services – Phase I Environmental real estate transactions.** Environmental Consulting, project planning and management.

16) REFERENCES

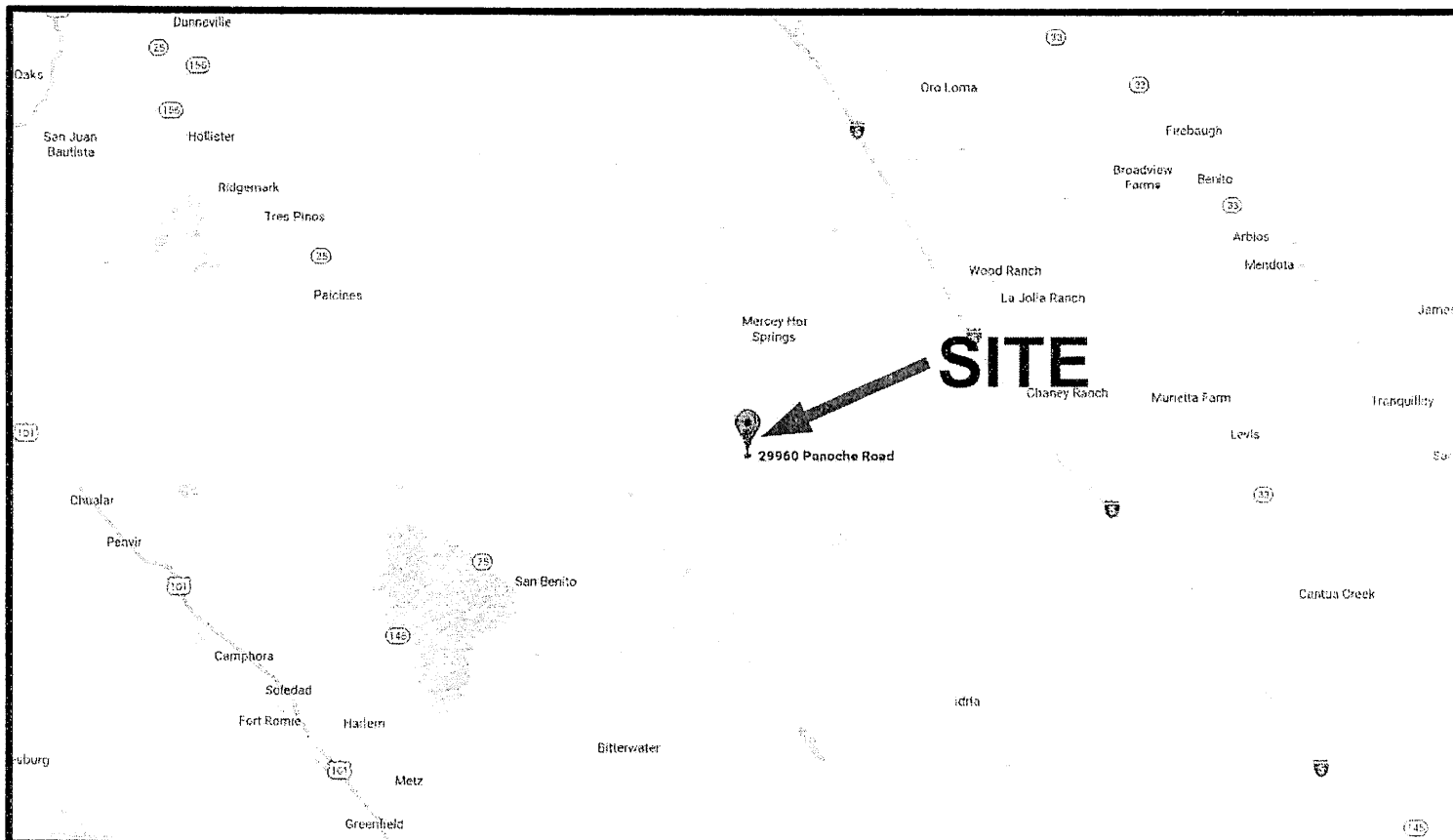
The California Water Board Bulletin 118 was referenced for the Hydrogeologic Section 4.2 of this ESA.

FIGURES

- 1) SITE VICINITY MAP**
- 2) SITE PLAN**
- 3) PARCEL MAP**
- 4) AERIAL MAP OVERVIEW**
- 5) TOPOGRAPHICAL MAP**
- 6) GEOTRACKER OVERVIEW**

ATTACHMENTS

- A) Cruz Brothers Subsurface Tank and Pipe Reconnaissance**
- B) Preliminary Report by Chicago Title Co.**
- C) Building, Environmental Health, & DTSC Records**
- D) MapHazardsPro Environmental Database Report**



Legend



Phase-1
Environmental Services

Silicon Valley Environmental Group

www.phase-1environmental.com

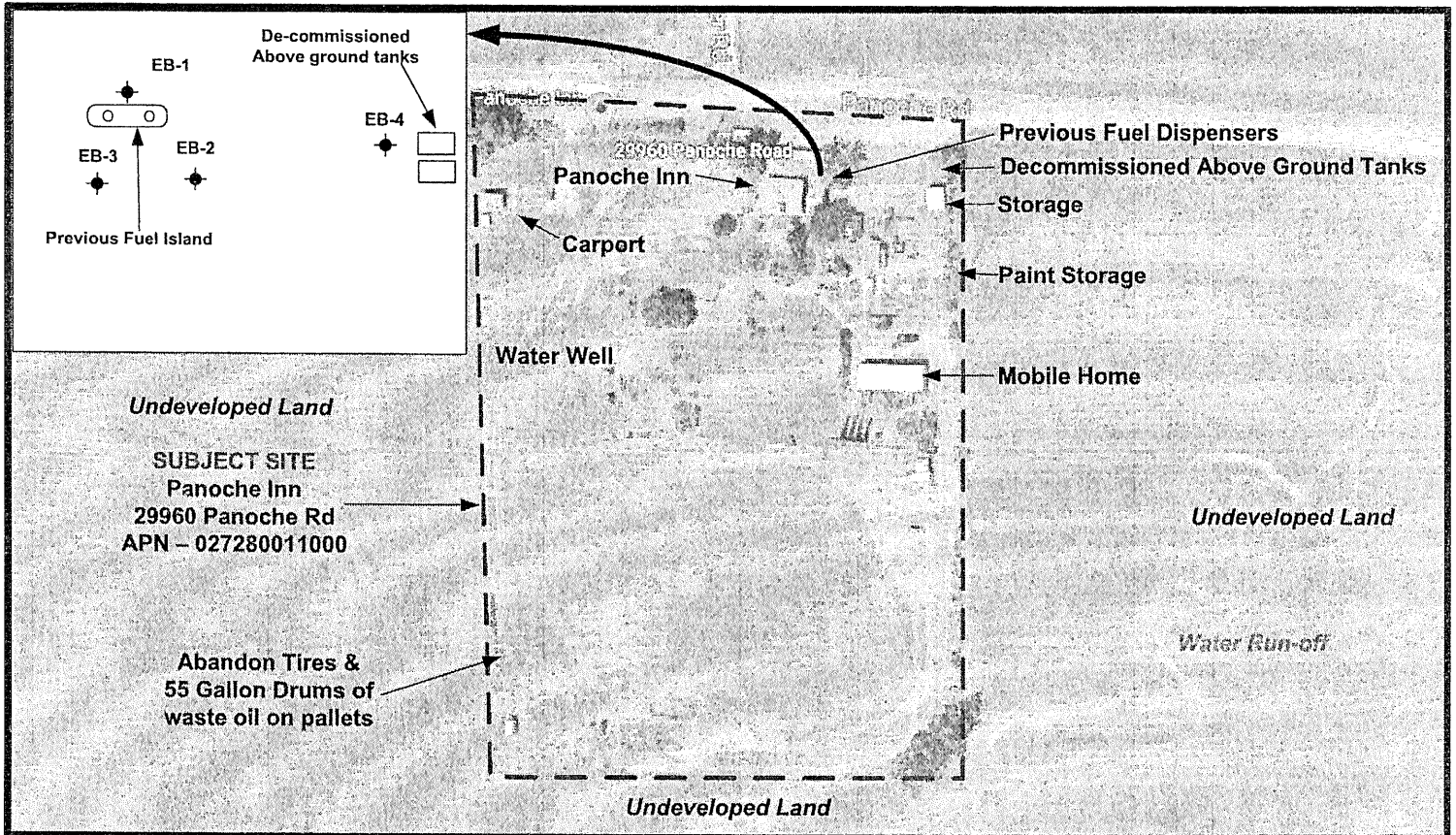
Figure 1 SITE VICINITY MAP

29960 PANOCH ROAD, PAICINES, CA 95043

Parcel #: 027280011000

Project Number: P4-10-14-16





Legend



Phase-1

Environmental Services

Silicon Valley Environmental Group

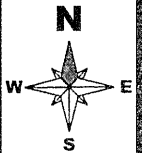
www.phase-1environmental.com

Figure 2 SITE PLAN

29960 PANOCH ROAD, PAICINES, CA 95043

Parcel #: 027280011000

Project Number: P4-10-14-16





Legend



Phase-1

Environmental Services

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Figure 4

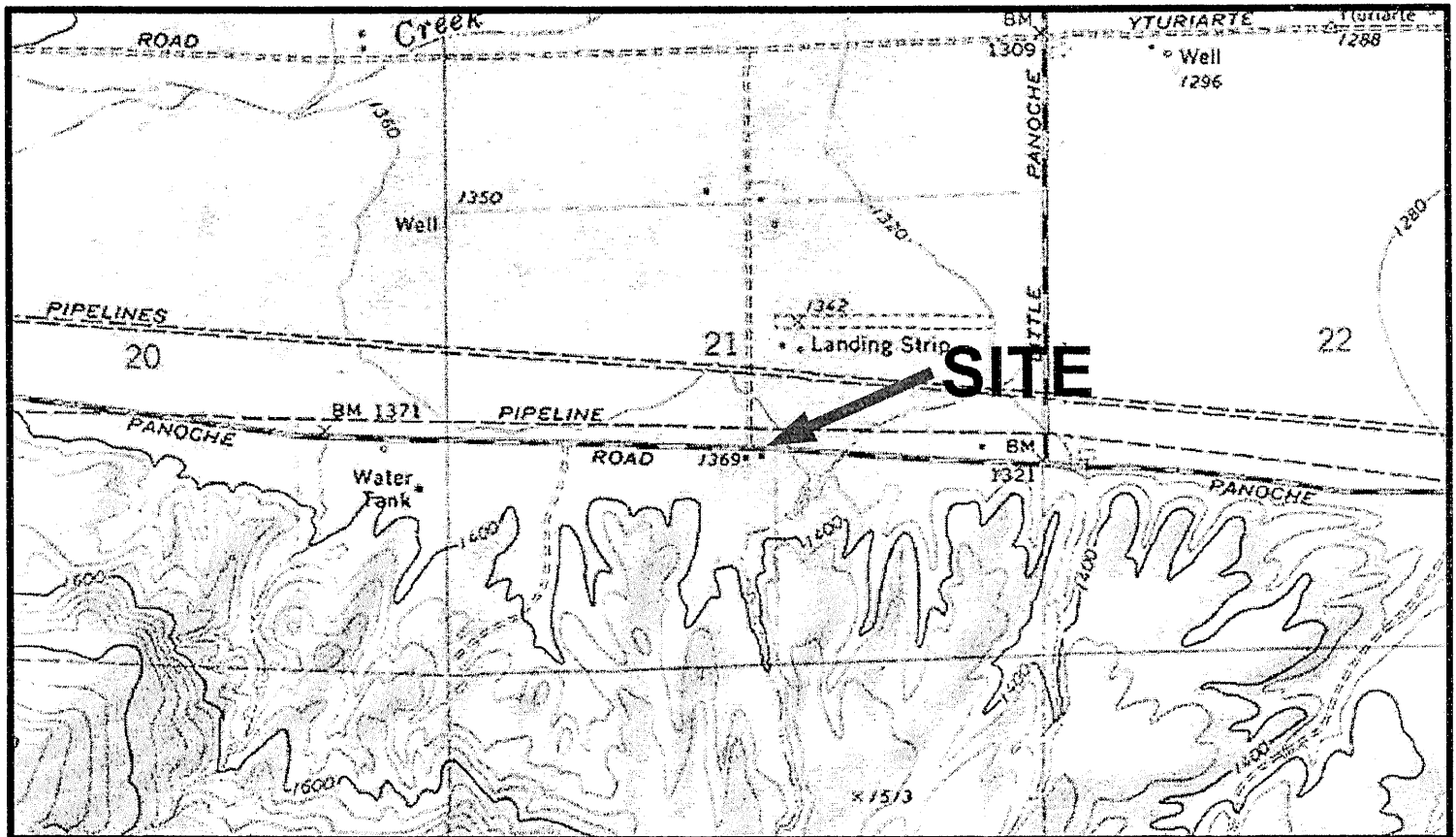
AERIAL PHOTOGRAPH

29960 PANOCHÉ ROAD, PAICINES, CA 95043

Parcel #: 027280011000

Project Number: P4-10-14-16





Legend

Topographical Map: Panoche, CA Map MRC: 36120E7
 Site is approx. 1,360' Above MSL



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Figure 5 TOPOGRAPHICAL MAP

29960 PANOCHÉ ROAD, PAICINES, CA 95043
 Parcel #: 027280011000
 Project Number: P4-10-14-16



Attachment A

Cruz Brothers Subsurface Tank and Pipe Reconnaissance

P.O.Box 66768
 Scotts Valley, CA 95067
 dispatch@cruzbrothers.com

(831) 461-1468 Dispatch
 (831) 461-1470 Fax

INVOICE AGREEMENT

This agreement is made between Cruz Brothers Locators hereinafter referred to as "C.B.L." and the undersigned client.

Requestor: Stuart Solomon Company: Phase I Environmental

Billing Address: _____ Phone: _____

C.B.L. agrees to perform the following scope of work for the above mentioned client. In consideration of said scope of work the client agrees to pay C.B.L. the sum of \$ 145.00 per hr. Note that there is a minimum charge of two hours and is incurred upon office departure to office return. Additional material expenses will be added to that amount. The client also agrees to compensate C.B.L. in the event it is proven that the problem noted in the scope of work does not exist such as a proven pressure test indicating no water or gas leak where one was believed to be. C.B.L. will not be held liable for any actions taken by any other person performing work after C.B.L.'s findings or recommendations. In any event that it is determined C.B.L. is liable for its actions the liability shall be limited to the amount of its fee. The surveying of existing utility lines are only guaranteed for utilities located and marked. Customers should never assume that 100% of said utilities have been detected and marked. Some utilities are undetectable. The final proof of location of leak or utility line requires a small excavation from the surface called a "pothole". The property owner or construction contractor performs this work according to California State Law. For all excavation call USA 48 hr.s ahead, 1-800-227-2600 to be safe. Please approve and forward this invoice to your A/P department. Payment is due upon receipt unless other arrangements have been made. Initials: _____

Job Name: Panoche Inn PO/Proj: _____

Job Address: 29960 Panoche Rd City: Princeton

Contact Person: Stuart Chris Phone #: _____

Service & Scope of work: Task Search

Date: 10-27-16 Start: 8:00 End: 1:00pm Total Hrs: 5 Charges: 725.00

Expense/Credit: _____ Total: 0

Authorizing Signature: [Signature] Total Due: 725.00

Results:

Technician: Robert Cruz

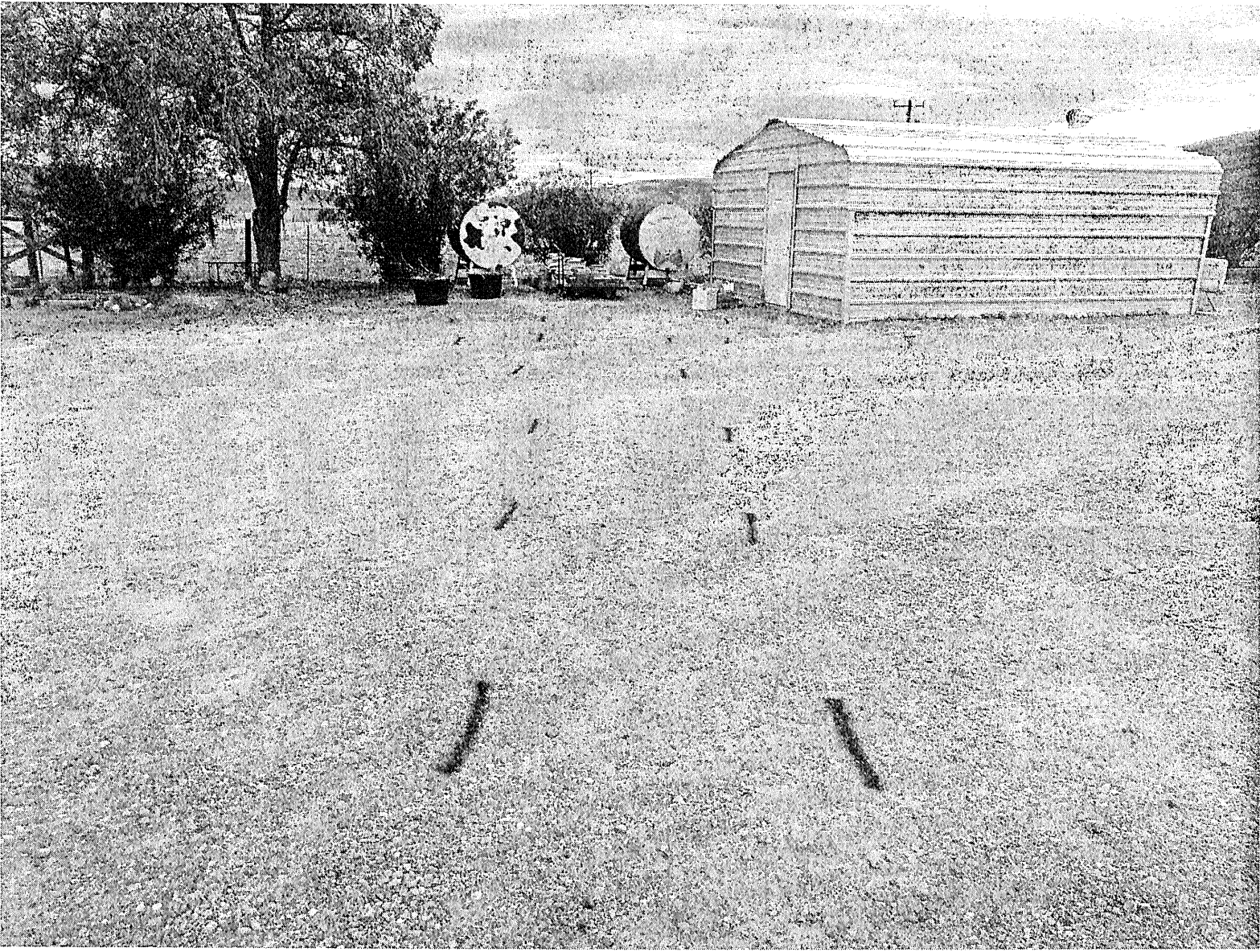
Elect Red	Revised Metal search grid survey in area of old fuel dispensers									
	All metal readings marked with Black Paint									
Gas Yellow	No readings of size and shape of underground storage tanks									
Comm/TV Orange										
Water Blue										
Sewer/Drain Green										
Other Pink/Purple										

Job Complete: 10-27-16 Return Trip Advised: _____ On Going: _____

Utility Location



Vacuum Extraction



Attachment B

Preliminary Report by Chicago Title Co.

PRELIMINARY REPORT TOP SHEET

Help us stay on top of your transaction!

WILL ANY OF THE SITUATIONS AFFECT YOUR TRANSACTION?

- | | | |
|--|------------------------------|-----------------------------|
| Are your principals exchanging this property? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will your principals be using a power of attorney? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are any of the parties in title deceased? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Has there been a change in marital status? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Will there be a new entity formed?
ie., partnership or corporation. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Are the sellers of this property non-residents of California? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**If you answered "YES" to any of these questions,
Please call your Escrow Officer.**

- Do all parties signing document have valid
photo I.D. or drivers license?
- ☐ Yes ☐ No

If "No", now is the time to apply for valid I.D.

This is a "Quick List", call your Escrow Officer if you have additional information that you think may be important, or if you have any questions.

**Thank you for choosing
Chicago Title Company**

Attachment C

Building, Environmental Health & DTSC Records

29960 Panoche Road, Paicines, CA

San Benito County Building Department Records

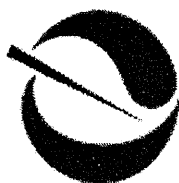
Not reviewed. Development and use of the Property from 1940 to present time was established through other sources, in accordance with current ASTM standards.

San Benito County Environmental Health Department Records

November 2, 2016, interview with Victor Anyeneh, records keeper for the department. No records for this Property on file.

DTSC Records

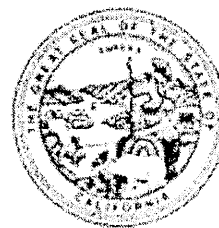
No DTSC manifests for this property address on file (see Attached Report).



Matthew Rodriguez
Secretary for
Environmental Protection

Department of Toxic Substances Control

Barbara A. Lee , Director
1001 I Street
P.O. Box 806
Sacramento , CA 958120806



Edmund G. Brown Jr.
Governor

Facility Search Results

Selection Criteria:

Facility:
Search on: Physical Address
Street: 29960 Panoche
City: Paicines
Status: Active and Inactive
Sort Direction: asc
Sorted By: EPA ID
Records Found: 0

The Department of Toxics Substances Control (DTSC) takes every precaution to ensure the accuracy of data in the Hazardous Waste Tracking System (HWTS). However, because of the large number of manifests handled, inaccuracies in the submitted data, limitations of the manifest system and the technical limitations of the database, DTSC cannot guarantee that the data accurately reflect what was actually transported or produced.

Report Generation Date: 10/31/2016

MapHazardsPro Radius Search Report

Site Summary

Subject Property	Up to 1/8 mile	1/8 mile to 1/4 mile	1/4 mile to 1/2 mile	1/2 mile to 1 mile	Total
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Databases Searched to One mile(s)

NPL National Priority List (Superfund) Sites	0	0	0	0	0	0
CORRACT Corrective Action Sites	0	0	0	0	0	0
TSD Treatment, Storage and Disposal Sites	0	0	0	0	0	0
DEFENSE Unused and Formerly Used Defense Sites	0	0	0	0	0	0
CSL Contaminated Sites List	0	0	0	0	0	0
DEED Deed Restrictions/Environmental Covenants	0	0	0	0	0	0

Databases Searched to One-Half mile(s)

SUPERFUND Superfund Database	0	0	0	0	-	0
CONTROLS Institutional and Engineering Controls	0	0	0	0	-	0
LUST Leaking Underground Storage Tanks	0	0	0	0	-	0
SWLF Solid Waste Landfills	0	0	0	0	-	0

Databases Searched to One-Quarter mile(s)

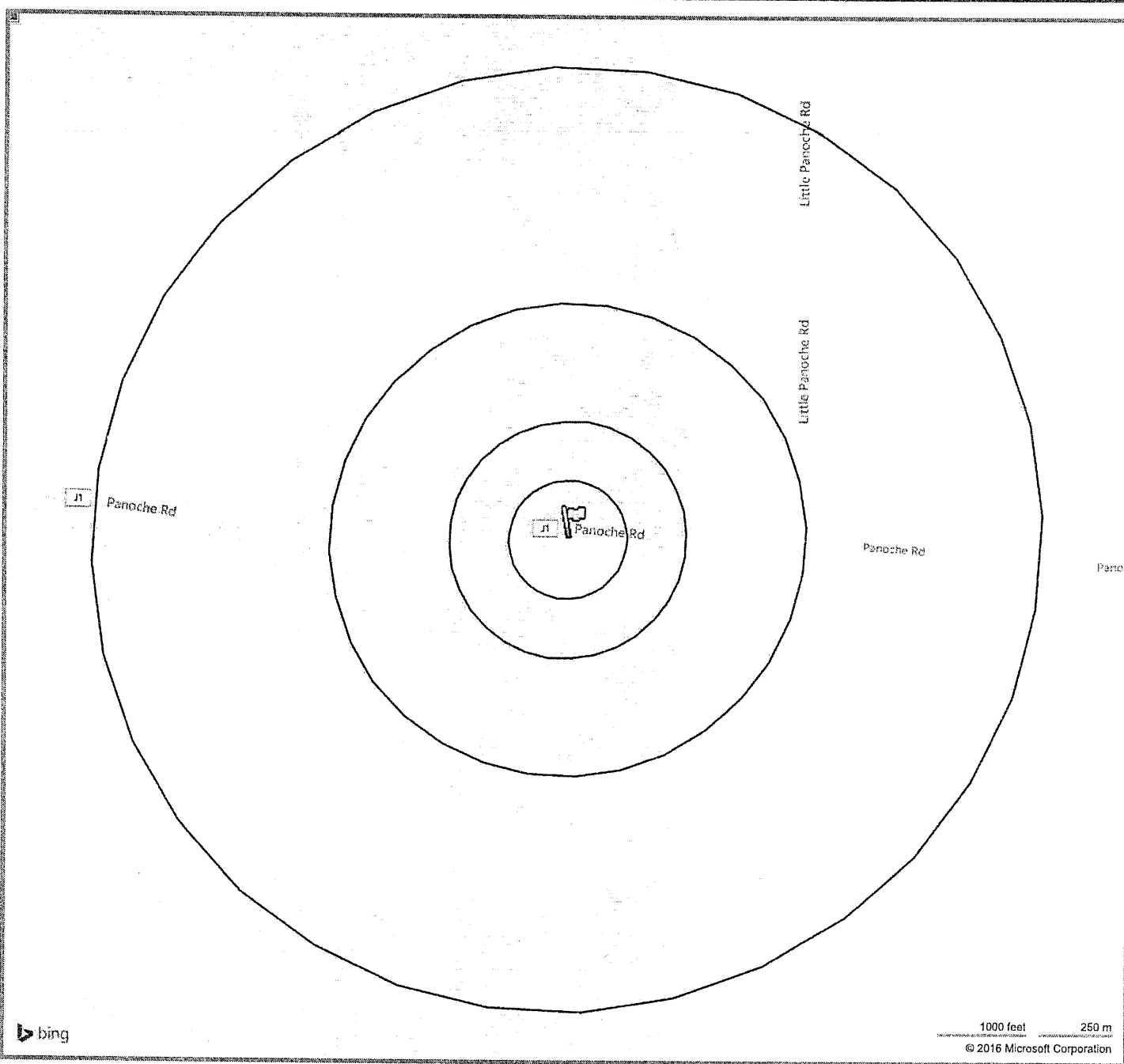
WELLS Water Wells	0	0	0	-	-	0
HAZMAT Hazardous Materials Storage and Incident Records	0	0	0	-	-	0

Databases Searched to One-Eighth mile(s)

ERNS Emergency Response Notification System	0	0	-	-	-	0
GENERATOR Small and Large Quantity Generators	0	0	-	-	-	0
UST Underground Storage Tank Sites	0	0	-	-	-	0
AST Aboveground Storage Tanks	0	0	-	-	-	0
EMISSIONS Air Emissions Sites	0	0	-	-	-	0
HAZNET Hazardous Waste Information System	0	0	-	-	-	0
Totals	0	0	0	0	0	0

MapHazardsPro Radius Search Report

Map 1

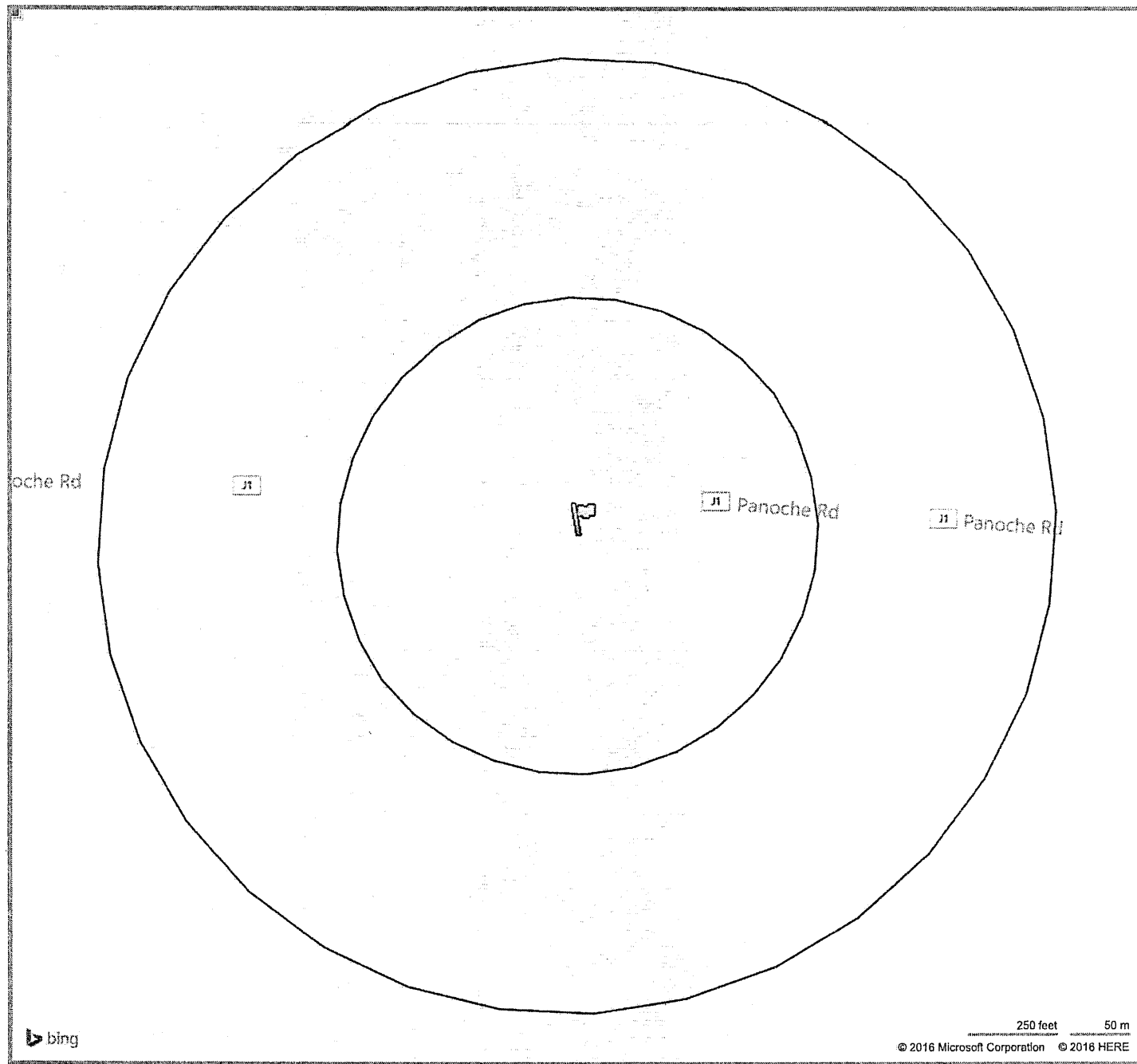


- Site Searched to One-Eighth Mile
- Site Searched to One-Quarter Mile
- Site Searched to One-Half Mile
- Site Searched to One Mile
- Subject Property



MapHazardsPro Radius Search Report

Map 2

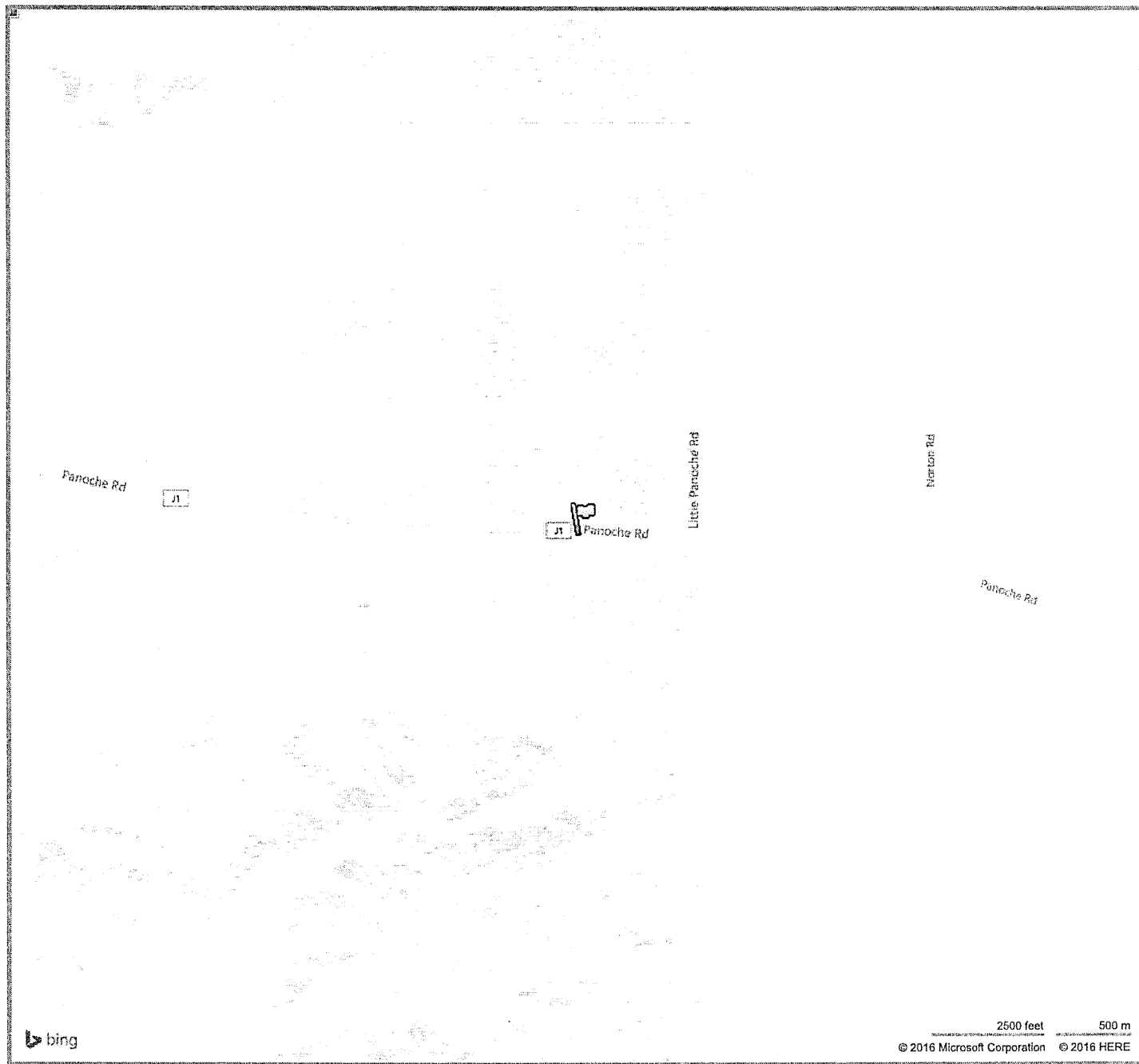










- Site Searched to One-Eighth Mile
 - Site Searched to One-Quarter Mile
 - Site Searched to One-Half Mile
 - Site Searched to One Mile
- Subject Property



MapHazardsPro Radius Search Report

Site Vicinity Map



-   Site Searched to One-Eighth Mile
-   Site Searched to One-Quarter Mile
-   Site Searched to One-Half Mile
-   Site Searched to One Mile



MapHazardsPro Radius Search Report

Site Details Summary

Map#	DB Type	Site Name/Status	Address	Dist/Dir	Page
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