

PHASE I ENVIRONMENTAL SITE ASSESSMENT
PROPOSED RANCHO-ETIWANDA DEVELOPMENT,
NORTHWEST OF THE INTERSECTION OF
EAST AVENUE AND FOOTHILL BOULEVARD,
CITY OF RANCHO CUCAMONGA,
SAN BERNARDINO COUNTY, CALIFORNIA

Prepared For:

STRATHAM HOMES

2201 Dupont Drive, Suite 300
Irvine, California 92612

Project No. 11406.002

August 22, 2016



Leighton and Associates, Inc.

A LEIGHTON GROUP COMPANY



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To: Stratham Homes
2201 Dupont Drive, Suite 300
Irvine, California 92612

Attention: Mr. Brandon Roth

Subject: Phase I Environmental Site Assessment, Proposed Rancho-Etiwanda Development, Northwest of the intersection of East Avenue and Foothill Boulevard, City of Rancho Cucamonga, San Bernardino County, California

Leighton and Associates, Inc. (Leighton) is pleased to present this Phase I Environmental Site Assessment Report for the 11.45-acre property located northwest of the intersection of East Avenue and Foothill Boulevard, City of Rancho Cucamonga, San Bernardino County, California (subject site). Leighton declares that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in §312.10 of 40 Code of Federal Regulations (CFR) 312, and the ASTM International E1527-13.

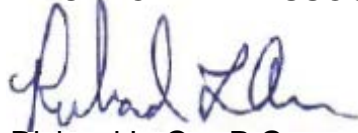
Leighton has the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject site. Leighton has developed and performed the all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part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

If you have questions regarding this report, please contact us. We appreciate the opportunity to be of service to Stratham Homes.

Respectfully submitted,



LEIGHTON AND ASSOCIATES, INC.


Richard L. Orr, P.G.
Associate Geologist

Distribution: (2) Addressee (electronic)

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Appendix D – Environmental Lien Report

Appendix E – Environmental Radius Report

Appendix F – Regulatory Records Documentation

Appendix G – Historical Research Documentation

Appendix H – GBA Geoenvironmental Report

1.0 INTRODUCTION

1.1 Authorization

Leighton and Associates, Inc. (Leighton) performed a Phase I Environmental Site Assessment (ESA) for the 11.45-acre property located northwest of the intersection of East Avenue and Foothill Boulevard, Rancho Cucamonga, San Bernardino County, California (subject site – Figure 1) in accordance with Stratham Homes (Client) authorization.

1.2 Purpose

The purpose of the Phase I ESA was to identify, to the extent feasible and pursuant to the processes prescribed in ASTM International (ASTM) E1527-13, recognized environmental conditions (RECs), historical RECs (HRECs), or controlled RECs (CRECs) in connection with the subject site.

- RECs are defined, according to ASTM E1527-13 as *“the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: (1) due to any release to the environment; (2) under conditions indicative of a release to the environment; or (3) under conditions that pose a material threat of a future release to the environment. De minimis conditions are not RECs.”*
- HRECs are defined, according to ASTM E1527-13 as *“a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls.”*
- CRECs are defined, according to ASTM E1527-13 as *“a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls.”* (ASTM E1527-13, 2013).

1.3 Scope of Work

The scope of work was performed in accordance with Leighton's proposal and included the following tasks:

- A reconnaissance-level visit of the subject site for evidence of the release(s) of hazardous materials and petroleum products and to assess the potential for onsite releases of hazardous materials and petroleum products;
- Records review (including review of previous environmental reports, selected governmental databases, and historical review);
- Interviews; and
- Preparation of a report presenting our findings.

1.4 Significant Assumptions

Leighton assumes that the purpose of this Phase I ESA is to provide appropriate inquiry into the previous ownership and use of the subject site so that the Client may qualify for the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) landowner liability protections as defined in CERCLA, 42 USC §9601(35)(B). Leighton also assumes that the information provided by the Client and its agents, regulatory database provider, and regulatory agencies is true and reliable.

1.5 Limitations and Exceptions

Leighton performed the Phase I ESA in conformance with the scope and limitations of ASTM Practice E1527-13 of the subject site. Other than the non-scope items shown in Section 1.6 that were not applicable, there were no exceptions to, or deletions from, this practice.

Property specific activities performed by Leighton and information collected regarding these activities are summarized in the following sections. The findings of this Phase I ESA are presented in Section 7.0. Opinions, and conclusions drawn by Leighton, based on the information collected as part of the Phase I ESA, are presented in Sections 8.0 and 9.0, respectively. References are included as Appendix A. Site Photographs are presented in Appendix B. Client Supplied documentation is included as Appendix C. Research of Environmental Liens is documented in Appendix D. The Environmental Radius Report is included as Appendix E. Regulatory records requests and responses are included as Appendix F. Historical documentation is provided in Appendix G.

The Geoprofessional Business Association (GBA) information about Geoenvironmental Reports is provided in Appendix H.

This Phase I ESA was conducted in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

The observations and conclusions presented in this report are professional opinions based on the scope of activities, work schedule, and information obtained through the Phase I ESA described herein. Opinions presented herein apply to property conditions existing at the time of our study and cannot necessarily be taken to apply to property conditions or changes that we are not aware of or have not had the opportunity to evaluate. It must be recognized that conclusions drawn from these data are limited to the amount, type, distribution, and integrity of the information collected at the time of the investigation, and the methods utilized to collect and evaluate the data. Although Leighton has taken steps to obtain true copies of available information, we make no representation or warranty with respect to the accuracy or completeness of the information provided by others.

This practice does not address whether requirements in addition to all appropriate inquiry have been met in order to qualify for the landowner liability protections including the continuing obligation not to impede the integrity and effectiveness of activity and use limitations, or the duty to take reasonable steps to prevent releases, or the duty to comply with legally required release reporting obligations. Users should also be aware that there are likely to be other legal obligations with regard to hazardous substances or petroleum products discovered on the subject site that are not addressed in this practice and that may pose risks of civil and/or criminal sanctions for non-compliance.

1.6 Special Terms and Conditions

The scope of work for this Phase I ESA did not include non-scope considerations, such as, but not limited to, those listed in Section 13 of ASTM E1527-13. The scope of work for this Phase I ESA did not include non-scope items such as testing of electrical equipment for the presence of polychlorinated biphenyls (PCBs) or collection of other environmental samples, such as, water, building materials, paint or other media; assessment of natural hazards such as naturally occurring asbestos, radon gas, methane gas, or mold; assessment of the potential presence of radionuclides, biological agents, or lead in drinking water; assessment

of indoor air quality (such as vapor intrusion assessment); or assessment of nonchemical hazards such as the potential for damage from earthquakes or floods, or the presence of endangered species or wildlife habitats. This Phase I ESA also did not include an extensive assessment of the environmental compliance status of the subject site or of businesses operating at the subject site, or a health-based risk assessment.

1.7 User Reliance

This report is for the exclusive use of Stratham Homes and their Lender. Use of this report by any other party shall be at such party's sole risk.

1.8 Important Information about Geoenvironmental Reports

The Client is referred to Appendix H regarding important information provided by the Geoprofessional Business Association (GBA) on geoenvironmental studies and reports.

2.0 SITE DESCRIPTION

2.1 Location and Legal Description

The subject site is located northwest of the intersection of East Avenue and Foothill Boulevard in the City of Rancho Cucamonga, California (Figure 1). According to the San Bernardino County Assessor's office the Assessor Parcel Number (APN) associated with the subject site is 1053-091-010-000. A legal description of the subject site is included in the Environmental Lien Search Report provided by Nationwide Environmental Title Research, LLC (NETR) (Appendix D).

2.2 Property and Vicinity General Characteristics

The site vicinity and the surrounding area consist of the Southern California Edison High Voltage powerline easement, the Metropolitan Water District (MWD) of Southern California water management infrastructure easement, vacant land, and single family residential properties.

2.3 Current Use of the Subject Property

The subject site consists of 11.45-acres of vacant, undeveloped land with an existing Southern California Edison High Voltage powerline easement in the northern portion of the property (Photos 1 through 14, Appendix B, Figure 2).

2.4 Descriptions of Structures, Roads and Other Improvements on the Property

The subject site is currently vacant, undeveloped land without structures or roads. Access to the subject site is from a dirt road along East Avenue. The following utilities are expected to provide future service to the subject site:

Natural Gas:	The Southern California Gas Company
Source of Potable Water:	City of Rancho Cucamonga
Electric:	Southern California Edison (SCE)
Sewage Disposal:	City of Rancho Cucamonga
Solid Waste Disposal:	City of Rancho Cucamonga

2.5 Current Uses of Adjoining Properties

The subject site is bordered to the north by the Metropolitan Water District (MWD) of Southern California water management infrastructure easement followed by single family homes and to the northwest by Garcia Park. The western adjacent property is occupied by vacant land and the (MWD) of Southern California water management infrastructure easement. The southern adjacent property is occupied by a Chino Basin Watermaster (CBW) municipal groundwater well facility and vacant land. Single family homes and vacant land occupy the eastern adjacent property.

3.0 USER PROVIDED INFORMATION

The user of this Phase I ESA is identified as Stratham Homes. As a part of the ASTM E1527-13 process, Mr. Brandon Roth, Project Manager with Stratham Company, completed a questionnaire regarding the property. A copy of this questionnaire is provided in Appendix C.

3.1 Environmental Liens or Activity and Use Limitations

Mr. Roth indicated that they were not aware of environmental liens recorded for the subject site. Also, it was unknown if there were activity and land use limitations filed for the subject site.

Leighton also researched environmental liens and activity and land use limitations through NETR. According to the Environmental Lien Search, dated August 17, 2016, environmental liens or activity use limitations were not identified for the subject site. A copy of the lien search is included in Appendix D and references are provided in Appendix A.

3.2 Specialized Knowledge

Mr. Roth indicated that he does not have specialized knowledge or experience related to the subject site.

3.3 Commonly Known or Reasonably Ascertainable Information

Mr. Roth is not aware of commonly known or reasonably ascertainable information related to the subject site.

3.4 Valuation Reduction for Environmental Issues

Mr. Roth stated that the purchase price for the property is fair market value.

3.5 Owner, Property Manager, and Occupant Information

Mr. Roth noted that the property is vacant land.

3.6 Reason for Performing Phase I ESA

According to the user questionnaire, Mr. Roth stated that the purpose for performing this Phase I ESA was for due diligence for land purchase.

3.7 Other

Additional information was not provided to Leighton.

4.0 RECORDS REVIEW

4.1 Physical Setting Source(s)

Leighton reviewed pertinent maps and readily available literature for information on the physiography and hydrogeology of the subject site. A summary of this information is presented in the following subsections.

4.1.1 Topography

The subject site is located in Section 4 of Township 1 South, Range 6 West of the San Bernardino Baseline and Meridian. Topographic map coverage of the site vicinity is provided by the United States Geological Survey (USGS) "Guasti" Quadrangle (2012). Topographically, the site is relatively flat, gently sloping to the southwest with an elevation of approximately 1,200 to 1,220 feet above mean sea level (msl).

4.1.2 Surface Water

Surface water was not observed on the subject site. However, a former ephemeral wash which is a tributary to the East Etiwanda Wash transects the property from northeast to southwest.

4.1.3 Geology and Soils

The site is located within the Chino Basin in the northern portion of the Peninsular Range Geomorphic Province of California. Major structural features surrounding this region include the Cucamonga fault and the San Gabriel Mountains to the north, the Chino fault and Puente/Chino Hills to the west, and the San Jacinto fault to the east. The subject site is underlain by Quaternary fluvial deposits (Morton et al., 2006).

4.1.4 Hydrogeology

The subject site is situated in the northeastern portion of the Chino Basin, within the Chino Hydrologic sub-unit of the Santa Ana River Hydrogeologic Unit (Santa Ana Regional Water Quality Control Board, 2008).

Leighton reviewed the Chino Basin Optimum Basin Management Program 2014 State of the Basin Report prepared by Wildermuth Environmental Inc. for the Chino Basin Watermaster (CBW). Depth to the groundwater is

anticipated to be approximately 500 feet below ground surface (bgs) in the area of the subject site (CBW, 2015). Groundwater historically flows from the northeast to the southwest in the vicinity of the subject site. It is possible for perched groundwater to be encountered in some areas.

4.1.5 Oil and Gas Fields

On August 3, 2015, Leighton reviewed the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources, Online Mapping System. Evidence of oil wells or oil field-related facilities was not indicated on the subject site.

4.2 Standard Environmental Record Sources

A search of selected government databases was conducted by Leighton using the Environmental Data Resources (EDR) Radius Report environmental database report system. Details and descriptions of the database search are provided in the EDR report. The report meets the government records search requirements of ASTM E1527-13 Standard Practice for Environmental Property Assessments: Phase I Environmental Property Assessment Process. The database listings were reviewed within the specified radii established by the ASTM E1527-13. A copy of this report is included in Appendix E.

4.2.1 Subject Property

The subject site was not identified in the EDR™ database report.

4.2.2 Offsite

The offsite listings in the database report were reviewed and not interpreted to represent an adverse effect to the subject site at the time of this report preparation based on one or more of the following:

- Nature of the database listing and not appearing on a database that reports unauthorized releases of hazardous substances,
- Reported regulatory agency status (e.g., Case Closed),
- Reported nature of the case (soil contamination only),
- Distance of the facility to the subject site, and/or,
- Location of the facility with respect to anticipated groundwater flow direction.

Unmapped Listings: Three properties were listed within EDR Report as “orphan listings”. Orphan listings are properties without a complete street address and therefore cannot be located on a map. Three unmapped listings were identified in the radius report. These listings do not appear to pose a significant environmental risk to the site.

4.2.3 Vapor Encroachment

Leighton Consulting reviewed the Vapor Encroachment Screen (VES) produced using EDRs Vapor Encroachment Worksheet application that gathers regulatory database information from the accompanying Radius Report and allows the user to integrate groundwater information, regional geology, and other information to evaluate the concern for potential vapor encroachment from onsite activities and from adjacent properties. The VES application was designed by EDR to assist parties seeking to meet the search requirements of the ASTM Standard Practice for Assessment of Vapor Encroachment into Structures on Property Involved in Real Estate Transactions (E2600-10), also referred to as the Tier 1 VES, as defined by ASTM E2600-10.

Using the VES application, there were no on-site listings for the subject site. The additional listings found near the subject site indicated no known releases of hazardous chemicals of concern in sufficient quantities to warrant enforcement action by a regulatory agency has been reported. These listings do not pose a risk for vapor encroachment and therefore do not appear to be a potential REC as it relates to the adjacent properties. A copy of this report has been provided in Appendix F.

4.2.4 Regulatory Agency Contacts

Leighton requested regulatory records for the APN associated with the subject site. The following agencies were contacted:

- Department of Toxic Substances Control (DTSC) – Cypress and Chatsworth Divisions;
- National Pipeline Mapping System (NPMS);
- South Coast Air Quality Management District (SCAQMD)
- City of Rancho Cucamonga Building and Safety Division
- Regional Water Quality Control Board, Santa Ana Region (SARWQCB); and

- San Bernardino County Fire Department Hazardous Materials Division (County Fire)

Records were not found at the agencies contacted. A response from County Fire has not been received as of the date of this report. Copies of records requests and responses are provided in Appendix F.

Radon

Radon is not regulated within the State of California. Nonetheless, the California Department of Health Services (CDPH) and the United States Environmental Protection Agency (US EPA) both recommend a threshold of 4 picocuries per liter (pCi/L) above which certain precautions be taken to mitigate radon buildup in structures.

The State of California Department of Health Services (CDEH) conducts ongoing radon monitoring in the state. The results of the survey indicate that of the 14 indoor air samples collected from zip code 91739, none of the samples contained radon concentrations greater than the U. S. EPA radon action level of 4 pCi/l of air. Therefore, the potential for elevated radon levels at the subject site appears to be low (CDEH, 2010).

4.2.5 Other Reports

Leighton was not provided with other reports to review.

4.3 Historical Use Information on the Property

Leighton reviewed selected historical information on the subject site. These references were reviewed for evidence of activities, which would suggest the presence of hazardous substances at the subject site and to evaluate the potential for the subject site to be impacted by offsite sources of contamination. The following paragraphs are a chronological summary of the review.

4.3.1 Aerial Photographs

Historical aerial photographs were reviewed for information regarding past subject site uses. Aerial photographs dated 1938, 1949, 1953, 1959, 1966, 1975, 1985, 1990, 1994, 2005, 2009, 2010, and 2012 were reviewed. References are provided in Appendix A and copies of the aerial photographs are included in Appendix G.

In the **1938** aerial photograph, the subject site appears to be vacant land without structures. Dirt paths are shown in southern and northern areas of the subject site. Overhead powerlines are shown across the northern portion of the subject site trending from southwest to northeast. East Avenue borders the subject site to the east followed by vineyards and an overhead powerline tower. The northern adjacent property is shown to be an orchard with residential and farm buildings in the central area of the property. The southern adjacent property is shown to be an overgrown orchard with a residential dwelling in the southern area of the property. The southwestern and western adjacent properties are shown to be vineyards. The western adjacent property is shown to contain an overhead powerline tower. Foothill Boulevard is shown as a paved road south of the subject site.

Significant changes of the subject site and the western, eastern, and southern adjacent properties, were not observed in the **1949**, **1953**, and the **1959** aerial photographs with the exception of the residential and farm buildings within the northern adjacent property are shown removed from the property and the Etiwanda Creek channel shown east and south of the subject site.

In the **1966** aerial photograph, the subject site is shown as vacant land with a dirt path shown in the central area of the property, trending southwest to northeast. The northern adjacent property is shown as mostly vacant land with only a few orchard trees remaining. Significant changes area not shown with the southern, western and eastern adjacent properties. East Avenue is shown as a paved road.

In the **1975** aerial photograph, several dirt paths are shown throughout the subject site which is shown to be vacant land. The northern and eastern adjacent properties are shown as vacant undeveloped land. Significant changes are not shown with the southern and western adjacent properties.

In the **1985** aerial photograph, significant changes were not observed with the subject site or the adjacent properties with the exception of the residential dwelling in the southern adjacent property is shown as removed from the property. The remaining adjacent properties are shown as vacant land.

Significant changes were not observed in the **1990** and **1994** aerial photographs. A large residential housing development is shown east of Etiwanda Creek.

In the **2005** aerial photograph, the subject site and the northern, western and southern adjacent properties are shown as vacant land. A residential housing development is shown in the eastern adjacent property west of Etiwanda Creek.

In the **2009** and **2010** aerial photographs, the subject site is shown as vacant land with what appears to be soil stockpiles shown in the central and western areas of the subject site. A Chino Basin municipal groundwater well is shown in the northern area of the southern adjacent property which is primarily vacant land. The western and northern adjacent properties are vacant land. Garcia Park is shown in the northwestern adjacent property. A residential housing development as well as a parking lot is shown in the eastern adjacent property west of Etiwanda Creek.

In the **2012** aerial photograph, significant changes with the subject site and the western, northwestern, southern, and eastern adjacent properties are not shown. The northern adjacent property is shown to be in the process of rough grading in preparation for a small residential housing development.

4.3.2 Historical Topographic Maps

Historical topographic maps were reviewed to obtain information regarding past site uses. Topographic map coverage of the site vicinity is provided by “Cucamonga” Quadrangle (1897, 1900 and 1903), “Ontario” Quadrangle (1954) and “Guasti” Quadrangle (1953, 1966, 1973, 1980 and 2012). References are provided in Appendix A and a copy of the report is included in Appendix G.

Cucamonga 1897, 1900 and 1903: Structures, tanks, or wells were not depicted on the subject site or adjacent properties. It should be noted that due to the scale of the topographic map, specific details were difficult to distinguish. What appears to be a tributary to the East Etiwanda Creek is depicted transecting the subject site from Northeast to southwest.

Guasti 1953 and Ontario 1954: Structures, tanks, or wells were not depicted on the subject site or adjacent properties. Overhead powerlines

were depicted across the northern portion of the subject site trending from southwest to northeast. East Avenue was depicted along the eastern border of the subject site. Structures and orchards were depicted in the northern and southern adjacent properties. The western adjacent property was depicted as vacant land containing overhead powerlines. The eastern adjacent property was depicted as vineyards and containing overhead powerlines. The East Etiwanda Creek was depicted within the eastern adjacent property.

Guasti 1967: Structures, tanks, or wells were not depicted on the subject site or adjacent properties. Overhead powerlines were depicted across the northern portion of the subject site trending from southwest to northeast. Overhead power lines were depicted in the western and eastern adjacent properties which were depicted as vineyards. The northern adjacent property is no longer depicted as an orchard and no longer contains structures. The southern adjacent property is depicted as an orchard with one structure in the southern area of the property. East Avenue is depicted along the eastern border of the subject site.

Guasti 1973: Significant changes were not depicted in the 1973 topographic map.

Guasti 1980: Significant changes were not depicted on the subject site or the northern and western adjacent properties. The southern and eastern adjacent properties were depicted as vacant land. A structure was depicted in the southern area of the southern adjacent property.

Guasti 2012: Structures, tanks, or wells were not depicted on the subject site or adjacent properties.

4.3.3 Fire Insurance Maps

Fire insurance maps, or Sanborn[®] maps, are detailed city plans showing building footprints, construction details, use of structure, street address, etc. The maps were designed to assist fire insurance agents in determining the degree of hazard associated with a particular property. Sanborn[®] Maps were produced from approximately 1867 to the present for commercial, industrial, and residential sections of approximately 12,000 cities and towns in the United States.

According to the EDR Certified Sanborn® Map Report, there is no Sanborn map coverage for the subject site. A copy of this report has been provided in Appendix G.

4.3.4 Historical City Directories

EDR provided the City Search Standard Report on July 31, 2015. City Directories were reviewed for 1965 to 2008 (Appendix G). The subject site was not listed in the directories researched. Adjacent properties of concern were not identified. A copy of this report has been provided in Appendix G.

4.3.5 Building Permits

Building permits were not received, as there was no history of structures on the subject site.

4.3.6 Other Historical Sources

Additional resources were not researched as a part of this assessment.

4.3.7 Summary of Historical Land Use

Based on historical records, land usage is summarized as follows:

Time Period	Land Usage	Reference
Prior to 1901	Unknown	None Available
Approximately 1901 to present.	Vacant land	Topographic Maps Aerial Photographs Site Reconnaissance Owner Interview form

5.0 SITE RECONNAISSANCE

5.1 Methodology and Limiting Conditions

On August 5, 2016, representatives of Leighton conducted a reconnaissance-level assessment of the subject site. The property reconnaissance consisted of observing and documenting existing conditions of the subject site and nature of the neighboring development within 0.25-miles of the subject site. Photographs of the subject site are presented in Appendix B and their view directions are noted on Figure 2. Items noted during the property reconnaissance are also depicted on Figure 2.

5.2 General Property Setting

The subject site consists of 11.45-acres of vacant, undeveloped land with an existing Southern California Edison High Voltage powerline easement in the northern portion of the property (Photos 1 through 14, Appendix B, Figure 2).

5.3 Exterior and Interior Observations

5.3.1 Hazardous Substances, Drums, and Other Chemical Containers

Hazardous substances or drums were not observed on the subject site.

5.3.2 Storage Tanks

Evidence of underground storage tanks (USTs), and aboveground storage tanks (ASTs) (such as vent lines, fill or overfill ports) was not observed on the subject site.

5.3.3 Polychlorinated Biphenyls (PCBs)

PCBs were once used as industrial chemicals whose high stability contributed to both their commercial usefulness and their long-term deleterious environmental and health effects. PCBs can be present in coolants or lubricating oils used in older electrical transformers, hydraulic systems, and other similar equipment. In 1979, the USEPA generally prohibited the domestic manufacture of PCBs in electrical capacitors, electrical transformers, vacuum pumps, hydraulic pumps, and gas turbines.

Transformers were not observed on the subject site.

5.3.4 Waste Disposal

The subject site is not currently occupied; therefore there is no waste disposal.

5.3.5 Dumping

Evidence of debris or dumped materials was observed in the central and southern portions of the subject site (Photos 5 through 12, Appendix B, Figure 2). The dumped materials consisted of domestic debris such as cloths, furniture, toys, trash, used tires and electronic waste (Photos 5 through 12, Appendix B, Figure 2). Evidence of minimal dumped construction debris, such as broken concrete and wood, were observed in the western and southern areas of the subject site (Photos 5 through 12, Appendix B, Figure 2). Soil stockpiles located on the eastern portion of the subject site appear to be of local origin (Photos 13 and 14, Appendix B, Figure 2).

5.3.6 Pits, Ponds, Lagoons, Septic Systems, Wastewater, Drains, Cisterns, and Sumps

Evidence of pits, ponds, lagoons, septic systems, wastewater, drains, sumps, and cisterns was not observed on the subject site.

5.3.7 Pesticide Use

Pesticides and pesticide use was not observed on the subject site. The site has no history of agricultural use.

5.3.8 Staining, Discolored Soils, Corrosion

Stained, discolored soils or corrosion was not observed on the subject site.

5.3.9 Stressed Vegetation

Stressed vegetation was not observed on the subject site.

5.3.10 Unusual Odors

Unusual odors were not detected on the subject site.

5.3.11 Onsite Wells

Groundwater or oil wells were not observed on the subject site.

5.3.12 Other Observations

Soil stockpiles were observed in the central and eastern areas of the subject site (Photos 13 and 14, Appendix B, Figure 2). The soil appears to be native soils derived from construction activities from near-by residential housing developments.

6.0 INTERVIEWS

Leighton conducted interviews with persons having knowledge of current or past subject site usage. Interviews were conducted either orally or in the form of a written questionnaire. Written responses are included as Appendix C.

6.1 Interview with Owner

On August 9, 2016, Leighton received a Phase I ESA Owner/Site Contact Interview Form which was completed by Ms. Marjorie Fong, Member, GLF Associates, LLC, a General Partner for Etiwanda 21.69 a California Limited Partnership, representative of the owner.

6.2 Interview with Site/Property Manager

Ms. Fong answered unknown to many of the questions posed to her; however, she was aware of environmental concerns associated with the subject site. Ms. Fong stated that in February of 2015 ten household paint and oil containers were removed from the property and delivered to a household hazardous waste collection center.

6.3 Interviews with Occupants

Leighton did not interview the occupants as the subject site is unoccupied.

6.4 Interviews with Local Government Officials

Leighton did not interview employees with local government agencies to request information regarding historic and current uses of the subject site with the exception of those noted in Section 4.3.1.

6.5 Interviews with Others

Leighton did not conduct additional interviews for this Phase I ESA with the exception of the User interview discussed in Section 3.

7.0 FINDINGS

Leighton performed Phase I ESA Report for the Rancho-Etiwanda development property located northwest of the intersection of East Avenue and Foothill Boulevard in the City of Rancho Cucamonga, California (subject site – Figure 1) in accordance with Stratham Homes (Client) authorization.

7.1 Onsite

Historically, the subject site has been vacant, undeveloped land with the Southern California Edison Overhead Powerline easement occupying the northern area of the subject site.

The subject site consists of 11.45-acres of vacant, undeveloped land with an existing Southern California Edison High Voltage powerline easement in the northern portion of the property (Photos 1 through 14, Appendix B, Figure 2).

Hazardous substances or drums were not observed on the subject site. Evidence of underground storage tanks (USTs) (such as vent lines, fill or overflow ports) was not observed on the subject site.

Evidence of debris or dumped materials was observed in the central and southern portions of the subject site (Photos 5 through 12, Appendix B, Figure 2). The dumped materials consisted of domestic debris such as cloths, furniture, toys, trash, used tires and electronic waste (Photos 5 through 12, Appendix B, Figure 2). Evidence of minimal dumped construction debris, such as broken concrete and wood, were observed in the western and southern areas of the subject site (Photos 5 through 12, Appendix B, Figure 2). Soil stockpiles located on the eastern portion of the subject site appear to be of local origin (Photos 13 and 14, Appendix B, Figure 2).

Soil stockpiles were observed in the central and eastern areas of the subject site (Photos 13 and 14, Appendix B, Figure 2). The soil appears to be native soils derived from construction activities from near-by residential housing developments.

A search of selected government databases was conducted by Leighton using the EDR Radius Report environmental database report system. Details of the database search along with descriptions of each database researched are provided in the EDR database report. The report meets the government records search requirements of ASTM E1527-13 Standard Practice for Environmental

Property Assessments: Phase I ESA Environmental Property Assessment Process. The database listings were reviewed within the specified radii established by the ASTM E1527-13.

7.2 Offsite

Historically, the adjacent properties were used for agricultural and residential purposes. The subject site is bordered to the north by the Metropolitan Water District (MWD) of Southern California water management infrastructure easement followed by single family homes and to the northwest by Garcia Park. The western adjacent property is occupied by vacant land and the (MWD) of Southern California water management infrastructure easement. The southern adjacent property is occupied by a Chino Basin Watermaster (CBW) municipal groundwater well facility and vacant land. Single family homes and vacant land occupy the eastern adjacent property.

Surrounding properties with environmental concern were not identified in the EDR report.

7.3 Data Gaps

Data gaps were identified by Leighton:

- Historical records prior to 1901 were not available.
- A response from the San Bernardino County Fire Department Hazardous Materials Division has not been received as of the date of this report.

It is Leighton's opinion that these data gaps are not significant to identifying recognized environmental conditions on the subject site.

8.0 OPINION

8.1 Onsite

It is Leighton's opinion that no RECs, CRECs or HRECs were identified for the subject site.

8.2 Offsite

No offsite RECs, HRECs, or CRECs were identified that would negatively impact the subject site.

9.0 CONCLUSIONS

We have performed a Phase I ESA in conformance with the scope and limitations of ASTM E1527-13 of a property located northwest of the intersection of East Avenue and Foothill Boulevard in the City of Rancho Cucamonga, California, the subject site. Exceptions to, or deletions from, this practice are described in Section 1.5 of this report. This assessment has not revealed evidence of RECs, HRECs, or CRECs in connection with the subject site.

Domestic and construction wastes, waste tires and electronic wastes should be disposed of at an approved landfill facility.

In general, observations should be made during future property development for areas of possible contamination such as, but not limited to, the presence of underground facilities, buried debris, waste drums, and tanks, stained soil or odorous soils. Should such materials be encountered, further investigation and analysis may be necessary at that time.

10.0 DEVIATIONS

Leighton did not deviate from or alter the scope of work, as defined in Section 1.3 of this report. Significant data gaps were not identified that affect the ability of Leighton to identify recognized environmental conditions at the subject site.

11.0 | ADDITIONAL SERVICES

Leighton did not perform work outside the scope of work as defined in Section 1.3 of this report.

12.0 QUALIFICATIONS OF ENVIRONMENTAL PROFESSIONALS

12.1 Corporate

Leighton is a California corporation, providing geotechnical and environmental consulting services throughout California. We are solely a consulting firm without interests in real property other than our offices in Southern California. We provide professional environmental consulting services including application of science and engineering to environmental compliance, hazardous materials/waste assessment and cleanup, and management of hazardous, solid and industrial waste. Phase I Environmental Property Assessments are a part of this practice area and have been conducted by us.

12.2 Individual

The qualifications of the Project Manager and the other Leighton environmental professionals involved in this Phase I ESA meet the Leighton corporate requirements for performing Phase I ESAs as specified by ASTM E1527-13.

12.3 Environmental Professional Statement

I declare that, to the best of my professional knowledge and belief, I meet the definition of Environmental Professional as defined by §312.10 of 40 CFR Part 312.

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



Richard L. Orr, PG
Associate Geologist



APPENDIX A

References

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United States Geological Survey Topographic Map, "Ontario" Quadrangle, 1954.

United States Geological Survey Topographic Map, "Guasti" Quadrangle, 1953, 1967, 1973, 1980 and 2012.

**APPENDIX A
REFERENCES**



Leighton

APPENDIX B
SITE RECONNAISSANCE PHOTOS



Leighton

APPENDIX C
CLIENT SUPPLIED DOCUMENTATION



Leighton

APPENDIX D
ENVIRONMENTAL LIEN REPORT



Leighton

APPENDIX E
ENVIRONMENTAL RADIUS REPORT



Leighton

APPENDIX F
REGULATORY RECORDS DOCUMENTATION



Leighton

APPENDIX G
HISTORICAL RESEARCH DOCUMENTATION



Leighton

APPENDIX H
GBA GEOENVIRONMENTAL REPORT



Leighton

Important Information about This

Geoenvironmental Report

Geoenvironmental studies are commissioned to gain information about environmental conditions on and beneath the surface of a site. The more comprehensive the study, the more reliable the assessment is likely to be. But remember: Any such assessment is to a greater or lesser extent based on professional opinions about conditions that cannot be seen or tested. Accordingly, no matter how many data are developed, risks created by unanticipated conditions will always remain. *Have realistic expectations.* Work with your geoenvironmental consultant to manage known and unknown risks. Part of that process should already have been accomplished, through the risk allocation provisions you and your geoenvironmental professional discussed and included in your contract's general terms and conditions. This document is intended to explain some of the concepts that may be included in your agreement, and to pass along information and suggestions to help you manage your risk.

Beware of Change; Keep Your Geoenvironmental Professional Advised

The design of a geoenvironmental study considers a variety of factors that are subject to change. Changes can undermine the applicability of a report's findings, conclusions, and recommendations. *Advise your geoenvironmental professional about any changes you become aware of.* Geoenvironmental professionals cannot accept responsibility or liability for problems that occur because a report fails to consider conditions that did not exist when the study was designed. Ask your geoenvironmental professional about the types of changes you should be particularly alert to. Some of the most common include:

- modification of the proposed development or ownership group,
- sale or other property transfer,
- replacement of or additions to the financing entity,

- amendment of existing regulations or introduction of new ones, or
- changes in the use or condition of adjacent property.

Should you become aware of any change, *do not rely on a geoenvironmental report.* Advise your geoenvironmental professional immediately; follow the professional's advice.

Recognize the Impact of Time

A geoenvironmental professional's findings, recommendations, and conclusions cannot remain valid indefinitely. The more time that passes, the more likely it is that important latent changes will occur. *Do not rely on a geoenvironmental report if too much time has elapsed since it was completed.* Ask your environmental professional to define "too much time." In the case of Phase I Environmental Site Assessments (ESAs), for example, more than 180 days after submission is generally considered "too much."

Prepare To Deal with Unanticipated Conditions

The findings, recommendations, and conclusions of a Phase I ESA report typically are based on a review of historical information, interviews, a site "walkover," and other forms of noninvasive research. When site subsurface conditions are not sampled in any way, the risk of unanticipated conditions is higher than it would otherwise be.

While borings, installation of monitoring wells, and similar invasive test methods can help reduce the risk of unanticipated conditions, *do not overvalue the effectiveness of testing.* Testing provides information about actual conditions only at the precise locations where samples are taken, and only when they are taken. Your geoenvironmental

professional has applied that specific information to develop a general opinion about environmental conditions. *Actual conditions in areas not sampled may differ (sometimes sharply) from those predicted in a report.* For example, a site may contain an unregistered underground storage tank that shows no surface trace of its existence. *Even conditions in areas that were tested can change, sometimes suddenly, due to any number of events, not the least of which include occurrences at adjacent sites.* Recognize, too, that *even some conditions in tested areas may go undiscovered*, because the tests or analytical methods used were designed to detect only those conditions assumed to exist.

Manage your risks by retaining your geoenvironmental professional to work with you as the project proceeds. Establish a contingency fund or other means to enable your geoenvironmental professional to respond rapidly, in order to limit the impact of unforeseen conditions. And to help prevent any misunderstanding, identify those empowered to authorize changes and the administrative procedures that should be followed.

Do Not Permit Any Other Party To Rely on the Report

Geoenvironmental professionals design their studies and prepare their reports to meet the specific needs of the clients who retain them, in light of the risk management methods that the client and geoenvironmental professional agree to, and the statutory, regulatory, or other requirements that apply. The study designed for a developer may differ sharply from one designed for a lender, insurer, public agency...or even another developer. *Unless the report specifically states otherwise, it was developed for you and only you.* Do not unilaterally permit any other party to rely on it. The report and the study underlying it may not be adequate for another party's needs, and you could be held liable for shortcomings your geoenvironmental professional was powerless to prevent or anticipate. Inform your geoenvironmental professional when you know or expect that someone else—a third-party—will want to use or rely on the report. *Do not permit third-party use or reliance until you first confer with the geoenvironmental professional who prepared the report.* Additional testing, analysis, or study may be required and, in any event, appropriate terms and conditions should be agreed to so both you and your geoenvironmental professional are protected from third-party risks. *Any party who relies on a geoenvironmental report without the express written permission of the professional who prepared it and the client for whom it was prepared may be solely liable for any problems that arise.*

Avoid Misinterpretation of the Report

Design professionals and other parties may want to rely on the report in developing plans and specifications. They need to be advised, in writing, that their needs may not have been considered when the study's scope was developed, and, even if their needs were considered, they might misinterpret geoenvironmental findings, conclusions, and recommendations. *Commission your geoenvironmental professional to explain pertinent elements of the report to others who are permitted to rely on it, and to review any plans, specifications or other instruments of professional service that incorporate any of the report's findings, conclusions, or recommendations.* Your geoenvironmental professional has the best understanding of the issues involved, including the fundamental assumptions that underpinned the study's scope.

Give Contractors Access to the Report

Reduce the risk of delays, claims, and disputes by giving contractors access to the full report, *providing that it is accompanied by a letter of transmittal that can protect you* by making it unquestionably clear that: 1) the study was not conducted and the report was not prepared for purposes of bid development, and 2) the findings, conclusions, and recommendations included in the report are based on a variety of opinions, inferences, and assumptions and are subject to interpretation. Use the letter to also advise contractors to consult with your geoenvironmental professional to obtain clarifications, interpretations, and guidance (a fee may be required for this service), and that—in any event—they should conduct additional studies to obtain the specific type and extent of information each prefers for preparing a bid or cost estimate. Providing access to the full report, with the appropriate caveats, helps prevent formation of adversarial attitudes and claims of concealed or differing conditions. If a contractor elects to ignore the warnings and advice in the letter of transmittal, it would do so at its own risk. Your geoenvironmental professional should be able to help you prepare an effective letter.

Do Not Separate Documentation from the Report

Geoenvironmental reports often include supplemental documentation, such as maps and copies of regulatory files, permits, registrations, citations, and correspondence with regulatory agencies. If subsurface explorations were performed, the report may contain final boring logs and copies of laboratory data. If remediation activities occurred on site, the report may include: copies of daily field reports; waste manifests; and information about the disturbance of subsurface materials, the type and thickness of any fill placed on site, and fill placement practices, among other types of documentation. *Do not separate supplemental documentation from the report. Do not, and do not permit any other party to redraw or modify any of the supplemental documentation for incorporation into other professionals' instruments of service.*

Understand the Role of Standards

Unless they are incorporated into statutes or regulations, standard practices and standard guides developed by the American Society for Testing and Materials (ASTM) and other recognized standards-developing organizations (SDOs) are little more than aspirational methods agreed to by a consensus of a committee. The committees that develop standards may not comprise those best-qualified to establish methods and, no matter what, no standard method can possibly consider the infinite client- and project-specific variables that fly in the face of the theoretical "standard conditions" to which standard practices and standard guides apply. In fact, these variables can be so pronounced that geoenvironmental professionals who comply with every directive of an ASTM or other standard procedure could run afoul of local custom and practice, thus violating the standard of care. Accordingly, when geoenvironmental professionals indicate in their reports that they have performed a service "in general compliance" with one standard or another, it means they have applied professional judgement in creating and implementing a scope of service designed for the specific client and project involved, and which follows some of the general precepts laid out in the referenced standard. To the extent that a report indicates "general compliance" with a standard, you may wish to speak with your geoenvironmental professional to learn more about what was and was not done. *Do not assume a given standard was followed to the letter.* Research indicates that that seldom is the case.

Realize That Recommendations May Not Be Final

The technical recommendations included in a geoenvironmental report are based on assumptions about actual conditions, and so are preliminary or tentative. Final recommendations can be prepared only by observing actual conditions as they are exposed. For that reason, you should retain the geoenvironmental professional of record to observe construction and/or remediation activities on site, to permit rapid response to unanticipated conditions. *The geoenvironmental professional who prepared the report cannot assume responsibility or liability for the report's recommendations if that professional is not retained to observe relevant site operations.*

Understand That Geotechnical Issues Have Not Been Addressed

Unless geotechnical engineering was specifically included in the scope of professional service, a report is not likely to relate any findings, conclusions, or recommendations about the suitability of subsurface materials for construction purposes, especially when site remediation has been accomplished through the removal, replacement, encapsulation, or chemical treatment of on-site soils. The equipment, techniques, and testing used by geotechnical engineers differ markedly from those used by geoenvironmental professionals; their education, training, and experience are also significantly different. If you plan to build on the subject site, but have not yet had a geotechnical engineering study conducted, your geoenvironmental professional should be able to provide guidance about the next steps you should take. The same firm may provide the services you need.

Read Responsibility Provisions Closely

Geoenvironmental studies cannot be exact; they are based on professional judgement and opinion. Nonetheless, some clients, contractors, and others assume geoenvironmental reports are or certainly should be unerringly precise. Such assumptions have created unrealistic expectations that have led to wholly unwarranted claims and disputes. To help prevent such problems, geoenvironmental professionals have developed a number of report provisions and contract terms that explain who is responsible for what, and how risks are to be allocated. Some people mistake these for “exculpatory clauses,” that is, provisions whose purpose is to transfer one party’s rightful responsibilities and liabilities to someone else. Read the responsibility provisions included in a report and in the contract you and your geoenvironmental professional agreed to. *Responsibility provisions are not “boilerplate.”* They are important.

Rely on Your Geoenvironmental Professional for Additional Assistance

Membership in the Geoprofessional Business Association exposes geoenvironmental professionals to a wide array of risk management techniques that can be of genuine benefit for everyone involved with a geoenvironmental project. Confer with your GBA-member geoenvironmental professional for more information.



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