

TYPE OF SERVICES

Phase I Environmental Site Assessment

LOCATION

Camden Avenue and Malpas Drive

(APN 567-26-014)

San Jose, California

CLIENT

DAL Properties, LLC

PROJECT NUMBER

336-10-1

DATE

June 5, 2020





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Phase I Environmental Site Assessment Camden Avenue and Malpas Drive

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Client Address

DAL Properties, LLC 255 West Julian Street, Suite 502 San Jose, California 95110

Project Number Date

336-10-1 June 5, 2020

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FIGURE 1 – VICINITY MAP FIGURE 2 – SITE PLAN

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Type of Services Location Phase I Environmental Site Assessment Camden Avenue and Malpas Drive (APN 567-26-014) San Jose, California

SECTION 1: INTRODUCTION

This report presents the results of the Phase I Environmental Site Assessment (ESA) performed at an approximately 1 acre parcel located southeast of the Camden Avenue and Malpas Drive intersection (APN 567-26-014) in San Jose, California (Site) as shown on Figures 1 and 2. This work was performed for DAL Properties, LLC in accordance with our May 14, 2020 Agreement (Agreement).

1.1 PURPOSE

The scope of work presented in the Agreement was prepared in general accordance with ASTM E 1527-13 titled, "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process" (ASTM Standard). The ASTM Standard is in general compliance with the Environmental Protection Agency (EPA) rule titled, "Standards and Practices for All Appropriate Inquiries; Final Rule" (AAI Rule). The purpose of this Phase I ESA is to strive to identify, to the extent feasible pursuant to the scope of work presented in the Agreement, Recognized Environmental Conditions at the property.

As defined by ASTM E 1527-13, the term Recognized Environmental Condition means 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 Recognized Environmental Conditions.

Cornerstone Earth Group, Inc. (Cornerstone) understands that DAL Properties, LLC intends to purchase the Site for residential development. We performed this Phase I ESA to support DAL Properties, LLC in evaluation of Recognized Environmental Conditions at the Site. This Phase I ESA is intended to reduce, but not eliminate, uncertainty regarding the potential for Recognized Environmental Conditions at the Site.

1.2 SCOPE OF WORK

As presented in our Agreement, the scope of work performed for this Phase I ESA included the following:

 A reconnaissance of the Site to note readily observable indications of significant hazardous materials releases to structures, soil or groundwater.



- Drive-by observation of adjoining properties to note readily apparent hazardous materials activities that have or could significantly impact the Site.
- Acquisition and review of a regulatory agency database report of public records for the general area of the Site to evaluate potential impacts to the Site from reported contamination incidents at nearby facilities.
- Review of readily available information on file at selected governmental agencies to help evaluate past and current Site use and hazardous materials management practices.
- Review of readily available maps and aerial photographs to help evaluate past and current Site uses.
- Interviews with persons reportedly knowledgeable of existing and prior Site uses.
- Preparation of a written report summarizing our findings and recommendations.

The limitations for the Phase I ESA are presented in Section 10; the terms and conditions of our Agreement are presented in Appendix A.

1.3 ASSUMPTIONS

In preparing this Phase I ESA, Cornerstone assumed that all information received from interviewed parties is true and accurate. In addition, we assumed that all records obtained by other parties, such as regulatory agency databases, maps, related documents and environmental reports prepared by others are accurate and complete. We also assumed that the boundaries of the Site, based on information provided by DAL Properties, LLC, are as shown on Figure 2. We have not independently verified the accuracy or completeness of any data received.

1.4 ENVIRONMENTAL PROFESSIONAL

This Phase I ESA was performed by Stason I. Foster, P.E. and Ron L. Helm, C.E.G., Environmental Professionals who meet the qualification requirements described in ASTM E 1527-13 and 40 CFR 312 § 312.10 based on professional licensing, education, training and experience to assess a property of the nature, history and setting of the Site.

SECTION 2: SITE DESCRIPTION

This section describes the Site as of the date of this Phase I ESA. The location of the Site is shown on Figures 1 and 2. Tables 1 through 3 summarize general characteristics of the Site and adjoining properties. The Site is described in more detail in Section 7, based on our on-Site observations.

2.1 LOCATION AND OWNERSHIP

Table 1 describes the physical location, and ownership of the property, based on information provided by DAL Properties, LLC.



Table 1. Location and Ownership

Assessor's Parcel No. (APN)	567-26-014
Reported Address/Location	Southeast of the Camden Avenue and Malpas Drive intersection,
	San Jose, California (no reported address)
Owner	Matt A. Kelsey and Rachel A. Kelsey, Trustees of the Kelsey
	Family Trust dated March 17, 2000, and Kenneth Marvin Eberts, Jr.
	and Marjorie K. Eberts, Trustees of the Eberts Family Living Trust
Approximate Lot Size	1 acre

2.2 CURRENT/PROPOSED USE OF THE PROPERTY

The current and proposed uses of the property are summarized in Table 2.

Table 2. Current and Proposed Uses

Current Use	Undeveloped lot
Proposed Use	Residential

2.3 SITE SETTING AND ADJOINING PROPERTY USE

Land use in the general Site vicinity appears to be a mix of commercial and residential properties. Based on our Site vicinity reconnaissance, adjoining Site uses are summarized below in Table 3.

Table 3. Adjoining Property Uses

North	Residential
Northwest	Arco gasoline station (across Camden Avenue)
West	Multi-tenant commercial building including a dry cleaning
	business (across Camden Avenue)
Southeast	Guadalupe Creek

SECTION 3: USER PROVIDED INFORMATION

The ASTM standard defines the User as the party seeking to use a Phase I ESA to evaluate the presence of Recognized Environmental Conditions associated with a property. For the purpose of this Phase I ESA, the User is DAL Properties, LLC. The "All Appropriate Inquiries" Final Rule (40 CFR Part 312) requires specific tasks be performed by or on behalf of the party seeking to qualify for Landowner Liability Protection under CERCLA (*i.e.*, the User).

Per the ASTM standard, if the User has information that is material to Recognized Environmental Conditions, such information should be provided to the Environmental Professional. This information includes: 1) specialized knowledge or experience of the User, 2) commonly known or reasonably ascertainable information within the local community, and 3) knowledge that the purchase price of the Site is lower than the fair market value due to contamination. A search of title records for environmental liens and activity and use limitations also is required.



3.1 ENVIRONMENTAL LIENS OR ACTIVITY AND USE LIMITATIONS

An environmental lien is a financial instrument that may be used to recover past environmental cleanup costs. Activity and use limitations (AULs) include other environmental encumbrances, such as institutional and engineering controls. Institutional controls (ICs) are legal or regulatory restrictions on a property's use, while engineering controls (ECs) are physical mechanisms that restrict property access or use.

The regulatory agency database report described in Section 4.1 did not identify the Site as being in 1) US EPA databases that list properties subject to land use restrictions (*i.e.*, engineering and institutional controls) or Federal Superfund Liens or 2) lists maintained by the California Department of Toxic Substances Control (DTSC) of properties that are subject to AULs or environmental liens where the DTSC is a lien holder.

A Preliminary Title Report by First American Title Insurance Company (dated January 30, 2020) was provided for our review. No environmental liens were listed in the title report.

3.2 SPECIALIZED KNOWLEDGE AND/OR COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION

Based on information provided by or discussions with DAL Properties, LLC, we understand that DAL Properties, LLC does not have specialized knowledge or experience, commonly known or reasonably ascertainable information regarding the Site, or other information that is material to Recognized Environmental Conditions.

SECTION 4: RECORDS REVIEW

4.1 STANDARD ENVIRONMENTAL RECORD SOURCES

Cornerstone conducted a review of federal, state and local regulatory agency databases provided by Environmental Data Resources (EDR) to evaluate the likelihood of contamination incidents at and near the Site. The database sources and the search distances are in general accordance with the requirements of ASTM E 1527-13. A list of the database sources reviewed, a description of the sources, and a radius map showing the location of reported facilities relative to the project Site are attached in Appendix B.

The purpose of the records review was to obtain reasonably available information to help identify Recognized Environmental Conditions. Accuracy and completeness of record information varies among information sources, including government sources. Record information is often inaccurate or incomplete. The Environmental Professional is not obligated to identify mistakes or insufficiencies or review every possible record that might exist with the Site. The customary practice is to review information from standard sources that is reasonably available within reasonable time and cost constraints.

4.1.1 On-Site Database Listings

The Site was not identified in the researched regulatory agency databases.



4.1.2 Adjoining Property Database Listings and Nearby Spill Incidents

Dry cleaning businesses (Park Cleaners and American Cleaners) at 5837 Camden Avenue, located across Camden Avenue to the west of the Site, were identified on several databases including a database of facilities with permits for the generation of hazardous wastes. Frederick Pavel also was listed 5837 Camden Avenue as a dry cleaning facility (1991-2008) in EDR's database of dry cleaning businesses.

An Arco gasoline station at 5755 Camden Avenue, located across Camden Avenue to the northwest of the Site, was identified as a closed case on the leaking underground storage tank (LUST) database, as well as other databases associated with the storage of hazardous materials and generation of hazardous wastes.

Based on the information presented in the agency database report, no other off-Site spill incidents were reported that appear likely to significantly impact soil, soil vapor or groundwater beneath the Site. The potential for impact was based on our interpretation of the types of incidents, the locations of the reported incidents in relation to the Site and the assumed groundwater flow direction.

4.1.3 Further Review of Database Listings

To obtain additional information regarding the Arco gasoline station LUST case at 5755 Camden Avenue, a cursory review of readily available documents obtained from the state Geotracker database (http://geotracker.waterboards.ca.gov) was performed. Geotracker is a database and geographic information system (GIS) that provides online access to environmental data. It tracks regulatory data about leaking underground storage tank (LUST), Department of Defense, Site Cleanup Program and Landfill sites.

Based on available ground water monitoring reports, petroleum hydrocarbon releases from the Arco property do not appear to have impacted the Site. The reported groundwater flow direction is towards the northeast. Groundwater depths between approximately 20 and 40 feet were typically reported. The Arco property is located cross-gradient from the Site with respect to the reported groundwater flow direction, and impacted groundwater from the Arco release does not appear to have migrated towards the Site.

4.2 ADDITIONAL ENVIRONMENTAL RECORD SOURCES

The following additional sources of readily ascertainable public information for the Site also were reviewed during this Phase I ESA.

4.2.1 City and County Agency File Review

Cornerstone requested available files pertaining to the Site at the following public agencies: the San Jose Building Department, San Jose Fire Department, and the Santa Clara County Department of Environmental Health (DEH). The DEH indicated that they have no files pertaining to the Site. Files at the San Jose Fire Department were not available at the time of this study due to City office closures associated with COVID-19. Because the Site has not been developed, it appears unlikely that the Fire Department would have information that would significantly alter the findings of this study.



Information contained in Building Department files pertained to previously proposed residential developments and required setback form the adjacent Guadalupe Creek. No information indicative of prior on-Site development was identified.

SECTION 5: PHYSICAL SETTING

We reviewed readily available geologic and hydrogeologic information to evaluate the likelihood that chemicals of concern released on a nearby property could pose a significant threat to the Site and/or its intended use.

5.1 RECENT USGS TOPOGRAPHIC MAP

A 1980 USGS 7.5 minute topographic map was reviewed to evaluate the physical setting of the Site. The Site's elevation is approximately 290 feet above mean sea level; topography in the vicinity of the Site slopes downward gently to the northeast.

5.2 HYDROGEOLOGY

Based on our information presented in the California Geotracker database pertaining to nearby properties, the shallow groundwater beneath the Site is likely present at depths of approximately 15 to 30 feet. Groundwater likely flows toward the northeast.

SECTION 6: HISTORICAL USE INFORMATION

The objective of the review of historical use information is to develop a history of the previous uses of the Site and surrounding area in order to help identify the likelihood of past uses having led to Recognized Environmental Conditions at the property. The ASTM standard requires the identification of all obvious uses of the property from the present back to the property's first developed use, or back to 1940, whichever is earlier, using reasonably ascertainable standard historical sources.

6.1 HISTORICAL SUMMARY OF SITE

The historical sources reviewed are summarized below. The results of our review of these sources are summarized in Table 4.

- Historical Aerial Photographs: We reviewed aerial photographs dated between 1939 and 2016 obtained from EDR of Shelton, Connecticut; copies of aerial photographs reviewed are presented in Appendix C.
- Historical Topographic Maps: We reviewed USGS 15-minute and 7.5-minute historical topographic maps dated 1916, 1919, 1940, 1943, 1947, 1953, 1968, 1973, 1980 and 2012; copies of historical topographic maps reviewed are presented in Appendix C.
- Historical Fire Insurance Maps: EDR reported that the Site was not within the coverage area of fire insurance maps.
- Local Street Directories: We reviewed city directories obtained from EDR that were researched at approximately 5 year intervals between 1922 and 2017 to obtain



information pertaining to past Site occupants. The Site was not identified in the researched city directories. The city directory summary is presented in Appendix D.

Table 4. Summary of Historical Source Information for Site

Date	Source	Comment
1916 to 1947	Topographic	No structures are shown on-Site.
	maps	
1939 to 1974	Aerial	The Site is shown to be occupied by orchards.
	photograph	
1953, 1968,	Topographic	The Site is shown to be occupied by orchards.
1973 and 1980	maps	
1982 to 2016	Aerial	The Site appears to be undeveloped land, similar to the
	photograph	existing conditions.

6.2 HISTORICAL SUMMARY OF SITE VICINITY

Based on our review of the information described in Section 6.1, the general Site vicinity historically consisted mainly of agricultural land (orchards and row crops) with widely spaced residences. By the 1960s, an increase in mainly residential development is apparent in the general vicinity. Further increases in nearby residential and commercial development are apparent during subsequent decades.

SECTION 7: SITE RECONNAISSANCE

We performed a Site reconnaissance to evaluate current Site conditions and to attempt to identify Site Recognized Environmental Conditions. The results of the reconnaissance are discussed below. Additional Site observations are summarized in Table 5. Photographs of the Site are presented in Section 7.2.1.

7.1 METHODOLOGY AND LIMITING CONDITIONS

To observe current Site conditions (readily observable environmental conditions indicative of a significant release of hazardous materials), Cornerstone staff Stason I. Foster, P.E. visited the Site on May 28, 2020. The Site reconnaissance was conducted by walking representative areas of the Site and the Site periphery. Cornerstone staff only observed those areas that were reasonably accessible, safe, and did not require movement of equipment, materials or other objects.

7.2 OBSERVATIONS

At the time of our visit, the Site was observed to consist of an undeveloped lot covered by low grass and weeds. Small piles (a few cubic yards) of mulch and gravel were observed to have been placed on the southern portion of the Site. No hazardous materials or evidence of prior development were observed.



Table 5. Summary of Readily Observable Site Features

General Observation	Comments
Aboveground Storage Tanks	Not Observed
Agricultural Wells	Not Observed
Air Emission Control Systems	Not Observed
Boilers	Not Observed
Burning Areas	Not Observed
Chemical Mixing Areas	Not Observed
Chemical Storage Areas	Not Observed
Clean Rooms	Not Observed
Drainage Ditches	Not Observed
Elevators	Not Observed
Emergency Generators	Not Observed
Equipment Maintenance Areas	Not Observed
Fill Placement	Not Observed
Groundwater Monitoring Wells	Not Observed
High Power Transmission Lines	Not Observed
Hoods and Ducting	Not Observed
Hydraulic Lifts	Not Observed
Incinerator	Not Observed
Petroleum Pipelines or Wells	Not Observed
Ponds or Streams	Not Observed
Railroad Lines	Not Observed
Row Crops or Orchards	Not Observed
Stockpiles of Soil or Debris	Not Observed
Sumps or Clarifiers	Not Observed
Transformers	Not Observed
Underground Storage Tanks	Not Observed
Vehicle Maintenance Areas	Not Observed
Vehicle Wash Areas	Not Observed
Wastewater Neutralization Systems	Not Observed

The comment "Not Observed" does not warrant that these features are not present on-Site; it only indicates that these features were not readily observed during the Site visit.

7.2.1 Site Photographs



Photograph 1. View of the Site looking north along Camden Avenue.



Photograph 2. View of the Site looking south.



SECTION 8: ENVIRONMENTAL QUESTIONNAIRE AND INTERVIEWS

8.1 ENVIRONMENTAL QUESTIONNAIRE / OWNER INTERVIEW

To help obtain information on current and historical Site use and use/storage of hazardous materials on-Site, we provided an environmental questionnaire for completion by the Site owner. The completed questionnaire was not returned to us as of the date of this report.

8.2 INTERVIEWS WITH PREVIOUS OWNERS AND OCCUPANTS

Contact information for previous Site owners and occupants was not provided to us. Therefore, interviews with previous Site owners and occupants could not be performed.

SECTION 9: FINDINGS, OPINIONS AND CONCLUSIONS (WITH RECOMMENDATIONS)

Cornerstone performed this Phase I ESA in general accordance with ASTM E1527-13 to support DAL Properties, LLC in evaluation of Recognized Environmental Conditions. Our findings, opinions and conclusions are summarized below.

9.1 HISTORICAL SITE USAGE

Based on the information obtained during this study, the Site was occupied by orchards until the early 1980s. Subsequently, the Site has remained as undeveloped land, similar to the existing conditions.

9.2 CHEMICAL STORAGE AND USE

No hazardous materials were observed on-Site during our visit. Additionally, the Site does not appear to have historically been occupied by businesses that are typically associated with the use or storage of hazardous materials.

9.3 AGRICULTURAL USE

The Site was used for agricultural purposes for several decades. Pesticides may have been applied to crops in the normal course of farming operations. Residual pesticide concentrations may remain in on-Site soil. If elevated concentrations of agricultural chemicals are present, mitigation or soil management measures may be required during construction/earthwork activities. We recommend performing soil sampling to evaluate if agricultural chemicals are present prior to acquiring the Site.

9.4 IMPORTED SOIL

If the planned development will require importing soil for Site grading, we recommend documenting the source and quality of imported soil. The DTSC's October 2001 Clean Fill Advisory provides useful guidance on evaluating imported fill.



9.5 POTENTIAL ENVIRONMENTAL CONCERNS WITHIN THE SITE VICINITY

Based on the information obtained during this study, no hazardous material spill incidents have been reported in the Site vicinity that would be likely to significantly impact the Site. However, as is typical to many commercial areas, some facilities in the vicinity were reported as hazardous materials users. For example, although not listed as a reported spill incident, a dry cleaners was identified at 5837 Camden Avenue, located across Camden Avenue to the west of the Site. This dry cleaning business is located up-gradient from the Site with respect to the anticipated ground water flow direction. Impacts to soil, soil vapor and groundwater quality associated with the use of dry cleaning chemicals are often identified at dry cleaning businesses. There is a potential for the Site to have been impacted if leaks or spills have occurred. If a further degree of confidence regarding soil vapor and ground water quality at the Site is desired, sampling and laboratory analyses could be performed to better evaluate existing conditions.

9.6 DATA GAPS

ASTM Standard Designation E 1527-13 requires the Environmental Professional to comment on significant data gaps that affect our ability to identify Recognized Environmental Conditions. A data gap is a lack of or inability to obtain information required by ASTM Standard Designation E 1527-13 despite good faith efforts by the Environmental Professional to gather such information. A data gap by itself is not inherently significant; it only becomes significant if it raises reasonable concerns. The following data gaps were identified:

- Contact information for the former occupants and owners of the Site was not provided to us. Thus, former occupants and owners were not interviewed during this study. Additionally, the environmental questionnaire provided for completion by the Site owner was not returned to us as of the date of this report. The general environmental setting of the Site appears to have been established based on the information reviewed from other data sources. We do not consider these data gap to be significant.
- Files at the San Jose Fire Department were not available at the time of this study due to City office closures associated with COVID-19. Because the Site has not been developed, it appears unlikely that the Fire Department would have information that would significantly alter the findings of this study. We do not consider this data gap to be significant.

9.7 DATA FAILURES

As described by ASTM Standard Designation E 1527-13, a data failure occurs when all of the standard historical sources that are reasonably ascertainable and likely to be useful have been reviewed and yet the historical research objectives have not been met. Data failures are not uncommon when attempting to identify the use of a Site at five year intervals back to the first use or to 1940 (whichever is earlier). ASTM Standard Designation E 1527-13 requires the Environmental Professional to comment on the significance of data failures and whether the data failure affects our ability to identify Recognized Environmental Conditions. A data failure by itself is not inherently significant; it only becomes significant if it raises reasonable concerns. No significant data failures were identified during this Phase I ESA.



9.8 RECOGNIZED ENVIRONMENTAL CONDITIONS

Cornerstone has performed a Phase I ESA in general conformance with the scope and limitations of ASTM E 1527-13. This assessment identified the following Recognized Environmental Conditions¹.

The Site historically was used for agricultural purposes. There is a potential that residual
pesticides could remain in Site soil. If present, this soil may require appropriate
management.

As noted in Section 9.5, a dry cleaning business was identified across Camden Avenue to the west of the Site, up-gradient with respect to the anticipated ground water flow direction. The presence of this nearby dry cleaning business does not appear to clearly meet the definition of a Recognized Environmental Condition per ASTM E 1527-13; note, however, that Cornerstone considers this finding to be a potential environmental concern. If groundwater and/or soil vapor are impacted by dry cleaning chemicals, these media may require appropriate management prior to and during Site development.

SECTION 10: LIMITATIONS

Cornerstone performed this Phase I ESA to support DAL Properties, LLC in evaluation of Recognized Environmental Conditions associated with the Site. DAL Properties, LLC understands that no Phase I ESA can wholly eliminate uncertainty regarding the potential for Recognized Environmental Conditions to be present at the Site. This Phase I ESA is intended to reduce, but not eliminate, uncertainty regarding the potential for Recognized Environmental Conditions. DAL Properties, LLC understands that the extent of information obtained is based on the reasonable limits of time and budgetary constraints.

Findings, opinions, conclusions and recommendations presented in this report are based on readily available information, conditions readily observed at the time of the Site visit, and/or information readily identified by the interviews and/or the records review process. Phase I ESAs are inherently limited because findings are developed based on information obtained from a non-intrusive Site evaluation. Cornerstone does not accept liability for deficiencies, errors, or misstatements that have resulted from inaccuracies in the publicly available information or from interviews of persons knowledgeable of Site use. In addition, publicly available information and field observations often cannot affirm the presence of Recognized Environmental Conditions; there is a possibility that such conditions exist. If a greater degree of confidence is desired, soil, groundwater, soil vapor and/or air samples should be collected by Cornerstone and analyzed by a state-certified laboratory to establish a more reliable assessment of environmental conditions.

Cornerstone acquired an environmental database of selected publicly available information for the general area of the Site. Cornerstone cannot verify the accuracy or completeness of the database report, nor is Cornerstone obligated to identify mistakes or insufficiencies in the information provided (ASTM E 1527-13, Section 8.1.3). Due to inadequate address information, the environmental database may have mapped several facilities inaccurately or could not map the facilities. Releases from these facilities, if nearby, could impact the Site.

¹ The presence or likely presence of hazardous substances or petroleum products on the Site: 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.

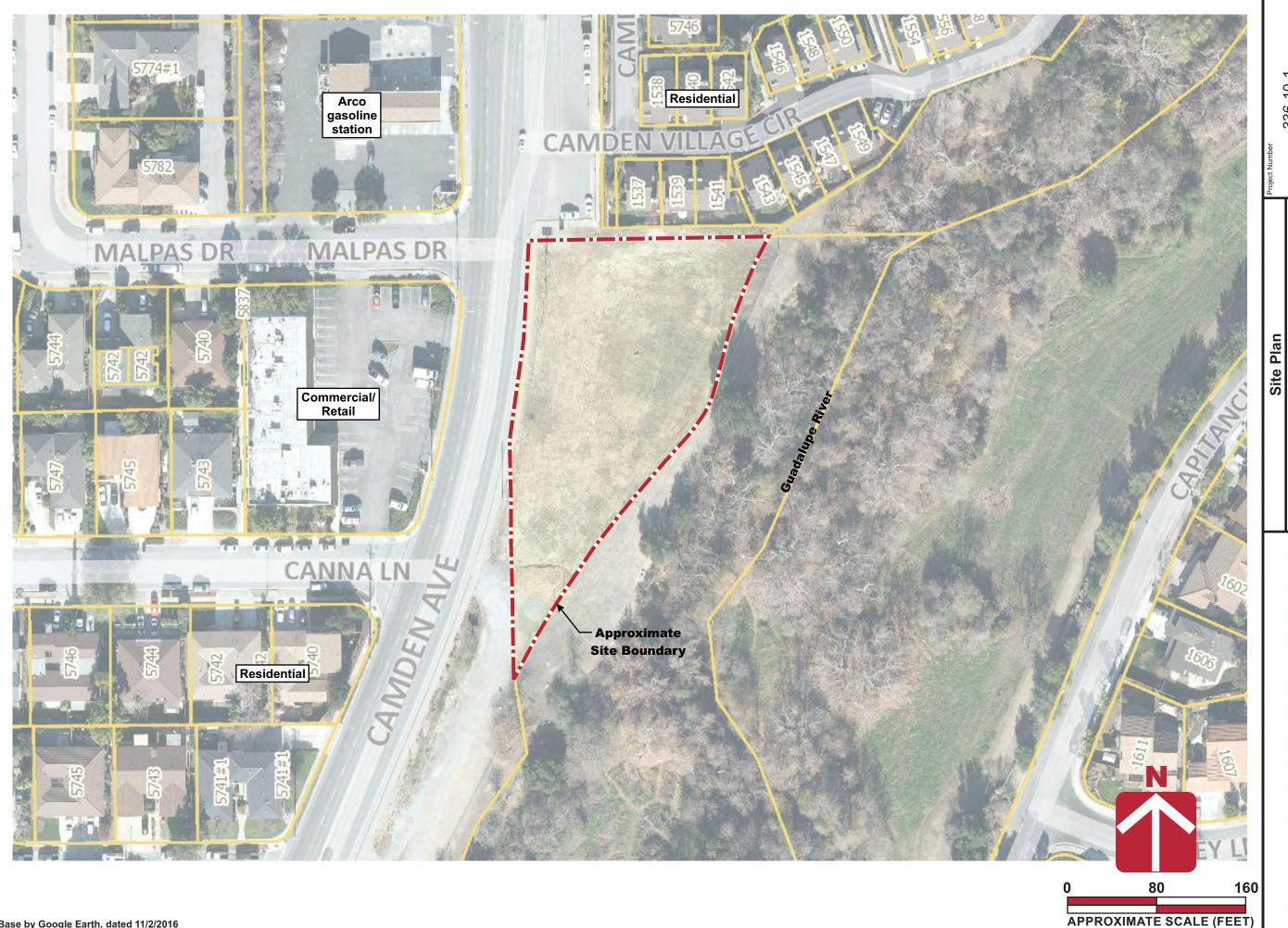


DAL Properties, LLC may have provided Cornerstone environmental documents prepared by others. DAL Properties, LLC understands that Cornerstone reviewed and relied on the information presented in these reports and cannot be responsible for their accuracy.

This report, an instrument of professional service, was prepared for the sole use of DAL Properties, LLC and may not be reproduced or distributed without written authorization from Cornerstone. It is valid for 180 days. An electronic transmission of this report may also have been issued. While Cornerstone has taken precautions to produce a complete and secure electronic transmission, please check the electronic transmission against the hard copy version for conformity.

Cornerstone makes no warranty, expressed or implied, except that our services have been performed in accordance with the environmental principles generally accepted at this time and location.





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Camden Avenue Parcel (APN 567-26-014) San Jose, CA

336-10-1

Figure 2

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APPENDIX A – TERMS AND CONDITIONS



APPENDIX B – DATABASE SEARCH REPORT



APPENDIX C - HISTORICAL AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAPS



APPENDIX D - LOCAL STREET DIRECTORY SEARCH RESULTS