CORNERSTONE EARTH GROUP

Type of Services	**Phase I Environmental Site Assessment**
Location	**APNs 220-32-057 & 220-32-058** **3017-3157 El Camino Real** **Santa Clara, California**
Client	**Bayview Development Group, Inc.**
Client Address	**60 South Market Street, Suite 450** **San Jose, California 95113**
Project Number	**958-4-1**
Date	**June 19, 2018**

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SECTION 1: INTRODUCTION

This report presents the results of the Phase I Environmental Site Assessment (ESA) performed for properties described as Santa Clara County assessor's parcel numbers 220-32-057 and 220-32-058 with street addresses of 3155 and 3017-3157 El Camino Real, in Santa Clara, California (Site) as shown on Figures 1 and 2. This work was performed for Bayview Development Group, Inc., in accordance with our April 9, 2018 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 Bayview Development Group, Inc. intends to develop the property with a commercial / industrial warehouse with asphalt parking areas and driveways. We performed this Phase I ESA to support Bayview Development Group, Inc. 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 ground water.

- 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, including the current Site operator(s).
- Preparation of a written report summarizing our findings and recommendations.

The limitations for the Phase I ESA are presented in Section 11; 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 Bayview Development Group, Inc. 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 Sarah E. Kalika, PG and Peter M. Langtry, PG, CEG 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 in part on information provided by Bayview Development Group, Inc.

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Table 1. Location and Ownership

Assessor's Parcel No. (APN)	220-32-057	220-32-058
Reported Address/Location **(previous address prior to 1997 annexation into the City of Tracy)**	3075, 3077, 3081, 3083, 3085, 3087, 3091, 3095, 3097, 3099, 3105 (Suites 201, 202, 204, 206, 208), 3109, 3141, 3145, 3149, 3151, 3153, 3157	3155 El Camino Real
Owner	Bowers Plaza GP	
Approximate Lot Size	106,000 square feet	
Approximate Bldg. Size	Building A - retail / food (3145-3157): 7,200 square feet Building B - retail / office / food (3095-3109): 11,100 square feet Building C - retail / food (3077-3087): 4,000 square feet Building D - restaurant (3075): 1,848 square feet Car Wash & Auto Repair (3155): 2,176 square feet	
Construction Date	1969-1973	

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	Commercial shopping center
Proposed Use	Redevelopment for residential / mixed - use

2.3 SITE SETTING AND ADJOINING SITE USE

Land use in the general Site vicinity appears to be primarily commercial along El Camino Real with single family residential to the north. Based on our Site vicinity reconnaissance, adjoining Site uses are summarized below in Table 3.

Table 3. Adjoining Site Uses

North	Single family residential
South	El Camino Real, commercial shopping center
East	Commercial shopping center
West	Calabazas Blvd, commercial shopping center

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 Bayview Development Group, Inc. 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 liability (*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.

Based on our conversations with Ms. Marisa Han of Bayview Development Group, Inc., Bayview Development Group, Inc. is not aware of past uses for the site, nor do they possess knowledge pertaining to contamination as related to the purchase price of the Site.

3.1 CHAIN OF TITLE

A chain-of-title was not provided for our review.

3.2 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.

ASTM E 1527-13 categorizes the requirement to conduct a search for Environmental Liens and AULs as a User responsibility. A search of land title records for environmental liens and AULs was not within the scope of the current Phase I ESA.

A Preliminary Title Report by First American Title Insurance Company (dated May 16, 2018) was provided for our review (Appendix E). No environmental liens or records of ownership (including leases) indicative of significant hazardous materials use associated with the Site were listed in the title report.

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

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

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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 is to obtain reasonably available information that will 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 identified on the following regulatory agency databases searched by EDR.

3109 El Camino Real (Lightning Press) was listed on the CUPA and HAZNET databases for the generation of photochemical / photo processing waste and metal sludge. The most recent information is dated 2004. No spills or leaks were reported for this address.

3155 El Camino Real (Mobil Service Station / US Auto Repair / Track Auto Service) was listed on the RGA LUST, CUPA, LUST, HIST UST, ENF, HAZNET, WDS, HIST LUST, SWEEPS UST, EMI, EDR Hist Auto, FINDS, and CA FID UST databases. Selected information for the former service station is summarized in Section 4.2.2.

4.1.2 Adjoining Property Database Listings and Nearby Spill Incidents

Based on the information presented in the agency database report, no off-Site spill incidents were reported that appear likely to significantly impact soil, soil vapor or ground water 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 ground water flow direction.

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, County, and State Agency File Review

Cornerstone requested available files pertaining to APNs 220-32-058 and 220-32-057 at the following public agencies: City of Santa Clara Building Department (CSCBD) and Santa Clara

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County Department of Environmental Health (DEH). The City of Santa Clara Fire Department was not contacted because permitting of USTs, borings, well installations, and investigations of spills and cleanups are directed by DEH. The information reviewed is summarized in Table 4; selected documents are provided in Appendix F.

CSCBD reported records pertaining to various tenant improvements, renovations for different businesses, sign permits, plumbing work, installation of gas lines for food service / kitchen stove, and restroom renovations. Typical tenants since 1969 included Mobil gasoline service station, Taco Bell restaurant, ice cream shop, dress shop, copy shop, skin care / beauty salon, water filtration store, florist, meat market, sandwich shop, grocery store, bakery, restaurants, and a bar.

In 1993, a permit was granted for the installation of a ground water remediation plant.
In 1969, a permit was granted for the construction of a Mobil Oil Station and automotive service station. In 1997, a permit for a sanitary trench, sump / ejector, and car wash office was granted on the gas station parcel.

No other records were reported pertaining to hazardous materials use or facilities. A copy of the permit summary for both parcels is included in Appendix F.

DEH records consisted of reports and correspondence related to the leaking underground fuel tank case at the former Mobil service station on-Site. DEH records were consistent with the documents obtained from the Geotracker database website. A selection of DEH records pertaining to the case closure and residual hydrocarbons, fuel oxygenates, and metals that remain within soil, soil vapor, and ground water are provided in Appendix F.

Table 4. File Review Information

Agency Name	Date	Address	Occupant	Remarks
DEH	2016	3155 El Camino Real	Bowers Plaza GP	Fuel Leak Investigation Case Closure at Former Mobil Service Station

Cornerstone also reviewed readily obtained information from the State's Geotracker (http://geotracker.waterboards.ca.gov) and Envirostor (http://www.envirostor.dtsc.ca.gov) databases to determine if the Site or adjacent properties were listed. The former Mobil closed LUFT case on-Site was listed on Geotracker and Envirostor. Several nearby properties were listed on Geotracker and Envirostor, however, no off-Site spill incidents were reported that appear likely to significantly impact soil, soil vapor or ground water beneath the Site.

4.2.2 Closed Fuel Leak Case – 3155 El Camino Real

Based on information obtained from DEH and the Geotracker database, the former Mobil Service Station operated on-Site from approximately 1970 until 1989. This portion of the Site is currently occupied by an auto repair garage and car wash. An approximately 10,000-gallon unleaded gasoline UST and approximately 8,000-gallon regular gasoline UST were installed in 1970. In 1972, an approximately 6,000-gallon fuel UST and 280-gallon used oil UST were installed. In November 1984, a reported loss of 1,400-gallons of gasoline prompted a pressure test of the USTs and delivery system. In December of 1984, the existing USTs were removed

and replaced with one 10,000-gallon product UST, two 8,000-gallon product USTs, and one 550-gallon used oil UST. In 1989, the station was closed and USTs and piping were removed.

From 1985 through 2014, site assessment and remediation consisting of soil borings, monitoring wells, groundwater extraction and treatment system, vapor extraction system, injection of oxygen reducing compound, and air sparge / dual phase extraction high intensity targeting system reportedly processed approximately 16,800,000 gallons of ground water and removed approximately 2,900 pounds of hydrocarbons.

The LUFT case was closed in 2016 under the State Water Resources Control Board's Low-Threat Underground Storage Tank Closure Policy, with remaining petroleum hydrocarbons in ground water, soil, and soil vapor expected to naturally attenuate over time.

Residual concentrations of petroleum hydrocarbons in soil, following remediation efforts, were not reported.

Maximum soil concentrations (based on data analyzed in 1984-2004) consist of:

- Total Petroleum Hydrocarbons (TPH) as gasoline (TPHg): 3,200 parts per million (ppm, or milligrams per kilogram [mg/kg]) – data from borehole E-27 at 30 feet, analyzed in 1992
- TPH as diesel: Not detected above laboratory reporting limit
- Benzene: 23 ppm – data from borehole E-27 at 30 feet, analyzed in 1992
- Toluene: 94 ppm – data from borehole E-27 at 30 feet, analyzed in 1992
- Ethylbenzene: 67 ppm - data from borehole E-27 at 30 feet, analyzed in 1992
- Xylene: 310 ppm - data from borehole E-27 at 30 feet, analyzed in 1992
- Methyl tert-butyl ether (MTBE): Not analyzed
- Tert-butyl alcohol (TBA): Not analyzed
- Oil and grease: 1,040 – data from borehole W-7 at 8.5 feet, analyzed in 1989
- Heavy metals: Chromium 58 ppm – data from borehole E-8 at 20 feet, analyzed in 1990

According to the Case Closure Summary Report (County of Santa Clara, 2016), remaining soil concentrations may be lower due to remediation efforts and natural attenuation.

Residual ground water concentrations (as reported in 2016, based on data collected in 2015) consist of:

- TPHg: 18,000 parts per billion (ppb, or micrograms per liter [µg/L])
- Benzene: 640 ppb
- Toluene: 38 ppb
- Ethylbenzene: 960 ppb
- Xylene: 400 ppb
- Methyl tert-butyl ether (MTBE): Not detected above laboratory reporting limit
- Tert-butyl alcohol (TBA): 9.2 ppb

The approximate distribution of TPHg detected in ground water during the January 2015 monitoring event is shown on Figure 3.

Residual soil vapor concentrations (as reported in 2016, based on data collected in 2004) consist of:

- TPHg: Not detected above laboratory reporting limit
- Benzene: 1.1 micrograms per cubic meter (µg/m^3)
- Toluene: 18 µg/m^3
- Ethylbenzene: 5.9 µg/m^3
- Xylene: 28 µg/m^3
- MTBE: Not detected above laboratory reporting limit
- TBA: Not detected above laboratory reporting limit

The approximate depth to groundwater, as measured in 2015, is 1.5 to 41.5 feet and reportedly flows toward the northeast.

The closure letter indicates that residual contamination in both soil and ground water that remains on-Site could pose an unacceptable risk to development activities including site grading, excavation, or the installation of water wells. The closure letter additionally states that the Santa Clara County Department of Environmental Health and the City of Santa Clara Planning Department request notification of any changes in land use or if proposed excavation or site grading is planned, and additionally request that residual contamination be assessed to ensure that no significant impact to human health, safety, or the environment occurs (County of Santa Clara, 2016).

A copy of the Case Closure Summary Report is included in Appendix F.

4.2.3 Radon

Elevated levels of radon in indoor air are a result of radon moving into buildings from the soil, either by diffusion or flow due to air pressure differences. The ultimate source of radon is the uranium that is naturally present in rock, soil, and water. Some types of rocks are known to have uranium concentrations greater than others and, consequently, there is an increased chance of elevated radon concentrations in soils and weathered bedrock where they are located. Areas down-slope which received sediments and/or surface and ground water from rock units with above average uranium content also have an increased likelihood of elevated radon concentrations in soil gas. In California, bedrock that can contain above average uranium concentrations includes the Monterey formation, asphaltic rocks, marine phosphatic rocks, granitic rocks, felsic volcanic rocks, and certain metamorphic rocks.

The federal EPA has established an action level of 4 pCi/L, above which the EPA recommends taking action to reduce radon levels in structures. To help local, state, and federal agencies prioritize resources and implement radon-control building codes, the EPA published maps of radon hazards for each county in California (www.epa.gov/radon/zonemap/california.htm).

The Site is located in Santa Clara County, which is designated by the EPA as Zone 2 with a moderate potential (>=2 pCi/L and <=4 pCi/L). It is important to note that EPA has identified structures with elevated levels of radon in all three zones, and the EPA recommends Site-specific testing in order to determine radon testing at a specific location.

Based on information present in the regulatory agency database report, radon screening results in the Site vicinity (zip code 95051) are summarized in Table 5.

Table 5. Reported Radon Screening Test Results

Agency	Number of Tests	Zip Code	Results (pCi/l)
State	42	95051	0 results >4 pCi/L
Federal	20	95051	Average Activity: 1.613 pCi/L, measured within the first floor living area

4.2.4 Division of Oil, Gas and Geothermal Resources Maps

To evaluate the presence of oil or gas wells on-Site and in the immediate Site vicinity, maps available on-line at the California Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) (http://www.consrv.ca.gov/dog) were reviewed. No wells were reported on-Site or within the Site vicinity within the maps reviewed.

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 87 feet above mean sea level; topography in the vicinity of the Site slopes downward gently to the northeast.

5.2 HYDROGEOLOGY

According to the case closure letter for the former Mobil service station on-Site, the depth to ground water, as measured within ground water monitoring wells, screened at differing intervals, ranged from 1.5 to 41.5 feet. The ground water flow was reported to be 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 6.

- **Historical Aerial Photographs:** We reviewed aerial photographs dated between 1939 and 2016 obtained from EDR of Milford, Connecticut; copies of aerial photographs reviewed are presented in Appendix C.

- **Historical Topographic Maps:** We reviewed USGS 15-minute and 7.5-minute historic topographic maps 1889, 1897, 1899, 1953, 1961, 1968, 1973, 1980 / 1981, and 2012; copies of historic 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 2014 to obtain information pertaining to past Site occupants. The city directory summary is presented in Appendix D.

Table 6. Summary of Historical Source Information for Site

Date	Source	Comment
1889, 1897, 1899	Topographic Map	Site appears to be undeveloped.
1939, 1948, 1950, 1956	Aerial Photographs	Northern half of Site is occupied by an orchard. The southern half of the Site appears to be vacant land.
1953	Topographic Map	Site is depicted as an orchard, one structure depicted along the southern or southeastern portion of the Site, or just off-Site to the east.
1961	Topographic Map	Site is depicted as within a developed area, no specific structures depicted.
1963	Aerial Photograph	The Site is mostly undeveloped. Three billboards are observed along the southern portion of the Site, near El Camino Real. A small structure with four parked vehicles is observed in the southeastern corner of the Site.
1968	Aerial Photograph	The Site appears to be undeveloped. A sidewalk is observed along the western boundary and southwest corner. A long vehicle (possible semi-truck) or mobile trailer is observed in the southeast corner.
1968, 1973	Topographic Maps	Site is depicted as within a developed area, no specific structures depicted.
1974	Aerial Photograph	The Site is developed with a commercial shopping center consisting of three buildings along the north and eastern portions of the property, an additional building in the southeast corner, and two structures in the southwestern portion of the Site, as are present in 2018. The remainder of the Site is paved with asphalt driveways and parking. Limited vegetation / landscape areas are observed along portions of the western boundary, southwest corner, and southern boundary.
1980	Topographic Map	Site is depicted as within a developed area, no specific structures depicted.
1982, 1993	Aerial Photographs	Photo quality is very poor. Site appears similar to photo from 1974.
1998	Aerial Photograph	Site appears similar to photo from 1974.
2006	Aerial Photograph	Awning or light-colored paved area observed on east side of existing service station structure.

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Date	Source	Comment
2012	Topographic Map	Site is depicted as within a developed area, no specific structures depicted.
2009, 2012, 2016	Aerial Photographs	Site appears similar to photo from 1974.

Summary of City Directory Listings by address:

- 3155 El Camino Real: Mobil Station until ~1985; Auto repair 2010, 2014

- 3075: Various restaurants 1970 - 2014
- 3077: Ice cream 1985 - 2001
- 3081: Plant Place 1975; Hair salon 1985 - 1991
- 3083: Retail shop 1985; Travel agency 1991 - 2001
- 3085: Retail 1985; Travel agency 1996, Retail 1991 - 2001
- 3091: Print Shop in 1985
- 3095: Insurance office 1975-1991, 2001; clothing store 2010, 2014
- 3097: No listings
- 3099: Bookstore 1980; Restaurant 1985 - 2014
- 3105: Various offices 1980 - 2014; Water purification store 2010 - 2014
- 3109: TypeFace in 1985 - 2001; Retail 2010 - 2014
- 3141: Vacant in 1970, 1974; John Bowers in 2001
- 3145: Travel agency 1975-2010; Restaurant 1991 - 2014
- 3149: Liquor store since 1970
- 3151: Import clothing store 1974; Temp employment agency 1975; Catering / Deli 1985; Hair salon in 1996 - 2014
- 3153: Retail 1985 - 1991
- 3157: Retail, State Division of Hwys Field Construction office 1974; Art gallery 1975; Doctor office 1985 - 1991; Precision Printing in 1996 - 2001; Bakery / Bluefire Digital 2010; Bakery 2014

6.2 HISTORICAL SUMMARY OF SITE VICINITY

Based on our review of the information described in Section 6.1, the general Site vicinity appears to have historically consisted mainly of rural properties consisting of orchards from at least the 1930's. Single-family development began in 1950 and continued through the 1960's and 1970's with primarily commercial development along the north and south sides of El Camino Real.

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 7 in Section 7.2. 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 Sarah E. Kalika visited the Site on

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June 5, 2018 and was accompanied by Mr. Nick Adamson, representative of the property management company. The Site reconnaissance was conducted by walking representative areas of the Site, including the Site periphery. Cornerstone staff only observed those areas that were reasonably accessible, safe, and did not require movement of debris or other objects.

Observation of on-Site soil was limited by the presence of a developed shopping center and asphalt pavement.

Cornerstone was unable to access the interior of one tenant space (restaurant and ice cream store), located on the southern end of the eastern shopping center structure. Cornerstone assumes that the tenant space and kitchen is similar to other restaurants in the shopping center.

7.2 OBSERVATIONS

At the time of our Site visit, the Site was developed with a commercial shopping center with three separate structures (two single story, one with second floor offices), auto service garage, car wash, and additional detached restaurant structure. The remainder of the Site was covered with asphalt pavement driveways and parking.

Occupants of the shopping center portion of the northern and eastern sides of the Site included a bakery, liquor store, water purification business, beauty shop, market with butcher shop, retail clothing store, several restaurants, one bar / restaurant, and second floor offices. An additional detached restaurant structure occupies the southeast corner of the Site. An automobile service business and car wash business occupy the southwest corner of the Site.

Pad-mounted transformers and interior dry-type transformers were observed on-Site.

At least three subsurface cooking oil sumps were observed along the northern side of the shopping center structures. Several additional above-ground cooking oil disposal containers were observed near on-Site restaurants.

A concrete-curbed exterior drain, fed by a pipe connected to the rear of one of the food market tenant spaces, was observed along the eastern side of the shopping center structure. This drain is reportedly used to drain a washing machine within the tenant unit.

The automobile service station was observed to have one above-ground vehicle lift and one in-ground hydraulic lift, though mechanisms for each lift were obscured by the presence of vehicles. 55-gallon drums of waste oil, oil filters, and vehicle fluids were observed within the auto service area and within a fenced storage area adjacent to the east. Vehicle-related wastes, including automobile batteries and tires were additionally observed.

The Site is bordered by single-family residential to the north, Calabazas Boulevard and a concrete lined channel to the west with commercial shopping center beyond, El Camino Real to the south with commercial shopping center beyond, and a commercial used automobile dealership to the east.

Table 7. Summary of Readily Observable Site Features

General Observation	Comments
Aboveground Storage Tanks	Dumpster-sized storage containers for cooking oil were observed, as described above and documented within photos.
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	55-gallon drums of waste oil, oil filters, automotive fluids were observed within the space occupied by the automobile service tenant. Additional household quantities of household and commercial-grade cleaning chemicals, paints, and maintenance supplies were observed within several of the tenant spaces and property management maintenance storage areas.
Clean Rooms	Not Observed
Drainage Ditches	Not Observed
Elevators	Not Observed
Emergency Generators	Not Observed
Equipment Maintenance Areas	Motor vehicle service business in southwest corner of Site.
Fill Placement	Not Observed
Ground Water Monitoring Wells	Not Observed (previously present, reportedly removed prior to case closure in 2016)
High Power Transmission Lines	Not Observed
Hoods and Ducting	Local exhaust hoods observed above cooking areas within tenant spaces occupied by restaurants and food preparation spaces.
Hydraulic Lifts	At least one hydraulic lift, possibly two within automobile service tenant space.
Incinerator	Not Observed
Petroleum Pipelines	Not Observed
Petroleum 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	Cooking oil sumps reportedly present along northern side of shopping center structure.
Transformers	Pad-mounted and dry-type transformers, as described above.
Underground Storage Tanks	Not Observed
Vehicle Maintenance Areas	Minor vehicle and equipment maintenance assumed near garages and shop.
Vehicle Wash Areas	On-Site commercial car wash facility in southwest corner.
Wastewater Neutralization Systems	Not Observed, but possibly present in vicinity of car wash.

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 looking northeast across parking lot toward two of the shopping center structures.

Photograph 2. View looking east across southern portion of Site, toward restaurant structure.

Photograph 3. View looking east across northern boundary of Site.

Photograph 4. View looking south along western boundary.

Photograph 5. Electrical room in northwest corner of shopping center structure.

Photograph 6. Electrical switchboard, dated 1969.

Photograph 7. Interior of bakery tenant unit.

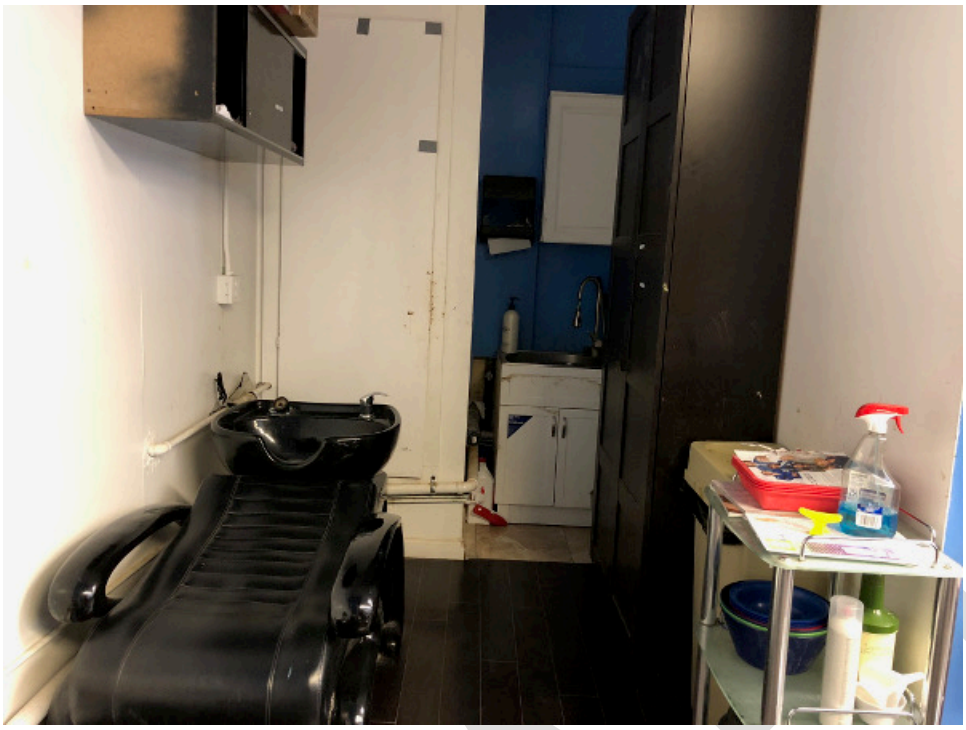
Photograph 8. Portion of kitchen within bakery tenant unit.

Photograph 9. Additional view of kitchen within bakery tenant unit.

Photograph 10. Purified water dispensing equipment within tenant unit.

Photograph 11. Water purification system within tenant unit.

Photograph 12. Beauty salon tenant unit.



Photograph 13. Sink and restroom area of beauty salon.

Photograph 14. Convenience store tenant unit.

Photograph 15. Cleaning supplies, sink, and door to walk-in cooler unit within convenience store.

Photograph 16. Floor drain within convenience store unit.

Photograph 17. Exterior of bar / restaurant tenant unit.

Photograph 18. Bar and serving area of bar / restaurant.

Photograph 19. Cleaning / custodial area of bar / restaurant unit.

Photograph 20. Kitchen area within bar / restaurant.

Photograph 21. Three (labeled empty) 55-gallon drums and renovation-related construction materials along north side of bar / restaurant.

Photograph 22. Breezeway between the two structures on the north side of the Site.

Photograph 23. Interior of market / butcher shop.

Photograph 24. Butcher shop area of market.

Photograph 25. Alternate view of market showing refrigerated display cases.

Photograph 26. Ground floor entry to second floor offices.

Photograph 27. Lobby area with restrooms and stairway (not pictured) to second floor offices.

Photograph 28. Janitorial closet within ground floor of office lobby.

Photograph 29. Additional view of cleaning chemicals and supplies within ground floor office lobby custodial closet.

Photograph 30. Typical restroom within ground-floor office lobby.

Photograph 31. Second floor hallway to individual office spaces.

Photograph 32. Typical office unit entry.

Photograph 33. Typical office interior.

Photograph 34. Entry to another restaurant tenant unit.

Photograph 35. Kitchen area.

Photograph 36. Kitchen area with cleaning supplies near rear door.

Photograph 37. Closer view of cleaning supplies and drain on north side of structure.

Photograph 38. Typical dining area within restaurant unit.

Photograph 39. Interior of storage space occupied by clothing store in shopping center structure to the south of the breezeway.

Photograph 40. Dry goods storage within tenant space of structure along east side of Site (separated by breezeway).

Photograph 41. Additional market space in separate structure of shopping center.

Photograph 42. Washer & dryer, ice machine and sink within rear of additional market tenant space. Washer and dryer reportedly drains to an exterior containment.

Photograph 43. Exterior containment and drain, reportedly serving the washer and dryer shown in photo 41.

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Photograph 44. Additional market storage space.

Photograph 45. Exterior view of clothing store tenant space.

Photograph 46. Interior of clothing store tenant space.

Photograph 47. Office and sink area within clothing store.

Photograph 48. Exterior of additional restaurant and ice cream shop (unable to enter interior, closed for renovations).

Photograph 49. Apparent damage to roof at southeast corner of shopping center structure.

Photograph 50. View looking north along eastern side of shopping center structure. Chain-link fence is apparent property line.

Photograph 51. Electrical and water heater property management space, also storage location of paints and maintenance supplies, located along eastern side of shopping center structure.

Photograph 52. Additional view of paint and property maintenance supplies.

Photograph 53. Cooking oil disposal container, located along northern boundary of Site.

Photograph 54. View looking west along northern boundary of Site.

Photograph 55. View looking south at trash enclosure and cooking oil disposal between shopping center structure and detached restaurant in southeast corner of Site.

Photograph 56. View looking north at entry to detached restaurant structure in southeast corner of Site.

Photograph 57. Interior dining area of restaurant.

Photograph 58. Cleaning chemical dispensing unit within restaurant.

Photograph 59. Kitchen of restaurant.

Photograph 60. View looking southeast across automobile service business and car wash (former Mobil service station).

Photograph 61. View looking southwest at car wash awning.

Photograph 62. View looking east at automobile service structure.

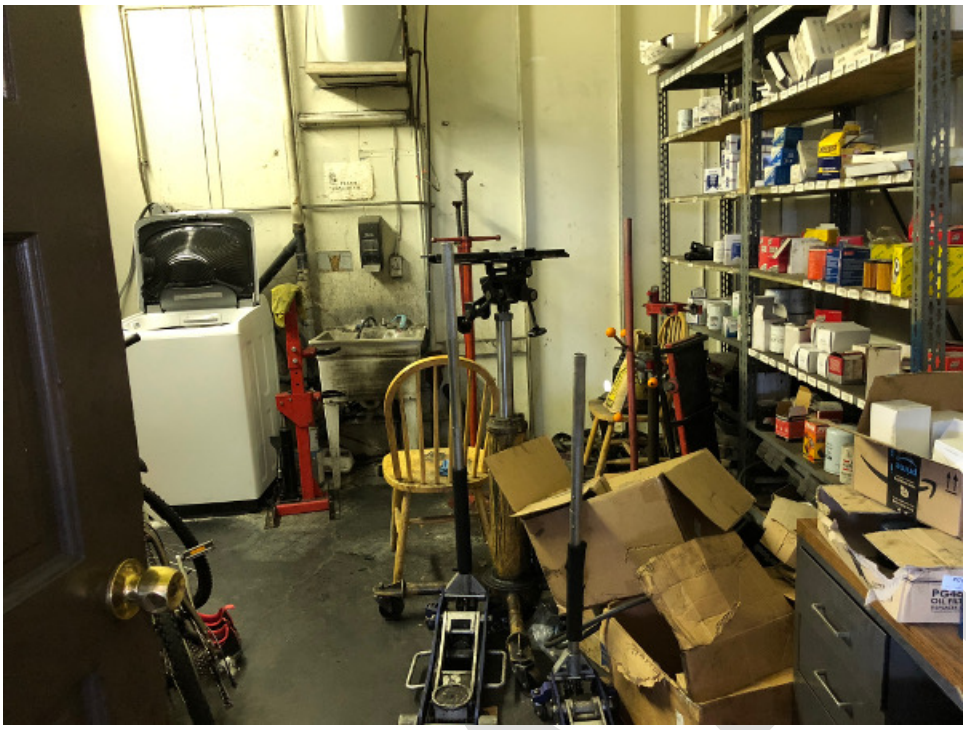
Photograph 63. Interior of western portion of service bay.

Photograph 64. View looking northeast at eastern service bay.

Photograph 65. Waste oil container with tools and service-center related fluids and debris along wall.

Photograph 66. Sanding / brake service machinery in northeast corner of structure.

Photograph 67. Used oil filters and 55-gallon drums along northern wall.



Photograph 68. Storage room with washer and dryer in northwest corner of automobile service structure.

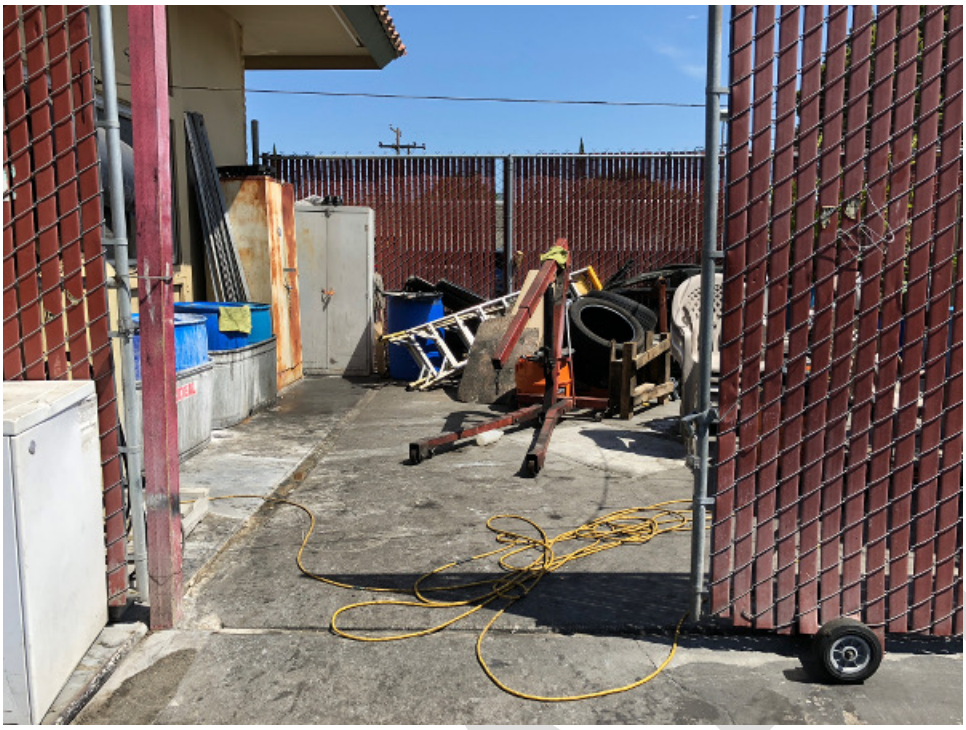
Photograph 69. Additional view of washer, dryer, and water heater equipment in northwest corner of automobile service structure.

Photograph 70. Canister of Freon, containers of transmission oil.

Photograph 71. Vehicle lift system, apparent hydraulic lift.

Photograph 72. Additional lift system.

Photograph 73. Drum storage, debris storage area along eastern exterior of automobile service structure.



Photograph 74. Additional storage area with empty flammables cabinets, tire storage, and various equipment.

Photograph 75. Additional view of storage area, drums containing liquids, compressor.

Photograph 76. Additional view of storage area.

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Photograph 77. 55-gallon drum labeled oil & gasoline filters within storage area.

Photograph 78. Reported former location of ground water treatment system on-Site, located southeast of automobile service structure within fenced area.

Photograph 79. Car wash related equipment alongside fenced area and car wash office.

SECTION 8: ENVIRONMENTAL QUESTIONNAIRE AND INTERVIEWS

8.1 ENVIRONMENTAL QUESTIONNAIRE / OWNER INTERVIEW

Cornerstone interviewed Mr. Nick Adamson, representative of the property management company, during the Site visit. Mr. Adamson additionally completed an interview questionnaire.

Mr. Adamson stated that the property was developed as a shopping center in 1969. He reported that US Auto (the automobile service tenant) operates in the former Mobil service station structure on-Site and the current tenant does not have any underground storage tanks; however, the tenant stores solvents and automobile lubricants. He reported that the former Mobil service station previously stored large quantities of petroleum on-Site. He reported that to his knowledge, the only previous release at the Site was pertaining to the former Mobil station and that the leak investigation for the former Mobil service station was closed within the past few years. He reported that all of the documents pertaining to the Mobil service station are located on the Geotracker website, operated by the Water Board.

Mr. Adamson additionally stated that the various restaurants use cooking oil disposal dumpsters that are emptied periodically when full. He also mentioned the presence of several underground cooking oil vaults along the northern side of the shopping center structures.

He stated during the Site visit that the exterior concrete containment with drain is used for the washing machine located inside the market tenant storage space.

Mr. Adamson stated that he provided answers to the best of his knowledge on the interview questionnaire form.

8.2 INTERVIEWS WITH PERSON(S) KNOWLEDGEABLE OF SITE USE

Contact information for persons knowledgeable of prior site uses was not provided to us prior to or at the Site visit.

8.3 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 to ASTM E1527-13 to support Bayview Development Group, Inc. 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 appears to have been developed with an orchard from at least 1939 until the commercial shopping center and gasoline service station was developed in the late 1960's. El Camino Real appears to have existed since at least 1889.

9.2 CHEMICAL STORAGE AND USE

Existing Tenants

Hazardous materials, including waste oil, oil filters, tires, automotive fluids, Freon gas, lubricants, and 55-gallon drums were observed during our Site visit within the former Mobil service station space, now operated by US Auto, who performs automobile service. Surface staining typical of automobile repair businesses was observed on concrete and asphalt within the service center space and surrounding asphalt pavement and storage areas. No exposed soil was observed in these areas.

Additional staining was observed on asphalt and concrete pads in the car wash equipment area.

Minor quantities of household and commercial-grade cleaners, paints, and cooking oils were observed within the various tenant spaces and maintenance storage areas.

No additional spills or leaks were noted around the hazardous materials observed. We recommend requiring the property owner and tenants to remove all hazardous materials for proper disposal prior to purchasing the Site.

Past Occupants

Past occupants of the Site included the Mobil service station, which operated on-Site from approximately 1969 until 1989 in the southwest corner of the Site and a printing business, which operated on-Site from approximately 1985 until 2001 in unit 3109 El Camino Real.

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The printing business reportedly generated approximately 0.06 to 0.12 tons of photo-processing waste per year, which was disposed at an off-Site recycler. No spills or leaks were reported for the printing business.

The southwestern corner of the Site was previously occupied by a Mobil service station from 1969 until 1989. Significant quantities of petroleum hydrocarbons were released into the soil, ground water, and impacted soil vapor in the former service station area, and petroleum hydrocarbon contaminated ground water reportedly migrated north of the north property boundary, into the residential neighborhood adjacent to the north and northeast. According to the DEH, the case was closed under the low-risk closure protocol based on residual concentrations of remaining petroleum hydrocarbons and current Site use.

Due to the presence of remaining petroleum hydrocarbons within soil, ground water, and soil vapor, DEH noted within the closure letter that residual contamination in both soil and ground water that remains on-Site could pose an unacceptable risk to development activities including site grading, excavation, or the installation of water wells. The Santa Clara County Department of Environmental Health and the City of Santa Clara Planning Department request notification if any changes in land use or proposed excavation or site grading is planned and additionally request that residual contamination be assessed to ensure that no significant impact to human health, safety, or the environment occurs (County of Santa Clara, 2016). We recommend collecting and analyzing soil vapor samples to evaluate whether the concentrations of gasoline range hydrocarbons detected in soil and ground water present a significant vapor intrusion risk.

9.3 AGRICULTURAL USE

An orchard was observed on the northeast portion of the Site on aerial photographs from 1937 through 1956. We recommend collecting near-surface soil samples and analyzing for pesticides and pesticide-related metals to help evaluate whether prior agricultural activities have impacted soil quality.

9.4 POTENTIAL ENVIRONMENTAL CONCERNS WITHIN THE SITE VICINITY

No hazardous materials incidents were reported in the Site vicinity that appear likely to significantly impact ground water quality beneath the Site.

9.5 IMPORTED SOIL

If planned development or property improvements will require importing soil, 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.

9.6 ASBESTOS CONTAINING BUILDING MATERIALS (ACBMS)

Due to the age of the on-Site structures, building materials may contain asbestos, including subsurface asbestos-cement pipe. If demolition or renovations of the buildings are planned, an asbestos survey is required by local authorities and/or National Emissions Standards for Hazardous Air Pollutants (NESHAP) guidelines. NESHAP guidelines require the removal of potentially friable ACBMs prior to building demolition or renovation that may disturb the ACBM.

9.7 LEAD-BASED PAINT

The Consumer Product Safety Commission banned the use of lead as an additive in paint on toys and furniture in 1978. Based on the age of the buildings, lead-based paint may be present. If demolition is planned, the removal of lead-based paint isn't required if it is bonded to the building materials. However, if the lead-based paint is flaking, peeling, or blistering, it should be removed prior to demolition. In either case, applicable OSHA regulations must be followed; these include requirements for worker training, air monitoring and dust control, among others. Any debris or soil containing lead must be disposed appropriately.

9.8 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 owners of the Site were not provided to us. Thus, former occupants and owners were not interviewed during this study. 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 this data gap to be significant.

9.9 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 data failures were identified.

9.10 RECOGNIZED ENVIRONMENTAL CONDITIONS

Cornerstone has performed a Phase I ESA in general conformance with the scope and limitations of ASTM E 1527-13 of Santa Clara County assessor's parcel numbers 220-32-057 and 220-32-058 on El Camino Real in Santa Clara, California.

This assessment did not identify Recognized[1] Environmental Conditions.

[1] The presence or likely presence of hazardous substances or petroleum products on the Site: 1) due to significant release to the environment; 2) under conditions indicative of a significant release to the environment; or 3) under conditions that pose a material threat of a future significant release to the environment.

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This assessment identified the following Controlled[2] Recognized Environmental Condition:

- Closed leaking underground fuel tank case that impacted soil, ground water, and soil vapor at the Site. Due to the presence of remaining petroleum hydrocarbons within soil, ground water, and soil vapor, DEH noted within the closure letter that residual contamination in both soil and ground water that remains on-Site could pose an unacceptable risk to development activities including site grading, excavation, or the installation of water wells. The Santa Clara County Department of Environmental Health and the City of Santa Clara Planning Department request notification if any changes in land use or proposed excavation or site grading is planned and additionally request that residual contamination be assessed to ensure that no significant impact to human health, safety, or the environment occurs (County of Santa Clara, 2016).

This assessment did not identify Historical[3] Recognized Environmental Conditions; however, please read the entire report for an overview of the Site.

SECTION 10: LIMITATIONS

Cornerstone performed this Phase I ESA to support Bayview Development Group, Inc. in evaluation of Recognized Environmental Conditions associated with the Site. Bayview Development Group, Inc. 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. Bayview Development Group, Inc. 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, ground water, 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,

[2] A Recognized Environmental Condition that has been addressed to the satisfaction of the applicable regulatory agency with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls or restrictions.

[3] A past Recognized Environmental Condition has been addressed to the satisfaction of the applicable regulatory agency or meeting of unrestricted use criteria established by the applicable regulatory agency without subjecting the Site to required controls or restrictions.

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.

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

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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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Vicinity Map

3141-3157 El Camino Real
Santa Clara, CA

Project Number	958-4-1
Figure Number	Figure 1
Date	June 2018
Drawn By	RRN

Shopping Center

Shopping Center with second story offices

Breezeway

Shopping Center

Approximate location of concrete contained drain

Reported former location of ground water treatment facility

Automobile service tenant

Garage and cooking oil enclosures

Former Mobil station

Car Wash

Car wash office

Restaurant

Calabazas Boulevard

Calabazas Creek

Approximate Site Boundary

El Camino Real

N

0 50 100

APPROXIMATE SCALE (FEET)

Base by Google Earth, dated 4/15/2017

Site Plan

3141-3157 El Camino Real
Santa Clara, CA

Project Number	Figure Number	Date	Drawn By
958-4-1	Figure 2	June 2018	RRN

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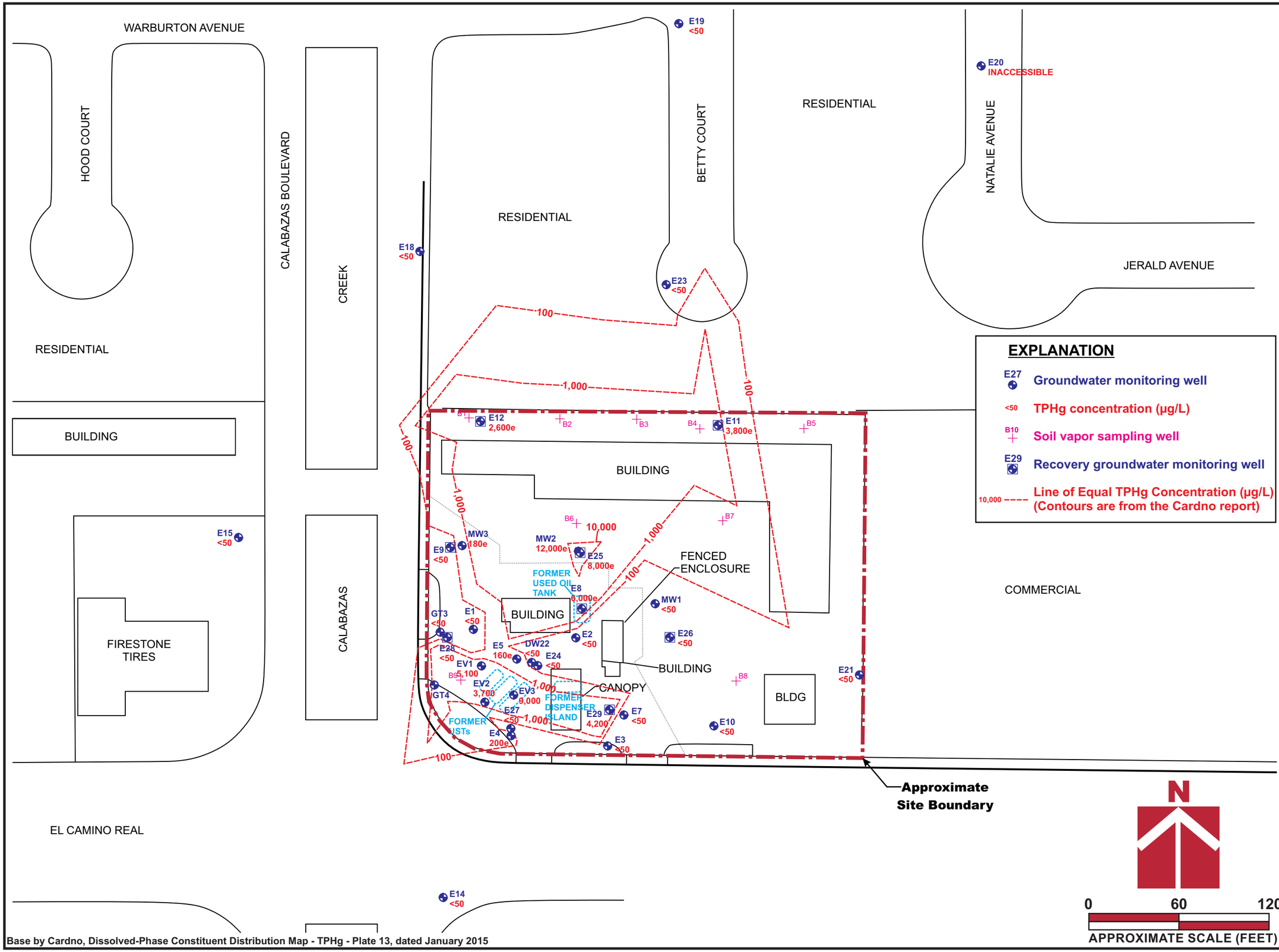

EXPLANATION

- E27 — Groundwater monitoring well
- <50 — TPHg concentration (µg/L)
- B10 — Soil vapor sampling well
- E29 — Recovery groundwater monitoring well
- 10,000 — Line of Equal TPHg Concentration (µg/L) (Contours are from the Cardno report)

Base by Cardno, Dissolved-Phase Constituent Distribution Map - TPHg - Plate 13, dated January 2015

Project Number: 958-4-1

Figure Number: Figure 3

Drawn By: RRN

Date: June 2018

Dissolved-Phase Map - TPH as Gasoline

3141-3157 El Camino Real
Santa Clara, CA

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APPENDIX A – TERMS AND CONDITIONS

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APPENDIX B – DATABASE SEARCH REPORT

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APPENDIX C – HISTORIC AERIAL PHOTOGRAPHS AND TOPOGRAPHIC MAPS

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APPENDIX D – LOCAL STREET DIRECTORY SEARCH RESULTS

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APPENDIX E – USER-PROVIDED INFORMATION

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APPENDIX F – RECORDS REVIEW DOCUMENTS

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