Appendix H-2a 2004 Phase I Mule Ranch Pt 1



PHASE I ENVIRONMENTAL SITE ASSESSMENT

SMISER MULE RANCH @ 24924 HAWKBRYN AVENUE

SANTA CLARITA, LOS ANGELES COUNTY, CA 91321

PREPARED ON BEHALF OF: CHINATRUST BANK (USA) AUGUST 11, 2004

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I. EXECUTIVE SUMMARY

The following is a general summary of the Phase I Environmental Site Assessment, its investigations, findings, and conclusions. The detailed information regarding any investigations, findings, or issues relating to the subject site can be found in Sections II-VI of this report.

Gabriel Environmental Services, LP (GES) was retained to perform a Phase I Environmental Site Assessment (ESA) on an improved tract that contains approximately 23.13 acres of land located along both the easterly right-of-way line of Hawkbryn Avenue and the westerly right-of-way line of Wiley Canyon Road, in the City of Santa Clarita, Los Angeles County, California. The subject site is asymmetrical in shape. It consists of 23.41 acres of land described as follows:

- LAND DESC IN DOC 0001770, 71-4-14*POR OF SW 1/4 OF SE 1/4 OF SEC 4 T 3N R 16W;
- FOR DESC SEE ASSESSO'R MAPS POR OF SE 1/4 AND POR OF LOT 7 IN SEC 4 T3N R16W.

Its physical address is 24924 Hawkbryn Avenue, Santa Clarita, California. The subject site is geographically located at latitude 34.370700 and longitude 118.558800.

Mr. Ara Kourouyan of ChinaTrust Bank (USA) authorized GES to conduct the ESA. On August 3, 2004 the property was inspected by GES consultant Henry Gabriel. GES also relied on a previous Phase I ESA performed on the subject property by West Coast Environmental and Engineering (WCE) in the preparation of this report. That report was dated August 15, 2003 and was provided to GES by the client.

The site under consideration in this project or the designated property in review consists of 23.13 acres of partly improved land that is developed with two single-story metal buildings, two mobile homes, mule barns, and one man-made lake. This property supports a natural cover of grass, brush, and trees. All vegetation on site appeared to be healthy and absent of any staining or discoloration. A portion of the property appears to have historically been utilized as a mule ranch and as pasture land. In an interview with Mr. James Rodgers, owner of the property, the subject site was previously occupied by a mule ranch known as Smiser Mule Ranch.

Based on the Los Angeles County Assessor's records, the improvements on the subject site were constructed in 1978 and 1980 and the buildings are 6,750 square feet and 9,380 square feet, respectively. The buildings are steel frame structures, sit on reinforced concrete slab foundations, have pitched roofs covered with metal roofing material, and have metal exterior walls. The floors are concrete or concrete covered with floor tile or carpeting.

In the previous ESA, a historical aerial photograph search was conducted on the subject property. Seven (7) aerial photographs were reviewed by WCE for the following years: 1928, 1947, 1952, 1968, 1976, 1989, and 1994. GES reviewed a 2002 aerial photograph. Based upon a review of aerial photograph maps, it appears that the part of the current improvements on site was first erected sometime between 1976 and 1989. From the 1952 aerial photograph, there was an improvement on the subject site which appeared to WCE that it could have been a pit/sump related to gas/oil well exploration. The research conducted on the subject site by WCE did not reveal any permits or records regarding oil/gas activity on the subject site.

In the previous ESA, a review of historical Sanborn Maps was also conducted on the subject property by Environmental Data Resources, Inc. to evaluate present and past land use, structures, improvements, and historical development of the subject site and surrounding properties. No coverage was found for the subject property.



In the previous ESA, a gas and oil well search was conducted on the subject property. Based on the search conducted, no gas and oil exploration or production wells were identified on the subject site. The closest identified wells were located to the east approximately 400 feet from the subject site and across Wiley Canyon Road and to the north approximately 500 feet.

GES noted the presence of several 55-gallon drums on the subject property. The drums were utilized for the storage of domestic waste and were therefore not deemed to constitute an environmental concern at this time. However, GES recommends that the drums and waste be removed from the subject property and be disposed of accordingly.

UES noted the presence of two water wells, two above ground water tanks, two propane tanks, and an underground septic system in the vicinity of the residential structures on the subject property. The presence of water well, propane tanks, and septic tanks were not deemed to constitute an environmental concern. However, GES recommends that if the septic system and water wells are not in use, that they be properly abandoned or removed following all pertinent regularly requirements.

For the last three months, the two metal buildings on site are currently used as shops where wooden furniture and cabinets are manufactured. Before that time, these two buildings were used as barns for the ranch.

Based on the site reconnaissance, no other recognized environmental conditions were discovered. No evidence of acutely hazardous chemical storage problems, waste disposal concerns, leaking transformers, deteriorating lead based paint, sumps, pits, catch basins, pipeline easements, landfill activities, bodies of water, unusual odors, or other environmental conditions were observed on the property in review. There was no physical or visual evidence of stressed vegetation, soil discoloration, odors, or other indicators of environmental exposure to the surface areas or soil on the subject property.

Given the above, it was not suspected that there had been any occupants or tenants on the subject property that would have conducted any process, fabrication, or manufacturing activities during the course of conducting their normal daily activities. There was no reason to suspect that any acutely hazardous substances would have been utilized or deposited on site.

To the north of the subject property is a mobile home park. To the south are residential dwellings, a fitness facility and raw land. To the east are Wiley Canyon Road and a flood channel. Across Wiley Canyon Road are residential dwellings and raw land. The west is Interstate Highway 5. Across Interstate Highway 5 is raw land.

The subject site is essentially surrounded by residential use, commercial businesses, or raw land. The tenants on surrounding properties did not appear to have needed to conduct any process or manufacturing activities during the course of conducting their day-to-day business. Therefore, there is no reason to suspect that any of them would have utilized or deposited any acutely hazardous substances on the site. All noted wastes are non-acutely hazardous. No improper/irresponsible handling of wastes was observed or suspected.

There is no industrial use in the vicinity of the subject tract. Nor are there any facilities surrounding the subject property that are suspected of utilizing any hazardous materials or of having any currently leaking petroleum storage tanks.



CA FID is the Facility Inventory Database that contains active and inactive underground storage tank locations. The source of this information is from the State Water Resource Control Board. A review of the CA FID UST list, provided by EDR, revealed that there is one CA FID UST site within a quarter of a mile of the target property. This facility is known as the California Highway Patrol and is located at 25111 Chiquella Lane or within an eighth of a mile to the west of the subject site. No leaks were reported from this facility. Based on its reported status, it was not deemed likely to constitute an environmental risk to the subject site.

A review of the Los Angeles County Industrial Waste and Underground Storage Tank Sites (HMS) list revealed the presence of one site within an eighth of a mile radius from the subject site. This facility's status is reported as 'closed'. It is not deemed to constitute an environmental concern at this time.

There are no (0) facilities that are on the RCRA, CERCLA, CORTESE, LUST, AWP, CAL-SITES, CHMIRS, CERCLIS, NPL, VCP, or SPL lists that are located within the ASTM recommended search radii from the subject property. Nor were there any permitted landfills that are located within a half of a mile distance from the property in review. According to the State's Spill Incident report, no (0) spill incidents were discovered to have taken place in the vicinity of subject property.

GES has reviewed the orphan sites in EDR's Radius Map Report and none of the sites or uses listed appear to have been located on the subject site.

No sampling for asbestos containing materials was conducted. The presence of asbestos containing materials on the subject property was deemed possible considering the fact that the improvements on it were first erected before 1979, when the use of such materials was not yet banned. Federal regulations are in effect which require removal of friable or potentially friable ACM prior to demolition (defined as wrecking or removing any load-supporting member) or renovation of a building.

No sampling for lead based paint was conducted. The presence of lead-based paint on the subject property was deemed possible considering the fact that the improvements on it were first erected before 1980, when the use of such materials was not yet banned. All painted surfaces on the property in review appeared to be in fair shape. They were not cracking or peeling at the time of the site visit. They also appeared to have been encapsulated with several layers of newer paint.

GES performed the ESA in conformance with the scope and limitations of the ASTM Standard Practice for Site Assessments: Phase I Environmental Site Assessment Process (E 1527). Based on the site information gathered herein, the assessment revealed no evidence of environmental concerns in connection with the subject property, except for the suspected presence of asbestos containing materials, as described herein above.

This report is prepared for the attention of: ChinaTrsut Bank (USA)

Note: The conclusions in this report are based on the findings of the investigation described herein above. Such an assessment can never absolutely conclude that a site does not contain hazardous materials inside structures, on its surface, or in its subsurface or that any such materials have not impacted the condition of the site. As long as the assessment is conducted properly and all due considerations are made, a degree of assurance can be achieved. The degree of assurance is determined by the amount of available information, scope of the assessment, and complexity of analyses performed. An absolute warranty can never be expressed or implied that no environmental liabilities exist on the site.



II. OBJECTIVES

II.A. Purpose and Scope of the Environmental Site Assessment:

- The purpose of the Phase I Environmental Site Assessment (ESA) is to satisfy due diligence requirements. It entails independent investigations by environmental professionals of key issues or facts related to potential environmental liabilities associated with the property transaction. It is an investigation of the real property conducted in order to determine or discover the obviousness of the presence or likely presence of a release or threatened release of hazardous substances on the real property and adjacent properties.
- The ESA consists of a review of various sources of information concerning the previous ownership and use of the real property. A historical review of the records of past use of the site and adjacent properties is conducted. Past and present owners are interviewed and investigated. An on site inspection and evaluation of the property's current use is conducted and areas of potential environmental concern are identified. In addition, records from federal, state and local government, as well as private agencies, are examined and aerial photographs can be provided, if available.
- All ESA's meet the requirements as outlined in the ASTM (E 1527). The most notable element
 included in the scope of this report is related to the fact that as a buyer of real property, it limits the
 amount of liability, resulting from preceding property activity, which the buyer might eventually have to
 face as a landowner. It clearly states that if the site assessment is conducted in due diligence, the
 new owner is entitled to be considered an "innocent land owner".
- The investigation of the subject site included a review of aerial photographs; interviews with knowledgeable site contacts; a review of federal, state, and local contaminated site lists; a review of underground storage tank and landfill databases; a visual inspection of the property and all improvements thereon; and a visual inspection for the suspected presence of asbestos containing materials and lead-based paint. No physical sampling for asbestos or lead-based paint was conducted. Nor was a subsurface investigation of the property undertaken as part of this assessment.

II.B. Limitations of the Site Assessment:

- This report is prepared for the sole and exclusive use of the clients and their representatives and may
 not be dispersed, disclosed to, or relied upon, in whole or in part, by any other persons or entities
 without the prior written consent of GES.
- The ESA is limited and based solely on the information collected in the field and office, secondary services, and personal interviews, as collected by GES during the conduct of the investigation. This report is based on the noted conditions, operations, and practices as noted on the date of the site visit on the property in review. Subsurface investigations of the site or surrounding areas were not considered as part of this ESA.
- The professional opinions expressed herein do not represent scientific certainties. All recommendations, findings, and conclusions stated in the report are based upon facts and circumstances as they existed at the time that this report was prepared (e.g. federal, state, local law, rules, regulations, and other matters that GES deemed relevant). A change in any fact or circumstances upon which this report is based may adversely affect the recommendations, findings, and conclusions presented in it.



GES does not represent that the site referred to herein contains hazardous or toxic substances or
other latent conditions beyond those observed during the site assessment. GES does not assume
responsibility for the discovery of any special resources, nor does it assume responsibility for the
elimination of hazards or adverse conditions that may cause accidents, injuries, damage, client
liabilities, or environmentally adverse conditions.



III. SITE REVIEW

III.A. Location - Site Address, City, County, State, Coordinates & Dimensions:

The property in review consists of an improved tract that contains approximately 23.13 acres of land located along both the easterly right-of-way line of Hawkbryn Avenue and the westerly right-of-way line of Wiley Canyon Road, in the City of Santa Clarita, Los Angeles County, California. The subject site is asymmetrical in shape. It consists of 23.41 acres of land described as follows:

- LAND DESC IN DOC 0001770, 71-4-14*POR OF SW 1/4 OF SE 1/4 OF SEC 4 T 3N R 16W;
- FOR DESC SEE ASSESSO'R MAPS POR OF SE 1/4 AND POR OF LOT 7 IN SEC 4 T3N R16W.

Its physical address is 24924 Hawkbryn Avenue, Santa Clarita, California. The subject site is geographically located at latitude 34.370700 and longitude 118.558800.

III.B. General Description:

IMPROVEMENTS/ACTIVITIES ON SUBJECT PROPERTY/PROPERTY HISTORY:

The site under consideration in this project or the designated property in review consists of 23.13 acres of partly improved land that is developed with two single-story metal buildings, two mobile homes, mule barns, and one man-made lake. This property supports a natural cover of grass, brush, and trees. All vegetation on site appeared to be healthy and absent of any staining or discoloration. A portion of the property appears to have historically been utilized as a mule ranch and as pasture land. In an interview with Mr. James Rodgers, owner of the property, the subject site was previously occupied by a mule ranch known as Smiser Mule Ranch.

For the last three months, the two metal buildings on site are currently used as shops where wooden furniture and cabinets are manufactured. Before that time, these two buildings were used as barns for the ranch.

IMPROVEMENTS

Based on the Los Angeles County Assessor's records, the improvements on the subject site were constructed in 1978 and 1980 and the buildings are 6,750 square feet and 9,380 square feet, respectively. The buildings are steel frame structures, sit on reinforced concrete slab foundations, have pitched roofs covered with metal roofing material, and have metal exterior walls. The floors are concrete or concrete covered with floor tile or carpeting.

SITE HISTORY

In the previous ESA, a historical aerial photograph search was conducted on the subject property. Seven (7) aerial photographs were reviewed by WCE for the following years: 1928, 1947, 1952, 1968, 1976, 1989, and 1994. GES reviewed a 2002 aerial photograph. Based upon a review of aerial photograph maps, it appears that the part of the current improvements on site was first erected sometime between 1976 and 1989. From the 1952 aerial photograph, there was an improvement on the subject site which appeared to WCE that it could have been a pit/sump related to gas/oil well exploration. The research conducted on the subject site by WCE did not reveal any permits or records regarding oil/gas activity on the subject site.



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In the previous ESA, a gas and oil well search was conducted on the subject property. Based on the search conducted, no gas and oil exploration or production wells were identified on the subject site. The closest identified wells were located to the east approximately 400 feet from the subject site and across Wiley Canyon Road and to the north approximately 500 feet.

FINDINGS

GES noted the presence of several 55-gallon drums on the subject property. The drums were utilized for the storage of domestic waste and were therefore not deemed to constitute an environmental concern at this time. However, GES recommends that the drums and waste be removed from the subject property and be disposed of accordingly.

GES noted the presence of two water wells, two above ground water tanks, two propane tanks, and an underground septic system in the vicinity of the residential structures on the subject property. The presence of water well, propane tanks, and septic tanks were not deemed to constitute an environmental concern. However, GES recommends that if the septic system and water wells are not in use, that they be properly abandoned or removed following all pertinent regularly requirements.

Based on the site reconnaissance, no other recognized environmental conditions were discovered. No evidence of acutely hazardous chemical storage problems, waste disposal concerns, leaking transformers, deteriorating lead based paint, sumps, pits, catch basins, pipeline easements, landfill activities, bodies of water, unusual odors, or other environmental conditions were observed on the property in review. There was no physical or visual evidence of stressed vegetation, soil discoloration, odors, or other indicators of environmental exposure to the surface areas or soil on the subject property.

Given the above, it was not suspected that there had been any occupants or tenants on the subject property that would have conducted any process, fabrication, or manufacturing activities during the course of conducting their normal daily activities. There was no reason to suspect that any acutely hazardous substances would have been utilized or deposited on site.

NEIGHBORING SITES:

North: To the north of the subject property is a mobile home park.

South: To the south are residential dwellings, a fitness facility, and raw land.

East: To the east are Wiley Canyon Road and a flood channel. Across Wiley Canyon Road are residential dwellings and raw land.

West: To the west is Interstate Highway 5. Across Interstate Highway 5 is raw land.

The subject site is essentially surrounded by residential use, commercial businesses, or raw land. The tenants on surrounding properties did not appear to have needed to conduct any process or manufacturing activities during the course of conducting their day-to-day business. Therefore, there is no reason to suspect that any of them would have utilized or deposited any acutely hazardous substances on the site. All noted wastes are non-acutely hazardous. No improper/irresponsible handling of wastes was observed or suspected.



There is no industrial use in the vicinity of the subject tract. Nor are there any facilities surrounding the subject property that are suspected of utilizing any hazardous materials or of having any currently leaking petroleum storage tanks.

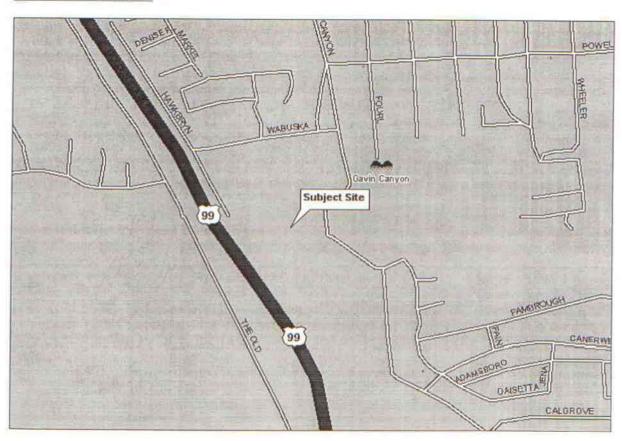
GENERAL TOPOGRAPHY:

Potential receptors are surface or subsurface features present or adjacent to the site. These include storm sewer inlets, sanitary sewer manholes/subsurface piping, underground telephone utilities, and natural receptors that are in the vicinity of the property in review. Given the above, the nearest natural receptor is the south fork of the Santa Clara River, which runs along the easterly property boundary.

According to the United States Geological Survey (USGS) 7.5 Minute Topographical Map, Oat Mountain Quadrangle, which covers the area in review, the subject property is located at an elevation of 1294 feet. The slope was nearly level, with the general gradient trending towards the northeast.

The subject property appeared to be well drained. From the visual inspection, there did not appear to be any adverse soil or subsoil conditions on the property or on nearby improved properties.

SITE LOCATION MAP:





UTILITIES:

It appeared to the consultants on site that some of the utility companies have their service in place on the property in review and on surrounding properties. They are:

Electric: Southern California Edison Company:

Telephone: Verizon;

Gas: Southern California Gas Company.

Water/Sewer: Water and sewer needs are serviced individually.

SPECIAL RESOURCES/REGIONAL SETTING:

The site in review is not deemed to have any special resources. There are no special resources on the subject property including wetlands, endangered species, or cultural resources. The property is not suspected of being a historical landmark.

Based on the information obtained from the US Fish and Wildlife Service, the property in review does not appear to be a suitable habitat for the federally listed endangered golden-cheeked warbler or the black-capped vireo. These birds are protected under the Endangered Species Act.

California State Law and Historic Preservation, a publication of the State Office of Historic Preservation (OHP), is a comprehensive compilation of state statutes and regulations that govern the identification, designation, and protection of the State of California's significant historical resources. The subject property is not registered as having historical or archaeological significance to the State of California. The subject property is not located in the vicinity of any ecological or geological landmarks registered in the Department of Interior's National Registry of National Landmarks (dated 1988).

III.C. Lead-Based Paint:

No sampling for lead based paint was conducted. The presence of lead-based paint on the subject property was deemed possible considering that the improvements on it were erected at a time when the use of such materials had not yet been banned.

Lead was a major ingredient in many types of house paints for years, prior to and through World War II. In the early 1950s, other pigment materials became popular, but lead compounds were still used in some pigments and as drying agents. Federal regulatory efforts began with the enactment of the Lead-Based Paint Poisoning Prevention Act (LBPPPA) in 1971, which required Public Housing Agencies and Indian Housing Authorities to conduct random sampling of dwellings and common areas where children live or are expected to live (Section 302). In 1972, the Consumer Products Safety Commission (CPSC) established a maximum lead content of 0.5 percent by weight in a dry film of newly applied paint. In 1978, the CPSC lowered the allowable lead level to 0.06 percent lead by weight.

All painted surfaces on site were in good shape. They were not cracking or peeling. They also all appeared to have been well encapsulated with several layers of newer paint.



III.D. Asbestos Containing Materials:

No sampling for asbestos containing materials was conducted. The presence of asbestos containing materials on the subject property was deemed likely considering the fact that the improvements on it were first erected before 1980, when the use of such materials was not yet banned. Based on current regulations, all buildings must be surveyed for the presence of asbestos containing materials prior to the performance of any renovation or demolition (defined as wrecking or removing any load-supporting member) activities irrespective of when they were constructed. Federal regulations are in effect which require removal of friable or potentially friable ACM prior to demolition or renovation of a building.

With regard to the above-presumed ACM on the subject property, UES recommends that an asbestos operation and maintenance (O&M) program be implemented. An O&M program will spell out the procedures and practices that must be applied to building cleaning, maintenance, renovation, and general operation to maintain the structure on the property as free of asbestos contamination as possible. The O&M program will have to remain in effect until all asbestos containing materials have been removed from the property.

The three primary objectives for the O&M program would be:

- To clean existing contamination and minimize future fiber release by controlling access to the ACM;
- (2) To develop a written plan that serves as a legal document. Properly prepared, this plan will act as a first line of defense, documenting the building owners' prudence in dealing with asbestos in the building; and
- (3) To defer more permanent abatement action (i.e. removal) and associated costs.

The reasoning behind such a program is to minimize the potential for airborne hazards stemming from a release of asbestos fibers. The plan will apply to maintenance staff, employees, occupants, and visitors. This includes maintenance personnel, custodians, administrators, and, generally, all employees. The management of the program must be placed under the direction and responsibility of one "Designated Person".

III.E. PCB Containing Power Equipment:

Polychlorinated biphenyls (PCBs), a hazardous group of chlorinated aromatic hydrocarbons, were used in a wide range of products including hydraulic and electrical equipment. PCB-containing equipment has the potential to cause soil and groundwater contamination. During the site visit, the property was surveyed for the presence of power transformers and other potential PCB containing electrical equipment. GES noted the presence of a number of pole-mounted transformers in locations surrounding the perimeter of the subject property.

According to the power company, the possibility exists that these transformers are filled with PCB oil. The utility company, however, is responsible for any leaks or contamination caused by PCB containing equipment. Current regulations do not require the removal of these transformers unless they are found to be in bad shape and/or were leaking. If requested, the utility company will test to determine the presence of PCBs in these transformers. There is a fee for this service.



It is generally understood that transformers under the jurisdiction of utilities companies are divided into three categories: those that have a PCB content of less than 50 parts per million (PPM), which is the level that is within the federally stipulated requirements for all new transformers; those that are between 50 and 500 PPM; and those that are above 500 PPM. All the transformers were observed to be in good shape and were not rusty or leaking.

As far as the electromagnetic fields (EMF's) generated by the overhead electric lines, several studies have been made to determine their harm to human health. EPRI, the Electrical Power Research Institute, the foremost authority that utilities companies rely on, conducted studies all over the country and determined that there is no evidence that these EMF's constitute a danger. One must note here that there are several items in the home, such as electric stoves, which generate more EMF's than the cables in reference.

III.F. Landfill Activity:

A landfill is a disposal facility or part of a facility where hazardous waste is placed in or on land and which is not a land treatment facility, a surface impoundment, or an injection well. According to the EPA, a landfill is defined as an engineered (by excavation or construction) or natural hole in the ground where wastes have been disposed and are covered by backfilling or by contemporaneous soil deposition with waste disposal, covering wastes from view. The problems that the agency deems to be associated with landfills are the migration of leachates and wastes from it into the ground and adjacent surface and subsurface waters, subsidence of the grounds in and above it, methane gas generation, the formation of pockets within it, and erosion. During the site visit, the area surrounding the property was surveyed for the evidence of landfill activity. None was found.

III.G. Surface Impoundments:

A surface impoundment is a facility or part of a facility which is a natural topographic depression, manmade excavation, or diked area formed primarily of earthen materials (although it may be lined with man-made materials), which is designed to hold an accumulation of liquid wastes or wastes containing free liquids and which is not an injection well. Examples of surface impoundments are holding, storage, settling, and aeration pits, ponds and lagoons. During the site visit, GES searched for evidence of surface impoundments and found one man-made pond at the subject site.

III.H. Air Emissions:

There is no evidence of air emissions on site.

III.I. Photographic Documentation:

The photographs taken during the site visit are hereby attached in Appendix I.

III.J. On Site Regulated Substance Identification/Inventory:

Some regulated substances were found on site as described above.



IV. SITE BACKGROUND RESEARCH

IV.A. Aerial Photographs:

In the previous ESA, a historical aerial photograph search was conducted on the subject property. The aerial photographs obtained were from 1928, 1947, 1952, 1968, 1976, 1989, and 1994.

1928: Part of the subject property is undeveloped vacant land. Wiley Canyon Road has been constructed to the east of the subject site. No apparent structures are seen adjacent to the subject site.

1947: The subject property remained the same as in the 1928 aerial photograph. Highway 99 has been constructed. Some development is apparent on the property adjacent and to the north of the subject site.

1952: There is a large pit or sump and several structures at the subject site. The property adjacent and to the north appears to be a cattle ranch with several structures and cattle apparent in the picture.

1968: In the 1968 aerial photograph, the subject property is vacant. Interstate 5 has been developed to the west of the subject site. A trailer park has been developed to the north of the subject site. Across Wiley Canyon Road to the east, a residential tract has been developed.

1976: The subject property is vacant. There are no apparent changes from the previous photograph except for a residential development to the north of the trailer park.

1989: The current structures were present at the subject site. There are no changes in the adjacent properties from the preceding photograph.

1994: The current structures were present at the subject site. There are no changes in the adjacent properties from the preceding photograph.

2002: The current structures were present at the subject site. There are no changes in the adjacent properties from the preceding photograph.

Based upon a review of aerial photograph maps, it appears that part of the current improvements on site was first erected sometime between 1976 and 1989.

IV.B. Sanborn Maps:

A review of historical Sanborn Maps was also conducted on the subject property by EDR to evaluate present and past land use, structures, improvements, and historical development of the subject site and surrounding properties. No coverage was found for the subject property.

IV.C. Site Maps:

Site Maps are hereby attached, including an ESA map with a one mile radius marked around the property and a USGS topographical map.



V. GEOLOGY

GEOLOGY:

According to the United States Department of Agriculture Soil Conservation Service Soil Survey of Antelope Valley Area, Los Angeles County, the subject property is underlain by the Yolo Loam, 0 to 2 percent slopes (YoA).

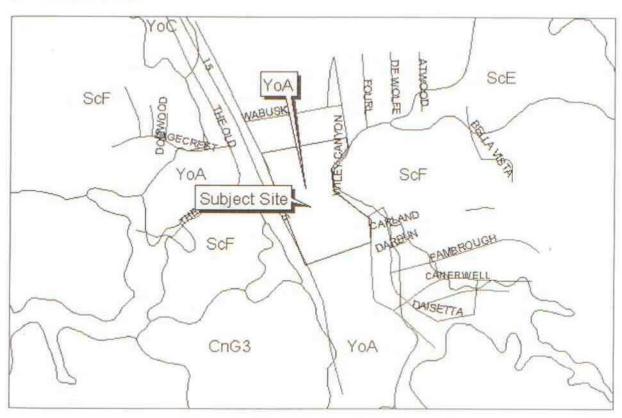


FIG: USDA SOIL MAP OF THE SUBJECT SITE

Yolo loam soils consist of well drained, moderately fine textured to moderately coarse textured soils, which are underlain by sedimentary alluvium. They are formed on nearly level to moderately sloping alluvial plains and fans. The soils exhibit good drainage, moderate permeability, and have a moderate infiltration rate when thoroughly wet. These consist chiefly of moderately deep or deep, moderately well drained or well drained soils that have moderately fine texture to moderately coarse texture. These soils have a moderate rate of water transmission.

Yolo loam is partially hydric soil. A hydric soil is a soil that forms under conditions of saturation, flooding, or ponding long enough during the growing season to develop anaerobic conditions in the upper part. Hydric soils along with hydrophytic vegetation and wetland hydrology are used to define wetlands.



VI. ENVIRONMENTAL/REGULATORY AGENCY INQUIRIES

The following information on the subject property and its surrounding area was obtained from governmental agencies directly or through secondary sources. The third party database company who provided the information presented in our report is EDR in Southport, Connecticut.

VI.A. Resource Conservation and Recovery Act (RCRA) Sites:

The RCRA notifiers list identifies those facilities that indicate that they generate, transport, treat, store, or dispose of hazardous waste regulated under the Resource Conservation Recovery Act of 1976 (RCRA). RCRA is an amendment to the first piece of Federal solid waste legislation called the Solid Waste Disposal Act of 1965. RCRA was amended in 1980 and most recently in 1984 by the HSWA (Hazardous and Solid Waste Amendments of 1984). This list is compiled by the EPA. Generators are required to have US EPA ID numbers on all waste manifest disposal records. The extent to which these facilities actually handle such wastes varies greatly from small-quantity generators to active treatment, storage, and disposal facilities. Based on the environmental database review, no RCRA registered facility was found located within a quarter of a mile radius from the subject property.

VI.B. Comprehensive Environmental Response, Compensation, and Liability Act Sites:

The CERCLIS is a US EPA database that lists those sites identified by federal, state, or local regulatory agencies as being of potential environmental concern due to past or current activities. This list designates such contaminated properties under the Federal Superfund Program pursuant to the Comprehensive Environmental Response Conservation and Liability Act (CERCLA). CERCLA sites represent an environmental concern for the discharge of hazardous materials by hazardous waste generators, treatment and storage facilities, and waste disposal sites. The status of CERCLIS sites range from those that have never been investigated, to those that have been investigated and proven to be of lower priority, to those that are in the process of gaining NPL status. According to the environmental database search, no facilities were registered as CERCLA sites within a radius of one-half of a mile from the subject property.

VI.C. National Priorities List (NPL) Sites:

The National Priority List (NPL) identifies those sites that are currently involved in CERCLA or Superfund actions related to abandoned or inactive hazardous wastes. It is compiled from the designated CERCLIS list. NPL sites are prioritized as to their significant risk to human health and the environment. This list targets those sites to receive remedial funding under CERCLA. The NPL lists the nation's highest priority sites for remedial action. Only NPL sites can receive CERCLA funding. In consideration of the above, no NPL sites were found within a mile radius from the subject site.

VI.D. Underground Storage Tanks (USTs):

California Underground Storage Tank (CA UST) list contains the active UST facilities in the State of California. Active UST facilities are gathered from the local regulatory agencies. According to database review, no CA UST sites were found within a half of a mile radius from the subject site. The source of this information was State Water Resources Control Board (SWRCB).

A review of the Los Angeles County Industrial Waste and Underground Storage Tank Sites (HMS) list revealed the presence of one site within an eighth of a mile radius from the subject site. This facility's status is reported as 'closed'. It is not deemed to constitute an environmental concern at this time.CA



FID is the Facility Inventory Database that contains active and inactive underground storage tank locations. The source of this information is from the State Water Resource Control Board. A review of the CA FID UST list, provided by EDR, revealed that there is one CA FID UST site within a quarter of a mile of the target property. This facility is known as the California Highway Patrol and is located at 25111 Chiquella Lane or within an eighth of a mile to the west from the subject site. No leaks were reported from this facility. Based on its reported status, it was not deemed likely to constitute an environmental risk to the subject site.

VI.E. Leaking Petroleum Storage Tanks (LPSTs):

According to the environmental database review, no registered LUST (Leaking Underground Storage Tank) facilities were found located within a half of a mile radius from the subject property. The source of the information was State Water Resources Control Board Leaking Underground Storage Tank Information System.

VI.F. "Cortese" Hazardous Waste & Substance Sites List:

According to the environmental database review, no CORTESE sites were found within a half of a mile radius from the subject site. This database identifies public drinking water wells with detectable level of contamination, hazardous substance site selected for remedial action, sites with known toxic material identified through the abandoned site assessment program, sites with USTs having a reportable release and all solid waste disposal facilities from which there is known migration.

VI.G. Spill Incidents:

The EPA's Emergency Response Notification System (ERNS) list and the TCEQ's Spill Incident Report contain spill records and store information of reported releases of oil and hazardous substances. These databases derive information from spill reports made to federal and local authorities to include the EPA, Coast Guard, National Response Center and Department of Transportation. These lists are updated quarterly. According to the ERNS list, no spill incidents were discovered to have taken place in the vicinity of the subject site.

VI.H. California Voluntary Cleanup Program Sites:

The California Voluntary Cleanup Program contains low level threat level properties with either confirmed or unconfirmed releases and the project proponents have request that DTSC oversee investigation and/or cleanup activities and have agreed to provide coverage for DTSC's cost. Based on the environmental database review, no Voluntary Program Cleanup Sites were found located within a half of a mile radius from the subject property.



VII. CONCLUSIONS

Gabriel Environmental Services, Inc. performed the Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Standard Practice for Site Assessments: Phase I Environmental Site Assessment Process (E 1527-00). Based on the site information gathered herein, the assessment revealed no evidence of environmental concerns in connection with the subject property, except for the suspected presence of asbestos containing materials, as described herein above.

Our search of the available sources could not prove or disprove that any hazardous materials were ever introduced to the site or that a hazardous waste spill occurred on site at any given time.

In the professional opinion of GES, an appropriate level of inquiry has been made into the previous ownership and use of the property consistent with good commercial and customary practice in an effort to minimize liability.

The conclusions in this report are based on the findings of the investigation described herein above. Such an assessment can never absolutely conclude that a site does not contain hazardous materials inside structures, on its surface, or in its subsurface or that any such materials have not impacted the condition of the site. As long as the assessment is conducted properly and all due considerations are made, a degree of assurance can be achieved. The degree of assurance is determined by the amount of available information, scope of the assessment and complexity of analyses performed. An absolute warranty can never be expressed or implied that no environmental liabilities exist on the site.

August 11, 2004

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GE04036

VIII. REFERENCES

VIII.A. Regulatory Records and Public Documents:

The third party database company who provided the information presented in our report is EDR of Southport, Connecticut.

VIII.B. Published References:

- 1. OSHA, Title 20, Part 1926, of the Code of Federal Regulations
- 2. OSHA. Title 29, Part 1910, of the Code of Federal Regulations
- Environmental Protection Agency (EPA) Title 40, Part 61, Sub-part A of the Code of Federal Regulations
- Environmental Protection Agency (EPA) Title 40 CFR 763 (Asbestos Material in Schools Final Rule)
- EPA National Emission Standard for Asbestos, Title 40, Part 61, Sub-part M of the Code of Federal Regulations
- United States Department of the Interior Geological Survey; 7.5-Minute Series (Topographic), Oat Mountain Quadrangle, Los Angeles County, California.
- United States Department of the Interior, Fish and Wildlife Service; National Wetlands Inventory Oat Mountain Quadrangle Map (Topographic), Los Angeles County.
- 8. Federal Drinking Water Act
- 9. Federal Manual for Identifying and Delineating Jurisdictional Wetlands, 1987
- American Society for Testing and Materials (ASTM) Standard Practice for Site Assessments: Phase I Environmental Site Assessment Process (E 1527)
- 11. US Fish and Wildlife Service, Endangered Species Act
- 12. National Registry of National Landmarks, US Department of Interior, 1988



Acronym List

Governmental Agency Names

ASTM American Society for Testing and Materials Code of Federal Regulations CFR CPSC Consumer Products Safety Commission DOT Department of Transportation **OSHA** Occupational Safety & Health Administration **EPA Environmental Protection Agency** Electrical Power Research Institute **EPRI** Texas Department of Health TDH

TNRCC Texas Natural Resource Conservation Commission
TNRIS Texas Natural Resource Information System

TWC Texas Water Commission

USNRCS United States Natural Resource Conservation Service (former Soil Conservation Service)

USSCS United States Department of Agriculture Soil Conservation Service

USGS United States Geological Survey

Governmental Regulations

AHERA Asbestos Hazard Emergency Response Act

CERCLIS Comprehensive Emergency Response, Compensation and Liability Information System

CFR Code of Federal Regulations

ERNS Emergency Response Notification System
LBPPPA Lead-Based Paint Poisoning Prevention Act
NPDES National Pollutants Discharge Elimination System

NPL National Priorities List

RCRA Resource Conservation and Recovery Act SPCC Spill Prevention, Control Countermeasures

TRI Toxic Release Inventory

Environmental Terms & Measurements

ACBM Asbestos Containing Building Material
ACM Asbestos Containing Material
AST Aboveground Storage Tank
BDL Below Detection Limits

BTEX Benzene, Toluene, Ethylbenzene, Xylene

ESA Environmental Site Assessment
FRP Fiberglass Reinforced Plastic
LPST Leaking Petroleum Storage Tank
LUST Leaking Underground Storage Tank
MCL Maximum Contaminant Level
MSW Municipal Solid Waste Site

PACM Presumed Asbestos Containing Material

PCB Polychlorinated Biphenyl

PCi/I PicoCurries of Radon per Liter of Air

PCM Phase Contrast Microscopy
PLM Polarized Light Microscopy

PPM Part Per Million

PST Petroleum Storage Tank

REC Recognized Environmental Condition
TEM Transmission Electron Microscopy
TPH Total Petroleum Hydrocarbons
UST Underground Storage Tank
VOC Volatile Organic Compounds